



## TABLE OF CONTENTS FOR MEETING OF THE BOARD

**Board Meeting: 11/15-16/2006**  
Austin, Texas

<u>Wednesday, November 15, 2006</u>	<b>Board/Committee Meetings</b>	<b>Page</b>
<p>A. CONVENE THE BOARD IN OPEN SESSION FOR THE 125<sup>TH</sup> ANNIVERSARY CELEBRATION PROGRAM <b>(U. T. Austin, Etter-Harbin Alumni Center)</b></p>	<p>10:30-11:45 a.m.</p>	
<p>1. <b>U. T. System Board of Regents: Historical presentation on the 125th anniversary of the first meeting of The University of Texas Board of Regents</b></p>	<p><i>Chairman Huffines</i></p>	<p><b>1</b></p>
<p>B. LUNCH</p>	<p>11:45 a.m. – 1:00 p.m.</p>	
<p>C. <b>COMMITTEE MEETINGS (ASH 9)</b></p>		
<p style="padding-left: 20px;">Health Affairs Committee</p>	<p>1:30 – 2:30 p.m.</p>	
<p style="padding-left: 20px;">Student, Faculty, and Staff Campus Life Committee</p>	<p>2:30 – 3:45 p.m.</p>	
<p style="padding-left: 20px;">Academic Affairs Committee</p>	<p>3:45 – 4:45 p.m.</p>	
<p style="padding-left: 20px;">Audit, Compliance, and Management Review Committee</p>	<p>4:45 – 5:45 p.m.</p>	
<p>D. RECONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 (working dinner)</p>	<p>5:45 p.m.</p>	
<p>1. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072</p>		
<p style="padding-left: 20px;">a. <b>U. T. System Board of Regents: Discussion of value of real property related to Report of Regental Task Force on U. T. Dallas Lands</b></p>	<p><i>Ms. Mayne</i> <i>President Daniel</i> <i>Dr. Kelley</i></p>	
<p style="padding-left: 20px;">b. <b>U. T. Brownsville: Discussion concerning negotiations to purchase 19 commercial lots and adjacent platted but unconstructed streets comprising approximately 21.984 acres of unimproved real property located at the northwest corner of University Boulevard and Tyler Street in Brownsville, Texas, which lots are legally described as Lot 1, Block 1, Lots 1 through 9, Block 2, and Lots 1 through 5 and 7 through 10, Block 4, University Park Subdivision Unit 1, Brownsville, Cameron County, Texas, from Dyna-Go Properties Inc., Rachel Canales, Canlong Investments Ltd., Bertha Longoria, Dennis Sanchez, Trustee for Dennis Sanchez, P.C. and Jorge Ibarra, and River Centre Partners II Ltd., for a purchase price not to exceed fair market value as established by independent appraisals for future programmed development of campus expansion including new instructional facilities, and resolution regarding parity debt</b></p>	<p><i>Ms. Mayne</i> <i>President García</i></p>	

Wednesday, November 15, 2006 (continued)

- c. U. T. San Antonio: Discussion concerning negotiations to purchase approximately 124.78 acres of land located on the southeast side of Loop 1604 and the north side of Hausman Road in San Antonio, Texas, which is legally described as 124.78 acres out of the Issac Stone Survey No. 352, Abstract No. 713, County Block 4538, and the G. Castillo Survey No. 353, Abstract 148, County Block 4543, New City Block 14865, San Antonio, Bexar County, Texas, from Patricia Shield Ayres, for a purchase price that is to be funded in part by Permanent University Fund Bond Proceeds and in part by institutional fund balances, and that is not to exceed fair market value as established by independent appraisals, for future programmed development of athletic facilities and campus expansion**

*Ms. Mayne  
President Romo*
- 2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071

  - a. U. T. System Board of Regents: Discussion regarding pending legal issues concerning legal relationship with Texas Student Publications, Inc. (Texas Student Media)**

*Mr. Burgdorf*
  - b. U. T. San Antonio: Discussion related to legal issues concerning negotiations to purchase approximately 124.78 acres of land located on the southeast side of Loop 1604 and the north side of Hausman Road in San Antonio, Texas, which is legally described as 124.78 acres out of the Issac Stone Survey No. 352, Abstract No. 713, County Block 4538, and the G. Castillo Survey No. 353, Abstract 148, County Block 4543, New City Block 14865, San Antonio, Bexar County, Texas, from Patricia Shield Ayres, for a purchase price that is to be funded in part by Permanent University Fund Bond Proceeds and in part by institutional fund balances, and that is not to exceed fair market value as established by independent appraisals, for future programmed development of athletic facilities and campus expansion**

*Ms. Mayne  
President Romo*
  - c. U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
- 3. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073

  - a. U. T. Southwestern Medical Center - Dallas: Discussion regarding negotiated gift with a potential naming feature**
  - b. U. T. Health Science Center – San Antonio: Discussion regarding negotiated gifts with potential naming features**

**Wednesday, November 15, 2006 (continued)**

4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074
  - a. **U. T. Medical Branch - Galveston: Discussion of individual personnel matters related to presidential search**
  - b. **U. T. System: Consideration of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents, U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board of Regents, and Director of Audits), and U. T. System employees**
- E. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEMS *7:15 p.m.*
- F. RECESS *7:30 p.m.*

Thursday, November 16, 2006

**Committee/Board Page  
Meetings**

**G. COMMITTEE MEETINGS**

Finance and Planning Committee  
Facilities Planning and Construction Committee

8:00 – 9:00 a.m.  
9:00 – 10:00 a.m.

H. RECONVENE IN OPEN SESSION

10:00 a.m.

I. APPROVAL OF MINUTES

J. CONSIDER AGENDA ITEMS

2. **U. T. System: Chancellor’s Quarterly Update**

10:05 a.m.  
**Report** 2  
*Chancellor Yudof*

3. **U. T. System Board of Regents: Announcement regarding Presidential Search Advisory Committee for U. T. Medical Branch – Galveston**

10:15 a.m.  
**Report** 2  
*Chairman Huffines*

4. **U. T. System Board of Regents: Report of Regental Task Force on U. T. Dallas Lands and authorization to implement the recommendations of the Task Force and President Daniel’s recommendations concerning use of income**

10:20 a.m.  
**Action** 2  
*Regent Rowling  
Ms. Mayne  
President Daniel*

5. **U. T. Austin: Research Office Complex (formerly Institute for Geophysics and Advanced Computing Center) - Amendment to the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost required to accommodate the Sun Constellation supercomputer, funded by a \$59,000,000 High Performance Computing (HPC) System grant from the National Science Foundation; appropriation of funds and authorization of expenditure; and authorization of a separate allocation of \$5,000,000 in Available University Funds to assist in recruiting world-class research staff following the U. T. System Science and Technology Acquisition and Retention (STARs) Program**

10:40 a.m.  
**Action** 13  
*Dr. Malandra*

6. **U. T. Austin: Dell Computer Science Hall (formerly Computer Sciences Building) - Request for approval to allocate \$20,000,000 from Permanent University Fund Bond Proceeds and amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to revise funding sources**

10:45 a.m.  
**Action** 15  
*Dr. Malandra  
Dr. Safady*

7. **U. T. System: Authorize and approve the use of \$10 million of Permanent University Fund Bond Proceeds to be used as a source of U. T. System contributions for projects supported by Emerging Technology Fund and Texas Enterprise Fund grants that follow the criteria and process used for allocation of the U. T. System's Science and Technology Acquisition and Retention (STARs) Program**

10:52 a.m.  
**Action** 16  
*Dr. Malandra  
Dr. Shine*

**Thursday, November 16, 2006** (continued)

	<b>Committee/Board Meetings</b>	<b>Page</b>
8. <b>U. T. System Board of Regents: Request to designate \$10 million of Permanent University Fund Bond Proceeds from the Science and Technology Acquisition and Retention (STARs) Program to be set aside for matching funds for private gifts as part of the Regents' Research Scholars Program and amendment of Regents' <i>Rules and Regulations</i>, Series 31001, Section 2, concerning academic titles</b>	11:00 a.m. <b>Action</b> <i>Dr. Shine</i> <i>Dr. Malandra</i>	<b>17</b>
9. <b>U. T. System Board of Regents: Update on status of search for the President, Chief Executive Officer, and Chief Investment Officer for The University of Texas Investment Management Company (UTIMCO)</b>	11:15 a.m. <b>Report</b> <i>Regent Caven</i>	<b>19</b>
10. <b>U. T. System: Annual performance assessment of campus development offices</b>	11:20 a.m. <b>Report</b> <i>Dr. Safady</i>	<b>19</b>
11. <b>U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for Santa Rita Award</b>	11:35 a.m. <b>Action</b> <i>Chairman Huffines</i>	<b>19</b>
K. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD	11:40 a.m.	
L. RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE	11:55 a.m.	
M. ADJOURN	12:00 noon	

**Wednesday, November 15, 2006**

*(U. T. Austin, Etter-Harbin Alumni Center)*

- A. CONVENE THE BOARD IN OPEN SESSION FOR THE 125TH ANNIVERSARY CELEBRATION PROGRAM
  
- 1. **U. T. System Board of Regents: Historical presentation on the 125th anniversary of the first meeting of The University of Texas Board of Regents**

REPORT

In recognition of the 125th anniversary of The University of Texas Board of Regents, Chairman Huffines will introduce a historical program related to the first meeting of the Board of Regents on November 15-17, 1881.

- B. LUNCH
  
- C. COMMITTEE MEETINGS (*Ashbel Smith Hall, 9th floor*)
  
- D. RECONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION (See Table of Contents Pages i - iii for agenda captions)
  
- E. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEMS
  
- F. RECESS

**Thursday, November 16, 2006**

- G. COMMITTEE MEETINGS
- H. RECONVENE IN OPEN SESSION
- I. APPROVAL OF MINUTES
- J. CONSIDER AGENDA ITEMS

**2. U. T. System: Chancellor's Quarterly Update**

REPORT

Chancellor Yudof will update the Board on the reporting schedule for The University of Texas System strategic initiatives and accountability goals.

**3. U. T. System Board of Regents: Announcement regarding Presidential Search Advisory Committee for U. T. Medical Branch - Galveston**

REPORT

Chairman Huffines hopes to announce the composition of the Presidential Search Advisory Committee for The University of Texas Medical Branch at Galveston. This Committee is being constituted pursuant to the Regents' *Rules and Regulations*, Series 20201.

**4. U. T. System Board of Regents: Report of Regental Task Force on U. T. Dallas Lands and authorization to implement the recommendations of the Task Force and President Daniel's recommendations concerning use of income**

REPORT AND RECOMMENDATIONS

Following a report of the Regental Task Force on U. T. Dallas Lands, the Board will be asked to approve the recommendations that follow on Pages 5 - 12.

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the recommendations of the Regental Task Force on U. T. Dallas Lands, as set forth in the materials attached on Pages 5 - 10, be implemented and that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Dallas, to

- a. sell or ground lease the land, as identified in the Task Force report, on such terms as may be approved by the Executive Director of Real Estate and the President of U. T. Dallas, with a written report to be submitted to the Board by the Executive Director of Real Estate on the consummation of each transaction; such written report to contain a summary of the transaction, a description of the process used to select the other party and the rationale for using that process, a description of the process used to set the consideration received, and a statement of the market value as determined by an independent appraisal, or other competent evidence of market value, as of a date no earlier than 12 months prior to the consummation of the transaction;
- b. authorize the Executive Director of Real Estate to execute all documents, instruments and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation; and
- c. authorize the use of the proceeds from sales or leases as outlined in the proposal to be made by Dr. Daniel to the Board at the meeting, and as summarized in the Background Information on Pages 11 - 12.

#### BACKGROUND INFORMATION

Regent Robert Rowling will present a final report of the Regental Task Force on U. T. Dallas Lands, based on materials attached on Pages 5 - 9. The Task Force was established in 2005 by Chairman Huffines, is chaired by Regent Rowling, and includes Regent Barnhill and President Daniel. The charge of the Task Force is to review and make recommendations on the best use of the lands held by the Board of Regents for the use and benefit of U. T. Dallas.

Recommendations presented in the report include designating lands north of the St. Louis & Southwestern Railroad tracks for sale or long-term ground lease, with the intent of maximizing income for the institution. Lands south of the St. Louis & Southwestern Railroad tracks will be designated for campus use. Selected tracts not required for near-term campus use along Waterview Parkway and Campbell Road may be leased in the interim, but will not be sold.



Preference in sales and leases will be given to uses that enhance the campus by including retail or mixed-use facilities to create a more vibrant and well-rounded environment for the students, staff, and faculty of U. T. Dallas as well as the surrounding neighborhoods and by strengthening the employment base in the area.

President Daniel will present a proposal for the use of proceeds from the sale or leasing of the land in compliance with the deed restrictions conveying the property.

With a portion of the proceeds, Dr. Daniel proposes to support the institution's goals of increasing faculty and the impact of research by the faculty. An endowment will be established, consistent with the deed restrictions, and approximately half of the endowment is proposed to be used to fund university-level graduate student fellowships aimed at attracting world-class graduate student talent to U. T. Dallas. The other half of the endowment is proposed to be used to support chairs and distinguished chairs for recruiting and retaining faculty talent. The proceeds will provide a powerful and flexible source of matching funds that would significantly strengthen U. T. Dallas's ability to raise private funds as part of the \$100 million "Project Emmitt" campaign.

Also in accordance with the deed restrictions, a portion of the proceeds will be used for the Callier Center for Communication Disorders. The Center is housed in a 40-year-old building. A portion of the proceeds is proposed to be used for improvements to the building, and the remainder is proposed to be used to establish an endowment to support graduate student fellowships and chairs for faculty. The work of the Center is closely aligned with the University's strategic plan: the audiology program is U. T. Dallas's highest ranked graduate program, and the linkages with science and engineering, and especially with bioengineering and electrical engineering, are strong.

# **Task Force on U. T. Dallas Lands – Report to the Board of Regents of The University of Texas System**

## **TASK FORCE OVERVIEW**

At its special called meeting held on July 8, 2005, Chairman Huffines announced the appointment of a task force to review and make recommendations on the best use of the lands held for the benefit of U. T. Dallas.

This task force consists of the following members:

Regent Robert Rowling – Chairman  
Regent John Barnhill, Jr.  
Dr. David Daniel, President of U. T. Dallas

It is supported by U. T. System staff, including:

David Dixon, Office of Facilities Planning & Construction  
Francie Frederick, Office of the Board of Regents  
Scott Kelley, Business Affairs  
Kathy Libersat, Real Estate Office  
Art Martinez, Office of the Board of Regents  
Florence Mayne, Real Estate Office  
Linda Sarrels, Real Estate Office  
Kirk Tames, Real Estate Office

## **ACTIVITIES OF THE TASK FORCE**

- The Task Force first met on August 1, 2005, on the U. T. Dallas campus. In advance of that meeting, the Real Estate Office provided the Task Force a report that contained an overview of land holdings and planning issues.
- The Real Estate Office provided a second report to the Task Force on December 28, 2005, containing responses to questions asked and research requested in the first meeting and incorporating the U. T. Dallas draft strategic plan issued in December 2005.
- An informal meeting of the Task Force took place on January 12, 2006.
- The Task Force convened on June 6, 2006, on the U. T. Dallas campus, discussed options, and decided on recommendations to submit to the Board of Regents for approval.

## **MATTERS REVIEWED AND CONSIDERED**

### **History**

- Land acquisition for U. T. Dallas began in 1969, and totaled about 1,200 acres at its peak.
- The Excellence in Education Foundation, established by Cecil Green, Eugene McDermott and Erik Jonsson, founders of Texas Instruments, donated most of the land. The Texas Research Foundation also donated land.
- The properties are located in the cities of Richardson, Dallas and Plano, and are within both Dallas and Collin Counties.
- Sales of land to benefit U. T. Dallas' endowments and grants of land for roads and other infrastructure began in 1975. Lands north of the George Bush Tollway were sold to maximize economic gain; those located south of the Tollway were sold only to companies that were U. T. Dallas research partners to be used for build-to-suit office, research and manufacturing facilities.
- Dispositions have totaled approximately 502 acres, at a gross sale price of over \$53 million.
- In 1995, the Board of Regents of The University of Texas System appointed a special committee, chaired by Regent Jess Hay, to consider options related to U. T. Dallas' lands. The recommendations of this committee were not fully implemented.

### **U. T. Dallas Draft Strategic Plan**

The leadership of U. T. Dallas completed a draft strategic plan for the institution in December 2005, entitled "Creating the Future." This document contains several points that affect decisions regarding the real estate held for the benefit of U. T. Dallas:

- U. T. Dallas' vision is to become one of the nation's best public research universities, building on existing programs and strengths;
- U. T. Dallas envisions evolving into an institution of about 22,000-25,000 students and 1,200 faculty, similar to the University of Virginia, The University of North Carolina, and University of California-San Diego; and
- U. T. Dallas places a high priority on interaction with the surrounding community and with U. T. Southwestern Medical Center and U. T. Arlington.

## **Current Conditions**

- About 708 acres remain for campus use and for disposition.
- The George Bush Tollway (SH-190) was completed in 1999-2002, and in 2005 was extended to I-635, providing a viable alternative to congested I-635 in the north Dallas area and direct access to Dallas/Fort Worth International Airport. The George Bush Tollway has also changed traffic patterns to and around the U. T. Dallas campus.
- Texas Instruments is completing construction of a very large electronic chip manufacturing facility two miles east of the U. T. Dallas campus, which will increase both the demand for real estate and services, as well as provide additional opportunities for interaction with U. T. Dallas.
- Land in Richardson is zoned for office/manufacturing uses, or with a low-density place-holder zoning; land in Dallas is zoned light industrial, which allows many commercial uses in addition to industrial uses; land in Plano is zoned for light industrial uses, and for commercial uses along the Tollway.
- Market participants note that, overall, real estate markets in the Dallas area have been strengthening for the last few years after being generally weak early in this decade. Office occupancy is recovering, such that there are now few large vacancies in the Richardson market area, and new office construction is likely to begin within the next year. U. T. Dallas is located between large established retail nodes, which raises questions about the likelihood of attracting retail other than new entrants, destination retail, and some campus-related retail. Richardson/Plano is an appealing market for multi-family residential developers, but there is a question whether the cities would approve this use unless it is part of a mixed-use development.
- Market participants think mixed-use development may be viable around the U. T. Dallas campus, and should be either neighborhood-oriented if along Campbell Road, or transit-oriented if Dallas Area Rapid Transit does eventually build a station adjacent to U. T. Dallas.

## **Issues and Options**

- The Task Force considered various issues and options during its deliberations. Included in those issues were (1) the amount of land to be dedicated to campus use; (2) use of other land for office/research park or mixed use and via build-to-suit or speculative development; (3) the possibility that Dallas Area Rapid Transit may select the St. Louis & Southwestern Railroad line next to U. T. Dallas for a future light rail line and that land near or on the campus may be considered for a station; and (4) the pros and cons of land leases and land sales.

## RECOMMENDATIONS OF THE TASK FORCE

### Goals

The Task Force identified dual goals: maximize annual income for U. T. Dallas and preserve strategic property for future growth of the campus.

### Disposition

- The Board should preserve lands south of the St. Louis & Southwestern Railroad line (see the attached map) for current or future campus use. Nevertheless, some parcels within that area may be leased if U. T. Dallas determines it does not have a near-term academic use for the lands. Tracts west of Waterview Parkway, north of Synergy Drive, and on the south side of campus along Campbell Road are possible candidates for such an approach. A total of approximately 544 acres are designated for campus use.
- Property north of the St. Louis & Southwestern Railroad line (see attached map) is recommended for sale or lease, as appropriate. A strong preference will be given to ground lease transactions for parcels south of the George Bush Tollway to preserve flexibility for U. T. Dallas to convert those parcels to campus use at a future date. A total of approximately 172 acres are designated for sale or ground lease.
- The use of proceeds from the sale or exchange of the parcels north of the St. Louis & Southwestern Railroad is dictated by the two deeds that conveyed the parcels to the Board. Excerpts from the applicable deeds are attached to this report. All but approximately 7 acres are subject to the following requirements:
  - 2/3 of the proceeds from sales or exchanges are to be held in an endowment for the further attainment of excellence at U. T. Dallas, with income to be made available at least annually to the president of U. T. Dallas for that purpose;
  - not more than 1/6, nor less than 1/10, of the proceeds from sales or exchanges in any calendar year shall be made available to U. T. Dallas to purchase, construct, fabricate, design, or otherwise acquire buildings, improvements, equipment, appliances, furnishings and fixtures to be located on and used on or in the Callier Center for Communication Disorders;
  - the balance of the proceeds from sales or exchanges is to be held in a permanent endowment for U. T. Dallas in connection with the operation of the Callier Center for Communication Disorders, with the income to be made available at least annually for expenditures by U. T. Dallas for operation of the Callier Center.

With respect to the remaining approximately 7 acres, the proceeds from the sale or exchange of the property must be used for the acquisition of

other lands, the construction of buildings, and the purchase of equipment and personal property for use by U. T. Dallas.

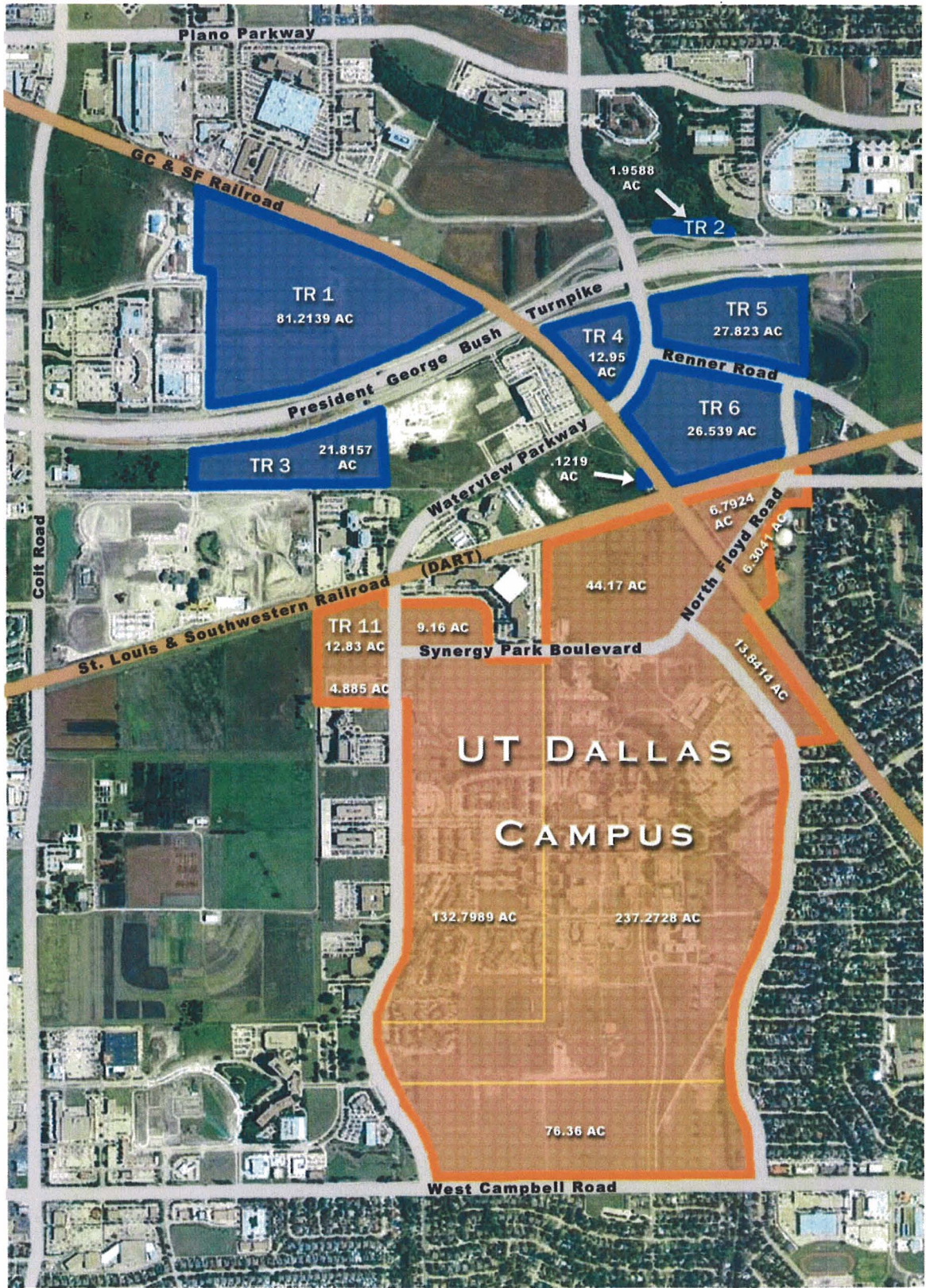
Proceeds from leasing are not restricted. Provided, however, that the Office of General Counsel had advised that if the lease is for an extended period and the rental is prepaid in a lump sum akin to the fair market value, then the proceeds should be treated as though they are proceeds from a sale or exchange.

### **Preferred Uses**

- Uses that enhance the campus by creating a more vibrant and well-rounded environment for the students, staff, and faculty, as well as for the surrounding neighborhoods. These may include retail or mixed-use commercial development, and could include a residential component.
- Short-term uses including driving ranges or other low-impact uses for parcels that may be leased for terms that are not sufficiently long enough to support more extensive improvements.
- Uses that enhance the employment base in the area.

### **Other Recommendations**

- During the course of task force discussions, and consistent with those discussions, U. T. Dallas opted to give notice that the driving range lease for the portion of its campus at the southeast corner of Waterview Parkway and Synergy Drive will terminate in August 2007.
- Land will be sold or leased for both speculative as well as build-to-suit commercial development.
- If the St. Louis & Southwestern Railroad line is selected for light rail service, U. T. Dallas will actively encourage the Dallas Area Rapid Transit to locate a station at the U. T. Dallas campus; such a station would then be a focal point for further commercial and campus development.
- The U. T. System Real Estate Office will take actions to increase the marketability of the sites, including obtaining surveys, hiring brokers or other professionals, and evaluating whether re-zoning, building infrastructure or signage, placing deed restrictions, or other actions will benefit the property, are economically advantageous, or protect the interests of U. T. Dallas.
- The U. T. System Real Estate Office will market the property. Brokers may be engaged to assist marketing efforts. Developers may be sought to assist in master-planned components, if any, of the property.



Use of Proceeds as Stipulated in Deeds

**Approximately 7 Acres at the Northeast Corner of the Intersection of the St. Louis & Southwestern and GC & SF Railroad Lines:**

Grantor: Excellence in Education Foundation

Date of Deed: February 27, 1975

Deed Restrictions: Given to The University of Texas System "... for the purpose of aiding the establishing and operation of The University of Texas at Dallas, and in the event any of said real estate shall be sold or exchanged by Grantee, the proceeds of such sale or exchange shall not become a part of the Permanent University Fund, the Available University Fund, or the general funds of the State of Texas, but the use of such proceeds shall be limited to the acquisition of other lands and the construction of buildings and the purchase of equipment and personal property for the use of The University of Texas at Dallas ...."

