

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

August 10-11, 2005

Galveston, Texas

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Francie A. Frederick
Counsel and Secretary to the Board
November 7, 2005

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
August 10, 2005

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 4:05 p.m. on Wednesday, August 10, 2005, in the Dining Room, 2nd Floor, William C. Levin Hall, The University of Texas Medical Branch at Galveston, 11th and Market Streets, Galveston, Texas, with the following participation:

Attendance

Regent Rowling, presiding
Vice-Chairman Hunt
Vice-Chairman Krier
Regent Barnhill
Regent Caven

Also present were Chairman Huffines (for Items 5-10), Vice-Chairman Clements, Regent Craven, Regent Estrada (for Items 4-10), and Counsel and Secretary Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Rowling called the meeting to order and thanked former Committee Chairman Hunt for his service to the Committee.

1. U. T. System: Approval of Docket No. 123

Committee Meeting Information

Not on agenda for Committee meeting

2. U. T. System: Presentation of Monthly Financial Report

Committee Meeting Information

Presenter(s): *Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer*
Status: *Reported*

Discussion at meeting:

In response to a request by Committee Chairman Rowling, Mr. Wallace said U. T. Health Center - Tyler, as of June, is expecting to end the year with a negative margin of \$1 million primarily due to declining patient revenues. He said the institution is taking positive steps by working with U. T. Medical Branch - Galveston to help serve the prison population. Mr. Wallace said the Center for Healthy Aging should also lend some revenue downstream. Dr. Scott C. Kelley, Executive Vice

Chancellor for Business Affairs, said an intervention plan was being implemented and U. T. Health Center - Tyler was in a tough market with declining occupancy at its hospital. In response to an inquiry by Regent Barnhill, Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs, said there are ongoing discussions with Trinity Mother Frances Health System revolving around potential joint programming and clinical programs. Dr. Shine added that U. T. Health Center - Tyler is working on building its research portfolio on the clinical side.

3. U. T. System: Approval of transfer of funds between Legislative Appropriation items during the biennium beginning September 1, 2005

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer

Status: Approved

Motion: Made by Regent Barnhill, seconded by Vice-Chairman Hunt, and carried unanimously

Discussion at meeting:

Vice-Chairman Krier asked if items could be transferred from one campus to another and Mr. Wallace responded yes, as long as the Board grants approval. Vice-Chairman Krier said the item appears to approve any transfer at any time and Mr. Wallace said items of significance would have to come before the Board for approval. He said group insurance is an example of an insignificant item that would not require Board approval. In response to another question by Vice-Chairman Krier, Mr. Wallace said a transfer between institutions must have the approval of both presidents and he added that funds could not be transferred between academic and health institutions. He said the total appropriation could not be exceeded, but if an institution is unable to use its appropriation, it can be transferred to another institution that is able to use it.

4. U. T. System: Approval to exceed the full-time equivalent limitation on employees paid from appropriated funds

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer

Status: Approved

Motion: Made by Vice-Chairman Hunt, seconded by Regent Caven, and carried with Vice-Chairman Krier abstaining from vote

Future Actions: Include additional justification for exceeding full-time equivalent limitations in Friday packet per request from Vice-Chairman Krier and recite the justification in future Agenda Items and in the letter to the Legislative Budget Board.

Discussion at meeting:

Mr. Wallace said there were two main reasons institutions exceeded the appropriation cap: (1) the full-time equivalent (FTE) limitations are based on data that is two

years old, and (2) consideration was not given to additional money appropriated during the past legislative session. He said 76% of the FTE requests are caused by (1) additional faculty, (2) hospital and clinic staff, and (3) plant operation and maintenance staff. He said these three areas are growing due to student population. Mr. Wallace said over 70% of the FTE requests are at four institutions: (1) U. T. Brownsville is a technical adjustment since the legislature treats Texas Southmost College as a separate entity and staff associated with U. T. Brownsville is not reflected in the appropriations bill; (2) U. T. Medical Branch - Galveston is related to hospital and patient care activity; (3) U. T. M. D. Anderson Cancer Center is due to increasing patient volumes; and (4) U. T. San Antonio is related to new faculty and staff needs to operate new buildings. He said the remaining requests are to primarily meet enrollment goals or growth.

Mr. Wallace said an attempt to get a rider passed this last legislative session to eliminate Governor and Legislative Budget Board approval to exceed FTE limitations was unsuccessful.

Future Actions: Vice-Chairman Krier requested that additional justification for exceeding full-time equivalent limitations be included in the Friday packet and that justification be recited in future Agenda Items and in the letter to the Legislative Budget Board.

5. U. T. System: Approval of Optional Retirement Program employer contribution rates for Fiscal Year 2006

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer

Status: Approved

Motion: Made by Vice-Chairman Hunt, seconded by Regent Barnhill, and carried unanimously

Discussion at meeting:

Regent Rowling asked if institutions could request to decrease rates and Mr. Wallace responded they could.

6. U. T. System Board of Regents: Report on Investments for quarter ended May 31, 2005, Liquidity Profile, and Performance Report by Ennis Knupp + Associates

Committee Meeting Information

Presenter(s): Mr. Bob Boldt, UTIMCO President, Chief Executive Officer, and Chief Investment Officer; Mr. Steve Voss, Ennis Knupp + Associates

Status: Reported

Discussion at meeting:

Mr. Boldt reported that through June, the Permanent University Fund is ahead by 14.2% and the General Endowment Fund is ahead by 14.3%.

Regent Rowling asked for additional information related to underperformance of benchmarks in the last four or five months. Mr. Boldt said despite the current conservative portfolios that are below the benchmark risk, the endowments are still more than two percentage points ahead of the policy portfolio benchmark from fiscal year to date. He cited high oil prices, rising federal rates, and rising housing prices as reasons for the conservative position of the endowments.

Regent Rowling noted allocations are now within the compliance ratios for all categories.

7. U. T. System: Approval of aggregate amount of equipment financing for Fiscal Year 2006 and resolution regarding parity debt

Committee Meeting Information

Presenter(s): *Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance*

Status: *Approved*

Motion: *Made by Regent Caven, seconded by Regent Barnhill, and carried unanimously*

8. U. T. System: Permanent University Fund quarterly update

Committee Meeting Information

Presenter(s): *Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance*

Status: *Reported*

Discussion at meeting:

In response to a question by Regent Rowling, Mr. Aldridge said the \$70 million Library, Equipment, Repair and Rehabilitation appropriations come out of the \$90.7 million debt service.

Chancellor Yudof said there is currently a 30% limitation on bonding authority and asked if there were constitutional limits on the distribution. Mr. Aldridge responded there is a constitutional cap on the distribution of 7% of the market value of the Permanent University Fund (PUF) and said U. T. System is currently at 4.75%. He said there is a 30% constitutional constraint on the cost or book value of the PUF of which U. T. System would benefit 20%. The U. T. System financial debt capacity is \$384 million over six years and the constitutional debt capacity is approximately \$550 million. Vice-Chairman Hunt asked if this was based on book value rather than market value and Mr. Aldridge responded it was, adding that the book value of the

PUF is approximately \$8.4 billion and the market value is approximately \$9 billion. Chancellor Yudof said even if the distribution was raised, U. T. System is not very far from the debt limit.

9. **U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds not to exceed \$300,000,000 and authorization to complete all related transactions**

Committee Meeting Information

Presenter(s): Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance

Status: Approved

Motion: Made by Regent Barnhill, seconded by Vice-Chairman Hunt, and carried unanimously

Note:

All Committee members were present for the vote.

10. **U. T. System Board of Regents: Adoption of Fifteenth Supplemental Resolution authorizing Revenue Financing System Bonds in an amount not to exceed \$600,000,000; authorization to complete all related transactions; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance

Status: Approved

Motion: Made by Regent Barnhill, seconded by Vice-Chairman Hunt, and carried unanimously

Note:

All Committee members were present for the vote.

Discussion at meeting:

Mr. Aldridge noted that in addition to Board of Regents' approval, Coordinating Board approval on projects and Bond Review Board and Attorney General approval is also needed for Revenue Financing System debt.

ADJOURNMENT

Committee Chairman Rowling announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 4:40 p.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
August 10, 2005

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 3:05 p.m. on Wednesday, August 10, 2005, in the Dining Room, 2nd floor, William C. Levin Hall, The University of Texas Medical Branch at Galveston, 11th and Market Streets, Galveston, Texas, with the following participation:

Attendance

Chairman Krier, presiding
Regent Caven
Regent Craven
Regent Estrada
Regent Rowling

Also present were Chairman Huffines, Vice-Chairman Clements, Vice-Chairman Hunt (absent for Item 1), Regent Barnhill, and Counsel and Secretary Frederick.

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

1. **U. T. System: Reports from academic presidents, Academic Affairs Committee members, and Executive Vice Chancellor Sullivan**

Committee Meeting Information

Presenter(s): Institutional presidents; Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs

Status: Reported

Future Actions: Dr. Sullivan and Dr. Shine are to work on reporting related to "pipeline" programs (a result of Dr. García's minute-at-the-mike report).

Discussion at meeting:

President Cárdenas said U. T. Pan American received funding for the second GEAR UP program; \$7 million annually for five years to begin work on a gear-up to graduate model designed to align processes of the University to increase graduation rates and to push for timely graduation. U. T. Pan American also received \$1 million in 2005 money and \$1 million in 2006 money for the North American Consortium for Technology Innovation, a project between the College of Engineering, Monterrey Tech, and Michigan State. Initial funding for this consortium is part of building a platform for what is hoped will be an emerging technology initiative for U. T. Pan American.

