

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

November 8-9, 2007

Austin, Texas

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/s/ Francie A. Frederick
General Counsel to the Board of Regents
March 10, 2008

MINUTES
U. T. System Board of Regents
Audit, Compliance, and Management Review Committee
November 9, 2007

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 9:08 a.m. on Friday, November 9, 2007, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation. For the November 8-9, 2007 meetings only, all members of the Board attended all the committee meetings, pending specific committee assignments.

Attendance

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

Also present were Chairman Huffines, Regent Camarillo, and General Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Estrada called the meeting to order. As an introduction for the new members of the Board, Regent Estrada gave a brief history of the Audit, Compliance, and Management Review Committee, saying that former Board Chairman Miller established the Committee about five years ago as a standing Committee of the Board of Regents, largely in response to Sarbanes-Oxley legislation and other changes in corporate America. He said the audit and compliance functions had previously been a subcommittee of the Finance and Planning Committee. Committee Chairman Estrada said the Board adopted a best practices policy to implement the guidelines contained in the "Spirit" of the Sarbanes-Oxley Act of 2002. In addition, the Board approved the first-ever audit of the U. T. System, contracting with Deloitte & Touche LLP and engaging the active participation of U. T. System staff.

Committee Chairman Estrada said the reports of the U. T. System-wide audit and compliance programs were available.

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

Committee Meeting Information

Presenter(s): Mr. Rodney Lenfant and Mr. Tom Wagner, Deloitte & Touche LLP
Status: Reported

Discussion at meeting:

Note: The Deloitte & Touche letter dated October 29, 2007, as referenced in the agenda item to be mailed prior to the meeting, was e-mailed to the Regents on November 6, 2007, and is attached on Pages 7 - 10.

Mr. Wagner, lead engagement partner for UTIMCO, reported that the audits of the funds managed by UTIMCO have been concluded, and opinions have been issued and all were unqualified. He said opinions were not issued on the internal control environment of UTIMCO; however, sufficient work was performed to allow Deloitte & Touche to understand, document, and test the design and internal control systems and to sign the opinions. Mr. Wagner reported there were no material weaknesses or significant deficiencies found and he said UTIMCO management cooperated fully as audits were conducted in providing not only access to information but also access to other employees in the organization.

Vice Chairman Rowling asked Mr. Wagner if he would repeat the response he gave to Mr. Charles Tate, a UTIMCO director, at the recent UTIMCO Audit and Ethics Committee meeting regarding alternative investments and private equity portfolio. Mr. Wagner responded that previously there were differences of opinion among audit firms and even auditors within an individual firm of how to go about auditing alternative investments but the American Institute of Certified Public Accountants (AICPA), which is the rule-making body for auditors who audit private companies, released a report outlining what needs to be done. Deloitte & Touche confirmed the existence of each fund that UTIMCO is invested in as of year end and made sure those confirmations were in agreement or reconciled back to UTIMCO's records. They went even further by taking the beginning balance of those confirmations and tracing it back to the prior year audit, along with the contribution withdrawal activity and subjected that to audit testing so any cash that went into or out of the funds from UTIMCO was subjected to testing. For selections made, a cash movement was vouched. The appreciation or depreciation of those funds was subjected to an analytical review whereby Deloitte & Touche broke the funds into "buckets" of funds thought to economically behave the same. The return was analyzed.

Finally, Mr. Wagner discussed the due diligence process used by UTIMCO, concluding that UTIMCO management is doing a good job of valuing the private investment fund investments through a good, deliberate, and thoughtful process.

Mr. Bruce Zimmerman, Chief Executive Officer of UTIMCO, said he is comfortable his staff understands the responsibility they have in upholding the fiduciary standards.

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

Committee Meeting Information

Presenter(s): Mr. Bruce Brown, Chair of the U. T. System-wide Environmental Health and Safety Advisory Committee and Director of Environmental Health and Safety at U. T. Health Science Center - Houston

Status: Reported

Discussion at meeting:

Following Mr. Brown's presentation, Executive Vice Chancellor for Health Affairs Kenneth I. Shine stated the presentation was particularly appropriate in the context of the situation Congress and others have been investigating as to how and in what way universities are dealing with select agents and other biologic materials. Dr. Shine wanted to assure the Committee that there are policies in place at each of the campuses for oversight, use of these materials, and reporting to the appropriate federal agencies.

Dr. Shine said U. T. Medical Branch – Galveston will become a national training site for laboratories that carry select agents.

Regent Dannenbaum asked if there had been a nexus between the responsibility of the medical institutions and the teaching hospitals and Mr. Brown said they share the responsibility to ensure activities are carried out safely. Regent Dannenbaum also inquired about radioactive material being used for treatment in hospitals and Mr. Brown said a radiation safety officer is designated for each radioactive material. The particular officer is responsible for specific incidents and subsequent reporting.

Executive Vice Chancellor for Business Affairs Scott C. Kelley said a System-wide contract for disposal of radioactive agents has provided significant savings and availability to the campuses. He described the low-level radioactive waste site facility in West Texas as a site that is regularly inspected.

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

Committee Meeting Information

Presenter(s): Mr. Charles Chaffin, System-wide Compliance Officer, and Mr. Terry Reeves, Institutional Compliance Officer, U. T. Medical Branch - Galveston
Status: Reported

Discussion at meeting:

Following Mr. Reeves' presentation, Committee Chairman Estrada called on Executive Vice Chancellor for Health Affairs Kenneth I. Shine for comments. Dr. Shine discussed the challenges of compliance, including changes in the medical billing procedures due to changes in laws and regulations and changes in the culture of faculty at the health institutions to place compliance as a priority in their work environment. Regent Estrada called on U. T. Medical Branch – Galveston President David L. Callender for comments. Dr. Callender agreed that faculty and staff focus more on outcomes and might find the compliance process a source of frustration but the progress to a good process is happening. When asked by Regent Estrada, Dr. Callender commended the U. T. System's compliance program and specifically the healthcare compliance program that monitors what is happening across the nation with regards to best practices.

At Committee Chairman Estrada's request, Mr. Charles Chaffin elaborated on the 800 hotline, saying there is a compliance hotline available at each institution and training is important to inform employees it is their duty to report anything they see. Approximately half of the calls relate to human resources and several calls must be investigated, resulting in issues found and processes changed.

Regent Dannenbaum mentioned the national discussions regarding containment of healthcare costs and asked if there were opportunities for U. T. System to present Congressional testimony. Chancellor Yudof and Dr. Shine replied there were opportunities to express concern about regulation and associated costs.

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

Committee Meeting Information

Presenter(s): Ms. Amy Barrett, Assistant Director of the U. T. System Audit Office
Status: Reported

Discussion at meeting:

Ms. Barrett spoke about the audit plan created for the financial audit with procedures more focused on income statements and internal controls, including general

computer controls. She reported the plan was sent to the institutions with the request that each internal audit department create an audit program, which was then reviewed and commented on to ensure there was a standard quality in the audit approaches at all institutions.

She said internal audit is not able to issue an overall opinion, but each internal auditor will issue a standard audit report with their findings. Most of the work is complete, but there is still a review of the consolidation process and the State Auditors are still completing their procedures. There were no significant variances from generally accepted accounting principles to report and no significant internal control exceptions. Some minor adjustments were identified in the areas of accruals, booking receivables, and writing off pledges but none were deemed to be significant. Also, a couple of areas were passed on recommending an adjustment, including how real estate is valued and approval of federal expenditures.

Ms. Barrett said the internal auditors will issue a separate audit on their internal control findings. Three areas of observation overlap more than one institution:

- general computer controls*
- certification process*
- the definition of the reporting entity.*

Mr. Chaffin stated that prior to the Deloitte & Touche audit, it would have been virtually impossible for the internal auditors to perform a consistent amount of financial audit work System-wide. A common methodology was developed in addition to the training of the internal auditors in how to perform a consistent type of work. Also, the accounting departments at each institution learned what to expect and what the auditors would be looking for.

Regent Foster asked if there was a plan or schedule in place to have external audits performed periodically or whether the audit would be handled internally. Committee Chairman Estrada responded the plan is to evaluate that on a year-to-year basis. Regent Estrada stated that prior to the first outside audit, the state had always relied on the State Auditor's Office. Chairman Huffines added the U. T. System was one of the first universities to contract for an outside audit.

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

Committee Meeting Information

Presenter(s): Mr. Charles Chaffin, Chief Audit Executive, and Ms. Diane Salvador, Director of Internal Audits, U. T. Health Science Center – San Antonio

Status: Reported

Discussion at meeting:

Following Ms. Salvador's presentation, Committee Chairman Estrada asked U. T. Health Science Center – San Antonio President Francisco G. Cigarroa for comments. Dr. Cigarroa stated many of the recommendations of the external peer review were implemented. Mr. Chaffin also has done an inspection of the compliance office and identified areas where there could be enhanced collaboration, yet keeping the identities of audit and compliance separate. Mr. Chaffin noted the benefit of adding external members was part of the review of the Spirit of Sarbanes-Oxley that has proven to be beneficial across the U. T. System.

Regent Dannenbaum asked about the disaster recovery program and if any of the South Texas facilities are in the recently revised Rio Grande flood plain and Dr. Cigarroa said he would have to research the matter.