**All Other Parcels North of the St. Louis & Southwestern Railroad Line:**

Grantor: Excellence in Education Foundation

Date of Deed: August 25, 1975

Deed Restrictions: Given to The University of Texas System "... provided, however, that:

1. Grantee shall hold the legal title to the real estate hereby granted and conveyed as Trustee for the use and benefit of UTD in the conduct and operation of UTD, with full rights, powers and authority in Grantee to sell (for cash, notes or other properties, or a combination thereof), exchange, lease (for terms of any duration), develop, mortgage, encumber, charge and manage same, with all rights, powers and authority of an owner of said real estate except as herein expressly limited and provided;
2. An undivided two-thirds (2/3) interest in said real estate, or in the proceeds thereof or the properties acquired with such proceeds or in exchange therefore (in the event of a sale or exchange) shall be held as a permanent endowment for the further attainment of excellence at UTD, all the income



therefrom to be made available by Grantee at least annually for expenditure by the President (or other chief administrative officer) from time to time of UTD for that purpose;

3. Not to exceed an undivided one-sixth (1/6) interest in said real estate, or in the proceeds thereof or the properties acquired with such proceeds or in exchange therefore (in the event of a sale or exchange), but not more than one-tenth (1/10) of said undivided one-sixth (1/6) interest in any one calendar year, shall be made available to be used by UTD for the purpose of purchasing, constructing, fabricating, designing or otherwise acquiring buildings, improvements, equipment, appliances, furnishings and fixtures that will be located and used on or in the institution named "Callier Center for Communication Disorders," the operation of which is now being transferred to UTD;
4. The balance of said interest in said real estate, or in the proceeds thereof or the properties acquired with such proceeds or in exchange therefore (in the event of a sale or exchange) shall be held as a permanent endowment for UTD in connection with its operation of Callier Center for Communication Disorders, and all of the income from said interest shall be made available at least annually for the expenditure by UTD for the operation of Callier Center for Communication Disorders;
5. None of said real estate or the proceeds thereof or the properties acquired with such proceeds or in exchange therefore (in the event of a sale or exchange), or the income from any of the same, shall ever become a part of the Permanent University Fund, the Available University Fund, or the general funds of the State of Texas, but all of the same shall be used solely for the purposes hereinabove set forth ...."

5. **U. T. Austin: Research Office Complex (formerly Institute for Geophysics and Advanced Computing Center) - Amendment to the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost required to accommodate the Sun Constellation supercomputer, funded by a \$59,000,000 High Performance Computing (HPC) System grant from the National Science Foundation; appropriation of funds and authorization of expenditure; and authorization of a separate allocation of \$5,000,000 in Available University Funds to assist in recruiting world-class research staff following the U. T. System Science and Technology Acquisition and Retention (STARs) Program**

RECOMMENDATION

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Research Office Complex (formerly Institute for Geophysics and Advanced Computing Center) project at The University of Texas at Austin as follows:

**Project Number:** 102-128

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** June 2007

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Unexpended Plant Funds	\$ 1,684,400	\$13,850,000
	Revenue Financing System Bond Proceeds	\$17,344,000	\$17,344,000
	Interest on Local Funds	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>
		\$22,528,400	\$34,694,000

- a. amend the FY 2006-2011 Capital Improvement Plan and the FY 2007-2008 Capital Budget to increase the total project cost;
- b. appropriate additional funds in the amount of \$12,165,600 from Unexpended Plant Funds and authorize expenditure of funds; and
- c. authorize allocation of \$5,000,000 from Available University Funds for Science and Technology Acquisition and Retention (STARs) program.

## BACKGROUND INFORMATION

### Previous Actions

On August 8, 2001, the project was included in the CIP with a preliminary project cost of \$18,000,000 with funding from Designated Tuition. On May 12, 2005, the Board approved the design development plans, revised the funding sources, and increased the total project cost to \$20,444,000 with funding of \$16,944,000 from Revenue Financing System Bond Proceeds and \$3,500,000 from Interest on Local Funds. On October 25, 2005, the Chancellor approved increasing the total to \$20,844,000 with funding of \$16,944,000 from Revenue Financing System Bond Proceeds and \$3,900,000 from Interest on Local Funds. On January 30, 2006, the Chancellor approved revising the funding to \$17,344,000 from Revenue Financing System Bond Proceeds and \$3,500,000 from Interest on Local Funds. On May 2, 2006, the nonhonorific name change was approved from Institute for Geophysics and Advanced Computing Center to Research Office Complex. On July 10, 2006, the Chancellor approved increasing the total project cost and funding was revised to \$350,000 from Unexpended Plant Funds, \$3,500,000 from Interest on Local Funds, and \$17,344,000 from Revenue Financing System Bond Proceeds for a total project cost of \$21,194,000. On September 14, 2006, the Chancellor approved increasing the total project cost and funding was revised to \$1,684,400 from Unexpended Plant Funds, \$3,500,000 from Interest on Local Funds, and \$17,344,000 from Revenue Financing System Bond Proceeds for a revised total project cost of \$22,528,400.

### Project Description

U. T. Austin has received a grant for the new Sun Constellation supercomputer, one of the world's most powerful supercomputers. The supercomputer is being funded by a \$59,000,000 High Performance Computing (HPC) System grant from the National Science Foundation and will be the largest computer that is attached to the TeraGrid, a National Science Foundation sponsored network of high-performance computers.

The project, located at the J. J. Pickle Research Campus, consists of a three-story facility of approximately 95,000 gross square feet including research offices, work areas, and seminar and training space for the U. T. Institute for Geophysics (UTIG) and the Texas Advanced Computing Center (TACC).

The increase in total project cost of \$12,165,600 is required to upgrade the TACC facility heating, ventilation, and air conditioning system to accommodate the new Sun Constellation supercomputer.

There will be a separate allocation of \$5,000,000 of Available University Funds to assist U. T. Austin in recruiting world-class research staff following the criteria used in U. T. System's FY 2007 Science and Technology Acquisition and Retention (STARs) Program.

**6. U. T. Austin: Dell Computer Science Hall (formerly Computer Sciences Building) - Request for approval to allocate \$20,000,000 from Permanent University Fund Bond Proceeds and amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to revise funding sources**

**RECOMMENDATION**

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor for External Relations that the U. T. System Board of Regents approve the recommendations for the Dell Computer Science Hall (formerly Computer Sciences Building) project at The University of Texas at Austin as follows:

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** June 2010

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Gifts	\$67,000,000	\$47,000,000
	Permanent University Fund Bond Proceeds		<u>\$20,000,000</u>
			\$67,000,000

- a. approve the allocation of \$20,000,000 from Permanent University Fund Bond Proceeds; and
- b. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to revise the funding sources.

**BACKGROUND INFORMATION**

**Previous Board Action**

On May 11, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$67,000,000 with funding from Gifts, was named the Dell Computer Science Hall, and was designated as architecturally significant.

**Project Description**

The project will construct a new computer sciences building of approximately 106,000 gross square feet with five levels plus a basement. A wing will connect to two levels of T. U. Taylor Hall and the Applied Computational Engineering and Sciences (ACES) Building.

The Department of Computer Sciences occupies five different buildings scattered across the U. T. Austin campus. The Dell Computer Science Hall will consolidate the Department of Computer Sciences into one building and enable the integration of research and educational opportunities.

This request recommends the allocation of \$20,000,000 from Permanent University Fund Bond Proceeds. The Michael & Susan Dell Foundation committed \$10,000,000 toward the total projected construction cost of \$67,000,000 for the project. As a building that plays a critical role in U. T. Austin's ability to be nationally competitive in computer science, significant funds are needed to accelerate the building process. The new, state-of-the-art facility is needed to recruit world-class faculty and strong graduate students and to have the necessary space and equipment to improve competitive standing. Additional funds will be raised through private sources and other institutional resources.

7. **U. T. System: Authorize and approve the use of \$10 million of Permanent University Fund Bond Proceeds to be used as a source of U. T. System contributions for projects supported by Emerging Technology Fund and Texas Enterprise Fund grants that follow the criteria and process used for allocation of the U. T. System's Science and Technology Acquisition and Retention (STARs) Program**

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs that \$10 million of Permanent University Fund (PUF) Bond Proceeds be authorized and approved as a source of U. T. System contributions for projects supported by grants from the State of Texas' Emerging Technology Fund and the Texas Enterprise Fund. This special allocation would be available to any PUF-eligible institution competing for such State funds to assist the institution with recruiting world-class researchers who are central to these projects. The evaluation and awarding of these funds would follow the criteria and process used for allocation of the U. T. System's Science and Technology Acquisition and Retention (STARs) Program.

#### BACKGROUND INFORMATION

In 2003, the 78th Texas Legislature established the \$295 million Texas Enterprise Fund to allow the State to respond quickly and aggressively to opportunities to bring jobs and employers to Texas. The Texas Enterprise Fund provides State leaders with a "deal closing fund" that has the flexibility and financial resources to help strengthen the state's economy. The fund can be used for a variety of economic development projects,

including infrastructure development, community development, job training programs, and business incentives. Before funds can be awarded, the Governor, Lieutenant Governor, and Speaker must unanimously agree to support the use of the Texas Enterprise Fund for each specific project.

The Emerging Technology Fund, which was created by the 79th Texas Legislature based on a proposal by Governor Perry, was initially established with \$200 million to be used to acquire new or enhanced existing research superiority at public institutions of higher education in Texas. Proposals should involve scientific or technical fields that have a reasonable probability of enhancing the State's economic competitiveness and are likely to create a nationally or internationally recognized focus of research superiority.

8. **U. T. System Board of Regents: Request to designate \$10 million of Permanent University Fund Bond Proceeds from the Science and Technology Acquisition and Retention (STARs) Program to be set aside for matching funds for private gifts as part of the Regents' Research Scholars Program and amendment of Regents' Rules and Regulations, Series 31001, Section 2, concerning academic titles**

#### RECOMMENDATION

Upon recommendation of the Executive Vice Chancellors for Academic and Health Affairs and the Vice Chancellor for Research and Technology Transfer, the Chancellor recommends that the Regents designate \$10 million of Permanent University Fund (PUF) Bond Proceeds to be set aside for matching funds as part of the Regents' Research Scholars Program.

To be eligible for these matching funds, the campus would identify an important recruitment of a Regents' Research Scholar and obtain philanthropic commitments for \$200,000 to \$500,000 for a specific recruitment. Upon identification of an appropriate candidate for the position, the campus would request Science and Technology Acquisition and Retention (STARs) matching money for this philanthropic commitment (between \$200,000 and \$500,000 for the recruitment). The recruitment would be reviewed by the relevant Executive Vice Chancellor, and if approved, the STARs monies would be used for equipment and renovation while the philanthropic monies could be used for any appropriate research operating costs associated with the recruitment, e.g., graduate student stipends, technician support, and supplies.

Under this plan, up to \$1 million would be available over a five-year period i.e., \$200,000/year. These funds are not intended as an endowment. Recipients of these monies would be known as "Regents' Research Scholars" for the duration of the financial support. Such scholars could also bear the name of the donor i.e., the Johnny Jones Regents' Research Scholar.

Any tenure track faculty recruit, regardless of rank, would be eligible for a Regents' Research Scholar matching award. Such an award would not disqualify an individual for consideration for other STARs recruiting money. That is, if a particular recruitment met the requirement of STARs Program, additional funds for equipment and renovations might be made available through the current programs. Campuses could indicate to potential donors that the U. T. System will provide equipment and renovations money to manage their philanthropic commitment of not less than \$200,000 but not more than \$500,000.

Once a gift has been made, it will be used by the campus for the Regents' Research Scholars awards. If initially intended for a particular candidate, it will be available at the institution for subsequent recruitments if that candidate is not successfully recruited, or if the faculty member leaves prior to the end of the term of the award. While some priority will be given to science, technology, engineering, math, and medicine, faculty proposals for faculty in other fields will also be entertained.

In each case, the philanthropic money for a Regents' Research Scholar must be a new contribution. The Executive Vice Chancellors will be responsible for carefully monitoring the distribution of the Regents' Research Scholars awards among institutions so that there is not a disproportionate share of awards to institutions with particularly strong philanthropic capabilities.

The Regents will receive an annual report of the number and distribution of Regents' Research Scholars awards.

The Chancellor also concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that the General Counsel to the Board of Regents be authorized to amend the Regents' *Rules and Regulations*, Series 31001, Section 2, concerning academic titles, to include the title "Research Scholar."

### BACKGROUND INFORMATION

Among the most important goals in the Regents' Strategic Plan for The University of Texas System is the commitment to recruit outstanding faculty. In the highly competitive higher education and academic health worlds, recruitment of the most outstanding faculty is extremely expensive. Adequate salary support is a necessary requirement, but, in addition, adequate and appropriate space, state-of-the-art equipment, adequate technical support, and supplies are essential. Whether an initial recruitment or a move from another institution, faculty require significant resources either to start up or to maintain momentum.

The faculty STARs Program has provided adequate funding for equipment and renovations necessary for recruitment of new faculty and in some cases retention of outstanding individuals. However, these monies do not provide operating support for

technicians, graduate student stipends, supplies, and other necessary resources for successful recruitment and launching of new faculty careers. For carefully selected faculty recruitments of very high quality, private philanthropy offers real opportunities to pay for the latter costs. Such philanthropy might be matched in appropriate cases with STARs funding to provide attractive startup packages.

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

REPORT

Regent Caven, Chairman of The University of Texas Investment Management Company (UTIMCO) Board of Directors, will provide an update on the status and a projected timetable for the search for the chief executive officer for UTIMCO.

10. **U. T. System: Annual performance assessment of campus development offices**

REPORT

Vice Chancellor Safady will present the annual report on performance assessment of U. T. System campus development offices following a PowerPoint presentation on Pages 1 - 8 in the Supplemental Materials (Volume 2) of the Agenda Book.

In 2004, Dr. Safady initiated a new, annual review of campus development operations and the preparation of a customized feedback report for each institution. The report offers an assessment of current development activity and a framework for performance measurement and continuous improvement. With demand on U. T. System institutions to increase philanthropic support, this new service aims to help each institution achieve its strategic objectives. This annual review is aligned with the goals of the U. T. System's comprehensive Accountability and Performance program.

11. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed recipient for Santa Rita Award**

RECOMMENDATION

Chairman Huffines may make a recommendation for award of the Santa Rita Award, the highest honor bestowed by the Board of Regents.



## BACKGROUND INFORMATION

The criteria for selection, as detailed in the Regents' *Rules and Regulations*, Series 10601, attached on Pages 9 - 10 in the Supplemental Materials (Volume 2) of the Agenda Book, include such factors as:

- A demonstrated concern for the principles of higher education
- A deep commitment to the furtherance of the purposes and objectives of The University of Texas System
- A record of commitment to securing appropriate financial support for the System from both the public and private sectors
- A demonstrated record of participation in the affairs of the System, which serves as a high example of selfless and public-spirited service.

### K. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD

The Standing Committees of the Board of Regents of The University of Texas System will meet as set forth below to consider recommendations on those matters on the agenda for each Committee listed in the Agenda Book. At the conclusion of the Standing Committee meetings, the report of each Committee will be formally presented to the Board for consideration and action.

Audit, Compliance, and Management Review Committee: Chairman Estrada  
Agenda Book Page 21, No Items

Finance and Planning Committee: Chairman Rowling  
Agenda Book Page 28

Academic Affairs Committee: Chairman Krier  
Agenda Book Page 40

Health Affairs Committee: Chairman Clements  
Agenda Book Page 60

Facilities Planning and Construction Committee: Chairman Barnhill  
Agenda Book Page 67

### L. RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE

### M. ADJOURN



**TABLE OF CONTENTS  
FOR  
AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW  
COMMITTEE**

**Committee Meeting:** 11/15/2006  
Austin, Texas

*Robert A. Estrada, Chairman*  
*Rita C. Clements*  
*Judith L. Craven, M.D.*  
*Cyndi Taylor Krier*  
*Robert B. Rowling*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>A. CONVENE</b>	4:45 p.m.		
	<i>Chairman Estrada</i>		
1. <b>U. T. System Board of Regents: Report on the results of The University of Texas Investment Management Company (UTIMCO) Audit</b>	4:45 p.m. <b>Report</b>	Not on Agenda	<b>21</b>
	<i>Mr. Richter, Ernst &amp; Young</i>		
2. <b>U. T. System Board of Regents: Report on the U. T. System Financial Statement Audit</b>	4:55 p.m. <b>Report</b>	Not on Agenda	<b>21</b>
	<i>Mr. Lenfant, Deloitte &amp; Touche</i>		
3. <b>U. T. System: Report on the System-wide Internal Audit Activities</b>	5:05 p.m. <b>Report</b>	Not on Agenda	<b>22</b>
	<i>Mr. Chaffin, Ms. Barrett</i>		
4. <b>U. T. System: Annual Report on System-wide Institutional Compliance Program</b>	5:10 p.m. <b>Report</b>	Not on Agenda	<b>27</b>
	<i>Mr. Chaffin, Mr. Givens</i>		
<b>B. RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551</b>	5:20 p.m.		
1. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - <i>Texas Government Code</i> Section 551.074			
<b>U. T. System: Discussion with institutional auditors and compliance officers concerning evaluation and duties of individual System and institutional employees involved in internal audit and compliance functions</b>			
2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers - <i>Texas Government Code</i> Section 551.071			
<b>C. ADJOURN</b>	5:45 p.m.		

1. **U. T. System Board of Regents: Report on the results of The University of Texas Investment Management Company (UTIMCO) Audit**

REPORT

Mr. Ricky Richter, Ernst & Young, LLP, will report on the results of the audit of the financial statements of the Permanent University Fund (PUF), General Endowment Fund (GEF), Permanent Health Fund (PHF), Long Term Fund (LTF), and Intermediate Term Fund. Additionally, he will report on the results of the audit of internal controls over financial reporting for The University of Texas Investment Management Company (UTIMCO), the PUF, the GEF, the PHF, and the LTF.

Ernst & Young's report on financial statement audit results and communications to audit committees may be found beginning on Page 10a in the Supplemental Materials (Volume 2) of the Agenda Book. A report on internal controls over financial reporting for the PUF from Ernst & Young along with UTIMCO management's assertion about those controls and a report from the U. T. System Audit Office are also included in Volume 2 on Pages 10f – 10p.

BACKGROUND INFORMATION

On July 7, 2003, the Board authorized U. T. System staff to negotiate and enter into an auditing services contract with Ernst & Young, LLP, to perform a financial audit of the funds managed by UTIMCO for the fiscal year ending August 31, 2003. The contract was for one year with a right to renew in one-year increments for four years. The Board renewed the auditing services contract with Ernst & Young, LLP, for the first time on February 4, 2004, the second time on February 10, 2005, and the third time on February 9, 2006, to perform the 2006 financial audit of the funds managed by UTIMCO. The Board is required by Section 66.08 of the *Texas Education Code* to have an annual audit of the financial statements of the PUF.

2. **U. T. System Board of Regents: Report on the U. T. System Financial Statement Audit**

REPORT

Mr. Rodney Lenfant, Deloitte & Touche LLP, will report on the progress and preliminary results of the U. T. System Financial Statement Audit for Fiscal Year 2006.

## BACKGROUND INFORMATION

In November 2003, the U. T. System Board of Regents approved an initiative to implement the "spirit" of the Sarbanes-Oxley Act as a good faith effort toward manifesting financial accountability and compliance in the public sector. As a result, in June 2004, the Board of Regents sought proposals for a comprehensive annual financial statement audit by an independent certified public accounting firm to obtain assurance that U. T. System has a sound financial base and adequate resources to support the mission of the organization and the scope of its programs and services.

A Request for Qualifications (RFQ) was distributed by U. T. System staff in June 2004. Two proposals were received. After a review of the proposals and firm interviews by Committee Chairman Estrada and U. T. System staff, the Board of Regents authorized U. T. System staff to negotiate and enter into an auditing services contract with Deloitte & Touche, LLP, to perform a financial audit of the System-wide financial statements for the fiscal year ending August 31, 2005, at the July 16, 2004 Board of Regents' meeting. The contract was for one year with a right to renew in one-year increments for two years. The Board renewed the auditing services contract with Deloitte & Touche, LLP, for the first time on March 28, 2006.

### **3. U. T. System: Report on the System-wide Internal Audit Activities**

#### REPORT

Mr. Charles Chaffin, Chief Audit Executive, and Ms. Amy Barrett, Assistant Director of System Audit, will report on the annual report of the System-wide Internal Audit Program for Fiscal Year 2006, set forth on Pages 11 - 14 of the Supplemental Materials (Volume 2) of the Agenda Book. Activity reports are presented to the Audit, Compliance, and Management Review Committee of the Board of Regents on an annual basis. The last activity report was sent on October 27, 2006.

Additionally, Mr. Chaffin will report on the status of significant audit recommendations. The fourth quarter activity report on the Status of Outstanding Significant Recommendations is set forth on Pages 23 - 24. The report shows that satisfactory progress is being made on the implementation of all significant recommendations. Additionally, a list of other audit reports that have been issued by the System-wide audit program follows on Pages 25 - 26.

Significant audit findings/recommendations are submitted to and tracked by the U. T. System Audit Office. Quarterly, the chief business officers are asked for the status of implementation, and the internal audit directors verify implementation. A summary report is provided to the Audit, Compliance, and Management Review Committee of the U. T. System Board of Regents. Additionally, the Committee members receive a detailed summary of "new" significant recommendations quarterly.

THE UNIVERSITY OF TEXAS SYSTEM  
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	3rd Quarter		4th Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			
2006-06	UTARL	May Express Cash Handling Audit					10/15/2006	Satisfactory	O
2004-03	UT AUS	Information Security Management		1			12/31/2006	Satisfactory	C, O
2006-02	UT AUS	UT Elementary (by West, Davis & Company)		1			10/31/2006	Satisfactory	C
2004-03	UTB	Contracts and Grants		1			12/31/2006	Satisfactory	C, O
2004-06	UTB	2003 Financial and Applications Controls Audit of the Financial Aid Office		1			12/31/2006	Satisfactory	C, O
2004-10	UTB	Physical Plant		3			11/30/2006	Satisfactory	C, O
2006-03	UTB	Change in Management Audit of Athletics		1			12/1/2006	Satisfactory	C, O
2006-07	UTB	Housing and Residence Life		0			9/30/2006	Completed	C, O
2003-12	UTD	Lab and Biological Safety		1			1/31/2007	Satisfactory	C, O
2004-01	UTEUP	Information Technology - General Controls Review		1			7/31/2006	Completed	O
2005-05	UTEUP	Office of the Registrar		1			12/31/2006	Satisfactory	C, O
2005-08	UTEUP	Texas Success Initiative		1			12/31/2006	Satisfactory	C, O
2006-05	UTEUP	Information Technology Student Information System					8/31/2006	Completed	C, O
2006-04	UTPA	Gear Up					12/31/2006	Satisfactory	C
2004-09	UTSA	Research Compliance - Time and Effort Reporting		1			12/31/2006	Satisfactory	C
2004-11	UTSA	Scholarship Management		1			8/31/2006	Completed	O
2006-11	UTSA	Animal Research Audit		1			9/14/2006	Completed	O
2006-07	UTSA	Information Technology Change Management		1			1/1/2007	Satisfactory	O
2006-04	UTTY	Endowment Compliance		1			12/31/2006	Satisfactory	O
2006-01	UTSMC - Dallas	Hospital Accounts Payable		3			7/1/2006	Completed	F, O
2006-05	UTSMC - Dallas	Accounts Payable		1			7/1/2007	Satisfactory	C, O
2003-05	UTMB - Galveston	Delivery of Operating Room Services		1			8/31/2006	Completed	O
2004-02	UTMB - Galveston	Compliance Inspection: Account Reconciliation and Segregation of Duties		1			12/31/2006	Satisfactory	F, O
2004-07	UTMB - Galveston	Office of Sponsored Programs (OSP) & Contracts and Grants (C & G)		1			8/31/2006	Completed	F, C, O
2005-03	UTMB - Galveston	Compliance Update with the HIPAA Final Security Rule (Institutional)		1			12/31/2006	Satisfactory	C, O
2005-07	UTMB - Galveston	Compliance Update with the HIPAA Final Security Rule (Correctional Managed Care)		3			2/1/2007	Satisfactory	C, O
2005-08	UTMB - Galveston	Audit of Institutional Review Board Human Subjects Protection		1			11/30/2006	Satisfactory	C, O
2005-12	UTMB - Galveston	System-wide Financial Audit		1			12/31/2006	Satisfactory	F, C, O
2006-04	UTHSC - Houston	Hematology Inventory Review		3			1/2/2007	Satisfactory	F, O
2004-02	UTHSC - San Antonio	Medical Services, Research, and Development Plan Front-End Billing		1			8/31/2006	Completed	O
2006-04	UTHSC - San Antonio	Medical Services, Research, and Development Plan Collections		4			12/31/2006	Satisfactory	O
2001-08	UTMDACC - Houston	Lotus Notes Environment		2			8/31/2008	Satisfactory	O
2004-01	UTMDACC - Houston	PeopleSoft Payroll		1			2/28/2007	Satisfactory	O
2006-03	UTMDACC - Houston	Contractor Selection and Contract Monitoring		1			8/31/2007	Completed	C
2006-07	UTMDACC - Houston	Pharmacy Inventory Review					5/31/2007	Satisfactory	O
2006-07	UTMDACC - Houston	Pharmacy Application Security Review		1			5/31/2007	Satisfactory	O
2005-04	UTHC - Tyler	Texas Administrative Code 202 Compliance		1			9/1/2007	Satisfactory	C

THE UNIVERSITY OF TEXAS SYSTEM  
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	3rd Quarter		4th Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance Material to Institution's Fin. Smts. ("F"), Compliance ("C"), and/or Operations ("O")
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			
2005-06	UTHC - Tyler	Medical Services, Research, and Development Plan Annual Financial Report 8/31/04		1		1	8/31/2007	Satisfactory	F, O
2005-11	UTHC - Tyler	IT Security Audit of Meditech and LSS Patient Information Systems		1		1	10/31/2006	Satisfactory	C
2006-01	UTHC - Tyler	Annual Financial Report Audit Fiscal Year Ended August 31, 2005		1		0	8/31/2006	Completed	F, C, O
2006-06	UTHC - Tyler	Review of the Office of the President's Travel & Entertainment				1	10/6/2006	Satisfactory	F
2005-12	UTSYS ADM	System-wide Financial Audit		5		4	8/31/2007	Satisfactory	F, O
2006-05	UTSYS ADM	UTIMCO Institutional Investment and Compliance Audits		16		11	8/31/2007	Satisfactory	C
2006-08	UTSYS ADM	UTIMCO CEO Travel and Entertainment Expenses				1	12/31/2006	Satisfactory	C, O
Totals				66		60			

**STATE AUDITOR'S OFFICE AUDITS**

2006-02	UTAUS	Federal Portion of the Statewide Single Audit FY 2005		1		0	8/31/2006	Satisfactory	F, O
2002-09	UTB	Financial Review		1		1	3/31/2007	Satisfactory	F
2004-02	UTSA	Financial Review		2		2	12/31/2006	Satisfactory	F
2004-06	UTSMC - Dallas	Protection of Research Data at Higher Education Institutions		1		1	12/31/2006	Satisfactory	O
2006-02	UTMB - Galveston	Federal Portion of the Statewide Single Audit FY 2005		3		1	12/31/2006	Satisfactory	F, C, O
2006-02	UTHSC - Houston	Federal Portion of the Statewide Single Audit FY 2005		1		0	8/31/2006	Satisfactory	C
2004-06	UTHSC - San Antonio	Protection of Research Data at Higher Education Institutions		1		1	10/31/2006	Satisfactory	O
2002-11	UTMDACC - Houston	Security Over Electronic Protected Health Information at Selected Texas Academic Medical Institutions		1		1	2/28/2007	Satisfactory	C
2005-02	UTMDACC - Houston	Federal Portion of the Statewide Single Audit FY 2004		4		2	2/28/2007	Satisfactory	C
Totals				15		9			

**Color Legend:**

■ Any audit with institutionally significant findings. Not necessarily a failure - just an area that needs high level attention. Corrective action will be taken subsequent to the quarter in which the finding was reported.