President Cárdenas also reported the auditing students won a national championship for the second year in a row.

President Spaniolo said U. T. Arlington will inaugurate a research magazine this fall titled U. T. Arlington Research. Two issues will be published per year, and the publication will reflect the University's increasing commitment and capacity to do funded research. President Spaniolo also noted construction of the new chemistry/physics building will be finished at the end of this calendar year, open for the spring semester, and include a state-of-the-art planetarium. U. T. Arlington hopes to host a meeting for the Regents in the building next August.

As part of U. T. Arlington's ongoing effort to create more on-campus housing, 180 new units for campus apartments will be open in the next 10 days, allowing almost 4,500 students to live in university housing, the largest number ever to live on this campus. Student housing is an opportunity to create a more engaged campus within a metropolitan area.

President Spaniolo reported on the largest gift ever to the College of Education -- an individual gift of over \$750,000 from Mr. Steve Pelko of Fort Worth. Mr. Pelko, who is interested in mind/brain education, has made the lead gift for a \$2 million Distinguished Chair in the College of Education. The University will work with him to raise the rest of the money within the next 12 months.

Vice-Chairman Krier welcomed President Daniel to his first meeting. President Daniel said excellence in quality has been the mantra at U. T. Dallas; 45% of undergraduates are part of the top 10%, and the freshman class this fall has an average SAT score of 1250. He reported the University is substantially increasing research activities but the biggest need at the moment is for infrastructure, therefore the Tuition Revenue Bond bills are the single-most important element for U. T. Dallas in the next 12 months. A grassroots strategic planning effort has been initiated that will produce a draft plan some time this fall that will be broadly circulated to stakeholders, including the Board of Regents. This effort will come to a close by the end of calendar year, and it is hoped the result will be a road map for the next decade or so to take U. T. Dallas to Tier 1 status.

President Romo reported on the continuing expansion of the U. T. San Antonio campus. Eighty new tenure-track faculty members will join the University this fall, which is a record number of new faculty members at one time for the campus. Over the past two years, submission of grants and contract proposals has increased by 50%. An example of the new grants is the emerging infectious disease team that recently received a \$6.7 million grant from NIH. U. T. San Antonio continues to enhance campus life as well. The Roadrunner Café, a 425-seat dining hall just opened this week, and a new parking garage will open this fall.

President Mabry reminded the Committee of the 100% pass rate on the state nursing exam and a 100% pass rate on the engineering exam and then reported a

100% pass rate on the clinical counseling exam. He said this triple success rate is particularly impressive when it is recognized that even the best universities average an 85% pass rate. President Mabry also noted U. T. Tyler received degree planning authority from the Coordinating Board for doctoral programs in nursing and in human resources development.

Dr. Mabry reported an upcoming GEAR UP grant funded by the U.S. Department of Education for over \$500,000 for U. T. Tyler, and the addition of 31 faculty members to the University in the fall.

President Watts said the School of Education at U. T. Permian Basin received a three-year \$1.7 million grant from the U.S. Department of Education to establish a principals' academy for West Texas that will be responsive to needs identified in their area of West Texas. The Center for Energy and Economic Diversification received two additional grants, one from the Economic Development Administration and one from the State Energy Conservation Office, to focus on emerging energy technologies and applications as well as employment of individuals within those emerging technologies including wind, geothermal, solar, and other new possible energy applications.

President Natalicio talked about recruiting processes at U. T. El Paso including hiring a new Dean of Business from the University of Pittsburg and hiring of key faculty members to provide leadership to help departments move up to another level. She said the Centennial Commission, a group of 100 individuals who have worked for the past year on envisioning U. T. El Paso in 2014, will produce a report later this fall. The Commission is tasked with providing a road map of recommendations leading up to the University's 100th birthday in 2014.

In addition, President Natalicio said she is pleased with the validation of the doctoral education at U. T. El Paso by the fact that a doctoral student received a National Science Foundation fellowship and chose to do his doctoral work at U. T. El Paso. These are good signs that the program and the students are meeting high standards. The University will compete in Conference USA this fall and compete with teams in the eastern part of Texas to a greater extent. Participation in this new conference should provide higher visibility and President Natalicio expressed hope that the Regents will come cheer on the Miners. She also expressed concern about Tuition Revenue Bonds, and said nothing is more critical for the institution than capital funding.

President Faulkner spoke about the Biomedical Engineering Department that has attracted hundreds of majors each year and operates in strong partnership with U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston. President Faulkner said the unit decided to create what may be the first institution-spanning department in the U. T. System and will go to single governance with faculty in three different U. T. System institutions. President Faulkner said this is an experiment that will create opportunities.

President Faulkner also highlighted four major appointments at U. T. Austin:

- *Dr. Juan Gonzalez, a Texan, has been recruited from Arizona State as the Vice-President for Student Affairs to replace Dr. James Vick who is retiring.*
- *Dr. Gregory J. Vincent is the new Vice Provost for Inclusion and Cross-cultural Effectiveness who will help faculty, student, and graduate student recruitment.*
- *Dr. Roderick P. Hart has agreed to continue as the permanent Dean of the College of Communication.*
- *Mr. James B. Steinberg has been recruited as the new Dean of the LBJ School of Public Affairs. Mr. Steinberg is the Vice President and Director of the Foreign Policy Studies Program at The Brookings Institution and will join U. T. Austin in January.*

President García reported the Department of Education awarded the School of Education at U. T. Brownsville a \$4.8 million award for the purpose of early childhood education. The intent is to train 900 day-care providers who will use and apply a research-based curriculum in their teaching. The effect would be to help 8,000 children prepare for kindergarten.

Dr. García also noted a U. T. Brownsville team of three students won first place in on-camera news talent in a national competition in communications.

President García recognized the importance of the University's relationship with U. T. Medical Branch - Galveston in an early medical school acceptance program that allows U. T. Medical Branch to select, in a highly competitive process, four U. T. Brownsville graduates to their medical school. The program has been in place for a while and President García acknowledged the positive effects of the program: four students have graduated from U. T. Medical Branch - Galveston so far and one of them received the Gold Headed Pane award, an award from her own peer group that recognizes her ethics, professionalism, and humanism as a doctor. The student currently lives in San Antonio and is finishing up her work with plans to return to the Valley to practice medicine. President García said it has been a successful program and she expressed hope that they might emulate that program with other U. T. System health institutions.

President García also talked about a program called "Frontera del Sud" that takes current medical school students to clinics in the Valley to learn about life outside of the laboratory. Students are having an impact on one of the poorest areas of the community and are benefiting from the real-life training.

The building dedication ceremony for the School of Education and School of Business will take place on September 27, and President García invited everyone to attend.

2. **U. T. Arlington: Authorization to purchase the real property and improvements located at 200 East Loop 820, Fort Worth, Tarrant County, Texas, at fair market value as established by independent appraisals, for use as a computing center**

Committee Meeting Information

Presenter(s): President James D. Spaniolo, U. T. Arlington

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Craven, and carried unanimously

3. **U. T. Austin: Authorization to contract with FLIK International Corporation Conference Center Management for management of The University of Texas Professional Education and Conference Center and delegate approval authority**

Committee Meeting Information

Presenter(s): President Larry Faulkner, U. T. Austin

Status: Approved

Motion: Made by Regent Caven conditioned on amendment of the management contract as recommended by the Vice Chancellor and General Counsel in the Board's Executive Session on August 10, 2005; seconded by Regent Craven, and carried unanimously

Discussion at meeting:

Using a PowerPoint presentation, President Faulkner discussed the professional education and conference center project planned to service the evolution of universities as centers where people in mid-professional careers seek educational opportunities that are formally delivered but not on a semester basis nor on a formal degree program basis.

Dr. Faulkner said the pattern is already apparent in continuing legal education, continuing engineering education, and continuing business education where professional reinforcement is required by licensing or pace of development in professional fields. He predicted this trend will continue and will become a bigger part of what leadership institutions do to bring people and house them together with teaching facilities that are of a campus standard -- that means high-quality classrooms, often with tiered seating and technology support, not hotel ballrooms. He said this is an expanding role for leading public universities, and it serves the Red McCombs School of Business because that school is taking a leadership role in developing this facility but this facility would also support law, social work, and a host of other areas where professional education is important.

Dr. Faulkner clarified this will be a fee-for-service contract, not a profit-sharing contract and the contract has evolved through a bidding process. He said the project is projected to be income-earning and will not drain resources from other

mission-related activities. He said the important focus is whether the project can break even. U. T. Austin cannot subsidize the project. To the extent that there is a margin, and the feasibility study shows a significant margin, he said the project might be considered insurance that this center can be created and operated on a stable, self-sustaining, financial basis, allowing the University to expand its role effectively. If there is income afterwards, it would allow other mission-related activities to be supported by the University.

There have been serious discussions about the site, and President Faulkner indicated a shift in approach. Although not optimal, he said the project will be designed so that the plot of land owned by the Players Restaurant will not be required. What financial impact that might have is not known at this stage, but U. T. Austin will look hard at how to complete this project without using that land.

Regent Caven asked for an apples-to-apples comparison with what other public business schools are doing in terms of executive education. He asked specifically what kind of revenues the University of Michigan earns from its conference center.