ADJOURNMENT

In the interest of time, Committee Chairman Estrada deferred the Executive Session and the meeting was adjourned at 10:10 a.m.

October 29, 2007

Mr. Bruce Zimmerman
CEO and Chief Investment Officer
The University of Texas Investment Management Company

The Audit, Compliance and Management Review Committee of The Board of Regents of The University of Texas System

The Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company

401 Congress Avenue, Suite 2800
Austin, TX 78701

Dear Mr. Zimmerman, Members of The Audit, Compliance and Management Review Committee of The Board of Regents of The University of Texas System as well as Members of The Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company:

We have performed the audits of the financial statements of The Permanent University Fund, The University of Texas General Endowment Fund, The Permanent Health Fund, The University of Texas System Long Term Fund and The University of Texas System Intermediate Term Fund (the "Funds") as of and for the year ended August 31, 2007, in accordance with auditing standards generally accepted in the United States of America and have issued our reports thereon dated October 29, 2007.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Funds is responsible.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our contract dated October 1, 2007. As described in Exhibit A to that contract, the objective of a financial statement audit conducted in accordance with auditing standards generally accepted in the United States of America is to express an opinion on the fairness of the presentation of the Funds' financial statements as of August 31, 2007, and for the year then ended in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects. We considered the Funds' internal control over financial reporting as a basis for designing audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing opinions on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we have not expressed any such opinion on the effectiveness of the Funds' internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events.

The most significant accounting estimate made by management in the preparation of the financial statements is its estimation of the fair value of the Funds' investments in alternative investments, such as private equity and hedge fund entities.

Management uses a process to estimate the fair value of these entities which includes, but is not limited to, consideration of financial information from the underlying funds provided at various interim dates during the year, other information from the underlying funds, as well as, information from other relevant sources. We feel this valuation process is reasonable based on the requirements of the AICPA Practice Aid for Auditors *Alternative Investments – Audit Considerations* and investment management industry general practices.

We are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates that occurred during the year ended August 31, 2007.

AUDIT ADJUSTMENTS, UNCORRECTED MISSTATEMENTS, AND DISCLOSURE ITEMS PASSED

Our audits of the financial statements were designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. There were no audit adjustments booked as a result of our audits; additionally, there were no financial statement disclosures recommended, but not made, to the financial statements or the notes to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND UNUSUAL TRANSACTIONS

The Funds' significant accounting policies are set forth in the footnotes to the Funds' financial statements as of and for the year ended August 31, 2007. There were no significant changes in previously adopted accounting policies or their application during the audit period.

CRITICAL ACCOUNTING POLICIES AND PRACTICES

Critical accounting policies are those that are (1.) most important to the portrayal of Funds' financial conditions and the results of their operations and (2.) require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

The Funds' critical accounting policies and practices primarily relate to the valuation of investments, as stated in the footnotes to the Funds' financial statements as of and for the year ended August 31, 2007.

ALTERNATIVE ACCOUNTING TREATMENTS

We had no discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, related to the year ended August 31, 2007.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to the Funds' 2007 financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during the year ended August 31, 2007 except for matters related to the auditing of alternative investments which were discussed with the Funds' former auditors.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

Prior to our retention as auditors we had in-depth conversations with management regarding the circumstances of the prior auditors' resignation, the control environment of the Funds, and specifically, the internal control processes and control environment surrounding the Funds' investments in alternative investments including private equity and hedge fund entities. These conversations were held in order to assist us in gaining an understanding of the Funds' business and the control environment as required for our client acceptance processes.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDITS

In our judgment, we received the full cooperation of the Funds' management and staff and were provided unrestricted access to the Funds' senior management in the performance of our audits.

OTHER MATERIAL WRITTEN COMMUNICATIONS

Those written communications that we believe constitute material written communications between management and us relating to the audit of the financial statements as of and for the year

ended August 31, 2007, include the contract related to audit services performed (“Agreement Between UTS and Deloitte”) and the management representation letter, which management provided to us.

AUDITOR RESPONSIBILITY FOR OTHER INFORMATION

In addition to the audit of the financial statements we have read the other information contained within the financial statement document (such as Management’s Discussion and Analysis) to ensure that such other information is consistent with audit evidence obtained during the audit.

* * * * *

This report is intended solely for the information and use of the Funds’ management, as well as The Audit, Compliance and Management Review Committee of the Board of Regents of The University of Texas System and The Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company, and is not intended to be, and should not be used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
November 8, 2007

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 10:55 a.m. on Thursday, November 8, 2007, in Room 207, San Jacinto Hall, The University of Texas at Austin, 309 East 21st Street, Austin, Texas, with the following participation. For the November 8-9, 2007 meetings only, all members of the Board attended all the committee meetings, pending specific committee assignments.

Attendance

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

Absent

Regent Estrada

Also present were Chairman Huffines, Regent Camarillo, and General Counsel to the Board Frederick.

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

1. U. T. System: Discussion and appropriate action related to approval of Docket No. 132

Committee Meeting Information

Presenter(s): Committee Chairman Rowling

Status: Discussed

Discussion at meeting:

For the benefit of the new Regents, Committee Chairman Rowling highlighted the contract for \$654 million between U. T. Medical Branch - Galveston and the Correctional Managed Health Care Committee on Page Docket - 51, Item 2, to provide healthcare to incarcerated patients.

Committee Chairman Rowling said several disclosure announcements would be made at tomorrow's (November 9, 2007) Board meeting.

Note from the General Counsel to the Board of Regents: The item on Page Docket - 46 related to adoption of a mascot and logo at U. T. San Antonio was deferred on November 9, 2007.

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

Committee Meeting Information

Presenter(s): Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs

Status: Reported

Future Actions:

1. Provide the new Regents a copy of the Monthly Financial Report.
2. Provide Regent Gary a copy of the Fire and Life Safety Report.

Discussion at meeting:

Committee Chairman Rowling asked that the new Regents be provided a copy of the Monthly Financial Report for additional information on the individual institutions.

Regent Gary asked about life safety issues and Committee Chairman Rowling asked that he be provided a copy of the annual Fire and Life Safety Report. Regent Foster asked if the grey bars on Page 31 of the Agenda Book concerning key indicators of reserves reflect projected year end figures, and Dr. Kelley responded affirmatively.

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

Committee Meeting Information

Presenter(s): Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs

Status: Approved

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

Discussion at meeting:

Dr. Kelley mentioned changes to the chart on Page 34 of the Agenda Book. Committee Chairman Rowling discussed the cost versus the benefit of the contract with Huron. Chancellor Yudof said additional research compliance issues are being considered.

In response to a question by Regent Dannenbaum, Dr. Kelley said there are mechanisms to track indirect costs related to grant-funded programs.

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

Committee Meeting Information

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

Status: Reported

Discussion at meeting:

Alternative ways of handling energy costs were discussed. Chairman Huffines asked about hedging contracts, Dr. Kelley discussed wind power, and Regent Rowling discussed the use of West Texas lands. Regent Foster inquired if derivatives could be used to purchase energy and Mr. Aldridge said there is currently no statutory authority to do this. Regent Gary suggested exploring the use of wind energy and said there are subsidies in the form of tax credits.

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

Committee Meeting Information

Presenter(s): Mr. Bruce Zimmerman, Chief Executive Officer, UTIMCO

Status: Approved

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

Discussion at meeting:

Mr. Zimmerman and Committee Chairman Rowling noted this revised compensation plan is only effective for FY 2008 to provide a bonus incentive and a new plan would be forthcoming. Chief Executive Officer Zimmerman discussed the three basic elements of the bonus: (1) how the total fund performs, (2) how an asset class performs relative to its benchmark, and (3) a qualitative subjective factor.

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

Committee Meeting Information

Presenter(s): *Mr. Bruce Zimmerman, Chief Executive Officer, UTIMCO*

Status: *Reported*

Discussion at meeting:

Mr. Zimmerman provided updates from September 1, 2007 through the present (November 8, 2007). Vice Chairman Caven, Chairman of The University of Texas Investment Management Company (UTIMCO) Board of Directors, discussed the Intermediate Term Fund (ITF). Chancellor Yudof explained the \$275 million in land receipts and Committee Chairman Rowling discussed 12-quarter rolling average distributions from the Permanent University Fund (PUF) to the Available University Fund (AUF).

In response to an inquiry by Regent Gary, Mr. Zimmerman talked about exposure securities.

ADJOURNMENT

Committee Chairman Rowling adjourned the meeting at 12:02 p.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
November 8, 2007

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 2:38 p.m. on Thursday, November 8, 2007, in Room 207, San Jacinto Hall, The University of Texas at Austin, 309 East 21st Street, Austin, Texas, with the following participation. For the November 8-9, 2007 meetings only, all members of the Board attended all the committee meetings, pending specific committee assignments.

Attendance

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

Also present were Chairman Huffines, Regent Camarillo, and General Counsel to the Board Frederick.