■ Significant progress toward resolution was made during the quarter in which the significant finding was first reported.

■ A red or orange audit becomes a yellow when significant progress continues beyond the quarter in which the significant finding was first reported.

■ All issues have been appropriately resolved, including any issues resolved during the quarter in which they were first reported.

**Note:**

**Completed** - The institutional Internal Audit Director deems the significant issues have been appropriately addressed and resolved.

**Satisfactory** - The institutional Internal Audit Director believes that the significant issues are in the process of being addressed in a timely and appropriate fashion.

**Unsatisfactory** - The institutional Internal Audit Director does not feel that the significant issues are being addressed in a timely and appropriate fashion.

<b>* OTHER U. T. SYSTEM AUDITS COMPLETED - 6/2006 through 8/2006</b>		
<b>Month Received by System</b>	<b>Institution</b>	<b>Audit</b>
June-06	U. T. Medical Branch - Galveston	Review of The Employee Allocation and Time Capture Processes of UTMB Correctional Managed Care (CMC)
June-06	U. T. Medical Branch - Galveston	President and Spousal Travel, Entertainment and Housing Audit
June-06	U. T. System Administration	Occidental Petroleum Corporation Audit
June-06	U. T. System Administration	Office of Governmental Relations Change in Management Audit
June-06	U. T. Health Center - Tyler	Office of the Vice President for Business Administration Departmental Audit
June-06	U. T. Health Center - Tyler	Pharmacy Departmental Audit
July-06	U. T. Arlington	Construction Program Management Audit
July-06	U. T. Arlington	President's Travel and Entertainment Expenditures Audit
July-06	U. T. Arlington	Budgeting, Planning, and Enrollment Management Audit
July-06	U. T. Arlington	Laboratory Safety Audit
July-06	U. T. Austin	Animal Resources Center
July-06	U. T. Austin	University Extension
July-06	U. T. Austin	Department of Geological Sciences
July-06	U. T. Austin	McDonald Observatory
July-06	U. T. Austin	Department of Chemistry and Biochemistry
July-06	U. T. Austin	Office of the Vice President of Development
July-06	U. T. Austin	Department of Chemical Engineering
July-06	U. T. Austin	Department of Art and Art History
July-06	U. T. Austin	Department of Geography and the Environment
July-06	U. T. Austin	Department of Psychology
July-06	U. T. Austin	Department of Accounting
July-06	U. T. Austin	Student Organization Bank
July-06	U. T. Austin	Mobile Electronic Devices - Information Security Office
July-06	U. T. Austin	Anti-Fraud Program Review
July-06	U. T. Brownsville	Special Request Audit of the President's Travel, Entertainment, and Housing Expenses
July-06	U. T. Brownsville	Audit of Housing & Residence Life
July-06	U. T. Brownsville	Texas Department of Information Resources (DIR) Inventory of Information Technology Data Center Services
July-06	U. T. Dallas	Lena Callier Trust for the Hard of Hearing and the Deaf Audit
July-06	U. T. Southwestern Medical Center - Dallas	UT Southwestern Health Systems Audited FY 2005 Financial Statements
July-06	U. T. Medical Branch - Galveston	Pathology Laboratory Information Systems Audit
July-06	U. T. Medical Branch - Galveston	Graduate Medical Education Program Audit FY 2004
July-06	U. T. Medical Branch - Galveston	Graduate Medical Education Program Audit FY 2005
July-06	U. T. Medical Branch - Galveston	Texas Higher Education Coordinating Board Primary Care Residency Program Grants for Fiscal Years 2004 & 2005
July-06	U. T. Medical Branch - Galveston	Willed Body Program Audit
July-06	U. T. Medical Branch - Galveston	Compliance Review of State Advanced Research and Advanced Technology Program Grants (ARP/ATP)
July-06	U. T. Health Science Center - Houston	Report on System Ownership--Designation and Responsibilities
July-06	U. T. Health Science Center - Houston	Report on Institutional Review Board Compliance
July-06	U. T. Health Science Center - San Antonio	Infection Control Audit
July-06	U. T. Health Science Center - San Antonio	Medical Services, Research, and Development Plan (MSRDP) Collections Audit
July-06	U. T. Health Science Center - San Antonio	Practice Plan Financial Review
July-06	U. T. Health Science Center - San Antonio	President's Office Expenditures Audit
July-06	U. T. M. D. Anderson Cancer Center	Review of Lawson Application Security
July-06	U. T. M. D. Anderson Cancer Center	Information Security Access Request Page (ISARP) Application Security
July-06	U. T. M. D. Anderson Cancer Center	Laboratory Informatics (LIS) Clinical Applications Backup, Storage and Recovery
July-06	U. T. M. D. Anderson Cancer Center	Governmental Relations

Month Received by System	Institution	Audit
July-06	U. T. M. D. Anderson Cancer Center	Change in Management - Extramural Programs
July-06	U. T. M. D. Anderson Cancer Center	Physicians Referral Service Financial Review
Aug-06	U. T. Arlington	NCAA Financial Aid Compliance Audit
Aug-06	U. T. Austin	Purchasing Audit
Aug-06	U. T. Austin	Petroleum Extension Services
Aug-06	U. T. Austin	Confidentiality and Integrity of Digital Research Data - Center for Electromechanics
Aug-06	U. T. Austin	Confidentiality and Integrity of Digital Research Data - Department of Sociology
Aug-06	U. T. Dallas	School of Economic, Political, and Policy Sciences
Aug-06	U. T. Dallas	Department of Geosciences
Aug-06	U. T. Dallas	Executive Management's Travel and Entertainment Expenses Audit
Aug-06	U. T. Pan American	Dean of Admissions
Aug-06	U. T. Pan American	Office of Human Resources
Aug-06	U. T. Pan American	Procurement Card Program
Aug-06	U. T. San Antonio	Incidental Fees Audit
Aug-06	U. T. San Antonio	Tuition Revenue Audit
Aug-06	U. T. Tyler	Endowment Monitoring Plan Audit
Aug-06	U. T. Southwestern Medical Center - Dallas	Audits Follow-up for Recommendations Implemented or Due Prior to September 1, 2005
Aug-06	U. T. Southwestern Medical Center - Dallas	General Information Technology Disaster Recovery Audit
Aug-06	U. T. Southwestern Medical Center - Dallas	Payroll Management Review
Aug-06	U. T. Southwestern Medical Center - Dallas	University Hospitals' Materials Management
Aug-06	U. T. Southwestern Medical Center - Dallas	University Hospitals' Laboratory Services
Aug-06	U. T. Health Science Center - Houston	Report on Audit of Dental Branch Practice Plan
Aug-06	U. T. Health Science Center - Houston	Report on Security of Credit Card Data
Aug-06	U. T. Health Science Center - Houston	Report on Change in Management - Development
Aug-06	U. T. Health Science Center - Houston	Report on Infrastructure: SQL Servers
Aug-06	U. T. Health Science Center - Houston	Follow-up On Open Recommendations
Aug-06	U. T. Health Science Center - San Antonio	Institutional Follow-up FY 2006 - 2nd Quarter
Aug-06	U. T. Health Center - Tyler	Medical Services, Research, and Development Plan AFR FYE 08/31/2005

**\* STATE AUDITOR'S OFFICE AUDITS COMPLETED - 6/2006 through 8/2006**

Month Received by System	Institution	Audit
Aug-06	U. T. Austin	Indirect Cost Recovery Funds at State General Academic Universities
Aug-06	U. T. Austin	Construction Management at University of Texas at Austin



4. **U. T. System: Annual Report on System-wide Institutional Compliance Program**

REPORT

Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer, and Mr. David Givens, System-wide Compliance Manager, will brief the Audit, Compliance, and Management Review Committee on the annual report of the System-wide Compliance Program, as set forth on Pages 15 - 20 of the Supplemental Materials (Volume 2) of the Agenda Book. Activity reports are presented to the Audit, Compliance, and Management Review Committee of the Board of Regents on a quarterly basis. The last activity report was sent on October 27, 2006.

Mr. Chaffin will also report on the overall number and types of compliance "hotline" calls received System-wide during the 2006 Fiscal Year.



## TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

**Committee Meeting:** 11/16/2006

**Board Meeting:** 11/16/2006  
Austin, Texas

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

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>8:00 a.m.</i> <i>Chairman Rowling</i>		
1. <b>U. T. System: Discussion and appropriate action related to approval of <i>Docket No. 128</i></b>	<i>8:00 a.m.</i> <b>Discussion, if needed</b> <i>Dr. Kelley</i>	<b>Action</b>	<b>28</b>
2. <b>U. T. System: Key Financial Indicators Report</b>	<i>8:10 a.m.</i> <b>Report</b> <i>Dr. Kelley</i>	Not on Agenda	<b>28</b>
3. <b>U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services</b>	<i>8:20 a.m.</i> <b>Action</b> <i>Dr. Kelley</i>	<b>Action</b>	<b>28</b>
4. <b>U. T. System Board of Regents: Investment Reports for the fiscal year and quarter ended August 31, 2006, and The University of Texas Investment Management Company (UTIMCO) Performance Summary Report</b>	<i>8:40 a.m.</i> <b>Report</b> <i>Ms. Iberg</i>	<b>Report</b>	<b>32</b>
5. <b>U. T. System: Fiscal Year 2006 Energy Utility Task Force Report</b>	<i>8:45 a.m.</i> <b>Report</b> <i>Mr. Aldridge</i> <i>Dr. Clubb, U. T. Austin</i> <i>Mr. Roan, U. T. Southwestern Medical Center - Dallas</i>	Not on Agenda	<b>39</b>
<b>Adjourn</b>	<i>9:00 a.m.</i>		

1. **U. T. System: Discussion and appropriate action related to approval of Docket No. 128**

**RECOMMENDATION**

It is recommended that *Docket No. 128*, beginning on Page Docket - 1, be approved. The Docket is printed on green paper following the Docket tab at the back of the Supplemental Materials (Volume 2) of the Agenda Book.

It is also recommended that the Board confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to appropriate officials of the respective institution involved.

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

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will discuss the Key Financial Indicators Report, as set forth on Pages 21 - 27 of the Supplemental Materials (Volume 2) of the Agenda Book. The report represents the consolidated and individual operating results of the U. T. System institutions.

**REPORT**

The Key Financial Indicators Report compares the System-wide results of operations, key revenues and expenses, reserves, and key financial ratios in a graphical presentation from Fiscal Year 2002 through July 2006. Ratios requiring balance sheet data are provided for Fiscal Year 2002 through Fiscal Year 2005.

3. **U. T. System: Discussion and appropriate action regarding U. T. System Administration recommendations for banking and treasury services**

**RECOMMENDATION**

The Chancellor concurs in the recommendation proposed by the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents adopt the recommendations as referenced in the Treasury Strategies, Inc. (TSI) Final Report dated May 31, 2006, attached on Pages 30 - 75 of the Supplemental Materials (Volume 2) of the Agenda Book, and charge the U. T. System Office of Finance with the responsibility of applying such treasury and banking services "best practices" where appropriate.

This recommendation is made with the intent that the actions proposed be designed and implemented by a System-wide working group consisting of the U. T. System Office of Finance personnel and cash management professionals from a number of the U. T. System institutions as designated by the Executive Vice Chancellor for Business Affairs. The working group would likely be supplemented by an outside consultant to assist with identifying other opportunities and implementation strategies. Based on the analysis prepared by TSI, it is expected that the implementation of these "best practices" will result in cost savings to the U. T. System and its institutions, an increased return on cash investments, and greater protection against fraud. The Office of Finance will report back to the Finance and Planning Committee of the Board in Fall 2007 on the status of implementation.

### BACKGROUND INFORMATION

Dr. Kelley will discuss the results of a review of U. T. System treasury and banking services performed by TSI using materials attached on Pages 28 - 75 of the Supplemental Materials (Volume 2) of the Agenda Book.

The U. T. System institutions' banking and treasury operations are highly decentralized and operate independently of each other, with their own systems and bank relationships. While this environment allows the institutions to tailor treasury solutions to unique needs, it also results in a great divergence in the level of expertise, the application of cash management techniques, and the costs incurred to manage working capital.

On an average day, the institutions have a total of approximately \$10 million on deposit with their respective banking institutions. The remaining 99.8% of the U. T. System's \$4.3 billion of short and intermediate term funds are invested centrally with The University of Texas Investment Management Company (UTIMCO). The centralization of the operating investments on February 1, 2006, represented the most significant effort by U. T. System Administration to take a leadership role in setting a U. T. System-wide cash management strategy. Otherwise, the role of U. T. System Administration in the U. T. System-wide treasury operations is limited to the monitoring of bank collateral and the approval of standard bank depository agreements. The U. T. System does not approve the selection of banks or banking services.

On July 8, 2005, the Board of Regents asked the U. T. System Office of Finance to explore the multiple banking relationships throughout the U. T. System and determine if there are ways to increase efficiency and lower costs for these services. Through a competitive Request for Qualifications (RFQ) process, TSI was hired to perform a "Best Practices Review" of treasury services at the U. T. System institutions and at

U. T. System Administration. TSI is one of the leading treasury advisory firms in the U.S. and has recently completed similar assignments at a number of major corporations and higher education institutions. The scope of the review included

1. strategic review of cash management operations at the 15 U. T. System institutions and U. T. System Administration;
2. documentation and charting of each institution's cash management processes, banking controls, and cash cycle;
3. development of recommendations to optimize U. T. System-wide cash collections; and
4. development of a model framework for ongoing U. T. System-wide cash management best practices, and a comprehensive cash management strategy.

The information gathered by TSI was obtained through a data request and site visits by TSI professionals to each campus. The information was then analyzed and distilled into a set of "best practice" recommendations for each institution. TSI also submitted a set of high-level U. T. System-wide recommendations summarized in the TSI Report.

TSI reviewed treasury activities at each of the 15 institutions in seven major categories. TSI concluded that the collections and disbursement processes were well managed at each of the 15 U. T. System institutions and at System Administration. However, TSI also concluded that across the majority of institutions, structure, banking, cash positioning, controls, and technology fall short of efficient execution although certain institutions are performing at a high level and require minimal support from the U. T. System Office of Finance. See the attached table on Page 28 - 29 of the Supplemental Materials (Volume 2) of the Agenda Book for more information.

### TSI Strategic Recommendations

In addition to the activity-specific recommendations listed above, TSI made three strategic recommendations:

1. Consider centralizing treasury functions at the U. T. System Office of Finance to enhance operational performance, improve governance capabilities, strengthen control framework, and produce cost savings.
2. Consider consolidating banking relationships to provide consistency of form, function, and processes, thereby reducing fees, bank balances, and adding control.
3. Enhance balance management and investment practices (e.g., daily cash sweeps).

Page 4 of the TSI Report [Page 33 of the Supplemental Materials (Volume 2) of the Agenda Book] briefly discusses three distinct operational models that could be implemented to achieve all or some of the potential benefits as referenced therein. The three scenarios are:

1. "Fully Centralized Treasury" whereby the U. T. System Office of Finance would run all banking and treasury functions;
2. "Dual Centralization Structure" that would have the U. T. System Office of Finance running separate treasury functions for the health and academic institutions (or conversely, the large and small institutions); and
3. "Modified Practices Under Existing Treasury Structure," which would place the U. T. System Office of Finance in the role of coordinating and standardizing the banking and treasury practices throughout the U. T. System.

#### U. T. System Administration Observations and Recommendations

U. T. System Administration advocates TSI's "Modified Practices Under Existing Treasury Structure" approach, which would focus on coordinating and standardizing treasury functions throughout the U. T. System. The U. T. System Administration is in general agreement with TSI that the U. T. System has a significant opportunity to standardize policies, controls, and procedures, which should enhance operational performance, improve governance capabilities, strengthen the control framework, and produce savings.

U. T. System agrees with the opportunities identified by TSI, but does not agree that centralizing treasury functions at the U. T. System Office of Finance is the best way to capitalize on them. Page 31 of the TSI Report [Page 60 of the Supplemental Materials (Volume 2) of the Agenda Book] lists a number of considerations relating to centralizing treasury functions, many of which have not been studied or quantified. While conceptually attractive, the idea of centralizing treasury operations at the U. T. System Office of Finance does not take into account the disparate business models and regulatory requirements present at the 15 U. T. System institutions and System Administration. There is also concern that the TSI analysis does not fully capture the significant capital cost to convert existing systems into one consolidated treasury system, the operating disruptions that would result at each institution, or the full value of local banking relationships.

Standardization of the treasury functions could achieve a significant portion of the benefits outlined in the TSI Report without eliminating the treasury expertise and local knowledge needed at the institutions.

Specifically, the following opportunities are achievable through standardization and will serve to bring the U. T. System and its institutions much closer to TSI's definition of "Best Practices":

- use the negotiating power of the U. T. System to standardize and reduce banking fees;
- ensure that all bank accounts are swept daily to maximize interest income;
- create a standard banking Request for Proposals (RFP) to ensure consistent delivery of common banking services and to identify and avoid any impermissible conflicts of interest;
- create a new Business Procedures Memorandum (BPM) to standardize treasury practices and controls and bring them up to a level reflective of best practices;
- reduce the number of banks serving U. T. System institutions and increase the minimum service level standards;
- reduce costs further by negotiating a U. T. System-wide armored car contract, pre-encoding all checks deposited, and eliminating stop pay charges;
- ensure that each institution has a formal treasury operations disaster recovery plan that is integrated with the institution's overall disaster recovery plan;
- ensure that treasury operations are regularly audited and reviewed for compliance purposes; and
- upgrade the U. T. System collateral tracking system for banking deposits.

The U. T. System Office of Finance believes that these opportunities can be largely realized over the next 12-18 months, without significantly disrupting the operations of the institutions and without incurring significant costs.

**4. U. T. System Board of Regents: Investment Reports for the fiscal year and quarter ended August 31, 2006, and The University of Texas Investment Management Company (UTIMCO) Performance Summary Report**

REPORT

The Investment Reports for the fiscal year and quarter ended August 31, 2006, are set forth on Pages 34 - 38.

Item I on Page 34 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was 11.17% versus its composite benchmark return of 12.51%. The PUF's net asset value increased by \$886.7 million since the beginning of the fiscal year to \$10,313.4 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return and an annual distribution of \$357.3 million.

Item II on Page 35 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was 11.10% versus its composite benchmark return of 12.51%. The GEF's net asset value increased during the fiscal year to \$5,427.8 million.

Item III on Page 36 reports activity for the Intermediate Term Fund (ITF). The ITF was implemented on February 1, 2006. The ITF's net investment return for the seven months ended August 31, 2006, was 3.42% versus its composite benchmark return of 3.06%. The ITF's initial contribution was \$2,930.9 million, and the net asset value has increased to \$3,048.8 million due to contributions and net investment return, net of distributions of \$52.7 million.

Item IV on Page 37 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, increased by \$48.9 million to \$1,509.0 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$43.5 million versus \$45.7 million at the beginning of the period; equities: \$73.7 million versus \$82.4 million at the beginning of the period; and other investments: \$2.2 million versus \$0.3 million at the beginning of the period.

The August 31, 2006, UTIMCO Performance Summary Report is attached on Page 38.



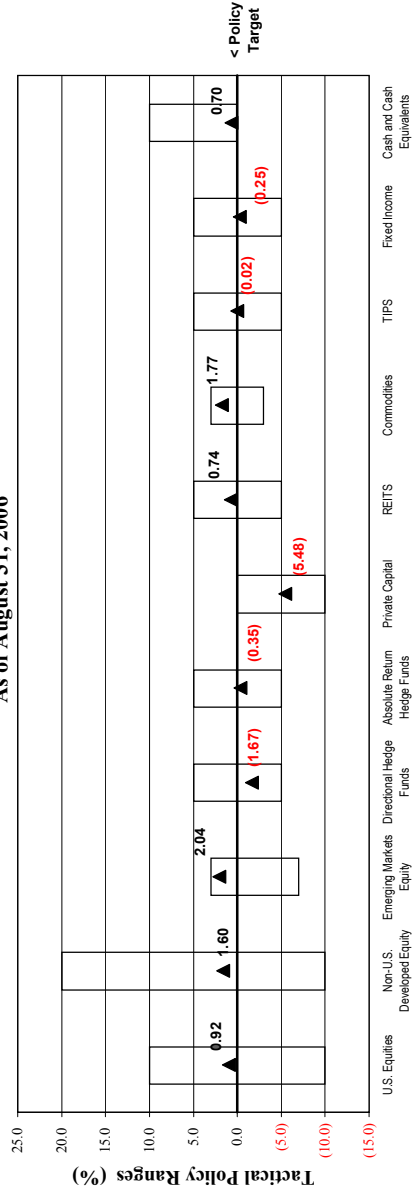
# I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended August 31, 2006

Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date					
	August 31, 2006		Returns		Value Added	
	Portfolio Exposure	Policy Target	Portfolio Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	0.70%	0.00%	4.58%	-0.04%	0.00%	-0.04%
U.S. Equities	20.92%	20.00%	8.10%	0.00%	-0.13%	-0.13%
Non-U.S. Developed Equity	11.60%	10.00%	20.23%	0.24%	-0.36%	-0.12%
Emerging Markets Equity	9.04%	7.00%	22.29%	-0.29%	-0.58%	-0.87%
Directional Hedge Funds	8.33%	10.00%	6.24%	0.04%	0.14%	0.18%
Absolute Return Hedge Funds	14.65%	15.00%	8.96%	0.02%	0.74%	0.76%
REITS	5.74%	5.00%	28.04%	0.02%	0.07%	0.09%
Commodities	4.77%	3.00%	-4.56%	-0.41%	0.08%	-0.33%
TIPS	4.98%	5.00%	2.06%	0.08%	0.03%	0.11%
Fixed Income	9.75%	10.00%	2.32%	-0.05%	0.07%	0.02%
<b>Total Marketable Securities</b>	<b>90.48%</b>	<b>85.00%</b>	<b>10.00%</b>	<b>-0.39%</b>	<b>0.06%</b>	<b>-0.33%</b>
Private Capital	9.52%	15.00%	23.02%	-0.61%	-0.40%	-1.01%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>11.17%</b>	<b>-1.00%</b>	<b>-0.34%</b>	<b>-1.34%</b>

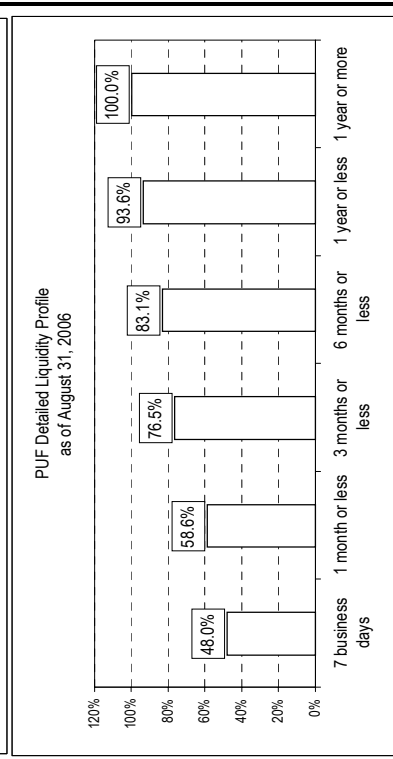
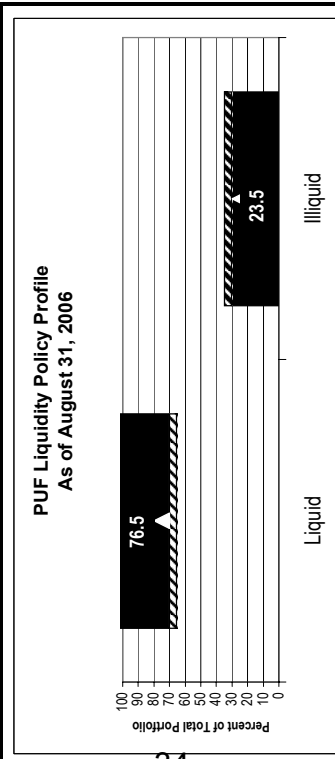
Policy Benchmark returns for Directional Hedge Funds, Absolute Return Hedge Funds and the Total Fund reflect restatements effective January 1, 2006, for the benchmark change approved by the U. T. System Board of Regents on August 10, 2006.