President Faulkner said that of the top 20 ranked business schools U. T. Austin is the only one without an executive education program. He called on Dr. George W. Gau, Dean of the Red McCombs School of Business, who said last year the University of Michigan earned \$35 million in revenue -- not profit -- compared to the approximately \$9 million in revenue generated by U. T. Austin.

Regent Estrada asked for clarification about the situation with Players Restaurant and President Faulkner said U. T. Austin is committed to developing a design for the project that will not require that piece of land even though that is not the optimal way to proceed financially. Regent Estrada clarified that U. T. Austin would move forward with constructing what was planned and confirmed there was no intention to scale back the facility, rather just consideration of a redesign to build around that land.

Chairman Huffines commended President Faulkner for submitting an excellent proposal and applauded his commitment to consider other options to make sure the conference center is built in a timely fashion. He confirmed that U. T. Austin would return to the Board to recommend the final site and President Faulkner assured the Chairman that U. T. Austin will return to the Board as appropriate.

Chairman Huffines repeated his hope that the project can stay on the original timetable because the facility is needed.

Committee Chairman Krier clarified that for today, U. T. Austin is seeking authorization to contract with FLIK International and to delegate authority for approval to the Executive Vice Chancellor for Business Affairs subject to approval by the Chancellor and the Office of General Counsel.

The Chancellor said Vice President Ohlendorf and Vice Chancellor and General Counsel Burgdorf will review the legal language and he asked if that were included. Vice-Chairman Krier said that is included in the delegation of authority to the Executive Vice Chancellor to sign it only after it has been approved by Vice Chancellor and General Counsel Burgdorf and the Chancellor.

Regent Caven made a motion granting approval conditioned on amendment of the management contract as recommended by the Vice Chancellor and General Counsel in the Board's Executive Session on August 10, 2005.

4. **U. T. El Paso: Authorization to purchase the unimproved real property located at 1614 Hawthorne Street, El Paso, El Paso County, Texas, at fair market value as established by an independent appraisal, to construct a parking lot**

Committee Meeting Information

Presenter(s): None

Status: Approved

Motion: Made by Regent Rowling, seconded by Regent Estrada, and carried unanimously

5. **U. T. Pan American: Authorization to purchase the unimproved land located along the north side of West University Drive, west of Sugar Road and adjacent to the southwest corner of the campus Physical Plant, in Edinburg, Texas, described as the east approximately 16.42 acres west of Canal out of Lot 5, Section 273, Texas-Mexican Railway Company Subdivision, City of Edinburg, Hidalgo County, Texas, at fair market value as established by independent appraisals, for expansion of the campus to accommodate future academic facilities and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): None

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Caven and Regent Rowling, and carried unanimously

6. **U. T. Pan American: Authorization to purchase the real property and improvements located at 521 North Jackson Road, Edinburg, Hidalgo County, Texas, at fair market value as established by independent appraisals, for future campus expansion and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): None

Status: Approved

Motion: Made by Regent Estrada, seconded by Regent Caven and Regent Rowling, and carried unanimously

7. **U. T. Pan American: Request to name the Raúl Yzaquirre Policy Institute and approve the creation of an advisory council to be known as the Raúl Yzaquirre Policy Institute Advisory Council (Regents' Rules and Regulations, Series 60302, regarding advisory councils)**

Committee Meeting Information

Presenter(s): President Blandina Cárdenas, U. T. Pan American

Status: Approved

Motion: Made by Regent Estrada conditioned on Chairman Huffines' request for a review of all centers and institutes according to a 1996 U. T. System Policy concerning the Establishment of Centers and Institutes, and report to the Board prior to August 2006, seconded by Regent Craven, and carried unanimously

Discussion at meeting:

President Cárdenas introduced Dr. Cynthia Brown, who is acting as director of the planning efforts for this Policy Institute. She said Congressman Rubén Hinojosa was able to secure funding for the Institute before this could be brought to the Board for a naming so today U. T. Pan American requests the Board's approval for the naming of an Institute that would look at policy training of Hispanic and non-Hispanic leaders. U. T. Pan American has extensively examined the feasibility of programmatic activities using the funds that have been allocated through the set-aside. The University has visited with the Bush Center, the Baker Center, and the LBJ Center to learn about programmatic options, and intends to establish an Advisory Committee so that fund-raising efforts can proceed.

Committee Chairman Krier noted in addition to this Agenda Item, Items 8 and 9 also involve the creation of advisory councils, and she called upon the Chairman for a discussion that goes beyond this Item.

Chairman Huffines read the following statement: "I support this naming of the Raúl Yzaquirre Policy Institute consistent with the language in the federal appropriation. However, because creation of the Institute was not reviewed in advance by the Board or the System Administration as a budget item, I would like to see approval of

this item conditioned on review pursuant to an approved institutional policy consistent with the 1996 U. T. System Policy concerning the Establishment of Centers and Institutes.

The 1996 Policy included a reminder of the long-standing Regental expectation that the proposed establishment of centers and institutes be reviewed for budgetary, contractual, and academic program implications. Careful review also provides opportunities to minimize the establishment of unnecessary budget units and the periodic review provides an opportunity to determine if centers and institutes are still in existence and if their continued existence is justified and in the best interest of the University.

I have talked with Executive Vice Chancellor Sullivan about this expectation. I appreciate the opportunity to comment, but as an ex officio member of this Committee, I cannot make an actual motion."

Committee Chairman Krier clarified with Chairman Huffines the Agenda Item could be approved subject to the Chairman's condition. Chairman Huffines explained there is a policy stipulating that centers and institutes are to be reviewed on a regular basis. Because there is no documentation on the review requirement, Executive Vice Chancellors Sullivan and Shine were asked to come back to the Board with a plan on how these centers and institutes across the System are going to be reviewed on a regular basis.

Chancellor Yudof commented there are many institutes, some function very well and others need attention. He said he was unaware of the 1996 policy.

Regent Estrada said he concurred with Chairman Huffines. He added he has been acquainted with Raúl Yzaguirre for his entire professional life, and he believes this Institute is a fitting tribute to Mr. Yzaguirre's legacy of work nationally and particularly in Washington. An Institute of this nature will attract a number of large foundation grants. This is an Institute that can be properly put in place, thrive, and bring more resources to the U. T. System. Regent Estrada made the motion as suggested by Chairman Huffines.

8. U. T. San Antonio: Request to create the College of Public Policy Advisory Council (Regents' Rules and Regulations, Series 60302, regarding advisory councils)

Committee Meeting Information

Presenter(s): President Ricardo Romo, U. T. San Antonio

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

Committee Chairman Krier asked how a balanced representation will be established on these councils and President Romo said U. T. San Antonio will work with deans and encourage discussion to ensure balance. Committee Chairman Krier confirmed representation across the spectrum of ideas and approaches will be achieved.

9. U. T. San Antonio: Request to create the College of Sciences Advisory Council (Regents' Rules and Regulations, Series 60302, regarding advisory councils)

Committee Meeting Information

Presenter(s): President Ricardo Romo, U. T. San Antonio

Status: Approved

Motion: Made, seconded, and carried unanimously

10. U. T. San Antonio: Authorization to establish a Ph.D. degree program in Anthropology

Committee Meeting Information

Presenter(s): President Ricardo Romo, U. T. San Antonio

Status: Approved

Motion: Made by Regent Craven, seconded by Regent Estrada, and carried unanimously

11. U. T. Brownsville: Discussion and appropriate action regarding proposed revisions to Mission Statement for U. T. Brownsville/Texas Southmost College Partnership

Committee Meeting Information

Presenter(s): President Juliet V. García, U. T. Brownsville

Status: Approved with further amendments by the Coordinating Board as per below.

Motion: Made by Regent Estrada, seconded by Regent Craven, and carried unanimously

Discussion at meeting:

President García said there has been broad-based support for doctoral programs including a mandate from the Futures Commission of U. T. Brownsville. The process of review for this mission statement has been inclusive and has gone through the Board of Trustees at Texas Southmost College. The Agenda Item requests approval to include doctoral programs in the Mission Statement.

Committee Chairman Krier confirmed U. T. Brownsville would come back individually for approval of specific doctoral programs.

[The following excerpt from the August 10, 2005 Board Minutes is provided here to clarify that the Mission Statement approved by the U. T. Board of Regents was further amended by the Texas Higher Education Coordinating Board.

The Board approved the revised University of Texas at Brownsville/Texas Southmost College Partnership Mission Statement as set forth below in congressional style to show further amendments approved by the Texas Higher Education Coordinating Board on October 27, 2005.

Mission Statement

The mission of The University of Texas at Brownsville and/Texas Southmost College (UTB/TSC) Partnership is to provide accessible, affordable, postsecondary education of high quality; to conduct research that expands knowledge; and to provide programs of workforce training and continuing education, public service, and cultural value. The partnership combines the strengths of the community college and those of a university by increasing student access and eliminating inter-institutional barriers while fulfilling the distinctive responsibilities of each type of institution.

The University of Texas at Brownsville and/Texas Southmost College UTB/TSC Partnership offers eCertificates and aAssociate, bBaccalaureate, master's, and Graduate doctoral degrees in liberal arts, the sciences, and professional programs designed to meet student demand as well as regional, national, and international needs.