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

1. U. T. System: Requested expansion of degree planning authority

Committee Meeting Information

Presenter(s): *Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs*

Status: *Approved*

Motion: *Made by Regent McHugh, seconded by Regent Estrada, and carried unanimously*

2. U. T. El Paso: Approval regarding proposed revisions to Mission Statement

Committee Meeting Information

Presenter(s): *President Diana S. Natalicio, U. T. El Paso*

Status: *Approved*

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

3. **U. T. Permian Basin: Approval regarding proposed revisions to Mission Statement**

Committee Meeting Information

Presenter(s): *President W. David Watts, U. T. Permian Basin*

Status: *Approved*

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

4. **U. T. Tyler: Approval regarding proposed revisions to Mission Statement**

Committee Meeting Information

Presenter(s): *Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs*

Status: *Approved, as amended*

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

Future Action: *Amend the Mission Statement to remove the word "coeducational."*

Discussion at meeting:

President Mabry was excused from attendance at the meeting due to a previous commitment.

At the suggestion of Regent Dannenbaum, Executive Vice Chancellor Prior will ask President Mabry to remove the word "coeducational" from U. T. Tyler's Mission Statement to make it consistent with other mission statements.

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

Committee Meeting Information

Presenter(s): *President James D. Spaniolo, U. T. Arlington; Ms. Florence Mayne, Executive Director of Real Estate*

Status: *Approved*

Motion: *Made by Regent Dannenbaum, seconded, and carried unanimously*

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

Committee Meeting Information

Presenter(s): President David E. Daniel, U. T. Dallas; Ms. Florence Mayne, Executive Director of Real Estate; Mr. Kirk Tames, Assistant Director of Real Estate

Status: Deferred

Future Action: Defer until December 2007 Board meeting pending clarification of appraised values.

Discussion at meeting:

Ms. Mayne noted the possibility of taking assignment of the contract from the Dallas International School to directly purchase the property from Waterview Commons L.P. rather than participating in an exchange of the property. Acting Committee Chairman Caven asked about the difference in procedure and Ms. Mayne responded that if the Dallas International School were to come into occupancy of the property, there would be no difference in the cost.

Regent Rowling asked what price was received for the recently sold property north of this property and Ms. Mayne declined to answer since the contract has not yet closed. In response to Regent Rowling's additional question related to the value of the tracts, Mr. Tames explained the difference in the appraised values, saying that the Sanford property is adjacent to the Dallas Area Rapid Transit (DART) line, giving the tract an extra potential, whereas the other property is deed restricted. Mr. Rowling expressed concern about the valuation of the Sanford property and the amount the Dallas International School is paying for the property.

President Daniel said U. T. Dallas would pay no more than the fair market value and appraised value for the property and a decision was made to defer the item until the December 2007 Board meeting pending clarification of appraised values.

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

Committee Meeting Information

Presenter(s): *President Diana S. Natalicio, U. T. El Paso; Ms. Florence Mayne, Executive Director of Real Estate*

Status: *Approved, as amended*

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

Discussion at meeting:

Ms. Mayne reported a change in the lease term to include the potential for two 10-year renewal options for the bus terminal portion of the lease.

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

Committee Meeting Information

Presenter(s): *President Diana S. Natalicio, U. T. El Paso*

Status: *Approved*

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

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

Committee Meeting Information

Presenter(s): Dr. Paul Sale, Provost and Vice President for Academic Affairs, U. T. Pan American;
Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

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

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

Committee Meeting Information

Presenter(s): Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs

Status: Reported

Discussion at meeting:

Executive Vice Chancellor Prior responded to questions related to observation or auditing of classes by students, effects on enrollment resulting from increased admission standards, and incorporating the community college aspect.

President García discussed dual enrollment and the satisfactory academic progress initiative at U. T. Brownsville.

ADJOURNMENT

Acting Committee Chairman Caven adjourned the meeting at 3:36 p.m.

MINUTES
U. T. System Board of Regents
Health Affairs Committee
November 8, 2007

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 1:32 p.m. on Thursday, November 8, 2007, in Room 207, San Jacinto Hall, The University of Texas at Austin, 309 East 21st Street, Austin, Texas, with the following participation. For the November 8-9, 2007 meetings only, all members of the Board attended all the committee meetings, pending specific committee assignments.

Attendance

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

Also present were Chairman Huffines (for Items 6-7), Regent Camarillo, and General Counsel to the Board Frederick.

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

1. **U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 28,195 square feet of unimproved land located at 7605 Almeda Road, also known as Lots 1 and 2, Block 40 and the abandoned portion of Pawnee Street located between Blocks 40 and 41, Institute Place, Houston, Harris County, Texas, from MDM Realty, L.L.C., a Texas limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals for future use for campus administrative and support functions**

Committee Meeting Information

Presenter(s): Mr. Leon J. Leach, Executive Vice President, U. T. M. D. Anderson Cancer Center;
Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

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

Discussion at meeting:

Ms. Mayne reported that the second appraisal on the property is \$42.50 per square foot for an approximate total price of \$1.17 million.

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

Committee Meeting Information

Presenter(s): Mr. Leon J. Leach, Executive Vice President, U. T. M. D. Anderson Cancer Center; Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

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

Discussion at meeting:

Ms. Mayne reported that the second appraisal on the property is \$45 per square foot for an approximate total price of \$1.14 million.

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

Committee Meeting Information

Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; David L. Callender, M.D., President, U. T. Medical Branch - Galveston

Status: Approved

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

Discussion at meeting:

Executive Vice Chancellor Shine provided an overview of the deferred compensation plan and said a proposal for a single System-wide plan that will grandfather individuals participating in the campus plans will come before the Regents at a later date. Dr. Shine then introduced President Callender who spoke about the current need for a plan at U. T. Medical Branch - Galveston.

4. U. T. Health Science Center - San Antonio: Approval regarding proposed revisions to Mission Statement

Committee Meeting Information

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

Status: Approved

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

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

Committee Meeting Information

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

Status: Approved

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

Discussion at meeting:

In response to an inquiry by Regent Dannenbaum, President Cigarroa explained the difference between physical therapy and kinesiology.

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

Committee Meeting Information

Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; Ms. Amy Shaw Thomas, Associate Vice Chancellor and Counsel for Health Affairs

Status: Reported

Discussion at meeting:

Executive Vice Chancellor Shine provided an overview of faculty practice plans and said the revised model bylaws that govern the plans will be presented for action at the February 2008 Board of Regents' meeting. Ms. Shaw Thomas discussed where the money comes from and how it is used. She described the process for revision of the model bylaws and summarized proposed changes.

Dr. Shine responded to questions from the Regents about the Legislature's role in the plans, responsibility for the financial statements, supplemental salary payments, whether the model bylaws are unique to U. T. System, compensation for holders of endowed positions, and intellectual property distributions.

Following a good deal of discussion, Regent Dannenbaum expressed concern that the faculty practice plans not interfere with the commitment of physicians to advance medicine, but still provide flexibility to meet the need of each campus. Executive

Vice Chancellor Shine said one purpose of the incentive plans is to create environments to generate enough income to reward high performance. He reminded the Regents that there are also practice plans in nursing, allied health, and basic science, and those would be added to the overall plan.

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

Committee Meeting Information

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

Status: *Reported*

Discussion at meeting:

Executive Vice Chancellor Shine reported on the following issues:

- *Changes in leadership (upcoming presidential searches) at U. T. Southwestern Medical Center - Dallas and U. T. Health Science Center - Houston*
- *Key personnel appointments at the health institutions*
- *Health policy in the State of Texas and creation of the Code Red Task Force*
- *Caring for children in the State of Texas*
- *Academy of Health Science Education*
- *Appointment of distinguished teaching professors*
- *Passage of Proposition 15 for cancer research*
- *Upper payment limits*

ADJOURNMENT

Acting Committee Chairman Caven adjourned the meeting at 2:33 p.m.

MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
November 8, 2007

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 12:33 p.m. on Thursday, November 8, 2007, in Room 207, San Jacinto Hall, The University of Texas at Austin, 309 East 21st Street, Austin, Texas, with the following participation. For the November 8-9, 2007 meetings only, all members of the Board attended all the committee meetings, pending specific committee assignments.

Attendance

Regent Barnhill, presiding
Vice Chairman Caven
Vice Chairman Rowling
Regent Dannenbaum
Regent Estrada (present for Items 10 - 15)
Regent Foster
Regent Gary
Regent McHugh

Also present were Chairman Huffines, Regent Camarillo, and General Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Committee Chairman Barnhill called the meeting to order. Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, then presented a PowerPoint presentation for Items 1 - 15 as set forth on Pages 9 - 36. Mr. O'Donnell corrected the total CIP changes in Slide 56 on Page 36 as \$21.6 million (instead of \$26.025 million) and the total CIP additions as \$238.6 million (instead of \$243.06 million).

1. **U. T. System: Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include six projects with funding from Permanent University Fund Bond Proceeds**

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Committee Chairman Barnhill reminded members of the Committee that the investment metrics reflect the benefits of this project. Mr. O'Donnell added that the investment metrics are intended to measure the programmatic efficiency of the projects once they become operational. Metrics are developed in collaboration with the institutions, the Office of Academic or Health Affairs, and the Office of Strategic Management. Each major new project and renovation and repairs of major projects that have a significant programmatic change will include investment metrics at the time it is submitted to the Board for inclusion in the Capital Improvement Program (CIP) or for design development approval. Metrics will also be submitted if special funding is requested such as Permanent University Funds (PUF). Once the project becomes operational, the procedures are modified such that the Office of Academic or Health Affairs and the Office of Strategic Management will institute the tracking program to determine the efficacy of the facility meeting metrics.