## Deviations From Policy Targets Within Tactical Policy Ranges As of August 31, 2006



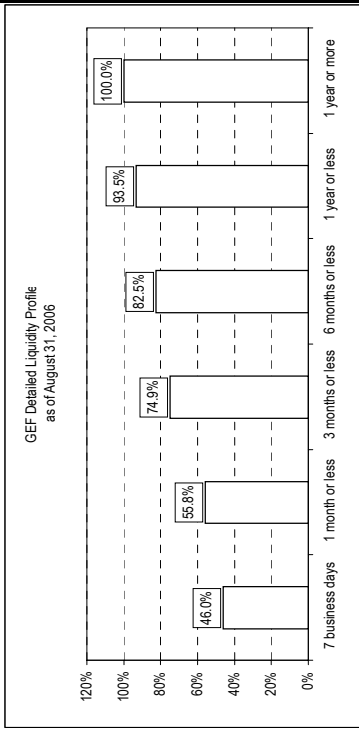
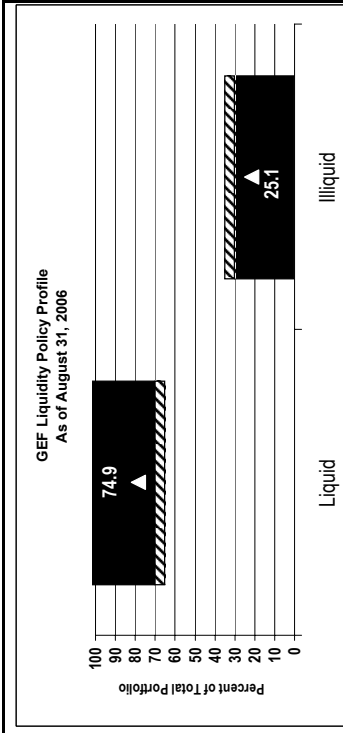
### Summary of Capital Flows

	Fiscal Year Ended August 31, 2005	Quarter Ended August 31, 2006	Fiscal Year Ended August 31, 2006
Beginning Net Assets (\$ millions)	\$ 8,087.9	\$ 10,028.9	\$ 9,426.7
PUF Lands Receipts	193.0	45.7	214.9
Investment Return	1,538.0	264.6	1,111.7
Expenses	(51.0)	(25.8)	(82.6)
Distributions to AUF	(341.2)	-	(357.3)
Ending Net Assets	\$ 9,426.7	\$ 10,313.4	\$ 10,313.4



**II. GENERAL ENDOWMENT FUND**  
**Investment Reports for Periods Ended August 31, 2006**  
 Prepared in accordance with *Texas Education Code Sec. 51.0032*

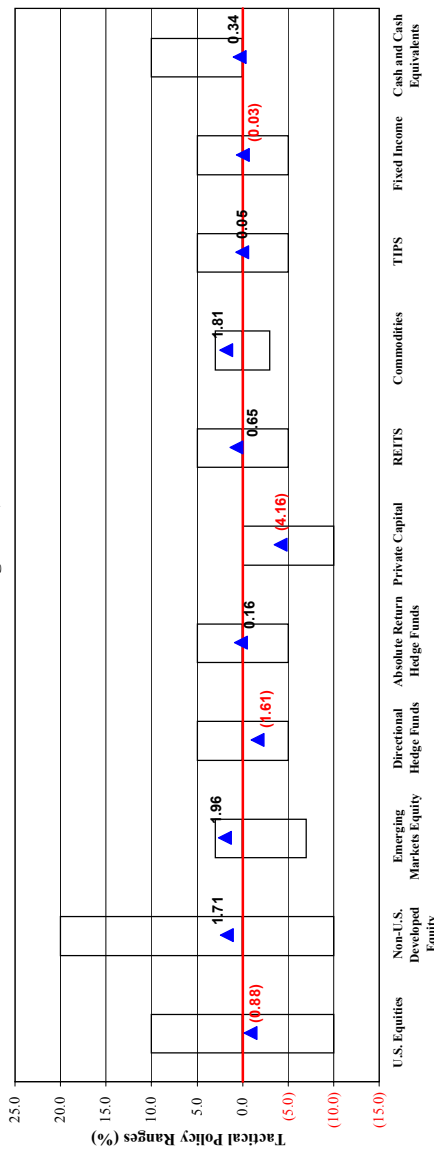
Summary of Capital Flows			
	Fiscal Year Ended August 31, 2005	Quarter Ended August 31, 2006	Fiscal Year Ended August 31, 2006
Beginning Net Assets (\$ millions)	\$ 4,207.6	\$ 5,330.8	\$ 4,926.8
Contributions	139.2	27.4	273.9
Withdrawals	(4.7)	(2.4)	(108.0)
Distributions	(206.4)	(55.3)	(220.0)
Investment Return	814.2	139.4	593.3
Expenses	(23.1)	(12.1)	(38.2)
Ending Net Assets	\$ 4,926.8	\$ 5,427.8	\$ 5,427.8



	Returns				Fiscal Year to Date Value Added		
	Portfolio Exposure	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	0.34%	0.00%	4.58%	4.34%	0.01%	0.00%	0.01%
U.S. Equities	19.12%	20.00%	8.46%	8.75%	-0.05%	-0.06%	-0.11%
Non-U.S. Developed Equity	11.71%	10.00%	19.95%	24.28%	0.24%	-0.39%	-0.15%
Emerging Markets Equity	8.96%	7.00%	21.79%	30.58%	-0.36%	-0.61%	-0.97%
Directional Hedge Funds	8.39%	10.00%	6.15%	4.95%	0.05%	0.13%	0.18%
Absolute Return Hedge Funds	15.16%	15.00%	8.89%	4.20%	0.02%	0.73%	0.75%
REITS	5.65%	5.00%	27.92%	26.34%	0.00%	0.06%	0.06%
Commodities	4.81%	3.00%	-4.57%	-6.76%	-0.42%	0.08%	-0.34%
TIPS	5.05%	5.00%	2.06%	1.52%	0.09%	0.03%	0.12%
Fixed Income	9.97%	10.00%	2.49%	1.71%	-0.05%	0.06%	0.03%
<b>Total Marketable Securities</b>	<b>89.16%</b>	<b>85.00%</b>	<b>9.90%</b>	<b>10.21%</b>	<b>-0.47%</b>	<b>0.05%</b>	<b>-0.42%</b>
Private Capital	10.84%	15.00%	21.77%	26.23%	-0.42%	-0.57%	-0.99%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>11.10%</b>	<b>12.51%</b>	<b>-0.89%</b>	<b>-0.52%</b>	<b>-1.41%</b>

Policy Benchmark returns for Directional Hedge Funds, Absolute Return Hedge Funds and the Total Fund reflect restatements effective January 1, 2006, for the benchmark change approved by the U. T. System Board of Regents on August 10, 2006.

**Deviations From Policy Targets Within Tactical Policy Ranges**  
As of August 31, 2006



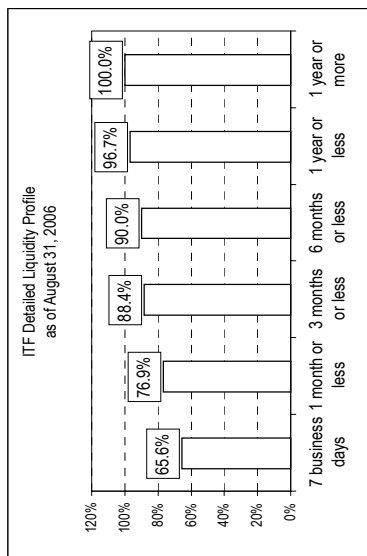
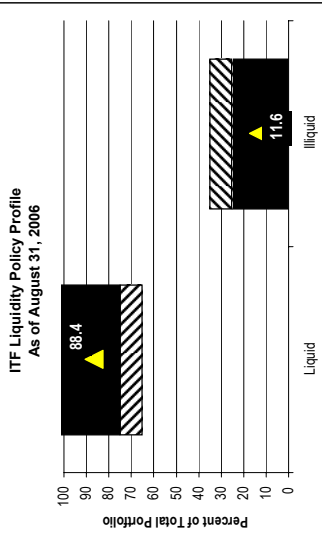
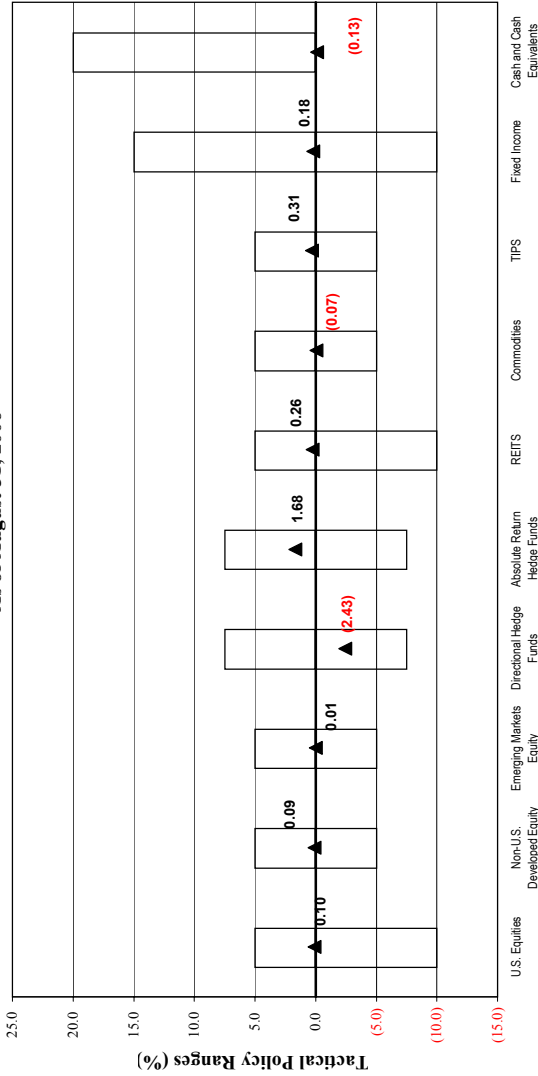
**III. INTERMEDIATE TERM FUND**  
**Investment Reports for Periods Ended August 31, 2006**  
 Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
	Quarter Ended	Inception to Date	
	August 31, 2006	August 31, 2006	Inception to Date
(\$ millions)	\$	2,988.8	\$ -
Beginning Net Assets		47.4	3,112.3
Contributions	(49.0)	(22.6)	(111.2)
Withdrawals		92.4	(52.7)
Distributions	(8.2)		115.4
Investment Return			(15.0)
Expenses			3,048.8
Ending Net Assets	\$	3,048.8	\$ 3,048.8

	Returns					Value Added	
	August 31, 2006	Policy Target	Portfolio	Policy Benchmark	From Asset Allocation		From Security Selection
Cash and Cash Equivalents	-0.13%	0.00%	2.88%	2.76%	-0.04%	0.00%	-0.04%
U.S. Equities	15.10%	15.00%	2.79%	2.24%	0.00%	0.08%	0.08%
Non-U.S. Developed Equity	5.09%	5.00%	4.57%	7.70%	0.01%	-0.15%	-0.14%
Emerging Markets Equity	5.01%	5.00%	-1.83%	0.26%	-0.02%	-0.12%	-0.14%
Directional Hedge Funds	10.07%	12.50%	2.65%	1.11%	-0.02%	0.20%	0.18%
Absolute Return Hedge Funds	14.18%	12.50%	4.19%	1.11%	0.01%	0.39%	0.40%
REITS	10.26%	10.00%	13.16%	14.19%	-0.02%	-0.11%	-0.13%
Commodities	4.93%	5.00%	-3.25%	-2.82%	-0.01%	-0.03%	-0.04%
TIPS	10.31%	10.00%	2.14%	1.57%	-0.01%	0.06%	0.05%
Fixed Income	25.18%	25.00%	2.81%	2.15%	-0.02%	0.16%	0.14%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>3.42%</b>	<b>3.06%</b>	<b>-0.12%</b>	<b>0.48%</b>	<b>0.36%</b>

Policy Benchmark returns for Directional Hedge Funds, Absolute Return Hedge Funds and the Total Fund reflect restatements effective February 1, 2006, for the benchmark change approved by the U. T. System Board of Regents on August 10, 2006.

**Deviations From Policy Targets Within Tactical Policy Ranges**  
 As of August 31, 2006



IV. SEPARATELY INVESTED ASSETS

Summary Investment Report at August 31, 2006

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	
<b>Cash &amp; Equivalents:</b>																
Beginning value 05/31/06	1,590	6,110	6,110	47,429	47,429	668	668	3,350	3,350	59,147	59,147	1,400,934	1,400,934	1,460,081	1,460,081	
Increase/(Decrease)	43	(3,761)	(3,761)	70,236	70,236	6,251	6,251	94,810	94,810	167,579	167,579	(118,672)	(118,672)	48,907	48,907	
Ending value 08/31/06	1,633	2,349	2,349	117,665	117,665	6,919	6,919	98,160	98,160	226,726	226,726	1,282,262	1,282,262	1,508,988	1,508,988	
<b>Debt Securities:</b>																
Beginning value 05/31/06	-	263	229	29,877	29,234	16,597	16,256	-	-	46,737	45,719	-	-	46,737	45,719	
Increase/(Decrease)	-	-	(14)	(11)	70	(2,651)	(2,294)	-	-	(2,662)	(2,238)	-	-	(2,662)	(2,238)	
Ending value 08/31/06	-	263	215	29,866	29,304	13,946	13,962	-	-	44,075	43,481	-	-	44,075	43,481	
<b>Equity Securities:</b>																
Beginning value 05/31/06	27	6,241	5,783	37,046	43,981	21,428	26,682	-	-	64,284	82,419	-	-	64,284	82,419	
Increase/(Decrease)	-	(1,184)	(3,891)	(968)	(559)	(2,692)	(3,070)	-	-	(7,551)	(8,712)	-	-	(7,551)	(8,712)	
Ending value 08/31/06	27	5,057	1,892	36,078	43,422	18,736	23,612	-	-	56,733	73,707	-	-	56,733	73,707	
<b>Other:</b>																
Beginning value 05/31/06	-	177	177	2	2	251	105	-	-	430	284	-	-	430	284	
Increase/(Decrease)	-	1,914	1,914	-	-	4	-	-	-	1,918	1,914	-	-	1,918	1,914	
Ending value 08/31/06	-	2,091	2,091	2	2	255	105	-	-	2,348	2,198	-	-	2,348	2,198	
<b>Total Assets:</b>																
Beginning value 05/31/06	1,617	7,831	12,333	120,031	114,354	38,944	43,711	3,350	3,350	170,598	187,569	1,400,934	1,400,934	1,571,532	1,588,503	
Increase/(Decrease)	43	(1,141)	(5,738)	69,257	69,747	912	887	94,810	94,810	159,284	158,543	(118,672)	(118,672)	40,612	39,871	
Ending value 08/31/06	1,660	6,690	6,595	183,611	190,393	39,856	44,598	98,160	98,160	329,882	346,112	1,282,262	1,282,262	1,612,144	1,628,374	

Details of individual assets by account furnished upon request.

# UTIMCO Performance Summary

August 31, 2006

	Net Asset Value 8/31/2006 (in Millions)	Periods Ended August 31, 2006 (Returns for Periods Longer Than One Year are Annualized)										
		One Month	Three Months	Six Months	Calendar Year To Date	Fiscal Year To Date	One Year	Two Years	Three Years	Four Years	Five Years	Ten Years
<b>ENDOWMENT FUNDS</b>												
Permanent University Fund	\$ 10,313.4	1.31	2.36	4.25	7.17	11.17	11.17	14.92	14.86	14.14	9.48	9.87
General Endowment Fund		1.33	2.35	4.26	7.24	11.10	11.10	14.89	14.85	14.34	9.72	N/A
Permanent Health Fund	987.0	1.34	2.36	4.24	7.25	11.05	11.05	14.80	14.73	14.21	9.60	N/A
Long Term Fund	4,440.8	1.34	2.35	4.24	7.25	11.06	11.06	14.81	14.73	14.24	9.64	10.47
Separately Invested Funds	346.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Endowment Funds</b>	<b>16,087.3</b>											
<b>OPERATING FUNDS</b>												
Short Term Fund	1,282.3	0.45	1.32	2.53	3.25	4.58	4.58	3.53	2.70	2.35	2.34	3.98
Intermediate Term Fund	3,048.8	1.37	2.83	3.54	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Operating Funds</b>	<b>4,331.1</b>											
<b>Total Investments</b>	<b>\$ 20,418.4</b>											
<b>BENCHMARKS (1)</b>												
Permanent University Fund: Policy Portfolio		1.50	2.76	4.25	8.07	12.51	12.51	13.78	13.57	11.82	7.83	10.48
General Endowment Fund: Policy Portfolio		1.50	2.76	4.25	8.07	12.51	12.51	13.78	13.57	11.82	7.83	10.28
Short Term Fund: 90 Day Treasury Bills Average Yield		0.44	1.25	2.43	3.08	4.34	4.34	3.39	2.61	2.30	2.29	3.81
Intermediate Term Fund: Policy Portfolio		1.34	2.93	3.14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>VALUE ADDED (2)</b>												
Permanent University Fund		(0.19)	(0.39)	0.00	(0.90)	(1.35)	(1.35)	1.14	1.29	2.32	1.65	(0.62)
General Endowment Fund		(0.17)	(0.40)	0.01	(0.83)	(1.42)	(1.42)	1.11	1.28	2.52	1.89	N/A
Permanent Health Fund		(0.16)	(0.40)	(0.01)	(0.81)	(1.47)	(1.47)	1.02	1.17	2.39	1.77	N/A
Long Term Fund		(0.16)	(0.40)	(0.01)	(0.81)	(1.46)	(1.46)	1.03	1.17	2.42	1.81	0.18
Short Term Fund		0.01	0.06	0.10	0.17	0.24	0.24	0.14	0.09	0.05	0.05	0.17
Intermediate Term Fund		0.03	(0.09)	0.40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

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

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

**5. U. T. System: Fiscal Year 2006 Energy Utility Task Force Report**

REPORT

Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance, will provide the annual report on the progress of the Energy Utility Task Force for Fiscal Year 2006 using materials attached on Pages 76 - 79 of the Supplemental Materials (Volume 2) of the Agenda Book. The Energy Utility Task Force (EUTF) was created in February 2001 to evaluate and recommend strategies for U. T. System institutions to reduce energy consumption, better manage commodity price risk, and leverage their purchasing power to reduce energy costs.

Initial recommendations and energy consumption reduction goals were presented to the Board in November 2001. A 5-10% reduction in energy usage was targeted for Fiscal Year 2006. The estimated reduction in energy usage through Fiscal Year 2006 is 1.9%, short of the EUTF's goal.

Dr. Patricia L. Clubb, Vice President for Employee and Campus Services, U. T. Austin, and Mr. John Roan, Executive Vice President for Business Affairs, U. T. Southwestern Medical Center - Dallas, will discuss the information provided about their respective ongoing energy conservation efforts as included on Pages 79 - 85 of the Supplemental Materials (Volume 2) of the Agenda Book.

In addition to the energy conservation efforts ongoing at the U. T. System institutions, the U. T. System Administration is actively exploring other ways to reduce energy costs, including the possibility of participating in a statewide energy procurement program with other higher education systems.



## TABLE OF CONTENTS FOR ACADEMIC AFFAIRS COMMITTEE

**Committee Meeting:** 11/15/2006

*Cyndi Taylor Krier, Chairman*  
*John W. Barnhill, Jr.*  
*H. Scott Caven, Jr.*  
*Judith L. Craven, M.D.*  
*Robert A. Estrada*  
*Colleen McHugh*

**Board Meeting:** 11/16/2006  
 Austin, Texas

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	3:45 p.m. <i>Chairman Krier</i>		
1. <b>U. T. System: Quarterly updates on institutional policy changes to improve graduation rates and goals from academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members</b>	3:45 p.m. <b>Report</b> <i>Presidents Dr. Malandra</i>	Not on Agenda	<b>40</b>
2. <b>U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Series 31001, Section 2.2 concerning the addition of the faculty title Distinguished Senior Lecturer</b>	3:55 p.m. <b>Action</b> <i>Dr. Malandra</i>	<b>Action</b>	<b>40</b>
3. <b>U. T. Brownsville: Authorization to establish an Ed.D. degree program in Curriculum and Instruction with a specialization in bilingual studies</b>	4:00 p.m. <b>Action</b> <i>President García Dr. Malandra</i>	<b>Action</b>	<b>41</b>
4. <b>U. T. Pan American: Approval to expand preliminary planning authority to offer a Ph.D. degree in Clinical Psychology</b>	4:05 p.m. <b>Action</b> <i>President Cárdenas Dr. Malandra</i>	<b>Action</b>	<b>43</b>
5. <b>U. T. Austin: Authorization to purchase real property improved with an office building and a related parking garage located at 1616 Guadalupe Street, Austin, Travis County, Texas, from 1616 Guadalupe L.P., a Texas limited partnership, for a purchase price of \$22 million for use as surge office space and possible future use as a replacement data center, and resolution regarding parity debt</b>	4:15 p.m. <b>Action</b> <i>President Powers Ms. Mayne</i>	<b>Action</b>	<b>44</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
6. <b>U. T. Brownsville: Authorization to purchase approximately 82.297 acres of unimproved real property located at the northeast corner of U.S. Highway 77/83 and East Avenue in Brownsville, Texas, being a part of Los Tomates Banco No. 122, Brownsville, Cameron County, Texas, from Simon Rubinsky, Trustee, for a purchase price not to exceed fair market value as established by independent appraisals, for future programmed development of campus expansion, including new instructional facilities, and resolution regarding parity debt</b>	4:20 p.m. <b>Action</b> <i>President García</i> <i>Ms. Mayne</i>	<b>Action</b>	<b>48</b>
7. <b>U. T. El Paso: Authorization to purchase real property and improvements located at 3401 North Mesa Street, El Paso, El Paso County, Texas, from Gene, Tracy, and Michael McIntyre for a purchase price not to exceed fair market value as established by independent appraisals, for use as a university-related child day care facility and for future programmed development of campus expansion</b>	4:25 p.m. <b>Action</b> <i>President Natalicio</i> <i>Ms. Mayne</i>	<b>Action</b>	<b>53</b>
8. <b>U. T. Permian Basin: Authorization to accept a gift of approximately 40 acres of unimproved land located at the intersection of State Highway 191 and FM 1788, Midland County, Texas, out of Section 42, Block 40, T-1-S, T&amp;P RR. Co. Survey, Midland County, Texas, from Scharbauer Brothers &amp; Co., LP, a Texas limited partnership, for the purpose of constructing the Arts, Convocation, and Classroom Facility</b>	4:30 p.m. <b>Action</b> <i>President Watts</i> <i>Ms. Mayne</i>	<b>Action</b>	<b>56</b>
9. <b>U. T. Austin: Discussion of compact priorities</b>	4:35 p.m. <b>Report</b> <i>President Powers</i> <i>Dr. Malandra</i>	Not on Agenda	<b>59</b>
<b>Adjourn</b>	4:45 p.m.		



1. **U. T. System: Quarterly updates on institutional policy changes to improve graduation rates and goals from academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members**

### REPORT

The academic presidents, Interim Executive Vice Chancellor Malandra, and Academic Affairs Committee members may report briefly on new developments taking place at each campus.

These reports may include discussion of the graduation rate targets to meet or exceed national averages for full-time students, changes in institutional policies to maximize graduation rates, and other changes that help increase graduation rates.

2. **U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Series 31001, Section 2.2 concerning the addition of the faculty title Distinguished Senior Lecturer**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Series 31001, Section 2.2, concerning faculty titles, be amended as follows in congressional style and that remaining items be renumbered:

Sec. 2 Academic Titles. In order to achieve consistency in the use of academic titles among the institutions of the System the following subsections describe the use of titles to apply in all institutions.

...

2.2 Nontenure-Track Titles. The following academic titles may also be used by the institutions of the U. T. System. Tenure may not be awarded to a person appointed to these titles. . .

- (c) Lecturer. This title may be used for individuals who will serve as Teachers and whose teaching experience and qualifications are comparable to those of faculty members in untenured, tenure-track positions. Upon approval by the president, an institution may identify up to three divisions within this rank to be designated Lecturer I, Lecturer II, and Lecturer III.

- (d) Senior Lecturer. This title may be used for Teachers who will augment and complement regular teaching faculty and whose teaching experience and qualifications are comparable to those in tenure positions.
- (e) Distinguished Senior Lecturer. This title may be used for Teachers who will augment and complement regular teaching faculty and whose teaching experience and qualifications demonstrate extraordinary service and performance.

....

### BACKGROUND INFORMATION

The addition of the title Distinguished Senior Lecturer is to recognize certain nontenure-track faculty who have been employed with an institution for an extended number of years. This proposed third level of recognition, beyond Lecturer and Senior Lecturer, will provide a way for an institution to reward extraordinary service and performance to the University in fulfilling its educational mission. This item was sent to the presidents and Faculty Advisory Council (FAC) members for review and comment.

3. **U. T. Brownsville: Authorization to establish an Ed.D. degree program in Curriculum and Instruction with a specialization in bilingual studies**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President García that authorization, pursuant to the Regents' *Rules and Regulations*, Series 40307, be granted to

- a. establish an Ed.D. in Curriculum and Instruction degree program at The University of Texas at Brownsville with a specialization in bilingual studies; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

## BACKGROUND INFORMATION

### Program Description

The doctoral program in Curriculum and Instruction is designed to prepare graduates with expertise in teaching, research, and curriculum planning. The doctoral program in Curriculum and Instruction includes a specialization in bilingual studies. The specialization provides in-depth content in bilingual studies including bilingual/English as a Second Language (ESL) models, theories of second language acquisition, and strategies for helping students acquire the English language in relation to literacy and content areas, as well as the assessment of student learning and programs.

### Need and Student Demand

The program expects to enroll 15 new students per year and expects to have 63 students within a five-year period. The number of graduate students completing master's degrees from the School of Education provides a large pool of potential doctoral students. In addition, over 90 professionals from 38 school districts in the lower Rio Grande Valley have registered strong interest in pursuing doctoral studies in Curriculum and Instruction at U. T. Brownsville.

The proposed program is designed to prepare instructional leaders to assist in closing the student achievement gap through the development of more effective curriculum models and to prepare graduates to have an immediate impact in transforming existing schools into high performing professional learning communities that meet the needs of all learners.

### Program Quality

Full-time tenured and tenure-track faculty from the School of Education will form the core of this program. In addition, three new full-time tenure-track faculty will be added in the next three years, totaling 10 full-time tenured and tenure-track faculty to support the program. Seven additional tenured and tenure-track faculty will be selected for their expertise in particular areas to support the program.

A substantial proportion of the existing faculty have experience in teaching and conducting research with doctoral students, many of whom have doctoral experience from other institutions as well as serving as faculty members in the collaborative doctoral program with the University of Houston.

### Program Cost

Estimated expenditures for the first five years of the Ed.D. in Curriculum and Instruction total \$2,614,139. This includes \$1,008,130 in faculty salaries (\$417,000 for new faculty salaries); \$431,548 for program administration; \$594,000 for graduate assistants; \$231,455 for clerical support; \$123,366 for supplies and materials; and \$225,640 for

library and instructional technology resources. These costs will be met from reallocation of existing resources, tuition and fees revenue based on course enrollment, federal grants and contracts, and other State funding.

4. **U. T. Pan American: Approval to expand preliminary planning authority to offer a Ph.D. degree in Clinical Psychology**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs and President Cárdenas that the U. T. System Board of Regents approve

- a. expansion of preliminary planning authority for U. T. Pan American to seek a Ph.D. degree in Clinical Psychology; and
- b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

**BACKGROUND INFORMATION**

Once preliminary planning authority has been approved, U. T. Pan American will submit a Ph.D. program in Clinical Psychology for approval by the U. T. System Board of Regents and the Coordinating Board. The program is designed to train licensed clinical psychologists with special competence in treating mental health problems of children and adults. The program will operate a community mental health clinic as a training facility for U. T. Pan American doctoral students.

5. **U. T. Austin: Authorization to purchase real property improved with an office building and a related parking garage located at 1616 Guadalupe Street, Austin, Travis County, Texas, from 1616 Guadalupe L.P., a Texas limited partnership, for a purchase price of \$22 million for use as surge office space and possible future use as a replacement data center, and resolution regarding parity debt**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Austin, to

- a. purchase real property improved with an office building and a related parking garage located at 1616 Guadalupe Street, Austin, Travis County, Texas, from 1616 Guadalupe L.P., a Texas limited partnership, for a purchase price of \$22 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 use as surge office space and possible future use as a replacement data center;
- 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 recommendation; 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. 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 \$22 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.

### BACKGROUND INFORMATION

U. T. Austin desires to purchase the subject property and improvements located at 1616 Guadalupe Street, Austin, Travis County, Texas. The property includes a seven-story building with 253,000 gross square feet of space (approximately 210,000 rentable square feet of space and 178,400 usable square feet, excluding common areas) and an adjacent parking garage accommodating approximately 540 vehicles.