~~The UTB/TSC Partnership~~ places excellence in learning and teaching at the core of its commitments. It seeks to help students at all levels develop the skills of critical thinking, quantitative analysis, and effective communications which will sustain lifelong learning. It seeks to be a community university which ~~that~~ respects the dignity of each learner and addresses the needs of the entire community.

~~The UTB/TSC Partnership~~ advances economic and social development, enhances the quality of life, fosters respect for the environment, provides for personal enrichment, and expands knowledge through programs of research, service, continuing education, and training. It convenes the cultures of its community, fosters an appreciation of the unique heritage of the Lower Rio Grande Valley and encourages the development and application of bilingual abilities in its students. It provides academic leadership to the intellectual, cultural, social, and economic life of the binational urban region it serves.]

12. U. T. Arlington: Discussion of compact priorities

Committee Meeting Information

Presenter(s): President James D. Spaniolo, U. T. Arlington; Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs
Status: Deferred.

13. U. T. System Board of Regents: Update regarding Task Force on Admissions, Tuition, and Financial Aid

Committee Meeting Information

Presenter(s): Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs
Status: Deferred

14. U. T. System: Discussion of System-wide initiative to improve graduation rates

Committee Meeting Information

Presenter(s): Dr. Teresa A. Sullivan, Executive Vice Chancellor for Academic Affairs
Status: Deferred.

ADJOURNMENT

Committee Chairman Krier announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 4:00 p.m.

MINUTES
U. T. System Board of Regents
Health Affairs Committee
August 10, 2005

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 1:55 p.m. on Wednesday, August 10, 2005, in the Dining Room, 2nd Floor, William C. Levin Hall, The University of Texas Medical Branch at Galveston, 11th and Market Streets, Galveston, Texas, with the following participation:

Attendance

Vice-Chairman Clements, presiding
Vice-Chairman Krier
Regent Caven (for Items 6-7)
Regent Craven
Regent Rowling

Also present were Chairman Huffines (for Items 6-7), Vice-Chairman Hunt, Regent Barnhill, Regent Estrada (for Items 1, 2, and 7), and Counsel and Secretary Frederick.

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

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

Committee Meeting Information

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

Discussion at meeting:

Committee Chairman Clements said this will be a new standard item for this Committee.

Dr. Shine said he thought it would be useful to mention System-wide activities in health that are of interest to the Regents. He reported the appointment of three additional Health Fellows: (1) Joseph B. McCormick, M.D., U. T. Health Science Center - Houston, as the Chancellor's Health Fellow in Public Health, (2) Milton Packer, M.D., U. T. Southwestern Medical Center - Dallas, as the Chancellor's Health Fellow in Clinical Research, and (3) Brenda Smith Jackson, Ph.D., RN, U. T. Health Science Center - San Antonio, as the Chancellor's Health Fellow in Nursing. Dr. Shine anticipates a report to the Regents in 2006 on their accomplishments.

Executive Vice Chancellor Shine said Senator Kay Bailey Hutchison was instrumental in the creation of the Texas Academy of Medicine, Science, and Engineering, which is devoted to advances in science. In recognition of outstanding educators, Dr. Shine said U. T. System faculty members are drawing up a charter for a U. T. Academy of Health Education. He hopes this will encourage development of academies on individual campuses. Dr. Shine said the purpose of this activity is to conduct an annual symposium on the best innovations in education, to provide small grants and award programs, and to recognize individuals who historically have not received recognition. He proposed bringing the charter to the Health Affairs Committee for review.

Dr. Shine reported an agreement has been reached with the Texas Academy of Medicine, Science, and Engineering with regard to its mid-year science meeting. The meeting will be held in Galveston in April 2006 and will be devoted to statewide issues related to development of drugs against bacteria and viruses and vaccine development in Texas with a goal of bringing together talent from around the state and stimulating collaboration. The first year of infrastructure support will be provided by The University of Texas. Dr. Shine said John D. Stobo, M.D., President, U. T. Medical Branch - Galveston, has been selected by the Academy to head the program committee for the meeting.

Executive Vice Chancellor Shine noted Dr. Juliet V. García, President, U. T. Brownsville; Dr. Blandina Cárdenas, President, U. T. Pan American; Francisco G. Cigarroa, M.D., President, U. T. Health Science Center - San Antonio; and James T. Willerson, M.D., President, U. T. Health Science Center - Houston had convened to develop the Borderplex Health Council along with four community leaders in the South Texas area and Joseph B. McCormick, M.D., Assistant Dean, Brownsville Regional Campus, U. T. Public Health School - Houston. The Council will work on the expansion of nursing education and launching important research opportunities in diabetes in South Texas.

Finally, Dr. Shine reported on a meeting of approximately 16 individuals from academic and health institutions around the state related to health services research for the future of Texas. He expressed optimism that the U. T. System can be the conveners of these types of activities and hopes to see them expand.

2. **U. T. System: Approval of the following changes to the U. T. System Professional Medical Liability Benefit Plan: (a) premium rates effective September 1, 2005; (b) revisions to add U. T. System institutions and adoption of associated premiums; and (c) revisions to increase coverage for certain out-of-state externships and adoption of associated premiums**

Committee Meeting Information

Presenter(s): Mr. Barry D. Burgdorf, Vice Chancellor and General Counsel; Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs

Status: Approved

Motion: Made by Regent Rowling, seconded by Vice-Chairman Krier, and carried unanimously

Discussion at meeting:

Vice Chancellor Burgdorf pointed out premium rates for the U. T. System Professional Medical Liability Benefit Plan would not change for Fiscal Year 2006. Regent Rowling noted the statutory limit for physicians was lowered to \$100,000 and the liability limit under the Plan is \$500,000. He asked if the policy was set based on premiums at \$500,000 and if so, why is it not \$100,000? Vice Chancellor Burgdorf responded that several claims are in the system that were initiated prior to tort reform and those claims are covered under the prior Plan. He said because courts are showing hesitancy in looking for ways to apply tort reform as it was statutorily passed, U. T. System would like to get another year of actuarial and courtroom experience before changing the limits. In response to Regent Rowling's inquiry, Mr. Burgdorf said premiums are set on the \$500,000 limit. Dr. Shine clarified that the actuary set premiums based on experience and on outstanding claims.

Vice-Chairman Krier asked if the three cases cited by Vice Chancellor Burgdorf in his presentation were district court cases and Mr. Burgdorf responded that they were U. T. System cases in district court.

3. **U. T. System Board of Regents: Amendment of Regents' Rules and Regulations, Series 31007, regarding tenure, to allow U. T. Health Center - Tyler to offer term appointments for faculty**

Committee Meeting Information

Presenter(s): Kirk Aquilla Calhoun, M.D., President, U. T. Health Center - Tyler

Status: Approved at Committee meeting; deferred at Board meeting

Motion: Made by Regent Craven, seconded by Vice-Chairman Krier on the condition that President Calhoun would discuss the proposal with her prior to the Board meeting on August 11, with Regent Rowling voting "no."

Discussion at meeting:

Executive Vice Chancellor Shine said he does not anticipate a large number of appointments under the new Rule, but said this has been a deciding factor in the inability to recruit outstanding individuals in the past.

Vice-Chairman Krier asked if the appointments would be made at the campus level. President Calhoun responded that individuals will go through a peer review process, recommendations from that process will be made to him, and he will review the recommendations with Dr. Shine before coming forward to the Board for approval. Vice-Chairman Krier expressed concern that the number of appointments is not quantified. Dr. Calhoun said the amendment would primarily assist him in recruiting and retaining research faculty, but estimated the number at less than five the first year. Dr. Shine recommended coming back to the Health Affairs Committee with a report after the first year.

Note: *The item was deferred at the August 11, 2005 Board meeting.*

4. **U. T. Health Center - Tyler: Authorization to acquire approximately 21.38 acres of land and improvements located at 3402 Old Omen Road, Tyler, Smith County, Texas, from Tyler Area Senior Citizens Association (TASCA) at fair market value as established by independent appraisals, for extension of campus programs and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Kirk Aquilla Calhoun, M.D., President, U. T. Health Center - Tyler; Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

Motion: Made by Regent Rowling, seconded by Regent Craven, and carried unanimously

Discussion at meeting:

Dr. Calhoun said this opportunity will generate revenue, provide a much-needed facility, and result in cost savings for U. T. Health Center - Tyler.

Committee Chairman Clements remarked that this is another example of cooperation between U. T. Health Center - Tyler and U. T. Tyler and commended President Calhoun for the collaboration on this and other projects. President Calhoun added that this is also an important community collaboration that will give the Health Center a principle presence in the City of Tyler.

Vice-Chairman Krier asked if TASCA will pay rent for the 15-year use of the improvement and President Calhoun replied that in exchange for the endowment of \$370,000, the Association will be able to conduct some of their activities in the building. He explained that although the money for the endowment is part of the purchase price, the Health Center is acquiring the property at a reduced price. In response to an inquiry by Vice-Chairman Krier, President Calhoun said TASCA is a 501(c)(3), not-for-profit, charitable entity. Ms. Mayne added that a lease defining use of the building will be negotiated and President Calhoun confirmed there would be no interference between use of the building by TASCA and the Health Center.

Regent Rowling noted U. T. Health Center - Tyler is using virtually all of its Revenue Financing System debt capacity with this project. President Calhoun responded that this is a crucial project and the best use of the funds for the future growth and development of the Health Center.