For the benefit of the new members of the Board, Executive Vice Chancellor Kelley clarified that inclusion of a project in the CIP authorizes expenditures of up to 3% to 10% of the project cost for initial design but is not final approval. Projects will be brought back for design development approval at which time the Board will have a clear understanding of both the budget and the general schematics. Any debt that is issued would also come back for approval, so to make it into the CIP, reasonable funding needs to be identified and it does permit the campuses to pursue the initial design.

Note: A revised Page 84 of the Agenda Book is attached on Page 37 to show the total project cost that was not included in the Agenda Book.

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Chancellor Yudof clarified for the new Regents that Revenue Financing System refers to local financing, and many of these projects like parking garages and residence halls are self-supporting; in other words, there is some stream of income and does not normally involve Permanent University Funds (PUF).

Vice Chairman Huffines asked Mr. O'Donnell if the 1,500-vehicle garage is one of the largest in the U. T. System and Mr. O'Donnell replied affirmatively.

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Vice Chairman Huffines asked if gift funds would be raised for Phase 1 as for Phase 2 and Mr. O'Donnell replied affirmatively, saying there is \$20 million in Permanent University Funds (PUF) and in the balance of the \$47 million is the Dell gift. The remaining funds need to be raised. Vice Chairman Huffines clarified that construction would not begin until the gifts and pledges were close to being committed. Mr. O'Donnell said this project will not come forward for design development approval until next August (2008) and Vice Chairman Huffines asked about a statute of limitations on PUF funding. Chancellor Yudof said such a proposal will come forward. A Capital Expenditure Policy including a statute of limitations to address requested changes to approved funding is being prepared.

Dr. Kelley explained when there are gifts to be raised and the campus has debt capacity, it is allowed to underwrite that. In this case, the campus chose not to do that. Now the gifts need to come forward or come back to the Board for a re-examination. Vice Chairman Rowling expressed concern that when the Board approves gift financing and gift financing is not available, the campus should not begin construction unless the Board approves the change from gift financing to Revenue Financing System financing. Dr. Kelley responded that a Capital Funding Policy will address this issue.

Regent Dannenbaum suggested that if Taylor Hall is demolished, arrangements be made for a commemorative plaque to commend the efforts of the engineering students who dug by hand the basement, study, and recreational area.

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Committee Chairman Barnhill asked why the warehouse is located in Houston and Mr. O'Donnell replied the facility was given to U. T. Austin.

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Vice Chairman Rowling asked if there were any prospective tenants and Kern Wildenthal, M.D., President, U. T. Southwestern Medical Center - Dallas, responded in the negative. Regent Dannenbaum later asked if the prospective tenants are major pharmaceutical, medical, or start-up companies and President Wildenthal replied the hope is to lease to start-up companies that are spin-offs for research for U. T. Southwestern Medical Center - Dallas. He said this project is being built at a less expensive rate than the permanent buildings on the main campus, but is located immediately across the street and is constructed in such a way that U. T. Southwestern Medical Center – Dallas can use the space as temporary facilities pending completion of the buildings.

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent McHugh, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Executive Vice Chancellor Shine said Texas is fortunate to have two such centers: one at U. T. Health Science Center – Houston and one at U. T. Southwestern Medical Center - Dallas.

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

Committee Meeting Information

Status: *Deferred*

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

Committee Meeting Information

Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*

Status: *Approved*

Motion: *Made by Regent Dannenbaum, seconded by Regent McHugh, and carried unanimously*

Discussion at meeting:

Regent Foster asked that if Unexpended Plant Funds will be used to fund a project, can it be assumed those funds have already been identified and exist somewhere? Mr. O'Donnell replied affirmatively and Executive Vice Chancellor for Business Affairs Kelley added the Office of Finance completes a financial review for all projects, both in terms of debt capacity and appropriate reserves.

11. **U. T. Austin: San Antonio Garage Additional Parking Levels (formerly Nueces Garage) - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*

Status: *Approved*

Motion: *Made by Regent Dannenbaum, seconded by Regent McHugh, and carried unanimously*

Discussion at meeting:

Regent Gary asked if the original design of the garage contemplated adding this space at some future point and Mr. O'Donnell replied that it did.

12. **U. T. Dallas: Student Housing Living/Learning Center - Request for approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent McHugh, and carried unanimously

13. **U. T. Southwestern Medical Center - Dallas: Biotechnology Development Complex - Phase I - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to decrease the total project cost; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent McHugh, and carried unanimously

Note: Following the meeting, the project number was corrected from 303-375 to 303-269.

14. **U. T. M. D. Anderson Cancer Center: Center for Targeted Therapy Research Building (formerly U. T. Research Park Building 4) – Request for approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent McHugh, and carried unanimously

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

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

Vice Chairman Huffines suggested that Mr. O'Donnell define "special interest projects" for the new Regents. Mr. O'Donnell replied that "special interest" is a formal designation that is made by the Board for a project that is deemed either architecturally or historically significant. Up to two Regents can be appointed to serve on the special selection committee for the architect.

Vice Chairman Huffines said he was supportive of the scope changes but questioned the high cost of roughly \$500 per foot. Mr. O'Donnell said the estimate is a little high and is being refined.

Vice Chairman Rowling expressed concern about the conditions of Waggoner Hall and about space for liberal arts in Phase 1 or Phase 2. President William C. Powers, Jr., discussed the options and Vice Chairman Rowling asked if the F-11 parking lot would be replaced. President Powers responded there will be additions but not replacements.

ADJOURNMENT

Committee Chairman Barnhill adjourned the meeting at 1:20 p.m.

Agenda Items Included in FPCC November 8, 2007



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Office of Facilities
Planning and
Construction

1



THE UNIVERSITY of TEXAS SYSTEM
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Consideration of Project Additions to the FY 2008-2013 Capital Improvement Program

2



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Six Projects with Funding from Permanent University Fund Bond Proceeds

- Two new construction projects
 - U. T. Arlington Center for Structural Engineering Research
 - U. T. El Paso College of Health Sciences/School of Nursing
- Four fire and life safety projects with institutional management and appropriate and authorize expenditure of funds
 - U. T. Arlington
 - U. T. San Antonio
 - U. T. Health Science Center – Houston
 - U. T. Health Science Center – San Antonio
- Total Project Cost is \$106,500,000 with \$87,500,000 allocated from PUF

Amendment of FY 2008-2013 CIP

3




THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Arlington Center for Structural Engineering Research

- Adds 84,000 gross square feet of new space and will provide one of the largest structural and materials testing facilities in the country
- Total Project Cost is \$34,000,000 with funding from \$25,000,000 PUF and \$9,000,000 Gifts and in-kind contributions
- Investment Metrics:
 - Increase research funding - \$5M by Year 5, \$10M by Year 10, and \$10 to \$15M in subsequent years
 - Increase enrollment and number of graduates, currently 305 undergraduate civil engineering students; increase to 500 in Year 5
 - Improve recruitment of highly regarded faculty, new research scientists, and raise national program ranking to top 25 in Year 7

Amendment of FY 2008-2013 CIP

4




THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at El Paso College of Health Sciences/School of Nursing

- Adds 135,000 gross square feet of new space for the College of Health Sciences/School of Nursing
- Total Project Cost is \$60,000,000 with funding from \$50,000,000 PUF and \$10,000,000 from Gifts
- Investment Metrics:
 - Increase external research funding in health sciences
 - Enrollment in master's degree programs will more than double
 - Enrollment in doctoral programs in the health professions will increase from 15 to 175
 - Enrollment in each of the undergraduate nursing programs will increase by 30%
 - The number of degrees awarded annually in health-related disciplines at all levels will increase by more than 50%
 - Endowment funding the College of Health Sciences and the School of Nursing will double

Amendment of FY 2008-2013 CIP

5



THE UNIVERSITY of TEXAS SYSTEM
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Six Projects with Funding from Permanent University Fund Bond Proceeds

- Two new construction projects
 - U. T. Arlington Center for Structural Engineering Research
 - U. T. El Paso College of Health Sciences/School of Nursing
- Four fire and life safety projects with institutional management and appropriate and authorize expenditure of funds

▪ U. T. Arlington:	\$4,300,000
▪ U. T. San Antonio:	\$ 400,000
▪ U. T. Health Science Center – Houston:	\$ 900,000
▪ U. T. Health Science Center – San Antonio:	\$6,900,000
- Total Project Cost is \$106,500,000 with \$87,500,000 allocated from PUF

Amendment of FY 2008-2013 CIP

6



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Arlington Parking Garage at South Campus

- Project adds a five-story parking structure with 434,760 gross square feet to accommodate 1,449 vehicles
- Total Project Cost is \$21,735,000 with funding of \$10,867,000 from Revenue Financing System Bond Proceeds and \$10,868,000 from Unexpended Plant Funds
- Investment Metrics:
 - Facility replaces all student parking spaces lost due to construction/capital projects through 2010/2011
 - Revenue will be sufficient to offset debt service and operating costs