The building is situated on approximately 1.76 acres three blocks south of campus on Guadalupe Street. It was originally designed to permit it to be increased to eight to ten stories.

A review of the condition of the building and parking garage, including environmental, accessibility, and building systems, is in process. Modifications to the building and parking garage are anticipated. The proposed purchase price of the building and parking garage is \$22 million. Appraisals are pending to confirm whether the proposed purchase price is at or below fair market value.

U. T. Austin desires to purchase the building and parking garage to provide surge space for college faculty, departments, and staff relocated during the renovations of existing buildings. Since the building has 16,000 square feet of space formerly used as a data center, the potential also exists for use of a portion of the building as a replacement data center complex for U. T. Austin.

Current strategic planning efforts have identified space issues critical to U. T. Austin's academic development. Every dean of U. T. Austin has noted space challenges as they develop strategic initiatives for their areas of academic responsibility. With little or no surge space on campus, undertaking future projects to replace or renovate existing buildings on campus can only be done with great difficulty. This building will provide the needed surge space and allows U. T. Austin to consolidate its sponsored projects operation, which is supported by more than \$400 million of federal research funds, to achieve desired efficiencies.

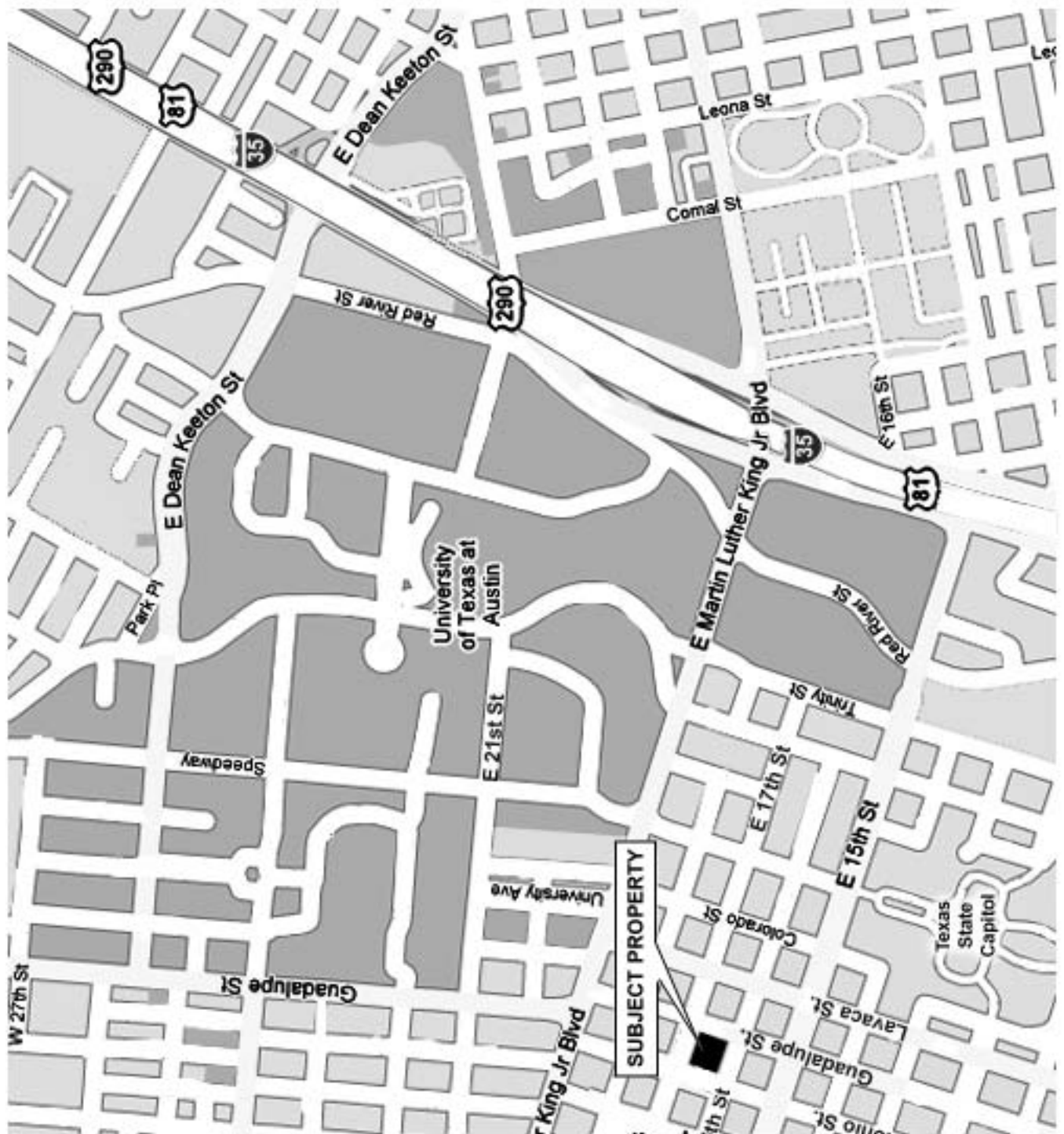
Strategic planning has also identified the need to reduce dependence on leased space. The institution will be able to move units that currently occupy leased space into the subject property.

The acquisition also permits U. T. Austin to consolidate the location of computer servers into this building, which will allow campus space housing these servers to be released for use for academic-related purposes. Additionally, it enhances the long-term strategic goal of replacing U. T. Austin's current data center.

U. T. System Revenue Financing System debt will be used to fund the purchase, the terms and conditions of which are reflected in the summary of the transaction below:

#### Transaction Summary

Institution:	U. T. Austin
Type of Transaction:	Purchase
Total Area:	Approximately 1.76 acres
Improvements:	Building consisting of 253,000 gross square feet and associated parking garage for approximately 540 vehicles
Location:	1616 Guadalupe Street, Austin, Travis County, Texas; see attached map
Seller:	1616 Guadalupe L.P., a Texas limited partnership
Purchase Price:	\$22 million (pending appraisals that support this purchase price)
Appraised Values:	Appraisals pending (Integra Realty Resources, due October 20, 2006) (American Realty, due October 24, 2006)
Source of Funds:	Revenue Financing System debt
Intended Use:	Initially, surge space to relocate faculty and staff during expected renovations of existing buildings on campus; strategic use to permit relocation of information technology functions and non-academic uses into this building to reduce use of leased space and permit consolidation of academic uses on campus
Estimated Annual Debt Service:	\$1.43 million
Repayment Source:	Debt service expected to be repaid with Designated Tuition



The University  
of Texas  
at Austin

■



6. **U. T. Brownsville: Authorization to purchase approximately 82.297 acres of unimproved real property located at the northeast corner of U.S. Highway 77/83 and East Avenue in Brownsville, Texas, being a part of Los Tomates Banco No. 122, Brownsville, Cameron County, Texas, from Simon Rubinsky, Trustee, for a purchase price not to exceed fair market value as established by independent appraisals, for future programmed development of campus expansion, including new instructional facilities, and resolution regarding parity debt**

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President García that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Brownsville, to

- a. purchase approximately 82.297 acres of unimproved real property located at the northeast corner of U.S. Highway 77/83 and East Avenue in Brownsville, Texas, being a part of Los Tomates Banco No. 122, Brownsville, Cameron County, Texas, from Simon Rubinsky, Trustee, 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 programmed development of campus expansion, including new instructional facilities;
- 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 recommendation; 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. Brownsville, 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 \$1.5 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.

#### BACKGROUND INFORMATION

The subject property, consisting of 82.297 acres of unimproved real property, is located on the east side of U.S. Highway 77/83, north of the International Bridge and approximately one-half mile east of the U. T. Brownsville campus. U. T. Brownsville desires to acquire the property for future programmed development of campus expansion, including new instructional facilities. The property is bordered on three sides by a resaca, a former oxbow of the Rio Grande. Similar water features exist on and have been aesthetically incorporated into the main campus of U. T. Brownsville.

U. T. Brownsville set aside approximately \$3 million to fund this acquisition and the acquisition of approximately 22 acres nearby. The institution is contemporaneously requesting, via a separate Item, U. T. System Board of Regents' approval to purchase the 21.984-acre parcel (see Item 2b on Meeting of the Board Table of Contents Page i). U. T. Brownsville will use U. T. System Revenue Financing System debt to pay the remaining balance to purchase both properties.

The purchase price of the subject property is to be calculated based on \$0.63 per square foot, except that to the extent that square footage within the resaca bordering the property exceeds 10% of the total square footage, the price per square foot for that overage shall be \$0.00 per square foot. Based on current information, the total purchase price is estimated to be \$2,258,460. Approximately 34% of the total cost to purchase the subject property will be paid from U. T. Brownsville institutional fund balances, and approximately 66% of the total cost will be funded by U. T. System Revenue Financing System debt.

U. T. Brownsville and Texas Southmost College Fall 2006 enrollment totals 15,300 students, up 15% compared to Fall 2005. Current projections place enrollment at 20,000 by the year 2010. The U. T. Brownsville and Texas Southmost College Campus Master Plan quantifies the amount of land needed to support the required classrooms, parking, offices, housing, student life facilities, and other support activities for a campus of 20,000 students.

The estimated land required to support the projected enrollment growth is 534 acres. The campus encompasses 384 acres, of which 166 acres are located within the International Boundary and Water Commission Territory and the Rio Grande floodplain. The 166 acres are therefore not available as a future construction site. Moreover, the institutions hold only a license to operate a golf course within that area. Consequently, only 218 acres are available for campus buildings, which available total is less than the 534 acres that will be required for 20,000 students.

The Campus Master Plan identifies as a strategy the purchase of parcels located to the north of the campus as they become available for the purpose of planning for future campus development, which parcels include the subject property. The acquisition of the approximately 82.297 acres will bring the total of developable land to 300 acres, or 56% of the amount required by the Campus Master Plan. The subject property represents one of two last large tracts of land located near or adjacent to the campus. U. T. Brownsville therefore considers the subject property essential to the future growth of the campus.

The terms and conditions of this purchase are reflected in the summary of the transaction below:

Transaction Summary

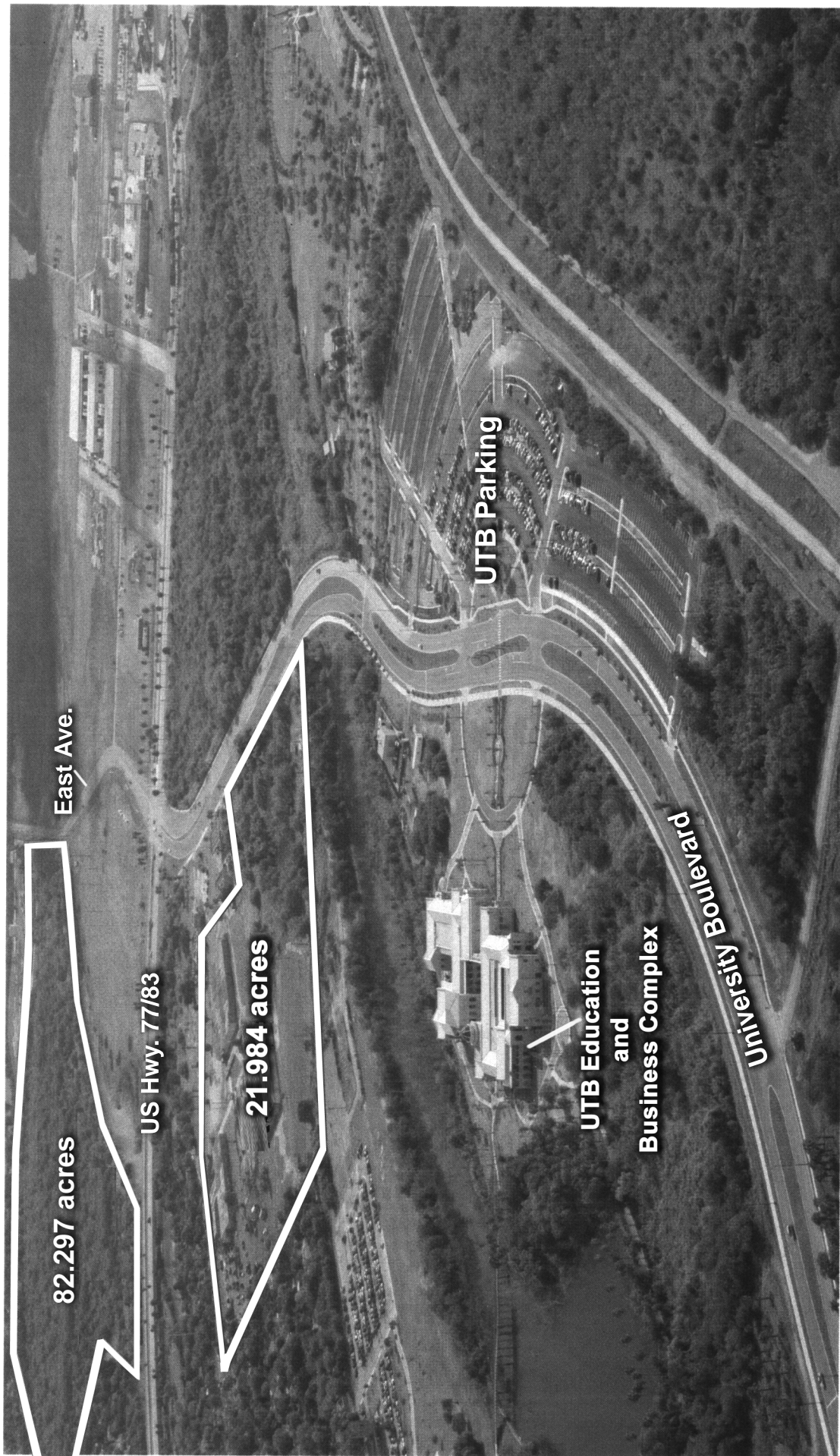
Institution:	U. T. Brownsville
Type of Transaction:	Purchase
Total Area:	Approximately 82.297 acres
Improvements:	None
Location:	Northeast corner of U.S. Highway 77/83 and East Avenue, Brownsville, Cameron County, Texas, being a part of Los Tomates Banco No. 122, Brownsville, Cameron County, Texas; see attached map
Seller:	Simon Rubinsky, Trustee

Purchase Price: The purchase price is to be calculated based on \$0.63 per square foot, except that to the extent that square footage within the resaca bordering the property exceeds 10% of the total square footage, the price per square foot for that overage shall be \$0.00 per square foot; based on current information, the total purchase price is estimated to be \$2,258,460

Appraised Values: \$0.63 per square foot (Robinson, Duffy, Barnard, August 15, 2006);  
\$0.42 per square foot (RGV Appraisal Services, March 28, 2006)

Source of Funds: Institutional fund balances (approximately 34% of total cost) and Revenue Financing System debt (approximately 66% of total cost)

Intended Use: Future programmed development of campus expansion, including new instructional facilities



7. **U. T. El Paso: Authorization to purchase real property and improvements located at 3401 North Mesa Street, El Paso, El Paso County, Texas, from Gene, Tracy, and Michael McIntyre for a purchase price not to exceed fair market value as established by independent appraisals, for use as a university-related child day care facility and for future programmed development of campus expansion**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. El Paso, to

- a. purchase the real property and improvements located at 3401 North Mesa Street, El Paso, El Paso County, Texas, from Gene, Tracy, and Michael McIntyre for a 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 use as a university-related child day care facility 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 recommendation.

### BACKGROUND INFORMATION

U. T. El Paso desires to purchase the subject property and improvements, consisting of an 8,536 square foot one-story commercial building on a 57,080 square foot lot at a price not to exceed fair market value as established by independent appraisals. The property is ideally located between North Mesa Street and Sunbowl Drive and is immediately adjacent to U. T. El Paso property and across the street from the Swimming and Fitness Center and the Helen of Troy Softball Field. The site was listed for potential campus expansion in U. T. El Paso's 2002 Campus Master Plan prepared by Ellerbe Becket. U. T. El Paso is landlocked with few opportunities for property acquisition for future campus expansion.

The proposed site for the new Physical Sciences/Engineering Core Facility will require the demolition of a campus building that currently houses the University Child Care Center. The Center is an integral and important element of the campus community; it

is heavily used by university students and employees. This function must be relocated before work may proceed with the Physical Sciences/Engineering Core Facility. The subject property is well suited in terms of location and configuration for use as a campus day care facility.

To fund the purchase, U. T. El Paso will use Permanent University Fund (PUF) debt allocated in August 2006 to the Physical Sciences/Engineering Core Facility. Accordingly, the PUF debt associated with the Physical Sciences/Engineering Core Facility will be reduced by the acquisition costs of the subject property; the total project cost of that facility will be reduced from \$85,000,000 to approximately \$83,800,000, with funding of approximately \$7,300,000 from the PUF and \$76,500,000 from Tuition Revenue Bonds. The terms and conditions of the purchase are reflected in the transaction summary below:

#### Transaction Summary

Institution:	U. T. El Paso
Type of Transaction:	Purchase
Total Area:	Approximately 1.31 acres (57,080 square feet)
Improvements:	One-story building containing approximately 8,536 square feet
Location:	3401 North Mesa Street, El Paso, El Paso County, Texas
Seller:	Gene, Tracy, and Michael McIntyre
Purchase Price:	Not to exceed fair market value as established by independent appraisals
Appraised Values:	\$1,200,000 (Ralph Sellers & Associates, July 22, 2006) Second appraisal in progress
Source of Funds:	Permanent University Fund debt reallocated from the Physical Sciences/Engineering Core Facility
Intended Use:	University-related child day care facility and future programmed development of campus expansion



**SUBJECT PROPERTY**

The University of Texas at El Paso



8. **U. T. Permian Basin: Authorization to accept a gift of approximately 40 acres of unimproved land located at the intersection of State Highway 191 and FM 1788, Midland County, Texas, out of Section 42, Block 40, T-1-S, T&P RR. Co. Survey, Midland County, Texas, from Scharbauer Brothers & Co., LP, a Texas limited partnership, for the purpose of constructing the Arts, Convocation, and Classroom Facility**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Watts that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Permian Basin, to

- a. accept a gift of unimproved land located at the intersection of State Highway 191 and FM 1788, Midland County, Texas, described as the surface interest in 40 acres out of Section 42, Block 40, T-1-S, T&P RR. Co. Survey, Midland County, Texas, from Scharbauer Brothers & Co., LP, a Texas limited partnership, for the purpose of constructing the Arts, Convocation, and Classroom Facility; and
- b. authorize the Executive Director of Real Estate to negotiate the terms of the gift deed within certain parameters and 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 recommendation.

### BACKGROUND INFORMATION

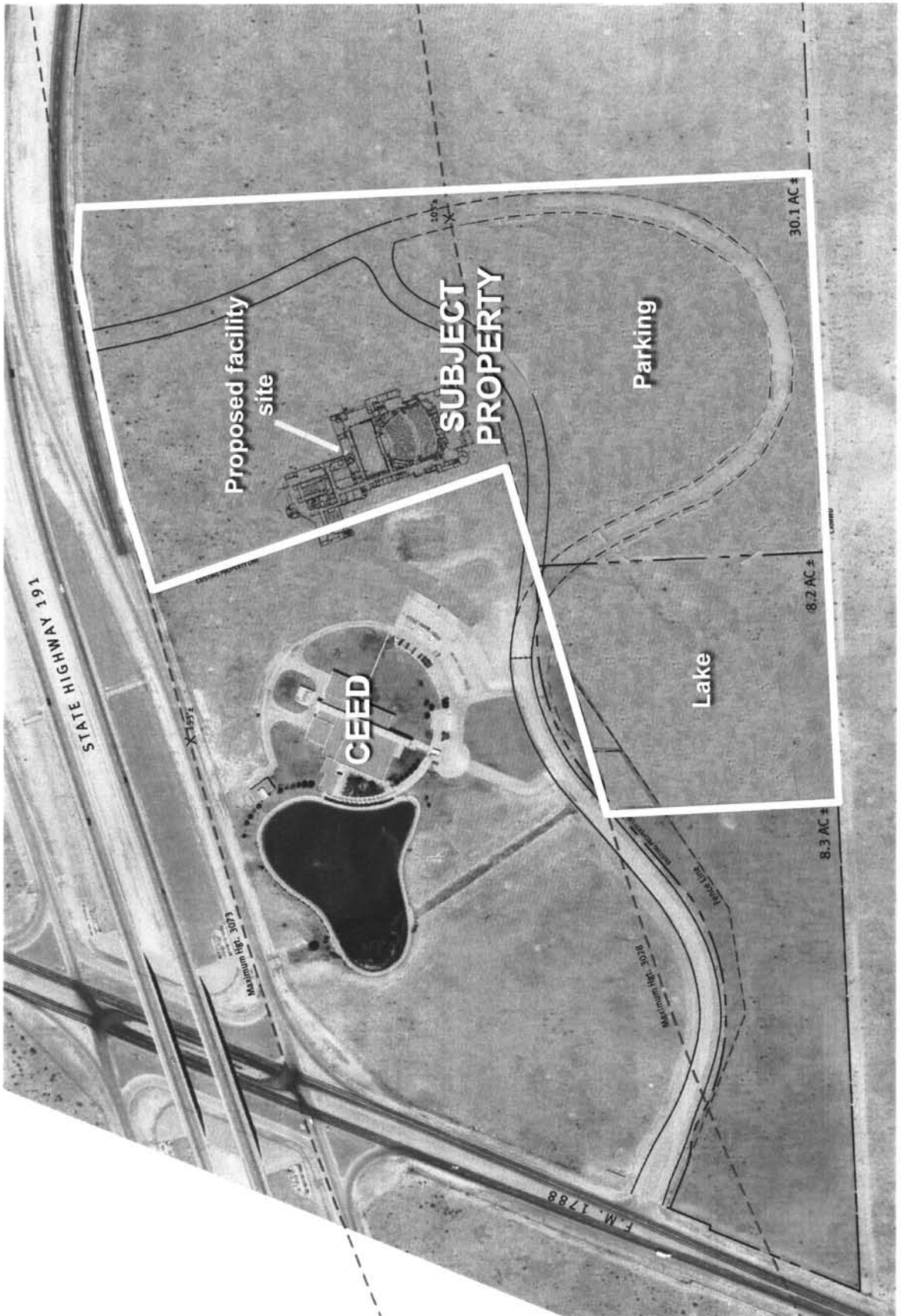
The subject property consists of the surface interest in 40 acres of unimproved land located at the intersection of State Highway 191 and FM 1788, Midland County, Texas. Scharbauer Brothers & Co., LP owns the surface interest in the subject property, which is adjacent to U. T. Permian Basin's Center for Energy and Economic Diversification (CEED) building. The gift will be used as the site of the Arts, Convocation, and Classroom Facility for U. T. Permian Basin.

The U. T. System Board of Regents approved the addition of the \$45 million project to the U. T. System's Capital Improvement Program and Fiscal Year 2006-2007 Capital Budget on June 20, 2006. On July 14, 2006, the U. T. System Board of Regents approved the creation of a Special Community Advisory Committee to advise the Board

and President Watts in the coordination of the design, construction, and planning of operations for the proposed facility. The terms and conditions of the gift of land are reflected in the transaction summary below:

Transaction Summary

Institution:	U. T. Permian Basin
Type of Transaction:	Gift of unimproved land, surface interest only
Total Area:	Approximately 40 acres
Improvements:	None
Location:	Intersection of State Highway 191 and FM 1788, Midland County, Texas, out of Section 42, Block 40, T-1-S, T&P RR. Co. Survey, Midland County, Texas; see attached map
Donor:	Scharbauer Brothers & Co., LP, a Texas limited partnership
Appraised Value:	Pending appraisal, estimated to be \$328,000 (\$8,200 per acre)
Intended Use:	Construction of the Arts, Convocation, and Classroom Facility



**9. U. T. Austin: Discussion of compact priorities**

REPORT

President Powers and Interim Executive Vice Chancellor Malandra will lead a discussion about compact priorities for The University of Texas at Austin as set out in the compact on Pages 86 - 107 in the Supplemental Materials (Volume 2) of the Agenda Book.

BACKGROUND INFORMATION

In summary, the major ongoing priorities and initiatives in the compact are the following:

- A. Develop Public Support for Higher Education in Texas
- B. Elevate the University's Academic Standing Nationally
- C. Recruit a More Diverse Student Body and Faculty
- D. Reform the Undergraduate Core Curriculum
- E. Budget
- F. Faculty Expansion
- G. Facilities Preservation and Enhancement
- H. Compensation Program
- I. Student Progress and Success
- J. Enrollment Management
- K. Academic Initiatives
- L. Information Technology and Communication Services
- M. External Institutional Reviews
- N. Enterprise Risk Management



## TABLE OF CONTENTS FOR HEALTH AFFAIRS COMMITTEE

**Committee Meeting:** 11/15/2006

**Board Meeting:** 11/16/2006  
Austin, Texas

Rita C. Clements, *Chairman*  
H. Scott Caven, Jr.  
Judith L. Craven, *M.D.*  
Cyndi Taylor Krier  
Robert B. Rowling

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	1:30 p.m. <i>Chairman Clements</i>		
1. <b>U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Series 40601, Section 1.15(d) concerning proposed U. T. Health Science Center - San Antonio Medical School name change to School of Medicine</b>	1:30 p.m. <b>Action</b> <i>President Cigarroa</i>	<b>Action</b>	<b>60</b>
2. <b>U. T. Medical Branch - Galveston: Approval of a Doctor of Physical Therapy (DPT) degree program</b>	1:35 p.m. <b>Action</b> <i>President Stobo</i>	<b>Action</b>	<b>61</b>
3. <b>U. T. Health Science Center - San Antonio: Authorization to purchase approximately 4.23 acres of unimproved real property located on Treasure Hills Boulevard and Haine Drive in Harlingen, Texas, being a part of Block 180, San Benito Land and Water Company Subdivision, Harlingen, Cameron County, Texas, from Valley Baptist Medical Development Corporation, a Texas corporation, for a purchase price of \$67,000 for the purposes of providing access to and maintaining visibility for the Regional Academic Health Center (RAHC) in Harlingen, Texas</b>	1:40 p.m. <b>Action</b> <i>President Cigarroa</i> <i>Ms. Mayne</i>	<b>Action</b>	<b>63</b>
4. <b>U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report</b>	1:45 p.m. <b>Report</b> <i>Dr. Shine</i>	Not on Agenda	<b>66</b>
5. <b>U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine</b>	2:15 p.m. <b>Report</b> <i>Dr. Shine</i>	Not on Agenda	<b>66</b>
<b>Adjourn</b>	2:30 p.m.		

1. **U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Series 40601, Section 1.15(d) concerning proposed U. T. Health Science Center - San Antonio Medical School name change to School of Medicine**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Series 40601, Section 1.15(d), concerning institutions comprising The University of Texas System, be amended as set forth below in congressional style:

Sec. 1 Official Titles. The U. T. System is composed of the institutions and entities set forth below. To insure uniformity and consistence of usage throughout the U. T. System, the institutions and their respective entities shall be listed in the following order and the following titles (short form of title follows) shall be used:

...

1.15 The University of Texas Health Science Center at San Antonio  
(U. T. Health Science Center – San Antonio)

...