5. **U. T. Southwestern Medical Center - Dallas: Approval of a Doctor in Physical Therapy (DPT) degree program**

Committee Meeting Information

Presenter(s): Kern Wildenthal, M.D., President, U. T. Southwestern Medical Center - Dallas

Status: Approved

Motion: Made by Regent Craven, seconded by Vice-Chairman Krier and Regent Rowling, and carried unanimously

6. **U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston: Authorization to negotiate and enter into an economic development agreement with the State of Texas for creation of the Center for Advanced Biomedical Imaging**

Committee Meeting Information

Presenter(s): John Mendelsohn, M.D., President, U. T. M. D. Anderson Cancer Center; James T. Willerson, M.D., President, U. T. Health Science Center - Houston

Status: Approved

Motion: Made by Vice-Chairman Krier, seconded by Regent Rowling, and carried with Committee Chairman Clements and Regent Craven abstaining from vote

Discussion at meeting:

Committee Chairman Clements said although the proposed agreement is with the State of Texas, because it also involves a sponsored research agreement with General Electric Medical Systems, she and Regent Craven would abstain from discussion or vote on this item at the Committee meeting and Regent Barnhill would also abstain from discussion and vote at the Board meeting on August 11, 2005, because of stock holdings in GE. She said she was excited about the agreement and this was a wonderful example of collaboration between the two institutions.

Vice-Chairman Krier asked if the claw-back provision related to job creation was based on a percentage. President Mendelsohn responded that (1) the agreement is written in such a way that jobs created that support research and clinical activities at the Biomedical Imaging Center count even if they are not on the site; and (2) although the state does not have a uniform way of handling the claw-back, there are guidelines that require that he and President Willerson send documentation that the program is growing. Vice Chancellor and General Counsel Barry D. Burgdorf said he has reviewed the claw-back schedule, which prices the number of jobs, and it is not an "all or nothing" scenario and should not be cause for concern. President Willerson added that significant time was devoted to review of this provision and he believes it is a favorable one.

7. **U. T. Health Science Center - San Antonio: Discussion of compact priorities**

Committee Meeting Information

Presenter(s): Francisco G. Cigarroa, M.D., President, U. T. Health Science Center - San Antonio
Status: Reported

Discussion at meeting:

Vice-Chairman Krier asked if the joint degree program with Texas A&M International University has been approved by the Texas Higher Education Coordinating Board and President Cigarroa responded that it has not yet been approved. He said a program has been developed that will be a stepping stone to a joint degree with Texas A&M International. Dr. Cigarroa noted the degree will come before the Board of Regents before it is sent to the Coordinating Board and said it is an exciting venue of cooperation between a health science center and an academic campus in Laredo. Vice-Chairman Krier remarked on the creativeness of the proposal.

ADJOURNMENT

Committee Chairman Clements announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 3:00 p.m.

MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
August 10, 2005

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 4:45 p.m. on Wednesday, August 10, 2005, in the Dining Room, 2nd Floor, William C. Levin Hall, The University of Texas Medical Branch at Galveston, 11th and Market Streets, Galveston, Texas, with the following participation:

Attendance

Chairman Barnhill, presiding
Vice-Chairman Clements
Vice-Chairman Hunt
Regent Caven
Regent Estrada

Also present were Chairman Huffines, Vice-Chairman Krier, Regent Craven, Regent Rowling, and Counsel and Secretary Frederick.

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

Mr. Barnhill stated that Associate Vice Chancellor Sid Sanders left U. T. System on July 3, 2005, to join Methodist Hospital System in Houston as Vice President for Facilities Planning and Development. He said Sid had done a great job and the Board wished him well. Committee Chairman Barnhill then welcomed Mr. David Dixon, who was appointed Interim Associate Vice Chancellor for Facilities Planning and Construction on July 1, 2005. He said Dave joined U. T. System in 2001 and, as the Director for Project Management, is responsible for providing oversight and leadership of a 120+ member team, tasked with delivering projects on-time, within budget, and with the expected functionality to the U. T. System institutions.

Mr. Barnhill pointed out that several of the following items are also included in the Capital Improvement Program (CIP) that will be considered by the Board tomorrow (August 11, 2005). He said those items, the current project cost, and the funding sources before this Committee are those proposed for approval in the CIP.

Mr. Dixon, then presented a PowerPoint on design improvement plans and the economic impact for Items 2, 3, 4, 5, 6, and 7 as set forth on Pages 7 - 20.

1. **U. T. System: Consideration of designation of the U. T. Austin Garrison Hall Renovations project and Renovations to Disch-Falk Field project as architecturally or historically significant**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Neither project was designated as architecturally or historically significant.

Note: Prior to the meeting, the following information on each project was provided to Committee Chairman Barnhill with a copy to Board Chairman Huffines as additional information in seeking the Board's direction on whether to consider either project as "special interest."

Garrison Hall was built in 1926, and has not been significantly renovated since. This \$10.4 million project will involve fire and life safety modifications; mechanical, electrical and plumbing upgrades; replacement of windows; and a refurbished roof. The work will not affect the appearance of the building. Disch-Falk Field facilities were built 30 years ago, and are not historically significant. This \$18 million project involves upgrades to the facilities (especially restrooms and concession areas), upgrades of sound and light systems, replacement of some seating, and additional club seating. U. T. Austin Men's Athletics also hopes to improve the appearance of the stadium, so they anticipate architectural improvements.

2. **U. T. Austin: Darrell K Royal – Texas Memorial Stadium Fire and Life Safety/Improvement Planning – Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Vice-Chairman Clements, and carried unanimously

3. **U. T. El Paso: Parking Garage - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Vice-Chairman Hunt, seconded by Regent Caven, and carried unanimously

4. **U. T. Pan American: Wellness and Recreation Sports Complex - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Vice-Chairman Clements, and carried unanimously

Note: The Office of Facilities Planning and Construction corrected the name of the project to the Wellness and Recreation Sports Complex. The name of the project in the Agenda Book was the Wellness and Recreation Sports Center.

Discussion at meeting:

Regent Estrada asked if the proposed health center was a standard student health center facility and part of what was being considered for approval. Mr. Dixon replied the health center has not been completed and will be a separate project. Regent Estrada asked if there was a health center there now, and Dr. Blandina Cárdenas, President, U. T. Pan American, responded there is a small health center and she projects an expansion of those facilities and a linkage to the Recreation Complex. Regent Estrada commented he assumes that is more appropriate than linking to the Regional Academic Health Center (RAHC). Dr. Cárdenas replied the RAHC is nearby, but it is more appropriately placed on campus for accessibility for students. Mr. Dixon said a combination of recreation, fitness, and wellness centers is common in the U. T. System. Regent Estrada agreed.

5. **U. T. San Antonio: Thermal Energy Plant No. 2/Garage - Request for approval of design development for the Parking Garage portion of the project**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Vice-Chairman Clements, seconded by Regent Caven, and carried unanimously

Discussion at meeting:

Committee Chairman Barnhill asked if the project would be financed by Revenue Financing System Bonds and Mr. Dixon answered affirmatively.

6. **U. T. Southwestern Medical Center - Dallas: Hazardous Waste Handling Facility - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; and appropriation of funds and authorization of expenditure**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Vice-Chairman Hunt, and carried unanimously

Discussion at meeting:

Regent Estrada asked if the facility would be used exclusively by U. T. Southwestern Medical Center – Dallas and Mr. Dixon replied yes. Regent Estrada asked if there were facilities for other medical institutions in the area that were not efficient for the U. T. System to use and Mr. Dixon replied this particular facility allows for consolidation and identification of medical, radioactive, and chemical waste. He said that has to be done on a per-institution basis and cannot be shipped to someone else. The actual disposal of the waste is at a centralized facility that takes waste from other institutions.

7. **U. T. M. D. Anderson Cancer Center: Faculty Center Tower - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Caven, seconded by Vice-Chairman Clements, and carried unanimously

Discussion at meeting:

In response to a question by Committee Chairman Barnhill, Mr. Dixon said \$80,000,000 from Revenue Financing System Bonds and \$65,000,000 from Hospital Revenues would be used to finance the project. Executive Vice Chancellor for Business Affairs Scott C. Kelly commented that use of the facility to consolidate faculty and staff out of leased space will save \$7,000,000 to \$8,000,000.

8. **U. T. Tyler: Honorific naming of the Engineering, Sciences and Technology Building as the William R. "Bill" Ratliff Engineering and Science Complex**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded Vice-Chairman Hunt, and carried unanimously

Future Action: [*Counsel and Secretary's Note: Clarification of the honoree's wishes, received after the August 11, 2005 Board meeting, show the preferred name as the Bill Ratliff Engineering and Science Complex. The Agenda Item proposed the building be named the William R. "Bill" Ratliff Engineering and Science Complex.*]

Discussion at meeting:

Chairman Huffines commented that Governor Ratliff has been a longtime friend of The University of Texas, and few people in the Legislature have been as supportive of U. T. System and U. T. Tyler as Bill Ratliff. He said it is a well-deserved honor, and he applauded the naming.

9. **U. T. Tyler: Honorific naming of the Student Dormitory and Academic Excellence Center as the Mr. and Mrs. Joseph Z. Ornelas Residence Hall**

Committee Meeting Information

Presenter(s): Mr. David Dixon, Interim Associate Vice Chancellor, Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Estrada, seconded by Vice-Chairman Hunt, and carried unanimously

ADJOURNMENT

Committee Chairman Barnhill announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 5:10 p.m.