Amendment of FY 2008-2013 CIP

7



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Computer Sciences Building – Phase 2

- Project adds 97,000 gross square feet to meet growth of Department of Computer Sciences
- Total Project Cost is \$53,000,000 with funding from Gifts
- Investment Metrics:
 - Will enhance Computer Sciences (CS) retention and recruitment efforts by 2012
 - Will facilitate efforts to enhance the stature of the CS department by 2012
 - Will provide desperately needed space for CS research labs, offices, classrooms, lecture halls, and social meeting/study spaces by 2012

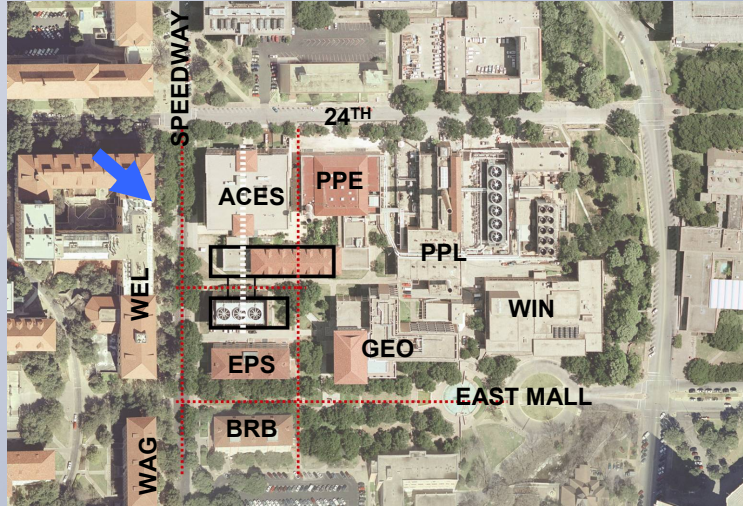
Amendment to FY 2008-2013 CIP

8



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Computer Sciences Building – Phase 2

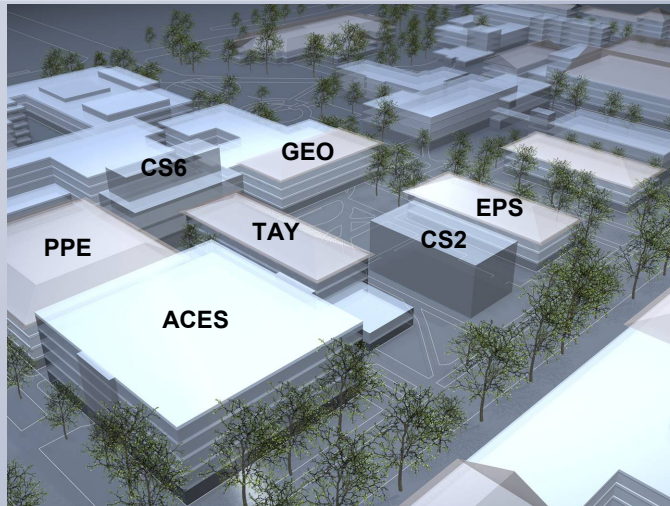


9



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Computer Sciences Building – Phase 2



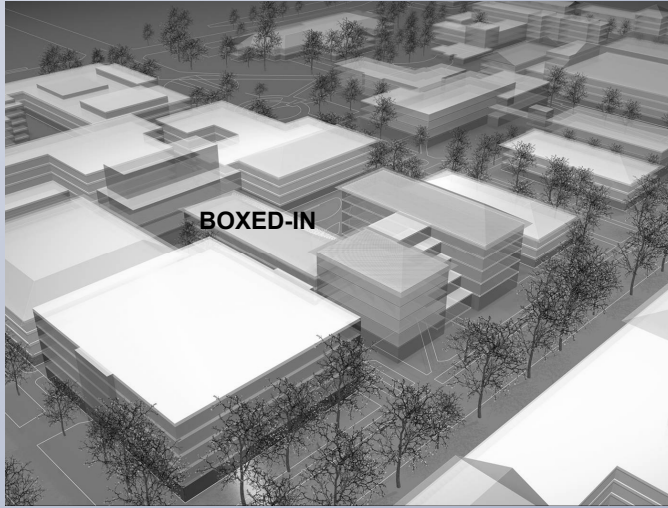
EXISTING CONDITIONS

10



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Computer Sciences Building – Phase 2



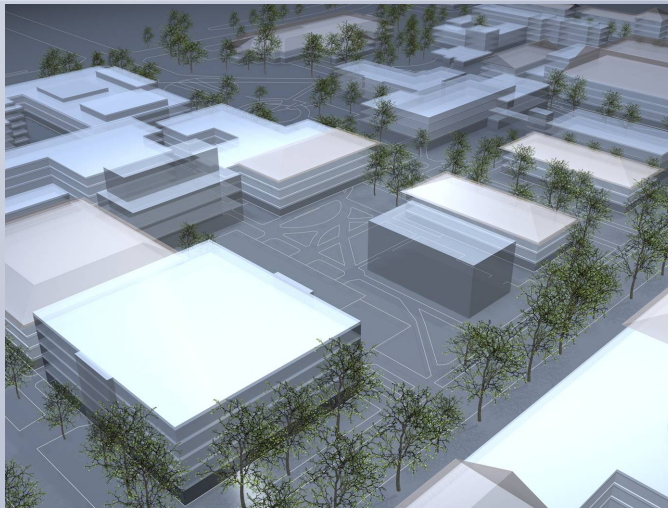
SITE CAPACITY IS 133,000 GSF

11



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Computer Sciences Building – Phase 2



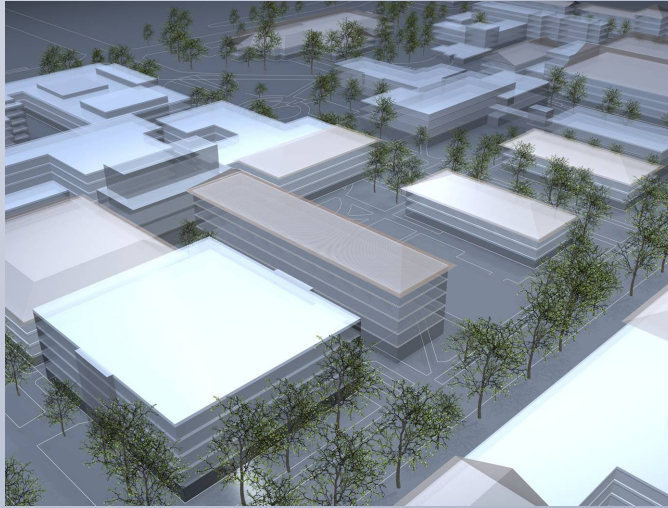
ALLOWS POSSIBILITY OF EARLIER CONSTRUCTION START DATE

12



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Computer Sciences Building – Phase 2



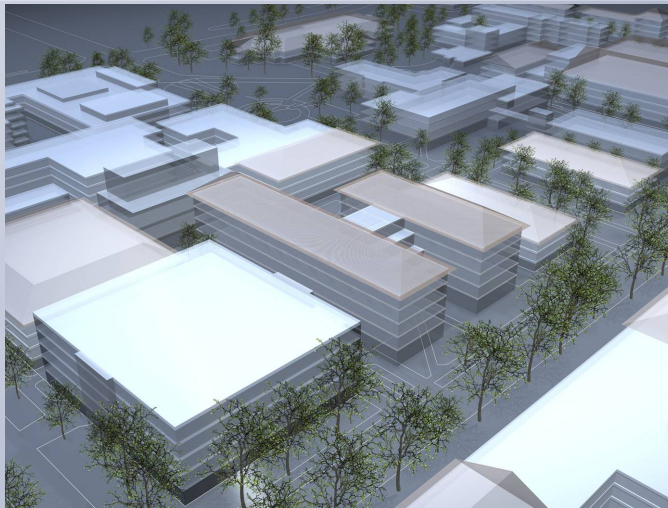
PHASE I - DELL COMPUTER SCIENCE HALL

13



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Computer Sciences Building – Phase 2



PHASE II - COMPUTER SCIENCES BUILDING

14



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

The University of Texas at Austin Houston Research Center Warehouse Addition

- Project will add 26,000 gross square feet to an existing warehouse located in Houston, Texas
- Total Project Cost is \$1,500,000 with funding from Revenue Financing System Bond Proceeds
- Investment Metrics:
 - House 200,000 additional geological research drilling core storage boxes by 2008/09
 - Increased research resource by 2008/09

Amendment of FY 2008-2013 CIP

15



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

The University of Texas at Austin Indoor Tennis Facility at Whitaker Fields

- Enclose six new tennis courts
- Project located at 51st and Guadalupe streets
- Total Project Cost is \$8,000,000 with funding from Gifts
- Investment Metrics:
 - Enclose 6 courts for use during inclement weather by 2010
 - Be able to host a NCAA event by 2010
 - Provide recreational opportunities for an additional 2400 students/faculty/staff