(d) The University of Texas ~~Medical School~~ School of Medicine at  
San Antonio (U. T. ~~Medical School~~ School of Medicine – San  
Antonio)

...

BACKGROUND INFORMATION

The proposed amendment to the Regents' *Rules and Regulations*, Series 40601, is to reflect the official name change of The University of Texas Medical School at San Antonio to The University of Texas Health Science Center at San Antonio School of Medicine. This conforms with *Texas Education Code* Section 65.11, which provides the Board of Regents authority to do so. The name change helps convey the institution's growth and maturity over the last 38 years.

2. **U. T. Medical Branch - Galveston: Approval of a Doctor of Physical Therapy (DPT) degree program**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Stobo that authorization, pursuant to the Regents' *Rules and Regulations*, Series 40307, related to academic program approval standards, be granted to

- a. establish a Doctor of Physical Therapy (DPT) degree program at U. T. Medical Branch - Galveston; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

**BACKGROUND INFORMATION**

**Program Description**

This proposal is in accordance with the national trend to recognize the increasing complexity and science-based practice of physical therapy, by moving the entry level of physical therapist education from the current Master of Physical Therapy (MPT) degree to the clinical doctorate. This degree transition movement is a nationwide phenomenon that has been occurring since 1995. As of July 2006, there are 210 accredited physical therapy programs in the United States; 161 of these programs, or 76%, offer the Doctorate of Physical Therapy (DPT) as their entry-level degree.

The DPT degree program would replace the current MPT program. The DPT is a professional doctorate leading to qualifications to obtain state licensure to practice physical therapy. Curricular changes will focus on the practitioner's ability to provide primary access to care. Physical therapists have developed expertise in the diagnosis and treatment of patients who have mobility and movement disorders. As a result of this knowledge base, no other healthcare practitioner can render the same clinical decisions relative to mobility and movement disorders as physical therapists. With such expertise comes increased responsibility for recognition of problems falling outside the physical therapy scope of practice and referral to appropriate sources. This differential diagnostic process will require enhanced knowledge of pathophysiology, diagnostic imaging, and pharmacology. It will also require additional mentoring under master clinicians to ensure that didactic knowledge translates into skills.

## Need and Student Demand

There are well-defined needs for improved access to health care as a result of an aging and more diverse society and projected increases in the number of chronic diseases and disabilities seen by physical therapists. Manpower projections document a continuing expansion of physical therapy positions in the future. The U.S. Department of Labor, Bureau of Labor Statistics lists physical therapists as one of the fastest growing occupations for the Years 2002 to 2012, and projects a 35% growth rate. The national average for physical therapists is 41 per 100,000 population. The statewide average for Texas is 36 per 100,000 population, which ranks Texas 30th out of the 50 states.

There are currently ten physical therapist educational programs in Texas: eight are in public institutions, one is at a private institution - Hardin-Simmons University, and a program is offered by the U.S. Army at Fort Sam Houston in connection with Baylor University. Both Hardin-Simmons University and the U.S. Army-Baylor program provide the DPT as the entry-level degree. Of the eight public institutions, four operate within the U. T. System: U. T. Health Science Center - San Antonio, U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, and U. T. El Paso. All plan to eventually move the degree to the DPT. U. T. Southwestern Medical Center - Dallas requested and was granted approval from the Board of Regents on August 11, 2005, to establish the DPT degree program. In 2004 there were 184 applicants. The number increased to 204 in 2005 and again increased to 242 in 2006 for only 44 slots. There is a strong demand for the professional program in physical therapy.

## Program Quality

The physical therapy program at U. T. Medical Branch - Galveston is the oldest program in Texas and rated among the top 20% of physical therapy programs nationwide. The proposed DPT degree program will be administered within the Department of Physical Therapy, School of Allied Health Sciences. This is a nine-semester program consisting of 101 to 103 credit hours including didactic work and 40 weeks of full-time, guided clinical practice, which is comparable to existing DPT programs nationally. Eleven of the core faculty have doctoral degrees and faculty support from the School of Medicine, School of Nursing, and the Graduate School of Biomedical Sciences as well as the School of Allied Health Sciences in offering the proposed program. Each core faculty member will advise eight to nine students.

## Program Cost

Since the current MPT program will be phased out as the new DPT program is phased in, the costs will be slowly shifted into the new program. It is expected that the costs of operating the program will be approximately 10% greater than the costs for the MPT. This additional cost will be recovered from increases in differential tuition and by the third to fifth year of the program in formula funding for expanded program length. In the fifth year of the new program, one new, full-time faculty position would be added to accommodate the additional 13 to 15 semester credit hours in the DPT program



compared to the current MPT program. Existing facilities will be adequate so there are no plans for new facilities or renovation of existing facilities for the program.

3. **U. T. Health Science Center - San Antonio: Authorization to purchase approximately 4.23 acres of unimproved real property located on Treasure Hills Boulevard and Haine Drive in Harlingen, Texas, being a part of Block 180, San Benito Land and Water Company Subdivision, Harlingen, Cameron County, Texas, from Valley Baptist Medical Development Corporation, a Texas corporation, for a purchase price of \$67,000 for the purposes of providing access to and maintaining visibility for the Regional Academic Health Center (RAHC) in Harlingen, Texas**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Cigarroa that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Health Science Center - San Antonio, to

- a. purchase approximately 4.23 acres of unimproved real property located on Treasure Hills Boulevard and Haine Drive in Harlingen, Texas, being a part of Block 180, San Benito Land and Water Company Subdivision, Harlingen, Cameron County, Texas, from Valley Baptist Medical Development Corporation, a Texas corporation, for \$67,000, 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 purposes of providing access to and maintaining visibility for the Regional Academic Health Center (RAHC) in Harlingen, Texas; 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 recommendation.

### BACKGROUND INFORMATION

The subject property is contiguous to the Lower Rio Grande Valley RAHC site owned by the Board of Regents of the U. T. System for the use and benefit of U. T. Health Science Center - San Antonio.

On May 13, 1999, the Board of Regents approved the acceptance of a gift of approximately 26.239 acres in Harlingen, Texas, for the Harlingen Medical Education Division of the RAHC. At the time of the initial gift of acreage for the RAHC, U. T.

System also acquired an access easement across the subject property for access to Treasure Hills Boulevard from the initial RAHC building.

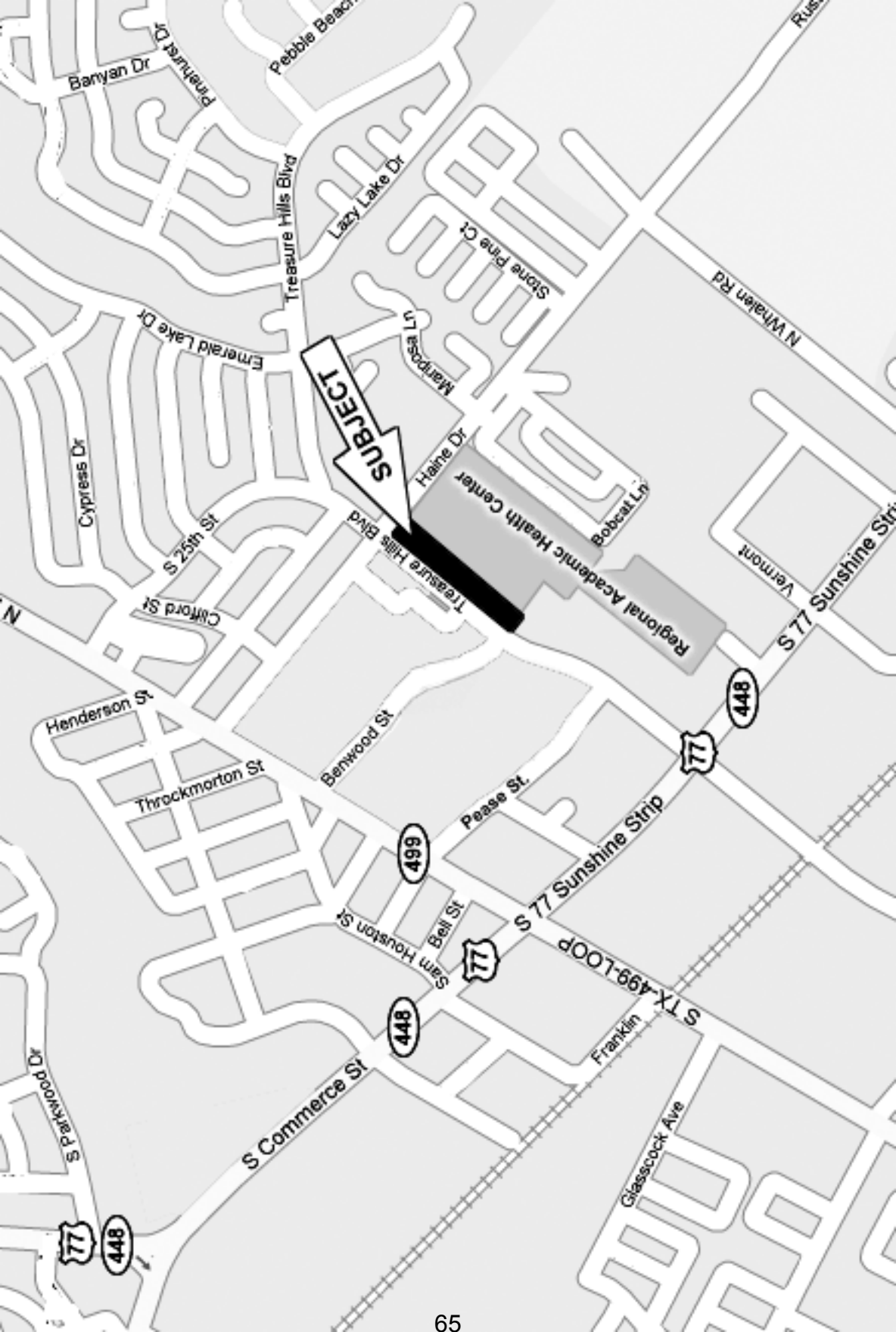
To accommodate ongoing construction and future development needs of the RAHC, U. T. Health Science Center - San Antonio desires to acquire the subject property to obtain greater flexibility and control over ingress and egress to its existing building and the current construction site, and for various utility easements.

To fund the purchase, U. T. Health Science Center - San Antonio will use Tuition Revenue Bond debt allocated on August 12, 2004, to the Harlingen Teaching/Learning Lab. Accordingly, the Tuition Revenue Bond debt associated with the Harlingen Teaching/Learning Lab will be reduced by the acquisition costs of the subject property; the total project cost of the Harlingen Teaching/Learning Lab will be reduced from \$25.5 million to approximately \$25.433 million.

The terms and conditions of the purchase are reflected in the summary of the transaction below:

#### Transaction Summary

Institution:	U. T. Health Science Center - San Antonio
Type of Transaction:	Purchase
Total Area:	Approximately 4.23 acres
Improvements:	None, except access drives
Location:	Treasure Hills Boulevard and Haine Drive, Harlingen, Texas, located in Block 180, San Benito Land and Water Company Subdivision, Harlingen, Cameron County, Texas; (see attached map on Page 65)
Seller:	Valley Baptist Medical Development Corporation, a Texas corporation
Purchase Price:	\$67,000
Appraised Value:	\$970,000 (Robinson, Duffy & Barnard, April 5, 2006)
Source of Funds:	Tuition Revenue Bond debt reallocated from the Harlingen Teaching/Learning Lab, Office of Facilities Planning and Construction Project No. 402-137
Intended Use:	Access to and visibility for the Lower Rio Grande Valley Regional Academic Health Center in Harlingen, Texas



SUBJECT

4. **U. T. System: Discussion of uncompensated care within the U. T. System and the Code Red Report**

Executive Vice Chancellor Shine will report on The University of Texas System's commitment to caring for the uninsured. The figures for total uncompensated charity care provided by the U. T. health institutions for the Years 2000 through 2005 are included on Page 108 of the Supplemental Materials (Volume 2) of the Agenda Book. A chart detailing the general revenue appropriations to U. T. health institutions for the Years 2002 through 2007 is provided on Page 109 of the Supplemental Materials (Volume 2) of the Agenda Book. A list of primary providers of uncompensated care is provided on Page 109a of the Supplemental Materials (Volume 2) of the Agenda Book.

Included on Pages 110 - 113 of the Supplemental Materials (Volume 2) of the Agenda Book is a synopsis of the report, "Code Red: The Critical Condition of Health Care in Texas," which outlines the recommendations of the Task Force on Access to Health Care in Texas: Challenges of the Uninsured and Underinsured.

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

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System. This is a quarterly update to the Health Affairs Committee of the U. T. System Board of Regents.



## TABLE OF CONTENTS FOR FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

**Committee Meeting:** 11/16/2006

**Board Meeting:** 11/16/2006  
Austin, Texas

*John W. Barnhill, Jr., Chairman*  
*H. Scott Caven, Jr.*  
*Rita C. Clements*  
*Robert A. Estrada*  
*Colleen McHugh*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>9:00 a.m.</i> <i>Chairman</i> <i>Barnhill</i>		
1. <b>U. T. System: Consideration of possible designation of projects as architecturally or historically significant and selection of architect for the South Texas Research Facility project at U. T. Health Science Center - San Antonio</b>	<i>9:00 a.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>67</b>
<ul style="list-style-type: none"> <li>• U. T. Brownsville The Village at Fort Brown - Phase II</li> <li>• U. T. Dallas Service Compound</li> <li>• U. T. Dallas Student Housing Living/Learning Center</li> <li>• U. T. Dallas Student Services Building</li> </ul>			
2. <b>U. T. System: Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include projects; approval of total project costs; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	<i>9:03 a.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>73</b>
<ul style="list-style-type: none"> <li>• U. T. Austin Energy Efficiency and Conservation - Phase I</li> <li>• U. T. Austin Patterson Hall Laboratory and Life Safety Renovation</li> <li>• U. T. Austin Utility Infrastructure Project - Phase II</li> <li>• U. T. Brownsville The Village at Fort Brown - Phase II</li> <li>• U. T. Dallas Center for BrainHealth Second Floor Renovation</li> <li>• U. T. Dallas Service Compound</li> <li>• U. T. Dallas Student Services Building</li> <li>• U. T. Dallas Student Housing Living/Learning Center</li> <li>• U. T. Health Science Center - San Antonio Medical School Sprinkler Installation</li> </ul>			

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
3. <b>U. T. Arlington: Maverick Activities Center (formerly Student Activities Building) - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	9:07 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>78</b>
4. <b>U. T. Austin: Darrell K Royal - Texas Memorial Stadium Expansion - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	9:10 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>81</b>
5. <b>U. T. Austin: UFCU Disch-Falk Field - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	9:14 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>83</b>
6. <b>U. T. Dallas: Vivarium and Experimental Space - Request for appropriation of funds and authorization of expenditure and resolution regarding parity debt</b>	9:18 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>85</b>
7. <b>U. T. El Paso: Bioscience Research Building (formerly Biosciences Facility) - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; approval of transfer of Permanent University Fund Bond Proceeds; appropriation of funds and authorization of expenditure; and reduction of total project cost for the Science and Engineering Core Facilities Upgrade</b>	9:21 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>87</b>
8. <b>U. T. El Paso: Physical Sciences/Engineering Core Facility – Phase I - Request for appropriation of funds and authorization of expenditure for renovation portion of the project and resolution regarding parity debt</b>	9:25 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>88</b>
9. <b>U. T. San Antonio: Laurel Village - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase the total project cost; approval to revise the funding sources; approval for transfer of funds; reduction of total project cost for Chaparral Village; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	9:28 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>90</b>
10. <b>U. T. San Antonio: Renovations of Physical Plant Building - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure</b>	9:32 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>92</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
11. <b>U. T. Tyler: University Center Renovation/Expansion (Phase I) - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	9:35 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>93</b>
12. <b>U. T. Southwestern Medical Center - Dallas: Hazardous Waste Handling Facility - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure</b>	9:39 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>95</b>
13. <b>U. T. Medical Branch - Galveston: University Plaza Development - Request for appropriation of funds and authorization of expenditure and resolution regarding parity debt</b>	9:42 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>96</b>
14. <b>U. T. Health Science Center - Houston: Replacement Research Facility - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to revise funding source; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</b>	9:46 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>98</b>
15. <b>U. T. Health Science Center - Houston: Biomedical Research and Education Facility, Dental Branch Replacement Building, and Mental Sciences Institute Replacement Facility - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to reduce the total project cost and revise funding source for the Mental Sciences Institute Replacement Facility; approval to combine three projects and redesignate as the Research Park Complex; and approval of the total project cost</b>	9:49 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>101</b>
16. <b>U. T. M. D. Anderson Cancer Center: Center for Advanced Biomedical Imaging Research - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase the total project cost; revise funding sources; and appropriation of funds and authorization of expenditure</b>	9:52 a.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>103</b>
17. <b>U. T. System: Archer Center Student Housing – Report on possibility of student housing in Washington, D.C.</b>	9:55 a.m. <b>Report</b> <i>Vice Chairman Krier</i> <i>Dr. Malandra</i> <i>Mr. Shute</i> <i>Mr. O'Donnell</i>	Not on Agenda	<b>104</b>
<b>Adjourn</b>	10:00 a.m.		

1. **U. T. System: Consideration of possible designation of projects as architecturally or historically significant and selection of architect for the South Texas Research Facility project at U. T. Health Science Center - San Antonio**
  - U. T. Brownsville The Village at Fort Brown - Phase II
  - U. T. Dallas Service Compound
  - U. T. Dallas Student Housing Living/Learning Center
  - U. T. Dallas Student Services Building

### RECOMMENDATION

- a. It is recommended that the Committee review the following projects scheduled for architectural selection to determine if any should be designated as architecturally or historically significant. The Regents' *Rules and Regulations*, Series 80302 requires that proposed projects be reviewed to determine if any are of special interest because of proposed building site, historical or cultural significance, proposed use, or other unique characteristics. For projects of special interest, the Facilities Planning and Construction Committee will select the architect.

#### **U. T. Brownsville**

The Village at Fort Brown - Phase II (See Page 69 and related Item 2 on Page 73)

Proposed Project Cost: \$17,000,000

Anticipated Delivery Method: Construction Manager at Risk

#### **U. T. Dallas**

Service Compound (See Page 70 and related Item 2 on Page 73)

Proposed Project Cost: \$5,132,000

Anticipated Delivery Method: Competitive Sealed Proposals

Student Housing Living/Learning Center (See Page 71 and related Item 2 on Page 73)

Proposed Project Cost: \$37,800,000

Anticipated Delivery Method: Competitive Sealed Proposals

Student Services Building (See Page 72 and related Item 2 on Page 73)

Proposed Project Cost: \$27,500,000

Anticipated Delivery Method: Competitive Sealed Proposals

- b. It is further recommended that the Committee approve the selection of architect from the following list for the South Texas Research Facility project at U. T. Health Science Center - San Antonio that was designated architecturally significant on August 10, 2006:
  - Garza/Bomberger & Associates w/ NBBJ, San Antonio, Texas
  - HDR Architecture Inc. w/ Chesney Morales Architects, San Antonio, Texas



- Marmon Mok / Smith Group Arizona, San Antonio, Texas
- Overland Partners, Inc. / Skidmore Owings & Merrill (SOM), San Antonio, Texas
- Page Southerland Page LLP, Austin, Texas
- Rafael Vinoly Architects / Kirksey Architects, New York, New York

## **The Village at Fort Brown – Phase II U. T. Brownsville**

**Project Description:** The Village at Fort Brown – Phase II project is being requested for addition to the FY 2006-2011 Capital Improvement Program at a Total Project Cost of \$17,000,000 (see Item 2 on Page 73). This project will construct a new building of approximately 102,000 gross square feet with 400 beds.

**Proposed Site:** The Village at Fort Brown – Phase II will be constructed on the Fort Brown Peninsula in accordance with the recently updated 2020 Master Plan. The Master Plan established the peninsula as the housing zone to capitalize on the tropical-like environment and the views of the adjacent resaca. The site will be accessed by a pedestrian bridge to the rest of the campus.

**Age:** The proposed building is a new facility.

**Current/Past Use of the Building, and Compliance with the Campus Master Plan:** The Campus Master Plan recognized the value of this location and recommended that all housing be located on the Fort Brown Peninsula. Recommendations in the Campus Master Plan will guide the appearance and height of the new building.

**Other Relevant Information:** The project will be designed to accommodate future campus housing and food service phases adjacent to the site to come in the near future.

## **Service Compound U. T. Dallas**

**Project Description.** The Service Compound is being requested for addition to the FY 2006-2011 Capital Improvement Program at a total project cost of \$5,132,000 (see Item 2 on Page 73). This project will consist of seven new buildings of approximately 49,780 gross square feet. These new facilities are replacing old inadequate buildings that can no longer fulfill their required functions or which have to be relocated in association with the construction of the Natural Science and Engineering Research Laboratory (NSERL) building. These buildings will be one-story pre-engineered metal structures except for the Police Dispatch (concrete block construction) and the greenhouses (metal frame with plastic exterior coverings).

**Proposed Site.** The site selected for these facilities is adjacent to the existing Physical Plant and Service buildings on the Main Campus.

**Age.** The proposed buildings are new facilities.

**Current/Past Use of the Building, and Compliance with the Campus Master Plan.** This project is addressed in the Campus Master Plan, but was located on the east side of Floyd Road. This site on the west side of Floyd Road was selected to minimize the cost of this project.

**Other Relevant Information.** The construction of these facilities has commenced. It was initially believed that no one building would exceed the \$1,000,000 cost threshold. It has become obvious that this is no longer the case, and therefore, this project is being submitted for inclusion in the CIP.

## **Student Housing Living/Learning Center U. T. Dallas**

**Project Description.** This Student Housing Living/Learning Center is being requested for addition to the FY 2006-2011 Capital Improvement Program at a total project cost of \$37,800,000 (see Item 2 on Page 73). This project will consist of student housing for 300 students in a complex of approximately 126,000 gross square feet. This facility will create an environment that promotes student interaction both academically and socially. The design of this student housing will facilitate the interaction of the residents and the exact configuration will be determined during the programming process.

**Proposed Site.** Although the site has not been finalized, all the proposed alternatives are in the vicinity of the existing student housing and the student activity center areas.

**Age.** The proposed building is a new facility.

**Current/Past Use of the Building, and Compliance with the Campus Master Plan.** This project is not addressed in the Campus Master Plan, but it is an initiative of President Daniel and Vice President for Student Affairs Rachavong.

**Other Relevant Information.** This building is important to meet the needs of the campus' growing enrollment and by providing an innovative approach to student housing, the building will assist the University in attracting high-quality students.

## **Student Services Building U. T. Dallas**

**Project Description.** This Student Services Building is being requested for addition to the FY 2006-2011 Capital Improvement Program at a total project cost of \$27,500,000. This project will consist of a new building of approximately 86,500 square feet. This facility will provide a one-stop center, housing the primary departments that students, parents, and prospective students need to visit and do business within the course of their relationship with U. T. Dallas. The building will accommodate the following 12 departments: Office of Admissions, Bursars Office, Financial Aid Office, Office of the Registrar, Career Center, International Student Services, Women's Center, Multicultural Center, Office of the Dean of Student Life, Center for Recreational Life, Student Health Center, and Counseling Center. The building will be a two-story structure of a design that will be compatible with existing campus architecture.

**Proposed Site.** Although the site has not been finalized, all the proposed alternatives are in the vicinity of the existing Student Activity Center.

**Age.** The proposed building is a new facility.

**Current/Past Use of the Building, and Compliance with the Campus Master Plan.**

This project is not addressed in the Campus Master Plan, but it is an initiative of the Student Government and fits in well with the other student-oriented facilities in this general area of the campus.

**Other Relevant Information.** This building is important to meet the needs of the campus's growing enrollment and by providing a one-stop location for student services, which will significantly ease the burden of doing business for all students.

2. **U. T. System: Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to include projects; approval of total project costs; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

- U. T. Austin Energy Efficiency and Conservation - Phase I
- U. T. Austin Patterson Hall Laboratory and Life Safety Renovation
- U. T. Austin Utility Infrastructure Project - Phase II
- U. T. Brownsville The Village at Fort Brown - Phase II
- U. T. Dallas Center for BrainHealth Second Floor Renovation
- U. T. Dallas Service Compound
- U. T. Dallas Student Services Building
- U. T. Dallas Student Housing Living/Learning Center
- U. T. Health Science Center - San Antonio Medical School Sprinkler Installation

**RECOMMENDATION**

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, President Powers, President García, President Daniel, and President Cigarroa that the U. T. System Board of Regents amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to include projects; approve total project costs; authorize institutional management; appropriate funding and authorize expenditures; and approve parity debt for the following projects as set out in the Background Information.

- a. amendment of the FY 2006-2011 CIP and the FY 2007-2008 Capital Budget to include the nine projects as set forth in the caption above and in the table on Page 77;
- b. appropriate funding for the following five institutionally managed projects:
  - U. T. Austin Energy Efficiency and Conservation - Phase I
  - U. T. Austin Patterson Hall Laboratory and Life Safety Renovation
  - U. T. Austin Utility Infrastructure Project - Phase II
  - U. T. Dallas Service Compound
  - U. T. Health Science Center - San Antonio Medical School Sprinkler InstallationInstitutional Facilities Management personnel have the experience and capability to manage all aspects of the work;
- c. appropriate funding for one repair and rehabilitation project, U. T. Dallas Center for BrainHealth Second Floor Renovation; 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 and U. T. Dallas, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amounts of \$17,500,000 for the Energy Efficiency and Conservation - Phase I project and \$49,500,000 for the Utility Infrastructure Projects - Phase II at U. T. Austin, and \$3,280,000 for the Service Compound at U. T. Dallas.

These proposed off-cycle projects have been approved by U. T. System staff and meet the criteria for inclusion in the CIP.

## BACKGROUND INFORMATION

### Background on Academic Projects

**The Energy Efficiency and Conservation – Phase I project at U. T. Austin** involves three distinct elements that will implement projects focused on reducing electrical, steam and chilled water, and domestic water requirements for campus buildings. Included in this project are lighting retrofits, steam trap replacements, and water conservation initiatives throughout the campus. The proposed funding would be \$17,500,000 from Revenue Financing System Bond Proceeds. U. T. Austin is requesting institutional management for this project.

**The Patterson Hall Laboratory and Life Safety Renovation project at U. T. Austin** involves a series of repair and rehabilitation projects in J. T. Patterson Hall to renovate multiple laboratories for the College of Natural Sciences totaling 11,845 gross square feet and upgrading 150,000 gross square feet to accomplish needed life and safety upgrades. J. T. Patterson Hall is a five-story building with a basement that houses classrooms, research facilities, and offices for the Departments of Biology, Neurobiology, and Computational Biology. All projects funded from Permanent University Fund (PUF) Bond Proceeds that include Science and Technology Acquisition and Retention (STARs) and Library, Equipment, Repair and Rehabilitation (LERR) funds have previously been approved by the U. T. System Board of Regents to support the recruitment and retention of the best qualified faculty at both academic and health institutions by providing additional resources to build and enhance infrastructure. The proposed funding would be \$1,575,974 from Available University Funds (AUF),

\$2,281,976 from PUF Bond Proceeds, \$100,000 from Designated Tuition, \$31,343 from Interest on Local Funds, and \$510,707 from Unexpended Plant Funds for a total project cost of \$4,500,000. U. T. Austin is requesting institutional management for this project.