THE UNIVERSITY OF TEXAS SYSTEM

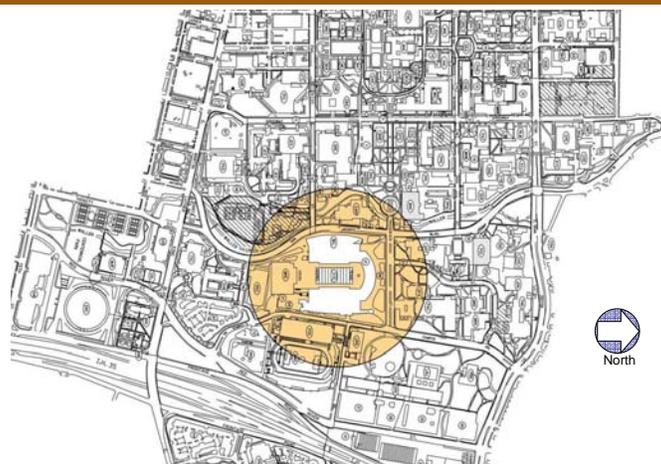
Design Approvals

August 10, 2005

Office of Facilities Planning and Construction



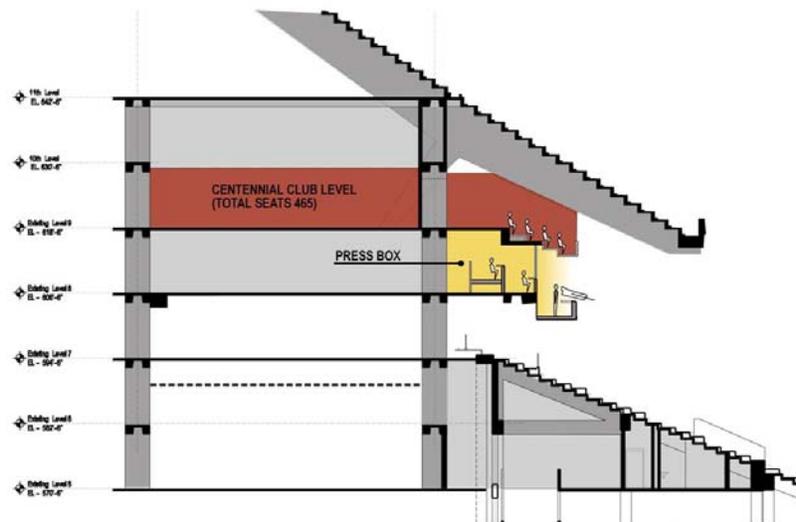
U. T. Austin—Darrell K. Royal – Texas Memorial Stadium
Fire and Life Safety/Improvement Planning



**Darrell K. Royal – Texas Memorial Stadium -
Fire and Life Safety/Improvement Planning
Partial Master Plan**



**Darrell K. Royal – Texas Memorial Stadium -
Fire and Life Safety/Improvement Planning
Site Plan**



**Darrell K. Royal – Texas Memorial Stadium -
Fire and Life Safety/Improvement Planning
Perspective**

Estimated Economic Impact

Total project cost: \$ 10,000,000

- Construction economic impact \$ 18,000,000
- 10-year earnings economic impact \$ 0

Total estimated economic impact \$ 18,000,000
(first 10 years of operation)

The University of Texas at Austin

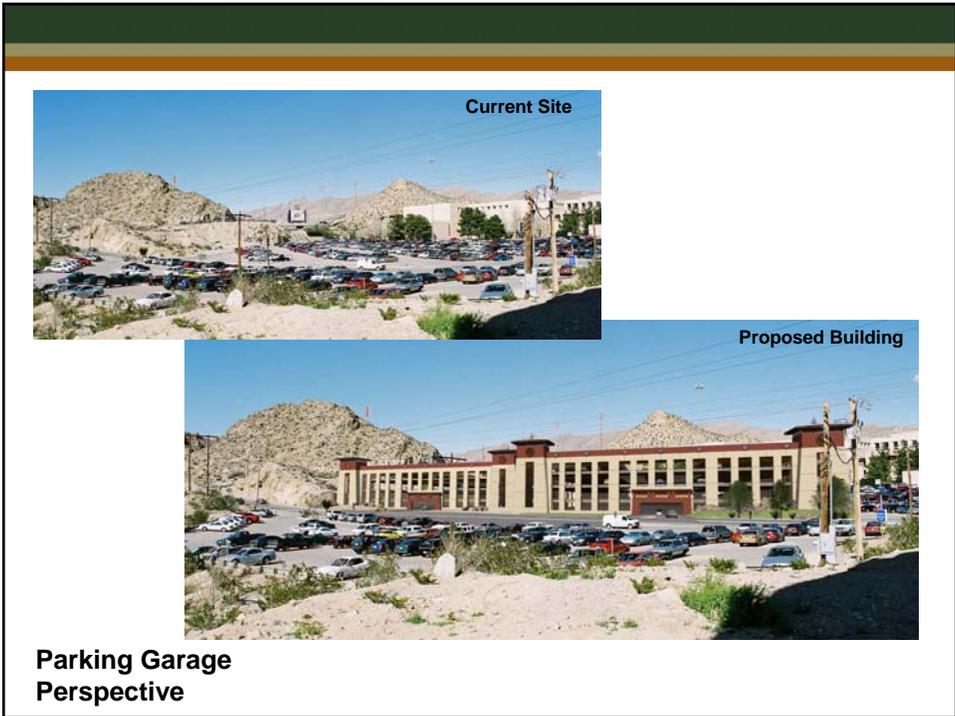
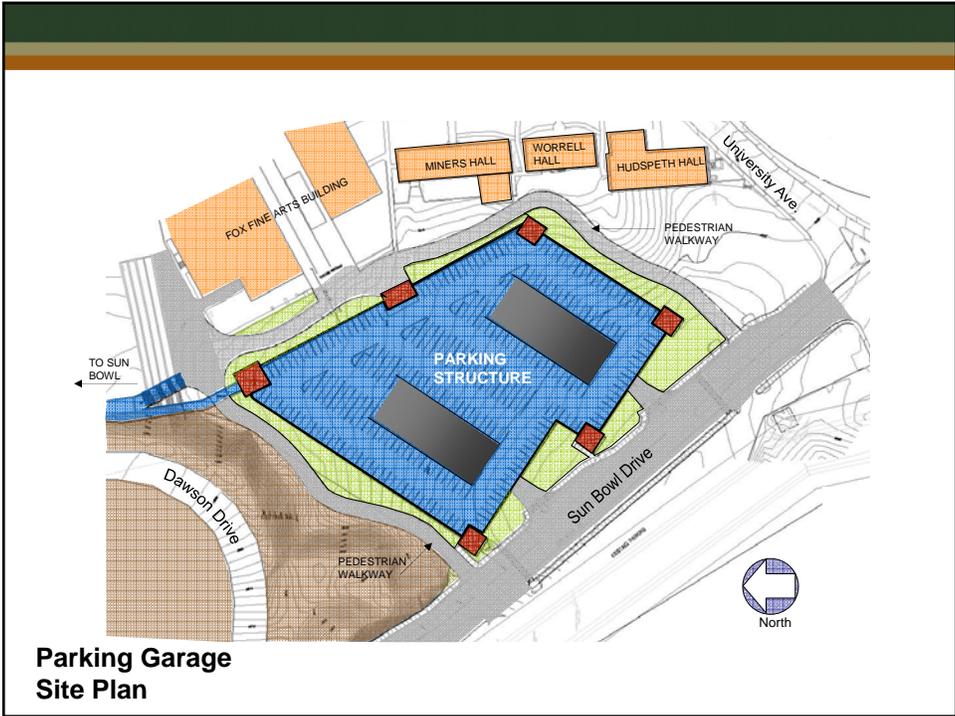
Darrell K. Royal – Texas Memorial Stadium - Fire and Life Safety/Improvement Planning