Amendment of FY 2008-2013 CIP

16



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

The University of Texas at Austin Renovation of E. P. Schoch Building

- Renovate 48,980 gross square feet to the interior of the existing E. P. Schoch Building
- Total Project Cost is \$10,000,000 with funding from Revenue Financing System Bond Proceeds
- Investment Metrics:
 - Will enhance retention and recruitment effort by 2009/10
 - Will facilitate efforts to enhance the stature of the Jackson School of Geosciences by 2009/10
 - Will provide needed space for research labs, faculty offices, and classrooms by 2009/10

Amendment of FY 2008-2013 CIP

17



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

The University of Texas Southwestern Medical Center – Dallas Biotechnology Development Complex – Phase I Finish Out

- Project will finish out Levels 2 and 3 of the Biotechnology Development Complex
- Total Project Cost is \$13,500,000 with funding from Revenue Financing System Bond Proceeds
- Investment Metrics:
 - Occupy/lease 1/3 of the space by 2010 with at least 1 biotech tenant
 - Occupy/lease 2/3 of space by 2012 with biotech tenants numbering at least 2 or occupying 1/3 of space
 - Occupy/lease all space by 2014 with biotech tenants numbering at least 4 or occupying 2/3 of space

Amendment of FY 2008-2013 CIP

18



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

The University of Texas Health Science Center – Houston Center for Clinical and Translational Science

- Project involves renovation of 18,000 gross square feet to the 11th floor of the U. T. Professional Building
- One of the first centers in the nation and the only one in Texas
- Total Project Cost is \$2,800,000 with funding from Auxiliary Enterprise Balances

Investment Metrics:

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

Amendment of FY 2008-2013 CIP

19



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

CIP Additions

- | | |
|---------------------------------|----------------------|
| • Nine Academic projects | \$192,935,000 |
| • Four Health projects | <u>\$ 24,100,000</u> |
| • Total Change in CIP Additions | \$217,035,000 |

- This represents a 2.8% increase for a total of \$7.96 billion

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Nine Universities. Six Health Institutions. Unlimited Possibilities.

Consideration of Design Development

- U .T. Arlington Civil Engineering Lab Building
- U. T. Austin Library and Artifact High-Density Repository
- U. T. Austin San Antonio Garage Additional Parking Levels
- U. T. Dallas Student Housing Living/Learning Center
- U. T. Southwestern Medical Center – Dallas Biotechnology Development Center - Phase I
- U. T. M. D. Anderson Cancer Center - Center for Targeted Therapy Research Building

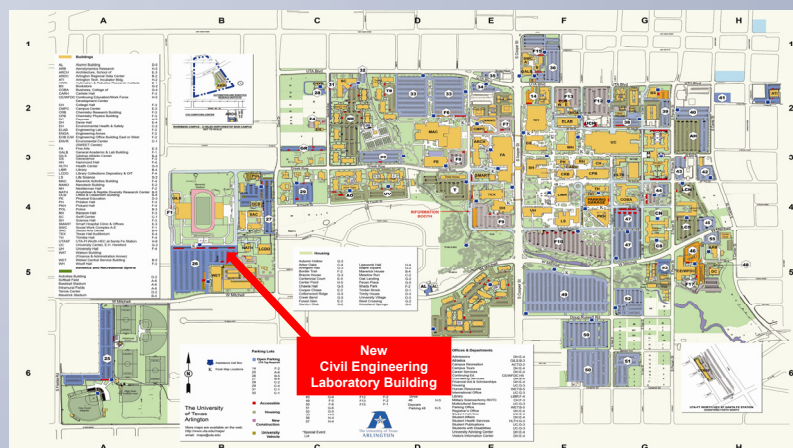
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U. T. Arlington Civil Engineering Lab Building

Campus Plan



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U. T. Arlington Civil Engineering Lab Building

Site Plan

LEGEND

- Asphalt/Pavement Lab
- Materials/Structures Lab
- Construction Lab
- Geo-Tech Lab
- Office Space



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U. T. Arlington Civil Engineering Lab Building

View from the Northwest



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U. T. Arlington Civil Engineering Lab Building

View from the Southeast



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U. T. Arlington Civil Engineering Lab Building

Total Project Cost: \$9,800,000

Investment Metrics:

- Increased enrollment and graduation rates in Civil and Environmental Engineering
- Undergraduate enrollment will grow from 280 to over 400 by Year 5
- Graduate student enrollment will increase from 206 to over 300 students by Year 5
- Increase research funding by \$1M annually by Year 5, \$2M annually by Year 10, and \$3M annually thereafter
- 3 to 5 additional tenure-track faculty lines as well as new graduate and undergraduate assistants
- Assist U. T. Arlington Civil Engineering in attaining top 25 ranking in 10 years

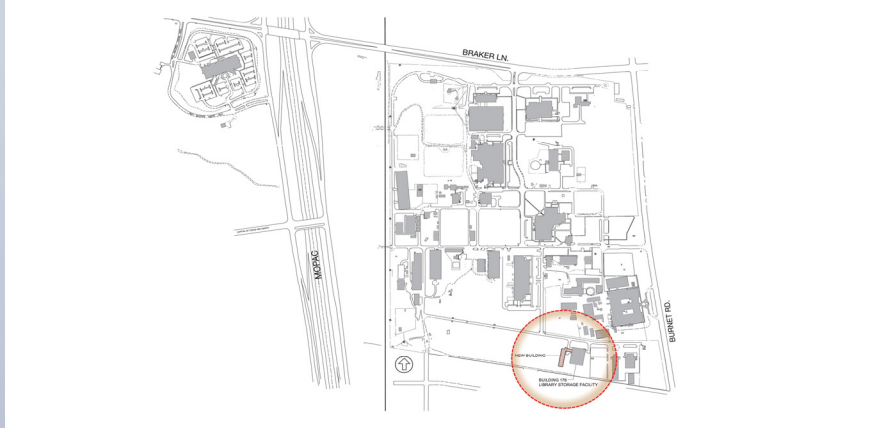
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U. T. Austin Library and Artifact High-Density Repository

Campus Plan



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U. T. Austin Library and Artifact High-Density Repository

Site Plan



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U. T. Austin Library and Artifact High-Density Repository

View from the North



29



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U. T. Austin Library and Artifact High-Density Repository

Total Project Cost: \$7,125,000

Investment Metrics:

- Essential component of the U. T. Austin Libraries collections program to provide long-term storage and preservation for approximately 1.6 million print volumes.
- Current staff at Collections Deposit Library (CDL) (2) will move to Pickle Research Center. No new full-time employees. By 2009/10.
- By placing needed, but lesser-used, scholarly materials in high-density storage, campus libraries will not require expanded space and can relinquish space to be used for more critical U. T. Austin campus needs. Will facilitate vacating over 60,000 square feet at CDL. By 2010/11.
- An agreement with the Texas A&M University System to partner in this project assures that volumes held in storage will be considered as “resources in common” and will prevent the storage of duplicate items, thus maximizing the use of the high-density shelving. By 2009/10.

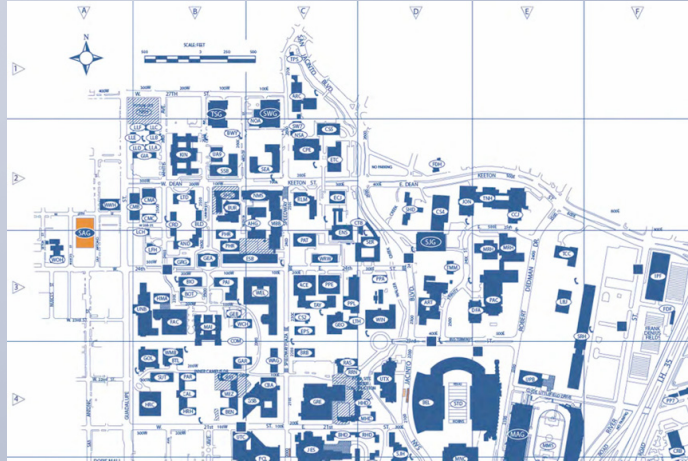
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U. T. Austin San Antonio Garage Additional Parking Levels

Campus Plan



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U. T. Austin San Antonio Garage Additional Parking Levels

View from the Northwest



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U. T. Austin San Antonio Garage Additional Parking Levels

Total Project Cost: \$8,800,000

Investment Metrics:

- Continues to be self-sustaining facility by 2009
- Reduces the number of people on the waiting list for that garage by 2009
- Able to adequately offer more resident parking for the students living in the recently built Almetris Duren Residence Hall
- Continues to fulfill the Campus Master Plan of having visitor parking directed toward the perimeter of campus by 2009
- Increase the capacity of the current parking garage by two levels and 315 parking spaces for a total of 1,040 spaces by 2009
- Increase revenues by over \$700,000 annually by 2009