**The Utility Infrastructure Project – Phase II project at U. T. Austin** involves a series of phased projects that will continue improving the existing utility infrastructure to increase efficiency, improve reliability, and meet campus energy requirements. The project will replace a 1965 13 megawatt (MW) gas turbine generator and waste heat boiler with a larger (approximately 25MW) and more efficient gas turbine generator and boiler. In addition, the project will address chilled water needs for the campus through the addition of a cold water storage tank with an estimated capacity of 39,000 ton-hours to be built on a parking lot west of the new Harris Substation. The project also includes upgrades to cooling systems in Chilling Stations 3 and 4. Additional efficiency will be achieved through the installation of peaking generators within an existing power footprint and inlet air cooling for gas turbine operation. The proposed funding would be \$49,500,000 from Revenue Financing System Bond Proceeds. U. T. Austin is requesting institutional management for this project.

**The Village at Fort Brown – Phase II project at U. T. Brownsville** will consist of approximately 102,000 gross square feet with the construction of a 400-bed dormitory style development. The individual suites are anticipated to consist of a restroom separating two 2-bedroom units. Study areas and TV lounges are envisioned on each floor of the dormitory. The project will provide a new commons building containing a control desk, student gathering area, and a multipurpose classroom. Also included in the project will be laundry facilities, mail facilities, and a cooking area for use by students. The proposed funding would be \$17,000,000 from Revenue Financing System Bond Proceeds.

The project will be located on the Fort Brown Peninsula, which was identified in the Campus Master Plan as the housing zone due to strategic location and adjacencies to the proposed recreation center and existing Student Union Building. The campus currently houses 234 beds at The Village at Fort Brown. A campus study determined the need for 800 beds to service the campus community. Future developments in this area will address the remaining identified needs and include food service and retail developments. This project is being considered architecturally/historically significant in Item 1 on Page 67.

**The Center for BrainHealth Second Floor Renovation project at U. T. Dallas** is a repair and rehabilitation project that will address the build-out of approximately 20,474 gross square feet of the second floor of the existing Center for BrainHealth Building. Additionally, some improvements to the grounds and other minor building renovations are included in the project. The proposed funding would be \$5,000,000 from Gifts. If there is some delay in receiving the donor gift funding, the project may proceed with expenditures from the President's discretionary funds. This project will complete the state-of-the-art facility for the study of brain health. The new space will house more than 55 researchers, research assistants, postdoctoral fellows, and support staff, and will provide dedicated research space to measure brain change in response to novel cognitive interventions in brain disease across the life span and in healthy brain aging.



**The Service Compound project at U. T. Dallas** will consist of seven new buildings of approximately 49,780 gross square feet. These new facilities are replacing old inadequate buildings that can no longer fulfill their required functions or that have to be relocated in association with the construction of the Natural Science and Engineering Research Laboratory (NSERL) Building. The project will include the construction of four new pre-engineered metal buildings to house the Facilities Management Offices, Facilities Management Shops, surplus and custodial storage, and an equipment storage facility. Two new metal frame greenhouses with plastic exterior coverings and a new concrete block police dispatch facility are also being constructed. The proposed funding would be \$3,280,000 from Revenue Financing System Bond Proceeds, \$1,550,000 from Unexpended Plant Funds, and \$302,000 from Auxiliary Enterprise Balances for a total project cost of \$5,132,000. U. T. Dallas is requesting institutional management for this project. This project is being considered architecturally/historically significant in Item 1 on Page 67.

**The Student Services Building project at U. T. Dallas** will consist of approximately 86,500 gross square feet to construct a two-story structure consolidating student service functions in one location. This building is important to meet the needs of the growing campus enrollment and will provide a one-stop center to significantly ease the burden of doing business for all students. The proposed funding would be \$27,500,000 with funding from Revenue Financing System Bond Proceeds. This project is being considered architecturally/historically significant in Item 1 on Page 67.

This facility was supported by a vote developed by Student Government to provide better quality service to the student body. This project is presently awaiting legislative approval of the student fee before design can be initiated. Also, after the Legislature's approval, the U. T. System Board of Regents will be requested to approve the assessment of the new fee to become effective the following academic year.

**The Student Housing Living/Learning Center project at U. T. Dallas** will include the construction of a 300-bed multistory student housing complex with approximately 126,000 gross square feet that will promote student interaction both academically and socially. Current facilities are operating at close to 100% occupancy with 200 students on the waiting list this fall. The proposed funding would be \$37,800,000 with funding from Revenue Financing System Bond Proceeds. This project is being considered architecturally/historically significant in Item 1 on Page 67.

#### Background on Health Project

**The Medical School Sprinkler Installation project at U. T. Health Science Center – San Antonio** will install fire sprinkler lines down the corridors of the Medical School to protect employees and property. The proposed funding would be \$2,600,000 from Permanent University Fund Bond Proceeds and \$600,000 from Unexpended Plant Funds for a total project cost of \$3,200,000. U. T. Health Science Center – San Antonio is requesting institutional management for this project.

**Request to Amend The University of Texas System  
FY 2006-2011 Capital Improvement Program and FY 2007-2008 Capital Budget**

**Projects to be Included in the CIP Funding and Appropriation for Institutionally Managed and/or R&R Projects**

Project Name	Inst. Mgmt.	Proposed TPC	Proposed Funding (In millions)							Unex. Plant		
			RFS	Gifts	AUF	PUF	Des. Tuit.	Aux. Ent.	Local Funds			
<u>UT Austin</u> Energy Efficiency and Conservation - Phase I* Patterson Hall Laboratory and Life Safety Ren.* Utility Infrastructure Projects - Phase II*	IM IM IM	17,500,000 4,500,000 49,500,000	17.50 17.50 49.50		1.57	2.28		0.10			0.03	0.51
<u>UT Brownsville</u> The Village at Fort Brown - Phase II		17,000,000	17.00									
<u>UT Dallas</u> Center for BrainHealth Second Floor Renovation* Service Compound* Student Services Building Student Housing Living/Learning Center	IM	5,000,000 5,132,000 27,500,000 37,800,000	3.28 3.28 27.50 37.80	5.00				0.30				1.55
<u>UTHSC - San Antonio</u> Medical School Sprinkler Installation*	IM	3,200,000			2.60							0.60
<b>Totals</b>		<b>167,132,000</b>	<b>152.58</b>	<b>5.00</b>	<b>1.57</b>	<b>4.88</b>	<b>0.10</b>	<b>0.30</b>	<b>0.03</b>	<b>2.66</b>		

\*Projects requesting funding appropriations

3. **U. T. Arlington: Maverick Activities Center (formerly Student Activities Building) - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that the U. T. System Board of Regents approve the recommendations for the Maverick Activities Center (formerly Student Activities Building) project at The University of Texas at Arlington as follows:

**Project Number:** 301-226

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** January 2008

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$30,000,000	\$34,500,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$30,000,000 to \$34,500,000 (see the table on Page 80);
- b. appropriate funds and authorize expenditure of funds of \$4,500,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$4,500,000.

## BACKGROUND INFORMATION

### Debt Service

The total \$34,500,000 in Revenue Financing System debt will be repaid from net revenues generated from campus recreation fees. Average annual debt service on the project is estimated at \$2.5 million. The institution's debt service coverage is expected to be at least 2.1 times and average 2.9 times over FY 2007 - FY 2012.

### Previous Board Actions

On August 11, 2005, the repair and rehabilitation project was included in the CIP with a preliminary project cost of \$16,370,000 with funding appropriated from Revenue Financing System Bond Proceeds. On May 10, 2006, the Board approved the design development plans and increased the total project cost to \$30,000,000 with funding appropriated from Revenue Financing System Bond Proceeds. On September 18, 2006, the nonhonorific naming for the project was approved as the Maverick Activities Center (MAC).

### Project Description

This project will add 83,000 gross square feet of new space to the existing Activities Building and renovate 102,000 gross square feet of existing space. The project scope will renovate the entrances, existing locker rooms, existing basketball courts, and auditorium. The project scope will add 19,000 gross square feet for a weight and fitness space, a 1/7 mile fitness track, two courts to the existing two basketball courts, a student social area, a learning computer area, and training and office spaces to accommodate the needs of the Campus Recreation programs.

The additional funding of \$4,500,000 to increase the total project cost is to cover escalating construction costs that have taken place in the construction industry since the formulation of the project's original budget. Value engineering exercises have been conducted and the project scope cannot be reduced further without significantly affecting the facility program.

**Request to Amend The University of Texas System  
FY 2006-2011 Capital Improvement Program and FY 2007-2008 Capital Budget**

**CIP Projects to Receive Modified Funding, Revised Project Cost, and Appropriation of Funds**

Project Name	Existing TPC	Increases/ (Decreases)	Cause of Change	New TPC	Existing Funding (in millions)						Revised Funding (in millions)								
					PUF	RFS	TRB	Ins. Clim.	Grants	Hosp. Rev.	Local Funds	Aux. Ent.	Unex. Plant	PUF	RFS	TRB	Ins. Clim.	Grants	Local Funds
<u>UT Arlington</u> Maverick Activities Center	30,000,000	4,500,000	Inflation	34,500,000															
<u>UT Austin</u> Darell K Royal-Texas Memorial Stadium Exp. UFCU Disch-Falk Field	149,900,000 23,100,000	26,637,000 2,700,000	Scope Scope	176,537,000 25,800,000	106.62 16.10	35.00 7.00												8.28	129.56 16.80
<u>UT Dallas</u> Vivarium and Experimental Space *	15,000,000			15,000,000	3.00		12.00												3.00
<u>UT El Paso</u> Physical Sciences/Engineering Core Facility ** Bioscience Research Building Science and Engineering Core Facilities	85,000,000 30,500,000 39,000,000	9,000,000 (9,000,000)	Scope Scope	85,000,000 39,500,000 30,000,000	8.50 8.50 35.10		76.50 12.75 3.90		3.50									8.50 17.50 26.10	76.50 12.75 3.90
<u>UT San Antonio</u> Chaparrel Village Laurel Village Renovation of Physical Plant Building	43,500,000 39,182,000 2,700,000	(1,500,000) 5,000,000 736,000	Scope Scope Inflation	42,000,000 44,182,000 3,436,000	42.50 39.18													2.70	42.00 43.18
<u>UT Tyler</u> University Center Renovation/Expansion	11,900,000	3,400,000	Inflation	15,300,000	11.90														15.30
<u>UT Southwestern Medical Center - Dallas</u> Hazardous Waste Handling Facility	3,080,000	820,000	Inflation	3,900,000								3.08							
<u>UT MB Galveston</u> University Plaza Development ***	27,360,254			27,360,254	25.00				2.36										25.00
<u>UT HSC Houston</u> Research Replacement Facility Mental Sciences Institute Replacement Facility Biomedical Research and Education Facility Dental Branch Replacement Building Research Park Complex	80,530,000 22,500,000 62,000,000 80,000,000	(22,500,000) (62,000,000) (80,000,000) 161,500,000	Scope Scope Scope Scope	80,530,000 - - 161,500,000		34.33 20.90 2.00	23.60 60.00		6.00 6.00									16.50	16.33 60.00
<u>UT M. D. Anderson Cancer Center</u> Center for Advanced Bio-Imaging Research	55,000,000	33,000,000	Scope	88,000,000		25.00			30.00										25.00
<b>Totals</b>	<b>800,252,254</b>	<b>72,293,000</b>		<b>872,545,254</b>	<b>114.20</b>	<b>280.95</b>	<b>194.85</b>	<b>16.60</b>	<b>41.86</b>	<b>6.00</b>	<b>124.23</b>	<b>3.08</b>	<b>1.00</b>	<b>27.48</b>	<b>132.20</b>	<b>332.32</b>	<b>184.85</b>	<b>16.60</b>	<b>92.37</b>

\* Appropriation of funds for \$15,000,000.  
\*\* Appropriation of funds for \$21,000,000  
\*\*\* Appropriation of funds for \$10,000,000

4. **U. T. Austin: Darrell K Royal - Texas Memorial Stadium Expansion - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Darrell K Royal - Texas Memorial Stadium Expansion project at The University of Texas at Austin as follows:

**Project Number:** 102-081

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** August 2008

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$106,620,000	\$129,560,000
	Gifts	35,000,000	35,471,000
	Unexpended Plant Funds	<u>8,280,000</u>	<u>11,506,000</u>
		\$149,900,000	\$176,537,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$149,900,000 to \$176,537,000 (see the table on Page 80);
- b. appropriate funds and authorize expenditure of funds of \$22,940,000 from Revenue Financing System Bond Proceeds, \$471,000 from Gifts, and \$3,226,000 from Unexpended Plant 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 \$22,940,000.

## BACKGROUND INFORMATION

### Debt Service

The \$129,560,000 in total Revenue Financing System debt will be repaid from net revenues generated from stadium seating and concessions. Average annual debt service on the project is estimated at \$9.5 million. Once the project is complete, debt service coverage is expected to be at least 1.3 times and average 2.0 times over FY 2009 - FY 2038.

### Previous Board Actions

On December 10, 2004, the project was included in the CIP with a preliminary project cost of \$5,000,000 with funding from Auxiliary Enterprise Balances. On August 11, 2005, the Board approved the design development plans and increased the total project cost to \$10,000,000 with funding from Revenue Financing System Bond Proceeds. On September 22, 2005, the Chancellor approved increasing the total project cost to \$11,000,000. On November 10, 2005, the Board approved the increase in total project cost from \$11,000,000 to \$15,000,000 with funding appropriated from Revenue Financing System Bond Proceeds. On January 17, 2006, the Interim Associate Vice Chancellor for Facilities Planning and Construction approved the nonhonorific name change for the project. On February 8, 2006, the Board approved the design development plans, increased the total project cost to \$149,900,000, and funding was appropriated.

### Project Description

This project began as a comprehensive feasibility and planning study of the Darrell K Royal - Texas Memorial Stadium. The full scope of options and associated costs for improving the fire and life safety of the stadium have been recommended to define current code and infrastructure needs.

The Stage I - Belmont Hall Renovation portion of the Stadium Fire and Life Safety/Improvement Planning project will address several life safety concerns within the existing Belmont Hall and will provide waterproofing and structural repairs and building system upgrades. The project will also include renovation and expansion of the ninth floor Centennial Room, the addition of fixed seating at that level, and renovations to the eighth floor Press Box area to accommodate additional working press.

The Stage 2 - North End Zone Expansion portion of the Stadium Fire and Life Safety/Improvement Planning project will address fire and life safety issues present in the existing North End Zone. The existing North End Zone structure will be demolished and replaced by a new structure housing cheering facilities, production TV crew members, ticketing, patron services, and the athletic academic advising facilities. The new upper levels will encompass services for the uncovered club seats, suites, and the upper concourse leading to the upper grandstands with patron services. Stadium seating capacity will be expanded to over 90,000 spectators upon completion.

The additional funding of \$26,637,000 for the increase to the total project cost is necessary to provide funds to complete enhancements to the new scoreboard; finish out the Athletics Academic Suite on Level 5; temporary bleachers in the South End Zone for the 2006 and 2007 football seasons; addition of a hydrotherapy area in the Moncrief-Neuhaus Complex; additional underground utility relocations; additional abatement of hazardous materials; necessary repairs to the guardrails at the east grandstand; fire protection sprinklers on the open North End Zone concourses; an additional elevator to provide code-compliant accessibility; fire protection sprinklers on the existing Level 5 concourse at the west grandstand; finish-out of the Basement Level Commissary; completion of the site work for statue placement; additional toilet rooms to comply with applicable codes; escalation of the cost of the base North End Zone structure; relocation of 16 existing oak trees; and addition of a floor slab for a future Level 7.

There is one item related to the Stadium project that may be brought to the Board as a separate CIP project at a future time. A gift for a health and Fitness/Kinesiology Museum on NEZ Level 5 has been received, and this may well trigger a small build-out project.

**5. U. T. Austin: UFCU Disch-Falk Field - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the UFCU Disch-Falk Field project at The University of Texas at Austin as follows:

**Project Number:** 102-225

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** February 2008



<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$16,100,000	\$16,800,000
	Gifts	<u>\$ 7,000,000</u>	<u>\$ 9,000,000</u>
		\$23,100,000	\$25,800,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$23,100,000 to \$25,800,000 (see the table on Page 80);
- b. appropriate funds and authorize expenditure of funds of \$700,000 from Revenue Financing System Bond Proceeds and \$2,000,000 from Gifts; 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 \$700,000.

### BACKGROUND INFORMATION

#### Debt Service

The \$16,800,000 in total Revenue Financing System debt will be repaid from net revenues generated from ticket sales and gift revenue. Average annual debt service on the project is estimated at \$1.2 million. Once the project is complete, debt service coverage is expected to be at least 1.3 times and average 1.5 times over FY 2008 – FY 2015.

#### Previous Board Actions

On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$18,000,000 with funding of \$11,000,000 from Revenue Financing System Bond Proceeds and \$7,000,000 from Gifts. On October 12, 2005, the Board approved the name change from Disch-Falk Field to UFCU Disch-Falk Field. On May 10, 2006, the

Board approved the design development plans, increased the total project cost to \$21,000,000, and appropriated funding of \$14,000,000 from Revenue Financing System Bond Proceeds and \$7,000,000 from Gifts. On July 14, 2006, the Chancellor approved increasing the total project cost to \$23,100,000.

Project Description

This project includes abatement of existing asbestos-containing materials and lead-based paint; renovations and expansion of the seating areas; renovations to the press box; renovations and expansion of player development areas; renovations and upgrades to concessions and restrooms; renovations and expansion of public concourses and plazas; renovations to the ticket office; replacement of the field lighting system; a new facade; upgrades to the sound system; a new spectator club area; and new spectator suites. This increase of \$2,700,000 is necessary to provide for additional improvements to player development areas, increased accessibility for patrons, and fire and life safety elements.

**6. U. T. Dallas: Vivarium and Experimental Space - Request for appropriation of funds and authorization of expenditure and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents approve the recommendation for the Vivarium and Experimental Space project at U. T. Dallas as follows:

**Project No:** 302-261  
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** December 2007

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$12,000,000
	Permanent University Fund Bond Proceeds	<u>\$ 3,000,000</u>
		\$15,000,000

- a. appropriate funds and authorize expenditure of funds of \$12,000,000 from Tuition Revenue Bond Proceeds and \$3,000,000 from Permanent University Fund Bond (PUF) Proceeds (see the table on Page 80); and
- b. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. 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 \$12,000,000.

## BACKGROUND INFORMATION

### Debt Service

The 79th Legislature authorized \$12,000,000 of Tuition Revenue Bonds for a vivarium and experimental space. Annual debt service on the \$12,000,000 of Tuition Revenue Bonds is estimated at \$1.05 million. While the debt service is payable from pledged revenues, it is expected the State will reimburse debt service on tuition revenue through general revenue appropriations.

### Previous Board Actions

On June 20, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$15,000,000 with funding of \$12,000,000 from Tuition Revenue Bond Proceeds and \$3,000,000 from Revenue Financing System Bond Proceeds. On August 10, 2006, the Board approved revising the funding to \$12,000,000 from Tuition Revenue Bond Proceeds and \$3,000,000 from PUF Bond Proceeds. On September 18, 2006, the Chancellor approved the design development plans.

### Project Description

This repair and rehabilitation project involves the build-out of 10,000 gross square feet of the current shell space in the basement of the new Natural Sciences and Engineering Research Laboratory (NSERL) to contain a vivarium and experiment space for neuroscience and neuroengineering faculty. The facility will support progress in building the key areas of molecular biology and biomedical engineering.

The 79th Session of the Texas Legislature authorized \$12,000,000 of Tuition Revenue Bonds to be issued for U. T. Dallas to fund the Vivarium and Experimental Space project. The use of Tuition Revenue Bond Proceeds addresses the areas of science, technology, engineering, and medicine.

**7. U. T. El Paso: Bioscience Research Building (formerly Biosciences Facility) - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; approval of transfer of Permanent University Fund Bond Proceeds; appropriation of funds and authorization of expenditure; and reduction of total project cost for the Science and Engineering Core Facilities Upgrade**

**RECOMMENDATION**

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. System Board of Regents approve the recommendations for the Bioscience Research Building (formerly Biosciences Facility) project at The University of Texas at El Paso as follows:

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** July 2007

<b>Total Project Cost: Bioscience Research Building (Project No. 201-114)</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Permanent University Fund Bond Proceeds	\$ 8,500,000	\$17,500,000
	Revenue Financing System Bond Proceeds	\$ 5,750,000	\$ 5,750,000
	Tuition Revenue Bond Proceeds	\$12,750,000	\$12,750,000
	National Institutes of Health Grant	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>
		\$30,500,000	\$39,500,000

<b>Total Project Cost: Science and Engineering Core Facilities Upgrade (Project No. 201-279)</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Permanent University Fund Bond Proceeds	\$35,100,000	\$26,100,000
	Revenue Financing System Bond Proceeds	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>
		\$39,000,000	\$30,000,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$30,500,000 to \$39,500,000 (see the table on Page 80);
- b. approve the transfer of Permanent University Fund (PUF) Bond Proceeds in the amount of \$9,000,000 from the Science and Engineering Core Facilities Upgrade project and authorize expenditure;
- c. appropriate funds and authorize expenditure of funds; and
- d. reduce the total project cost from \$39,000,000 to \$30,000,000 for the Science and Engineering Core Facilities Upgrade project with funding of \$26,100,000 from PUF Bond Proceeds and \$3,900,000 from Revenue Financing System Bond Proceeds.

## BACKGROUND INFORMATION

### Previous Board Action

Bioscience Research Building - On November 8, 2001, the project was included in the CIP with a preliminary project cost of \$19,250,000 with funding of \$12,750,000 from Tuition Revenue Bond Proceeds and \$6,500,000 from PUF Bond Proceeds. On February 14, 2002, the Board approved the increase of the total project cost to \$25,000,000 with additional funding of \$5,750,000 from Revenue Financing System Bond Proceeds. On August 8, 2002, the Board approved design development plans. On May 8, 2003, the Board approved the increase to the total project cost to \$27,000,000 with additional funding of \$2,000,000 from PUF Bond Proceeds. On February 10, 2005, the Board approved the increase to the total project cost to \$30,500,000 with additional funding of \$3,500,000 from a National Institutes of Health Grant.

Science and Engineering Core Facilities Upgrade - On August 10, 2006, the project was included in the CIP at a preliminary project cost of \$39,000,000 with funding of \$35,100,000 from PUF Bond Proceeds and \$3,900,000 from Revenue Financing System Bond Proceeds.

### Project Description

The Bioscience Research Building is a new, five-story, fully equipped, state-of-the-art biomedical and health science research building of approximately 84,000 gross square feet and includes site development and extension of site utilities. The transfer of the additional funding of \$9,000,000 from PUF Bond Proceeds from the Science and Engineering Core Facilities Upgrade project is required to fund a second biosafety laboratory level 3 and interior build-out.

### **8. U. T. El Paso: Physical Sciences/Engineering Core Facility – Phase I - Request for appropriation of funds and authorization of expenditure for renovation portion of the project and resolution regarding parity debt**

## RECOMMENDATION

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. System Board of Regents approve the recommendations for the Physical Sciences/Engineering Core Facility – Phase I project at U. T. El Paso as follows:

**Project Number:** 201-268  
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** October 2009

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$76,500,000
	Permanent University Fund Bond Proceeds	<u>\$ 8,500,000</u>
		\$85,000,000

<b>Total Project Cost for Repair &amp; Rehabilitation Portion:</b>	<u>Source</u>	<u>Proposed</u>
	Tuition Revenue Bond Proceeds	\$21,000,000

- a. appropriate funds and authorize expenditure of funds of \$21,000,000 from Tuition Revenue Bond Proceeds for the renovation portion of the project (see the table on Page 80); and
- b. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. 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 the aggregate amount of \$21,000,000.

## BACKGROUND INFORMATION

### Debt Service

The 79th Legislature authorized \$76,500,000 of Tuition Revenue Bonds for a physical sciences/engineering core facility. Annual debt service on \$21,000,000 of Tuition Revenue Bonds is estimated at \$1.83 million. While the debt service is payable from pledged revenues, it is expected the State will reimburse debt service on tuition revenue through general revenue appropriations.

### Previous Actions

On August 11, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$85,000,000 with funding of \$76,500,000 from Tuition Revenue Bond Proceeds and \$8,500,000 from Permanent University Fund (PUF) Bond Proceeds. On September 2006, the Chancellor approved the design development plans for the renovation portion of the project.

Project Description

The repair and rehabilitation portion of the project involves upgrades to the thermal energy plant necessary to support the future new sciences building, completion of shell space in the engineering annex building, renovation and modernization of classroom and teaching laboratories, roof replacement, expansion of the central campus utilities underground service loop, and safety improvements to meet campus fire and life safety codes. The design development for the new work will be presented at a later date.

The 79th Session of the Texas Legislature authorized \$76,500,000 of Tuition Revenue Bonds to be issued for U. T. El Paso to fund the Physical Sciences/Engineering Core Facility project. The use of Tuition Revenue Bond Proceeds addresses the areas of science, technology, engineering, and medicine.

9. **U. T. San Antonio: Laurel Village - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase the total project cost; approval to revise the funding sources; approval for transfer of funds; reduction of total project cost for Chaparral Village; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. System Board of Regents approve the recommendations for the Laurel Village project at The University of Texas at San Antonio as follows:

**Project Number:** 401-211  
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** June 2008

<b>Total Project Cost: Laurel Village</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$39,182,000	\$43,182,000
	Auxiliary Enterprise Balances		<u>\$ 1,000,000</u>
			\$44,182,000
<b>Total Project Cost: Chaparral Village</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$42,500,000	\$42,000,000
	Auxiliary Enterprise Balances	<u>\$ 1,000,000</u>	
		\$43,500,000	

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2006-2007 Capital Budget to increase the total project cost from \$39,182,000 to \$44,182,000 (see the table on Page 80);
- b. revise the funding sources;

- c. approve the transfer of funding of \$500,000 from Revenue Financing System Bond Proceeds and \$1,000,000 from Auxiliary Enterprise Funds from the Chaparral Village project;
- d. reduce the total project cost for the Chaparral Village project from \$43,500,000 to \$42,000,000;
- e. appropriate additional funds and authorize expenditure of funds of \$2,062,000, from Revenue Financing System Bond Proceeds from the August 8, 2006, approval to increase the total project cost, \$3,500,000 for the Road Runner Café addition from Revenue Financing System Bond Proceeds, and \$8,620,000 from Revenue Financing System Bond Proceeds previously approved for a total of \$14,182,000; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$43,182,000.

## BACKGROUND INFORMATION

### Debt Service

The total \$43,182,000 in Revenue Financing System debt will be repaid from housing and other operating revenues. Overall debt service on the project is estimated at \$2.7 million annually. The project's debt service coverage is expected to be at least 1.0 times and reach 1.3 times coverage by FY 2009.

### Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$20,500,000 with funding from Revenue Financing System Bond Proceeds. On August 12, 2004, the Board approved the increase of the preliminary project cost from



\$20,500,000 to \$27,000,000 with funding from Revenue Financing System Bond Proceeds. On November 5, 2004, the Board approved the design development plans and appropriated funding of \$27,000,000 from Revenue Financing System Bond Proceeds. With the adoption of the FY 2006-2011 CIP on August 11, 2005, the Board approved the increase to the total project cost from \$27,000,000 to \$35,620,000. The additional funding of \$8,620,000 was not appropriated at that time. On August 8, 2006, the Chancellor approved the increase to the total project cost from \$35,620,000 to \$39,192,000 with additional funding of \$1,500,000 from Revenue Financing System Bond Proceeds from the Chaparral Village project and an additional \$2,062,000 of Revenue Financing System Bond Proceeds.

Project Description

U. T. San Antonio is requesting an increase in the total project cost for the Laurel Village project from \$39,182,000 to \$44,182,000. The increase of \$5,000,000 for the Road Runner Café expansion will be funded with \$1,000,000 from Auxiliary Enterprise Balances and \$500,000 from Revenue Financing System Bond Proceeds transferred from the Chaparral Village. The additional funding of \$3,500,000 from Revenue Financing System Bond Proceeds is being requested as a new appropriation. The Chaparral Village total project cost is being reduced from \$43,500,000 to \$42,000,000 with funding from Revenue Financing System Bond Proceeds.

10. **U. T. San Antonio: Renovations of Physical Plant Building - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure**

RECOMMENDATION

The Chancellor concurs with the Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. System Board of Regents approve the recommendations for the Renovations of Physical Plant Building project at The University of Texas at San Antonio as follows:

**Project No:** 401-285  
**Institutionally Managed:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** December 2007

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Unexpended Plant Funds	\$2,700,000	\$3,436,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$2,700,000 to \$3,436,000 (see the table on Page 80); and

- b. appropriate additional funds in the amount of \$736,000 from Unexpended Plant Funds and authorize expenditure of funds.

### BACKGROUND INFORMATION

#### Previous Board Action

On August 8, 2006, the project was included in the CIP with a preliminary project cost of \$2,700,000 with funding from Unexpended Plant Funds.

#### Project Description

The institutionally-managed repair and rehabilitation project will transform the 32-year-old building into a facility to accommodate the U. T. San Antonio Police Department, Parking and Transportation, and the Information Technology Department. This project will provide program space to include offices, a communications center, training rooms, locker rooms, access control, holding rooms and a shared lobby. This project will also upgrade and replace existing building systems, public restrooms, circulation space, and will provide additional building security.

The additional funding of \$736,000 to increase the total project cost is to cover escalating construction costs that have taken place in the construction industry since the formulation of the project's original budget.

- 11. **U. T. Tyler: University Center Renovation/Expansion (Phase I) - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

### RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. System Board of Regents approve the recommendations for the University Center Renovation/Expansion (Phase I) project at The University of Texas at Tyler as follows:

**Project Number:** 802-227

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** August 2007

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$11,900,000	\$15,300,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$11,900,000 to \$15,300,000 (see the table on Page 80);
- b. appropriate funds and authorize expenditure of funds of \$3,400,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Tyler, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$3,400,000.

## BACKGROUND INFORMATION

### Debt Service

The \$15,300,000 in total Revenue Financing System debt will be repaid from student union fees. Average annual debt service on the project is estimated at \$1.15 million. The project's debt service coverage is expected to be at least 1.0 times and average 1.3 times through FY 2015.

### Previous Board Actions

On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$11,000,000 with funding from Revenue Financing System Bond Proceeds. On November 10, 2005, the Board approved the design development plans and appropriated funding of \$11,000,000 from Revenue Financing System Bond Proceeds. On May 5, 2006, the total project cost was increased from \$11,000,000 to \$11,900,000 with the additional funding of \$900,000 from Student Union Fees. On July 26, 2006, the Student Union Fees funding source was revised to \$900,000 from Revenue Financing System Bond Proceeds and funding was appropriated.

Project Description

The project will consist of renovation of the first floor of the existing building and an expansion to meet increased space needs. The Phase I project will include expansion of food services, a bookstore, and meeting space and offices for support staff. The additional funding of \$3,400,000 to increase the total project cost is necessary for completion of all furniture and food service equipment for the build-out of all student food services. The additional funding of \$3,400,000 to increase the total project cost is necessary to cover escalating construction costs that have taken place in the construction industry since the formulation of the project's original budget.

The first floor renovation will include updating building systems including HVAC, plumbing, electrical and telephone/data as well as the installation of a fire sprinkler system.

**12. U. T. Southwestern Medical Center - Dallas: Hazardous Waste Handling Facility - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Wildenthal that the U. T. System Board of Regents approve the recommendations for the Hazardous Waste Handling Facility at The University of Texas Southwestern Medical Center at Dallas as follows:

**Project Number:** 303-121  
**Architecturally or Historically Significant:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** January 2008

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Interest on Local Funds	\$3,080,000	\$3,900,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$3,080,000 to \$3,900,000 (see the table on Page 80); and
- b. appropriate funds and authorize expenditure of funds of \$820,000 from Interest on Local Funds.

## BACKGROUND INFORMATION

### Previous Board Actions

On August 6, 2003, the project was included in the CIP with a preliminary project cost of \$4,500,000 with funding from Interest on Local Funds. On August 11, 2005, the Board approved the design development plans, reduced the total project cost to \$2,800,000 with funding from Interest on Local Funds, and appropriated funding. On September 19, 2006, the Chancellor approved increasing the total project cost to \$3,080,000.

### Project Description

The project consists of new construction of approximately 6,920 gross square feet of building area and associated site improvements to provide adequate space for the operating requirements of the Environmental Health and Safety Department with regard to receipt and distribution of radioactive materials and controlled substances. The additional funding of \$820,000 to increase the total project cost is due to construction cost inflation.

Radioactive, chemical, and biomedical waste materials are strictly regulated by the Texas Natural Resource Conservation Commission and the Texas Department of Health, Bureau of Radiation Control. As a part of ongoing educational, research, and clinical activities, regulated wastes must be collected and removed from functional areas of the general facilities. In addition, the growth of the campus is creating more regulated waste materials that have to be managed.

13. **U. T. Medical Branch - Galveston: University Plaza Development - Request for appropriation of funds and authorization of expenditure and resolution regarding parity debt**

## RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Stobo that the U. T. System Board of Regents approve the recommendations for the University Plaza Development project at U. T. Medical Branch - Galveston as follows:

**Project No:** 601-131  
**Architecturally or Historically Significant:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** November 2006

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$25,000,000
	Grants	<u>\$ 2,360,254</u>
		\$27,360,254

- a. appropriate funds and authorize expenditure of funds of \$10,000,000 from Revenue Financing System Bond Proceeds (see the table on Page 80); and
- b. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Medical Branch - Galveston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$10,000,000.

### BACKGROUND INFORMATION

#### Debt Service

The \$25,000,000 in total Revenue Financing System debt will be repaid from net revenues generated from parking fees. Average annual debt service on the project is estimated at \$1.8 million. The institution's debt service coverage is expected to be at least 1.9 times and average 2.3 times over FY 2007 - FY 2012.

#### Previous Board Actions

On August 1, 2001, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$25,000,000 with funding of \$15,000,000 from Revenue Financing System Bond Proceeds and \$10,000,000 from Hospital Revenues, and designated as architecturally significant. On February 13, 2003, the Board approved design development plans and appropriated funding of \$15,000,000 from Revenue Financing System Bond Proceeds and \$10,000,000 from Hospital Revenues. On May 4, 2004, the Chancellor approved an increase in the total project cost and revised the funding sources to \$15,000,000

from Revenue Financing System Bond Proceeds, \$10,000,000 from Hospital Revenues, and \$360,254 from Grants for a total project cost of \$25,360,254. With the adoption of the CIP on August 11, 2005, the Board approved an increase in the total project cost and revised the funding sources to \$25,000,000 from Revenue Financing System Bond Proceeds and \$2,360,254 from Grants for a total project cost of \$27,360,254.

Project Description

The project involves the construction of a new entry plaza with a two-level parking structure including utility infrastructure and a loop road to support the build-out of the east portion of the U. T. Medical Branch - Galveston campus. The project is substantially complete and the appropriation of \$10,000,000 from Revenue Financing System Bond Proceeds will fully authorize the funding change adopted with the FY 2006-2011 CIP on August 11, 2005.

**14. U. T. Health Science Center - Houston: Replacement Research Facility - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to revise funding source; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Willerson that the U. T. System Board of Regents approve the recommendations for the Replacement Research Facility project at The University of Texas Health Science Center at Houston as follows:

**Project Number:** 701-160  
**Architecturally or Historically Significant:** Yes  No   
**Project Delivery Method:** Construction Manager at Risk  
**Substantial Completion Date:** May 2007

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Tuition Revenue Bond Proceeds	\$23,600,000	\$23,600,000
	Permanent University Fund Bond Proceeds	\$18,000,000	\$18,000,000
	Insurance Claims	\$16,600,000	\$16,600,000
	Gifts	\$16,330,000	\$ 0
	Grants	\$ 6,000,000	\$ 6,000,000
	Revenue Financing System Bond Proceeds	<u>\$ 0</u>	<u>\$16,330,000</u>
		\$80,530,000	\$80,530,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2006-2007 Capital Budget to revise the funding sources (see the table on Page 80);

- b. appropriate funds and authorize expenditure of funds of \$16,330,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Health Science Center - Houston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$16,330,000.

## BACKGROUND INFORMATION

### Debt Service

The \$16,330,000 of Revenue Financing System debt will be repaid from net practice plan revenues. Average annual debt service on the project is estimated at \$1.2 million. The institution's debt service coverage is expected to be at least 2.0 times and average 3.2 times over FY 2007 - FY 2012.

### Previous Board Actions

#### **Medical School Building - Rooftop Vivarium and Exterior Elevator:**

On November 13, 2002, the Vivarium project was added to the Capital Improvement Program (CIP) with a preliminary project cost of \$38,000,000 with funding from Insurance Proceeds. On August 7, 2003, the Board approved appropriation of \$7,300,000 from Tuition Revenue Bond Proceeds for the Vivarium project.

#### **Basic Science Research Building (formerly Freeman Replacement Building):**

On August 8, 2001, the project was included in the CIP with a preliminary project cost of \$80,000,000.



On August 12, 2004, the projects were combined and redesignated as the Replacement Research Facility and the preliminary project cost and funding were revised to a preliminary project cost of \$55,530,000 with funding of \$23,600,000 from Tuition Revenue Bond Proceeds, \$9,330,000 from Gifts, \$16,600,000 from Insurance Claims, and \$6,000,000 from Grants.

On November 5, 2004, the Board approved design development plans and appropriated and authorized expenditure of a preliminary project cost of \$55,530,000 with funding of \$23,600,000 from Tuition Revenue Bond Proceeds, \$9,330,000 from Gifts, \$16,600,000 from Insurance Claims, and \$6,000,000 from Grants.

On May 12, 2005, the Board approved the increase to the total project cost from \$55,530,000 to \$80,530,000 with funding of \$23,600,000 from Tuition Revenue Bond Proceeds, \$34,330,000 from Gifts, \$16,600,000 from Insurance Claims, and \$6,000,000 from Grants and appropriated the additional \$25,000,000 from Gifts.

On October 20, 2005, the Chancellor approved reallocating funding for the total project cost of \$80,530,000 with funding of \$32,930,000 from Tuition Revenue Bond Proceeds, \$25,000,000 from Gifts, \$16,600,000 from Insurance Claims, and \$6,000,000 from Grants.

On March 23, 2006, the Chancellor approved reallocating funding for the total project cost of \$80,530,000 with funding of \$23,600,000 from Tuition Revenue Bond Proceeds, \$34,330,000 from Gifts, \$16,600,000 from Insurance Claims, and \$6,000,000 from Grants.

On August 10, 2006, the Board approved revising the funding sources for the total project cost of \$80,530,000 with funding of \$23,600,000 from Tuition Revenue Bond Proceeds, \$16,330,000 from Gifts, \$16,600,000 from Insurance Claims, \$6,000,000 from Grants, and \$18,000,000 from Permanent University Fund Bond Proceeds.

### Project Description

The project consists of a six-story building consisting of 202,743 gross square feet of laboratory and vivarium with supporting areas of office space and mechanical rooms. The vivarium occupies the top two floors with the bottom four floors being laboratory floors.

U. T. Health Science Center - Houston is requesting a revision to the funding sources of \$16,330,000 from Gifts to Revenue Financing System Bond Proceeds and appropriation of funding to complete the project scope.

15. **U. T. Health Science Center - Houston: Biomedical Research and Education Facility, Dental Branch Replacement Building, and Mental Sciences Institute Replacement Facility - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to reduce the total project cost and revise funding source for the Mental Sciences Institute Replacement Facility; approval to combine three projects and redesignate as the Research Park Complex; and approval of the total project cost**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Willerson that the U. T. System Board of Regents approve the recommendations for the Biomedical Research and Education Facility project, the Dental Branch Replacement Building project, and the Mental Sciences Institute Replacement Facility project at The University of Texas Health Science Center at Houston as follows:

<b>Project Delivery Method:</b>	Construction Manager at Risk		
<b>Substantial Completion Date:</b>	September 2010		
<b>Total Project Cost: Mental Sciences Institute Replacement Facility (Project No. 701-040)</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Hospital Revenues	\$22,500,000	
	Unexpended Plant Funds		\$19,500,000
<b>Total Project Cost: Biomedical Research and Education Facility (Project No. 701-277)</b>	<u>Source</u>	<u>Current</u>	
	Permanent University Fund Bond Proceeds	\$41,100,000	
	Gifts	<u>\$20,900,000</u>	
		\$62,000,000	
<b>Total Project Cost: Dental Branch Replacement Building (Project No. 701-267)</b>	<u>Source</u>	<u>Current</u>	
	Permanent University Fund Bond Proceeds	\$18,000,000	
	Tuition Revenue Bond Proceeds	\$60,000,000	
	Gifts	<u>\$ 2,000,000</u>	
		\$80,000,000	
<b>Total Combined Project Cost: Research Park Complex (Project No. 701-320)</b>	<u>Source</u>		<u>Proposed</u>
	Unexpended Plant Funds		\$ 19,500,000
	Permanent University Fund Bond Proceeds		\$ 59,100,000
	Tuition Revenue Bond Proceeds		\$ 60,000,000
	Gifts		<u>\$ 22,900,000</u>
			\$161,500,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to reduce the total project cost and revise the funding source for the Mental Sciences Institute Replacement Facility project from \$22,500,000 from Hospital Revenues to \$19,500,000 from Unexpended Plant Funds;
- b. combine the Biomedical Research and Education Facility project, the Dental Branch Replacement Building project, and the Mental Sciences Institute Replacement Facility project; and redesignate as the Research Park Complex; and

- c. approve a total project cost of \$161,500,000 with funding of \$19,500,000 from Unexpended Plant Funds, \$59,100,000 from Permanent University Fund Bond Proceeds, \$60,000,000 from Tuition Revenue Bond Proceeds, and \$22,900,000 from Gifts (see the table on Page 80).

## BACKGROUND INFORMATION

### Previous Board Actions

**Biomedical Research and Education Facility** - On August 10, 2006, the project was included in the CIP with a preliminary project cost of \$62,000,000 with funding of \$41,100,000 from Permanent University Fund Bond Proceeds and \$20,900,000 from Gifts.

**Dental Branch Replacement Building** - On August 10, 2006, the project was included in the CIP with a preliminary project cost of \$80,000,000 with funding of \$18,000,000 from Permanent University Fund Bond Proceeds, \$60,000,000 from Tuition Revenue Bond Proceeds, and \$2,000,000 from Gifts.

**Mental Sciences Institute Replacement Facility** - On November 11, 1999, the project was included in the CIP with a preliminary project cost of \$20,700,000 with funding from Unexpended Plant Funds. On August 9, 2001, the Board approved reducing the total project cost to \$16,500,000 with funding from Unexpended Plant Funds. On August 8, 2002, the Board approved the increase to the total project cost to \$22,500,000 with funding of \$16,500,000 from Unexpended Plant Funds and \$6,000,000 from Hospital Revenues.

### Project Description

Combining the projects into a single building complex would allow for increased flexibility of use of all the space over the life of the building with anticipated construction cost and time savings. The structure would be designed with three wings to allow individual identities to remain intact. This facility would be built in the U. T. Research Park, and combining the three buildings into one complex would be an efficient use of the valuable land asset.

16. **U. T. M. D. Anderson Cancer Center: Center for Advanced Biomedical Imaging Research - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2007-2008 Capital Budget to increase the total project cost; revise funding sources; and appropriation of funds and authorization of expenditure**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Mendelsohn that the U. T. System Board of Regents approve the recommendations for the Center for Advanced Biomedical Imaging Research project at The University of Texas M. D. Anderson Cancer Center as follows:

**Institutionally Managed:** Yes  No

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** February 2008

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Grants	\$30,000,000	\$30,000,000
	Gifts	\$25,000,000	\$25,000,000
	Local Funds	\$ 0	\$33,000,000
		\$55,000,000	\$88,000,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2007-2008 Capital Budget to increase the total project cost from \$55,000,000 to \$88,000,000 (see the table on Page 80);
- b. revise the funding sources; and
- c. appropriate additional funds and authorize expenditure of funds of \$33,000,000 from Local Funds.

**BACKGROUND INFORMATION**

**Previous Board Actions**

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$55,000,000 with funding of \$42,500,000 from Grants and \$12,500,000 from Gifts. On August 11, 2006, the Board approved design development plans, revised funding sources, and appropriated funding of \$30,000,000 from Grants and \$25,000,000 from Gifts.

## 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.

U. T. Health Science Center - Houston, which has partnered with U. T. M. D. Anderson Cancer Center in the development of this facility, requested that the facility be enlarged to accommodate future research programs. The facility will include two floors for shell space for development by U. T. Health Science Center - Houston. U. T. M. D. Anderson Cancer Center is requesting approval to revise the total project cost.

The Center for Advanced Biomedical Imaging Research will be approximately 315,000 gross square feet. This project will build-out approximately 134,000 gross square feet with the remainder shelled for build-out during future phases. The new research facility is to be located at the U. T. Research Park on the South Campus in close proximity to the other research facility. The six-story building will house laboratories dedicated to the development and validation of positron emission tomography (PET) as well as magnetic resonance imaging (MRI) and optical imaging tracers.

This project involves multiple funding sources including support from the Texas Enterprise Fund. In addition, GE Healthcare will contribute sophisticated technology and instrumentation, including a cyclotron to produce radionuclides. The research will focus on both preclinical and clinical investigations using PET scanning to detect and monitor cardiovascular disease and cancer. Scientist will utilize sophisticated probes to seek out cancer cells with specific molecular abnormalities and image them with scanning and other technologies. New advances will enable physicians to select appropriate treatments and determine within hours or days instead of months the effectiveness of cancer therapy. The Center for Advanced Biomedical Imaging Research will be a unique program that brings together the expertise of GE Healthcare and researchers to create new ways of diagnosing cancer and cardiac disease and selecting appropriate therapy.

### **17. U. T. System: Archer Center Student Housing – Report on possibility of student housing in Washington, D.C.**

#### REPORT

Vice Chairman Krier will introduce a discussion related to the status of an ongoing study of student housing in Washington, D.C., for the Archer Fellowship Program interns. The review will present current and future housing and lecture space requirements as well as opportunities to integrate future housing for the interns with living/learning space. There will be no recommendations or required action by the U. T. System Board of Regents.



**TABLE OF CONTENTS  
FOR  
STUDENT, FACULTY, AND STAFF CAMPUS LIFE  
COMMITTEE**

**Committee Meeting: 11/15/2006**  
Austin, Texas

*Judith L. Craven, M.D., Chairman*  
*John W. Barnhill, Jr.*  
*Rita C. Clements*  
*Robert A. Estrada*  
*Colleen McHugh*  
*Ann Tate, Chair, Employee Advisory Council*  
*Dennis Reinhartz, Chair, Faculty Advisory Council*  
*Crystal Gonzalez, Chair, Student Advisory Council*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	2:30 p.m. <i>Chairman Craven</i>		
1. <b>U. T. System: Update on Joint Admission Medical Program (JAMP) and student diversity at U. T. health institutions</b>	2:30 p.m. <b>Report</b> <i>Dr. Shine</i>	Not on Agenda	<b>105</b>
2. <b>U. T. Austin: Report on UTeach</b>	2:55 p.m. <b>Report</b> <i>Dean Rankin</i> <i>Dr. Malandra</i>	Not on Agenda	<b>106</b>
3. <b>U. T. System: Annual meeting with representatives of the U. T. System Employee Advisory Council</b>	3:20 p.m. <b>Report</b> <i>Ms. Tate</i>	Not on Agenda	<b>107</b>
<b>Adjourn</b>	3:45 p.m.		

1. **U. T. System: Update on the Joint Admission Medical Program (JAMP) and student diversity at U. T. health institutions**

REPORT

Executive Vice Chancellor Shine will report on the Joint Admission Medical Program (JAMP) and student diversity at U. T. System health institutions using the attachments set forth on Pages 114 – 139 of the Supplemental Materials (Volume 2) of the Agenda Book.

Total enrollment at U. T. health-related institutions increased from 9,159 in Fall 2000 to 10,970 in Fall 2005. Of the 1,811 (20%) increase in students, graduate level students increased by 1,781 and now represent 45% (up from 35%) of total enrollment at U. T. health-related institutions. The number of undergraduate students decreased and now represent 17% (down from 22%) of total enrollment. The number of professional students (medical and dental) increased by 137, but now represents only 37% (down from 43%) of total enrollment.

Of particular note is the 1,383 increase in female students who now represent 61% of total enrollment at U. T. health-related institutions. International students and students classified as "Unknown" represent the largest percentage increases, 124% and 229%, respectively, in total enrollment over this period. The percentage of African-American and Hispanic students increased 30% and 22%, respectively, over this period. As a percentage of total students, only White student enrollment declined from 60% to 51%.

At the undergraduate level, the decrease of 107 students includes both males and females. The only ethnic groups to increase undergraduate enrollment were Asian-American, International, and "Unknown." The most significant declines were at U. T. Medical Branch - Galveston and U. T. Southwestern Medical Center - Dallas (23% and 18%, respectively), and at U. T. Health Science Center - San Antonio (11%). While many undergraduate programs at these institutions continued to increase enrollment, the shift of occupational and physical therapy programs from a bachelor's to a master's degree as entry level resulted in the overall decline of undergraduate enrollment.

At the graduate level, the increase of 1,781 students is the result of a 53% increase in males and 58% increase in females. Females remain nearly 64% of the graduate enrollment at U. T. health-related institutions. Native-American was the only ethnic group to decline in graduate level enrollment. Enrollment of International, African-American, and Hispanic graduate students increased 128%, 103%, and 98%, respectively. While U. T. Health Science Center - Houston had the largest graduate level enrollment with 2,032 students, U. T. Southwestern Medical Center - Dallas had the largest percentage increase in graduate enrollment at 185% (from 440 to 1,253).

U. T. Medical Branch - Galveston had the second highest percentage increase at 96%, while graduate enrollment at U. T. Health Science Center - San Antonio and U. T. Health Science Center - Houston grew 57% and 15%, respectively.

At the professional level, the increase of 137 students masks the fact that male student enrollment declined by 167 (7%), while female students increased by 304 (18%). As a percentage of professional students, females increased from 43% in 2000 to 49% in 2005. While the number of professional students classified as "Unknown" increased 300%, the next highest percentage increases were African-American (31%) and Hispanic (9%). No institution showed a decrease in the number of professional students enrolled. U. T. Southwestern Medical Center - Dallas had the greatest increase in professional student enrollment at 75 students, resulting in a 9% increase.

## **2. U. T. Austin: Report on UTeach**

### REPORT

Dr. Mary Ann Rankin, Dean of the College of Natural Sciences at U. T. Austin, and Interim Executive Vice Chancellor Malandra will report briefly on the development and the successes of the math and sciences UTeach program.

Dean Rankin's report will include the description of the program, the funding needed to sustain it, and the outcomes of the program, following the PowerPoint set forth on Pages 140 - 147 of the Supplemental Materials (Volume 2) of the Agenda Book.

### BACKGROUND INFORMATION

The U. T. Austin College of Natural Sciences developed a highly successful teacher preparation program for math and science majors called UTeach. Research universities have not traditionally assumed much responsibility for teacher training, and prior to establishment of the UTeach program, U. T. Austin had a few majors pursuing certification: 4 sciences and 19 math in 1996 from a body of about 8,300 majors. It was usually a fallback or last resort for students who did not achieve their primary goal such as admission to medical school or graduate school, and many who were certified did not actually go on to teach.

In 1997, the University decided to create a program that would attract large numbers of strong math and science majors to teaching, and prepare them for success. Since the inception of the UTeach program, the College has doubled the number of math majors and increased by 5-6 times the number of science majors being certified. Enrollment is at 449 students this year and this year's 74 graduates will bring the total number of



graduates to about 350. Approximately 89% are teaching, planning to teach, or actively searching for teaching positions. 75% of those who graduated in 2001 or before are still teaching.

The quality of UTeach students is very high. As a group, they have higher SAT scores, and higher grades in comparison to their College of Natural Sciences undergraduate peer group. Approximately one-quarter of UTeach students are traditionally under-represented minorities who will be strong, inspiring role models for the minority students in their own classrooms -- this is substantially more than in the overall U. T. undergraduate population.

These strong students are choosing this career path as a first choice. They are dedicated and excited about teaching and they emerge at graduation with excellent content knowledge and considerable experience in classroom situations. A number of students have assumed leadership positions in their schools such as department chairman, director of curriculum, or AP teacher, even as early as their second or third year of teaching.

The National Research Council and the U.S. Department of Education have cited UTeach as a model program. Many other institutions in Texas, Louisiana, Colorado, and elsewhere are exploring ways to create similar programs. California has just begun an initiative based on the UTeach model that will be the largest of its kind in the nation.

3. **U. T. System: Annual Meeting with Representatives of the U. T. System Employee Advisory Council**

**REPORT**

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

**Chair:** Ms. Ann Tate, U. T. Southwestern Medical Center - Dallas

**Vice Chair:** Mr. Glen Worley, U. T. Austin

**Vice Chair (outgoing):** Mr. William Hinton, U. T. Health Science Center - Houston

**Secretary:** Ms. Sandee Goertzen, U. T. Dallas

**Historian:** Ms. Melanie Loving, U. T. Medical Branch - Galveston

## AGENDA

1. Introductions
2. Chairperson's report and overview on strategic, retirement, and volunteer initiatives.

## BACKGROUND INFORMATION

The U. T. System Employee Advisory Council was established in August 2000 to provide a vehicle for communication and to facilitate the flow of ideas and information between employees, the Board of Regents, the institutions, and Executive Officers of U. T. System Administration. The U. T. System Employee Advisory Council functions to define, analyze, and make recommendations on employee issues to appropriate groups and individuals.

The status of the Council's recommendations are on Pages 148 - 149 of the Supplemental Materials (Volume 2) of the Agenda Book.