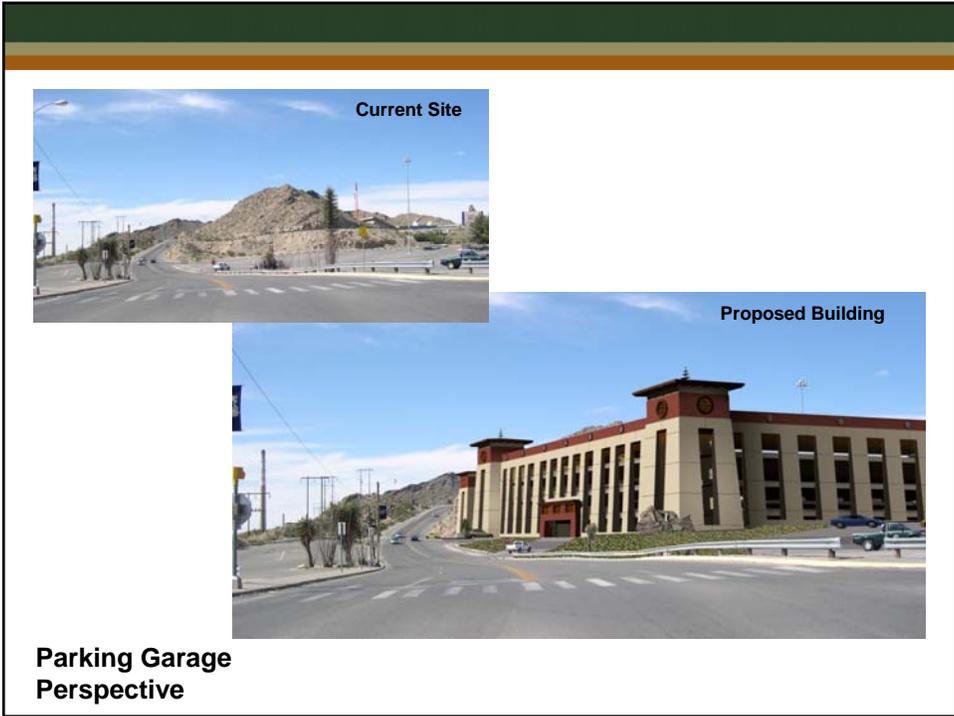


U. T. El Paso - Parking Garage



Parking Garage
Master Plan





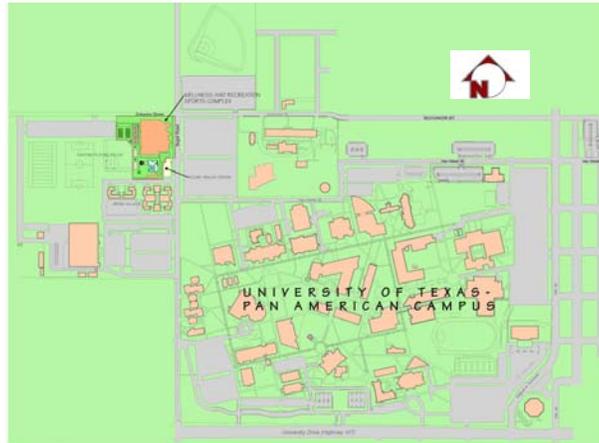
Estimated Economic Impact

Total project cost: \$ 23,500,000	
• Construction economic impact	\$ 42,300,000
• 10-year earnings economic impact	\$ 32,571,342
Total estimated economic impact	\$ 74,871,342
(first 10 years of operation)	

The University of Texas at El Paso
 Parking Garage



U. T. Pan American - Wellness & Recreation Sports Complex



**Wellness & Recreation Sports Complex
Master Plan**



**Wellness & Recreation Sports Complex
Site Plan**



**Wellness & Recreation Sports Complex
Perspective**



**Wellness & Recreation Sports Complex
Perspective**

Estimated Economic Impact

Total project cost: \$ 26,000,000

- Construction economic impact \$ 46,800,000
- 10-year earnings economic impact \$ 52,911,077

Total estimated economic impact \$ 99,711,077
(first 10 years of operation)

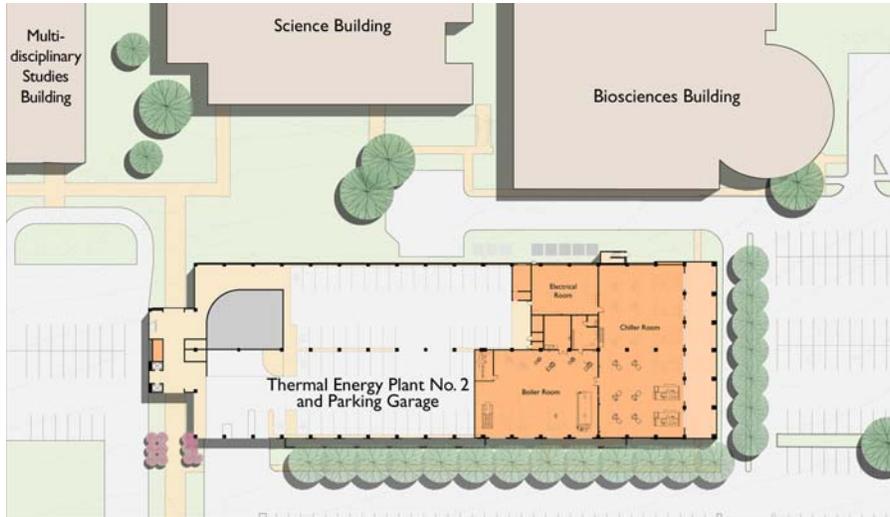
The University of Texas Pan American
Wellness & Recreation Sports Complex



U. T. San Antonio Thermal Energy Plant No. 2/Garage



Thermal Energy Plant No. 2 and Garage
Master Plan



**Thermal Energy Plant No. 2 and Garage
Site Plan**



**Thermal Energy Plant No. 2 and Garage
Perspective**

Estimated Economic Impact

Total project cost: \$ 25,900,000

- Construction economic impact \$ 46,620,000
- 10-year earnings economic impact \$ 23,885,584

Total estimated economic impact \$ 70,505,584
(first 10 years of operation)

The University of Texas at San Antonio
Thermal Energy Plant No. 2 and Garage



U. T. Southwestern Medical Center at Dallas–Hazardous Waste Handling Facility



Hazardous Waste Handling Facility
Master Plan



Estimated Economic Impact

Total project cost: \$ 2,800,000

- Construction economic impact \$ 5,040,000
- 10-year earnings economic impact \$ 10,789,952

Total estimated economic impact \$ 15,829,952
(first 10 years of operation)

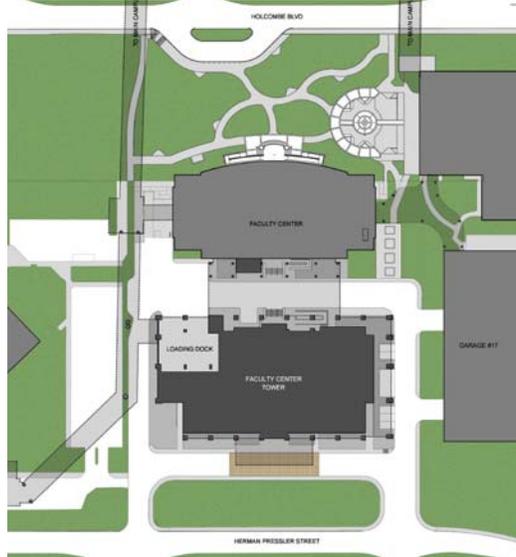
U. T. Southwestern Medical Center at Dallas
Hazardous Waste Handling Facility



U. T. M. D. Anderson Cancer Center Faculty Center Tower



Faculty Center Tower
Partial Master Plan



**Faculty Center Tower
Site Plan**



**Faculty Center Tower
Southeast Perspective**



**Faculty Center Tower
Southwest Perspective**

Estimated Economic Impact

Total project cost: \$ 145,000,000

- **Construction economic impact** **\$ 261,000,000**
- **10-year earnings economic impact** **\$1,093,832,000**

Total estimated economic impact **\$1,354,832,000**
(first 10 years of operation)

U. T. M. D. Anderson Cancer Center
Faculty Center Tower

MINUTES
U. T. Board of Regents
Student, Faculty, and Staff Campus Life Committee
August 11, 2005

The members of the Student, Faculty, and Staff Campus Life Committee of the Board of Regents of The University of Texas System convened at 9:28 a.m. on Thursday, August 11, 2005, in the Dining Room, Second Floor, William C. Levin Hall, The University of Texas Medical Branch at Galveston, 11th and Market Streets, Galveston, Texas, with the following participation:

Attendance

Committee Chairman Craven
Regent Estrada
Vice-Chairman Clements
Vice-Chairman Hunt
Regent Barnhill

Also present were Vice-Chairman Krier, Regent Caven, Regent Rowling (for Items 2 and 3), Dr. James Bartlett, former Chair, Faculty Advisory Council; Mr. Josh Warren, former Chair, Student Advisory Council; and Counsel and Secretary Frederick.

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

1. U. T. Medical Branch - Galveston: Overview of the institution

Committee Meeting Information

Presenter(s): John D. Stobo, M.D., President, U. T. Medical Branch - Galveston

Status: Reported

Future Actions: Share the Commit to Fit program at U.T. Medical Branch – Galveston with state officials at request of Vice-Chairman Krier.

Discussion at meeting:

President Stobo provided an overview of U. T. Medical Branch – Galveston using a PowerPoint presentation. He said to understand why the institution is located in Galveston, one has to go back in Texas history to 1881. At that time, the State Legislature decided they did indeed want to have a University of Texas System including a medical branch, but left it up to the voters of the state to decide where the university would be located and where the medical branch would be located. It was further stipulated that both did not have to be located in the same city. By a vote of 2 to 1 in 1881, voters of the State of Texas chose to locate The University of Texas in Austin and the medical branch in Galveston. Galveston was chosen probably because it was a port of entry for people coming from all over the world and had a quarantine unit, thought to be very useful for research in medicine. The John Sealy Hospital opened its doors in 1890, and the School of Medicine opened its

doors in 1891 in the Ashbel Smith Building. It was the first school of medicine in the State of Texas and roughly the third oldest school of medicine west of the Mississippi. U. T. Medical Branch – Galveston started as one hospital in one school, but over the ensuing 110 years, developed into four schools: the School of Medicine, the School of Allied Health Sciences, the Graduate School of Biomedical Sciences, and the School of Nursing. These are six hospitals located on the island and three institutes: the Marine Biomedical Institute, the Institute for the Medical Humanities, and the Institute of Human Immunity and Infectious Diseases.

President Stobo said he came to U. T. Medical Branch – Galveston because he realized that it was a special institution: one he refers to as an academic health center with a soul. He said the institution has a responsibility as a public trust to do special things. Of Texas' 254 counties, patients from 211 counties came to U. T. Medical Branch – Galveston in 2004 as did non-sponsored patients from roughly 180 counties.