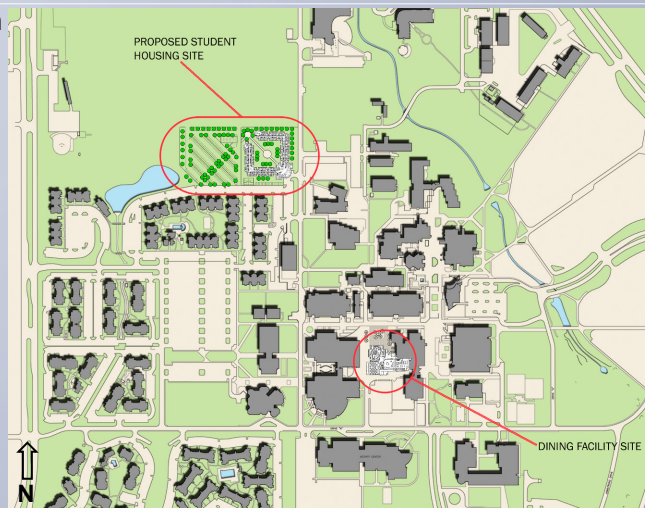
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U. T. Dallas Student Housing Living/Learning Center

Campus Plan



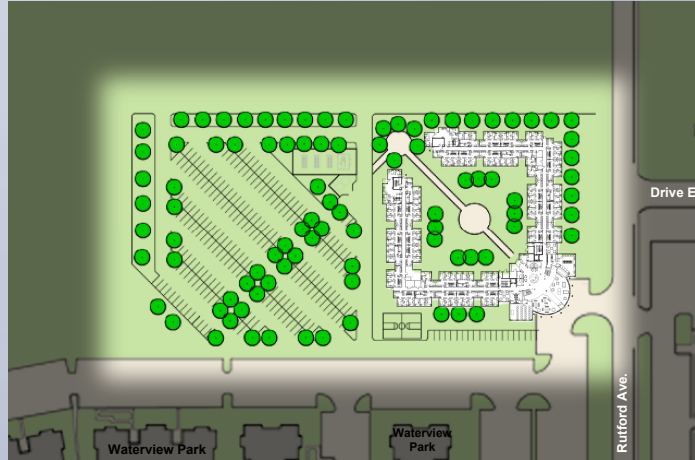
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U. T. Dallas Student Housing Living/Learning Center

Site Plan



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U. T. Dallas Student Housing Living/Learning Center

View from the Southeast



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U. T. Dallas Student Housing Living/Learning Center

Aerial View from the Southeast



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U. T. Dallas Student Housing Living/Learning Center

Dining Floor Plan



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U. T. Dallas Student Housing Living/Learning Center

Dining Courtyard Perspective



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U. T. Dallas Student Housing Living/Learning Center

Total Project Cost: \$37,800,000

Investment Metric:

- On-campus housing and food service capacity for 400 students

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U. T. Southwestern Medical Center – Dallas Biotechnology Development Complex – Phase I

Campus Plan



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U. T. Southwestern Medical Center – Dallas Biotechnology Development Complex – Phase I

Aerial View



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U. T. Southwestern Medical Center – Dallas Biotechnology Development Complex – Phase I

Total Project Cost: \$39,700,000

Investment Metrics:

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

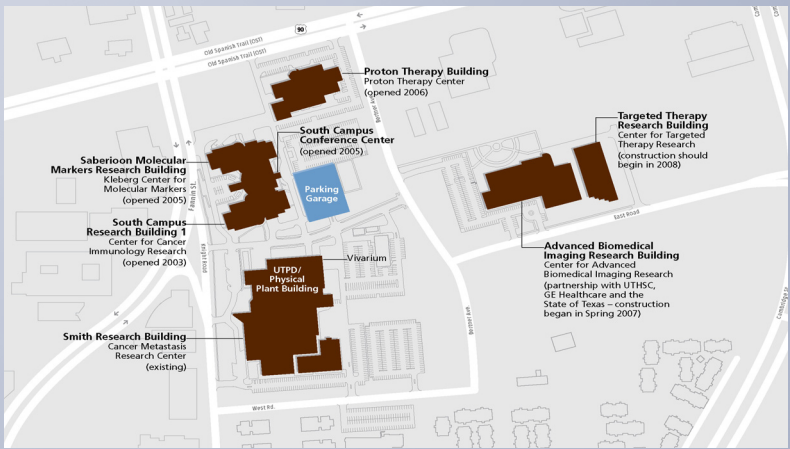
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U. T. M. D. Anderson Cancer Center – Center for Targeted Therapy Research Building

Campus Plan



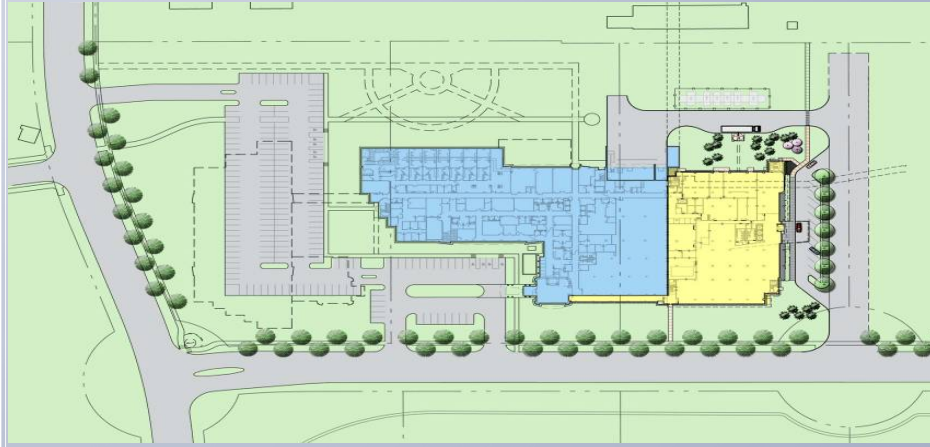
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U. T. M. D. Anderson Cancer Center – Center for Targeted Therapy Research Building

Site Plan



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U. T. M. D. Anderson Cancer Center – Center for Targeted Therapy Research Building

View from the East



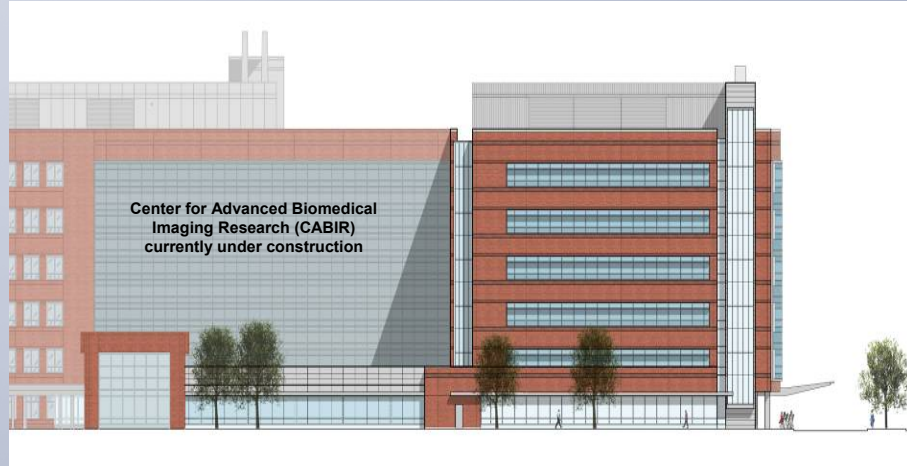
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U. T. M. D. Anderson Cancer Center – Center for Targeted Therapy Research Building

View from the South



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U. T. M. D. Anderson Cancer Center - Center for Targeted Therapy Research Building

Total Project Cost: \$95,400,000

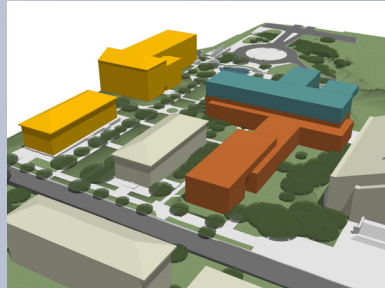
Investment Metrics:

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

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U. T. Austin Student Activity Center/Phase I - Liberal Arts

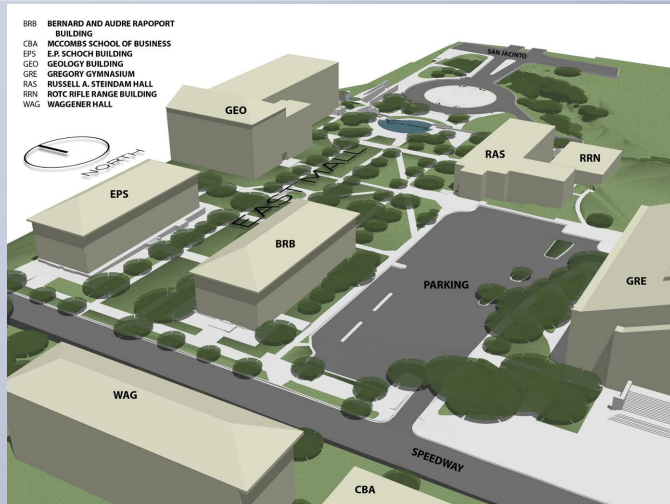
- Scope – To increase project scope to allow for Phase I Liberal Arts
- Notice to Proceed – August 22, 2008
- Substantial Completion – September 18, 2010



- Action – Increase total project cost from \$44,000,000 to \$69,400,000, with funding from Revenue Financing System Bond Proceeds
- Justification – Scope changes