Dr. Stobo said their most valuable resource is people and a lot of time has been spent valuing and growing that asset. He said in the context of a "Productive Community," a concept from a book by Robert Quinn titled To Change the World, ordinary people can achieve extraordinary results whereby members work for the all; for the collective good and not just for their individual good; a community in which false differences and status disappear; a community in which individuals see what they are doing as a calling not simply as a job.

President Stobo described programs to improve employee well-being including four paradigms: have fun, make your customer's day, be there, and choose your attitude. He described the Commit to Fit program and Vice-Chairman Krier suggested sharing the Commit to Fit program with the State Agriculture Commissioner who is heading up a task force for the Governor on wellness issues. The fitness programs would show how U. T. is doing things for the state and not just asking for money from the state. She suggested Vice Chancellor Smith could help.

Dr. Stobo spoke about the importance of compassion and humanism in the practice and teaching of medicine, exemplified in \$1 million endowments awarded to eight faculty members and \$10,000 scholarships awarded to nine students selected by the Oslerian community. Dr. Stobo said investments in employee well-being are tracked and provided the following results:

- Black Issues In Higher Education in 2005 rated U. T. Medical Branch – Galveston as #1 of 126 medical schools in the U.S. in terms of graduating Hispanics.
- U. T. Medical Branch – Galveston is ranked in the Top 10 medical schools over the last decade for underrepresented minorities.
- About 1/3 of classified employees are from underrepresented minorities.

- *Employee turnover has decreased to 7%.*
- *U. T. Medical Branch – Galveston has been rated among the Top 10 places to work in the Houston/Galveston area by employees who completed a Houston Business Journal on-line survey.*
- *The nursing program received Magnet status from the American Nursing Association; a gold standard for nursing as only 2% of the nation’s 6,000 hospitals have Magnet status.*

2. U. T. System Board of Regents: Overview and discussion of undergraduate student housing

Committee Meeting Information

Presenter(s): *Executive Vice Chancellor Sullivan; Ms. Roberta Rincón, Research and Policy Analyst, U. T. System; Mr. David Dixon, Associate Vice Chancellor Ad Interim, U. T. System; Dr. Dawn Remmers-Roeber, Director of Student Success Programs, and Mr. Wylvan Parker, Director of Housing, U. T. Arlington; and Dr. David E. Daniel, President, U. T. Dallas*
Status: *Discussed*

Discussion at meeting:

Acknowledging housing varies by campus, Regent Barnhill asked what a student actually has to pay for the greatest types of housing, and Dr. Roeber said U. T. Arlington offers 20 different apartment communities and five different residence halls, representing 50 – 60 floor plans. She said one-bedroom apartments typically rent for \$1/square foot and two-bedroom apartments rent for about \$0.92/square foot. She said rates for new apartments are competitive although in the Dallas area there has just been a downturn in the market. Consequently, U. T. Arlington is competing with apartments offering concessions. Mr. Parker said residence hall rates for room and board are about \$4,400 a year.

There was discussion about the living/learning complex and innovative ideas such as the addition of classrooms and faculty office space to residential areas where students and faculty often attend class in the same building in which they live. Executive Vice Chancellor Sullivan suggested for faculty teaching lower-division courses, this can be a good opportunity to put them closer to their students. Vice-Chairman Clements said she thought the idea has merit in the context of integrating students and improving graduation rates.

Chairman Huffines asked how many rooms were in the pipeline to be built over the next few years and Ms. Rincón responded approximately 3,000 through Fall 2007.

Committee Chairman Craven said the Committee looks forward to hearing the results of research being conducted at U. T. Arlington about student satisfaction with a residence learning community and about the impact of such a community on students, retention rates, and graduation rates.

3. U. T. System: Update on Faculty Advisory Council and Student Advisory Council recommendations

Committee Meeting Information

Presenter(s): Executive Vice Chancellor Sullivan

Status: Reported

Discussion at meeting:

Dr. Sullivan addressed recommendations from the Faculty Advisory Council as presented at the February 9-10, 2005, Board meeting. Concerning the proposal for bridge funding for “fundable” but non-funded research grants, she said the designation of a grant as fundable, but non-funded, occurs principally at the National Institutes of Health since other federal funding agencies such as the National Science Foundation do not use this rating. Since the principal investigator does not know if their project is fundable, but unfunded, this would differentially be an advantage for the health institutions and she suggested the presidents of the health institutions consider making such a fund available. While this would be good from a campus perspective, the kind of funding that would be needed to do this on a System-wide basis however, did not look like something that could be recommended for the System as a new System initiative.

Executive Vice Chancellor Sullivan said the Council’s recommendation to create a System-wide database of research background and research interests of faculty and graduate students is comprised of two aspects. Undergraduates at any U. T. System institution interested in graduate study will be able to log on to a database and request information from the graduate programs in the U. T. System in the same subject area. She said this will help fulfill a suggestion from the Washington Advisory Group for U. T. to recruit more graduate students from within its own system. Dr. Sullivan said the second part of the recommendation involves an electronic bulletin board to allow researchers with similar interests from different parts of the U. T. System to find each other. There are some technical snags but the system will be operative within three weeks.

Dr. Sullivan said she and Executive Vice Chancellor Shine would explore the third recommendation from the Faculty Advisory Council concerning nursing education later in the open session of the Meeting of the Board.

Dr. Sullivan then addressed recommendations from the Student Advisory Council as presented to the Board on May 12, 2005. She said U. T. System has encouraged each institution to promote an honor code and she reported U. T. Medical Branch – Galveston and U. T. Austin both have adopted such a code.

Regarding the study on the impact of new tuition increases on students who do not qualify for financial aid, Dr. Sullivan commented that when U. T. System received deregulated tuition authority, one of eight principles for setting tuition was to keep tuition affordable. She said each campus has continued to monitor affordability for students who applied for financial aid and campuses, such as U. T. Austin, have also expanded the family incomes for students who qualify for financial aid, so that families with \$80,000 annual income receive at least some financial aid to offset the tuition increase. She reported 75% of Texas families earn less than \$80,000 a year, thus a large fraction of Texas families are now included in that program.

Another recommendation of the Student Advisory Council was to require all institutions to make information readily available including services that are available in the general community. Dr. Sullivan reported she is discussing the matter with the Vice Presidents for Student Affairs as this needs to be initiated locally because it refers to local resources.

In addressing the Student Advisory Council's recommendation that an administrative position be designated at each institution to deal with diversity issues, Dr. Sullivan said there is discussion about whether this is the best way to promote diversity. She said she would share the report from the U. T. Austin Task Force on Racial Respect with the presidents of the institutions. The report recommended development of a single administrative officer with such responsibilities but she said there is also a point of view that diversity is everyone's responsibility and if it is made the responsibility of a single administrative officer, it lets everybody off the hook. She thought a blanket recommendation that every campus do the same thing may not be advisable at this time.

Vice-Chairman Krier expressed appreciation that Dr. Sullivan is looking for funding sources for the Faculty Advisory Council's bridge funding proposal and hoped that effort would continue. She said from time to time, Chancellor Yudof finds funding within the U. T. System Professional Medical Liability Benefit Plan and other sources and that might be a way to do a pilot project at least in the medical schools to see if this could actually increase research funding from external sources in the future. Executive Vice Chancellor Shine said the health campuses have bridge funding programs and Vice-Chairman Krier questioned if that was at the local level to which Dr. Shine responded affirmatively and said the amount and the period of time of the bridging varies somewhat depending on resources on the campuses. He said the programs are designed particularly for funding investigators who are at risk to have to dismantle their research team if they are in fact not receiving funding. He thought the main issue was to try to communicate better to the faculty what is available but cautioned that is a tricky issue because if resources are limited, the department chairs, the division directors, and others sometimes have to prioritize. On a couple of campuses there is a peer review process, which he encourages so that various needs for bridge funding can be reviewed by a group of peers who make a recommendation as to what the highest priority might be with regard to bridge funding. But, he said, that is not the historical practice in most of the institutions. He

pointed out however, that while the vast majority of the NIH funding is for the health campuses, there is a growing amount of NIH funding at academic campuses which might allow academic campuses to be in striking distance of being funded to provide bridge funding.

Vice-Chairman Krier asked how many U. T. System academic and health campuses have bridge funding and Dr. Sullivan explained it is not called bridge funding but there are small sources of institutional research support at most campuses at the discretion of the president. The return of indirect costs, for example, can be used to create a small fund. At U. T. Austin, there is actually a peer review process for administering such funds and she thought U. T. Austin probably has more such money available than other campuses at this time.

Vice-Chairman Krier suggested communicating that back to the Faculty Advisory Council might be more helpful than saying more funding could not be found and she encouraged Dr. James Bartlett, former Chair of the Faculty Advisory Council, to continue to look at this area. Dr. Bartlett agreed, saying it is partly a communication problem and there is also the broader issue of just how formal should such a program be? He thought that in many cases individual deans help individual faculty members for in-between funding but recommended a written policy. Vice-Chairman Krier agreed and Committee Chairman Craven suggested clarifying this and ensuring that everyone is aware of what is available and that there is equal opportunity to avail themselves to those types of activities that are there.

ADJOURNMENT

Committee Chairman Craven announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 10:30 a.m.