Increase Total Project Cost

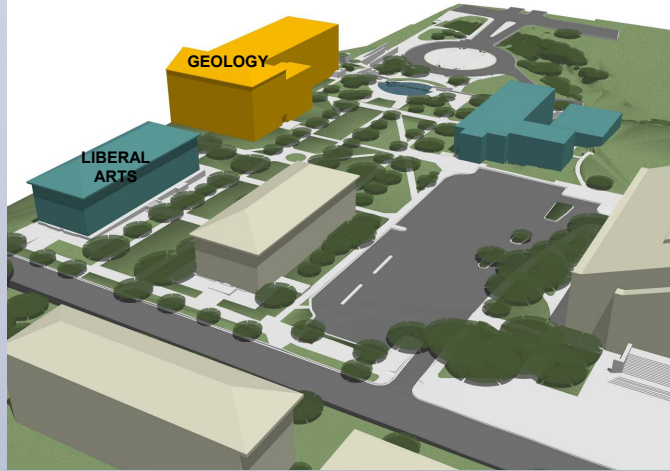
U. T. Austin Student Activity Center/Phase I - Liberal Arts





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U. T. Austin Student Activity Center/Phase I - Liberal Arts

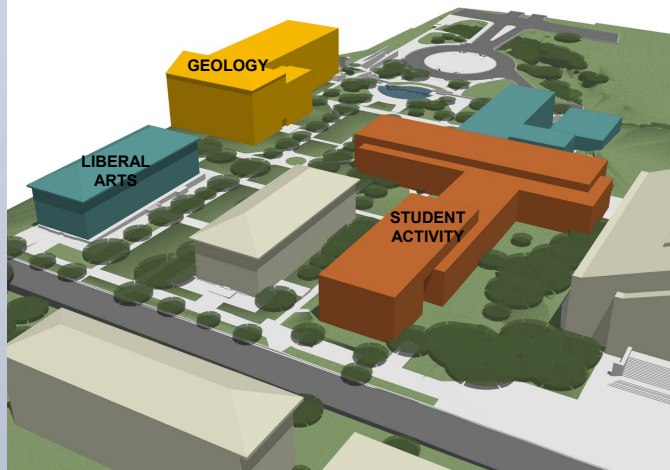


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U. T. Austin Student Activity Center/Phase I - Liberal Arts

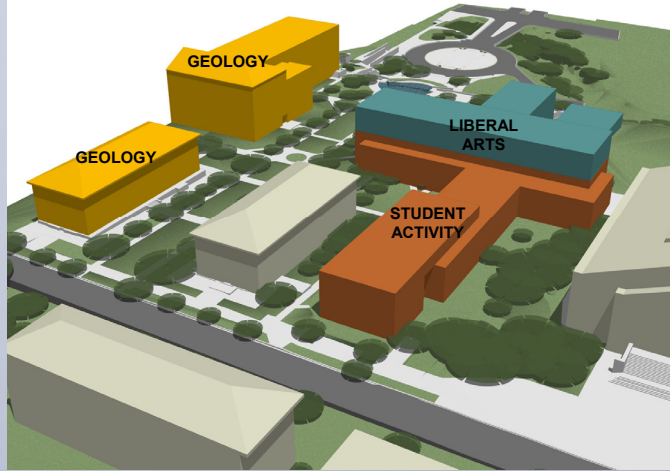


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U. T. Austin Student Activity Center/Phase I - Liberal Arts

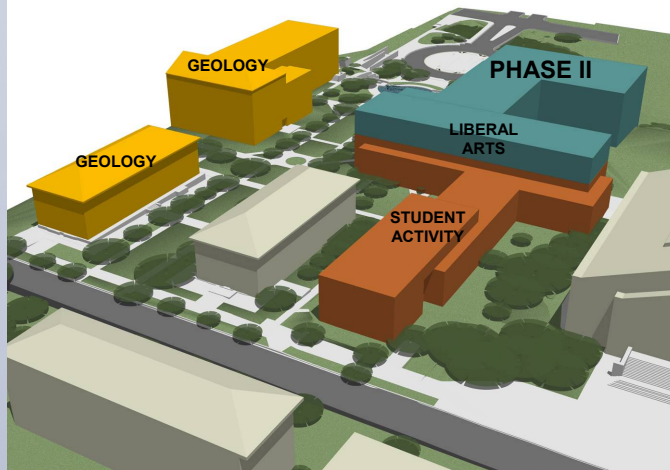


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U. T. Austin Student Activity Center/Phase I - Liberal Arts



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J. T. Austin Student Activity Center/Phase I - Liberal Arts

- Scope – To increase project scope to allow for Phase I Liberal Arts
- Notice to Proceed – August 22, 2008
- Substantial Completion – September 18, 2010



- Action – Increase total project cost from \$44,000,000 to \$69,400,000, with funding from Revenue Financing System Bond Proceeds
- Justification – Scope changes

Increase Total Project Cost

55

CIP Changes

- CIP Additions \$217,035,000
- CIP Changes ~~\$ 26,025,000~~ 21,600,000
- Total change in CIP Additions ~~\$243,060,000~~ 238,600,000

- This represents a 3.1% increase for a total of \$7.98 billion

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MINUTES
U. T. System Board of Regents
Student, Faculty, and Staff Campus Life Committee
November 8, 2007

The members of the Student, Faculty, and Staff Campus Life Committee of the Board of Regents of The University of Texas System convened at 10:02 a.m. on Thursday, November 8, 2007, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation. For the November 8-9, 2007 meetings only, all members of the Board attended all the committee meetings, pending specific committee assignments.

Attendance

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

Absent

Regent Estrada

Also present were Chairman Huffines; Regent Camarillo; Mr. Tommy Thompson, Chair, Student Advisory Council (SAC); Dr. Ted Pate, Chair, Faculty Advisory Council (FAC); and Mr. Michael Swindle, Chair, Employee Advisory Council (EAC).

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

1. U. T. System: Annual Meeting with Officers of U. T. System Employee Advisory Council

Committee Meeting Information

Presenter(s): Mr. Michael Swindle, Chair, U. T. Permian Basin; Ms. Ann Tate, Past Chair
Status: Reported

Discussion at meeting:

Also present were:

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

Secretary: Mr. Randolph Scott, U. T. Health Science Center - Houston

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

Ms. Tate reported the EAC spent 2006 evaluating the functionality of the group and the Council's bylaws were duly amended. Member terms were changed from two to

three years and the standing committees (compensation, communications, policy, and benefits) were dissolved in favor of a process of ad hoc committees, whereby each institution can submit issues they would like the Council to address. The communications structure was enhanced by establishment of a SharePoint site. Ms. Tate summarized by saying that although 2006 was a difficult year, the consensus is that the reorganization is positive, member participation is greater, and issues can be addressed more quickly.

Ms. Tate reported that most of the past Council recommendations are now closed with the exception of the recommendation that each institution have a staff council. She said all institutions have staff councils with the exception of three that are in the process of creating such councils.

Mr. Worley reported on the three working committee reports.

- Review of U. T. System strategic plan: Classified staff was invited to implement the plan. The use of technology was encouraged to increase efficiencies. More leadership opportunities were promoted.*
- Tuition committee: A letter was sent to the Chancellor's Office to promote education of classified staff in order to retain qualified employees. Peer institution comparisons were done. The EAC continues to work with the Chancellor's Office to develop a recommendation regarding tuition benefits System-wide for presentation to the Board.*
- Grievance committee: Policies were reviewed at each institution. Staff councils are encouraged to publicize the policies and to have an educational outreach effort.*

Chancellor Yudof addressed the recommendations and then Chairman Swindle outlined the four new initiatives for the Council for next year:

- An institutional professional development committee is being formed to look at training in enhanced job skills, knowledge growth, and leadership.*
- A committee is looking into communication training on electronics and access to technology.*
- Work is being done on a wellness initiative related to time management skills.*
- Compensation issues are being examined on how compensatory time is managed.*

2. **U. T. System: Update on student diversity at U. T. System health institutions**

Committee Meeting Information

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

Status: Reported

Discussion at meeting:

Dr. Shine said the U. T. System Strategic Plan calls for an increase in diversity in the student body of the health institutions. He said there is a shortage of health care professionals in the state; increasing overall enrollment, including medical students, nursing students, and allied health and others students will help the shortage and will provide opportunities to increase diversity regardless of race. He said the U. T. System Strategic Plan argues that all U. T. System institutions should be in the top quartile of health institutions in the U. S. in terms of diversity of student bodies.

Dr. Shine referenced materials in the Agenda Book, including diversity information at the institutions and the Joint Admissions Medical Program (JAMP), which identifies economically disadvantaged college undergraduates who aspire to medical school. He said Texas Tech University System also has a JAMP scholarship program.

Regent Barnhill asked about mentoring programs for high school teachers, which Dr. Shine said several campuses have. He said one aspect of the program is to invite high school science teachers to campuses for workshops and discussions. There are partnership programs where a faculty member partners with a high school science teacher. Faculty members maintain continuing relationships with these teachers. The UTeach program is becoming a national model to provide opportunities for young people to get a taste of the medical field.

Regent Camarillo said students coming from economically diverse backgrounds help serve Texas by putting medical care in underserved areas. Regent Gary applauded the initiative and said there might be opportunities to get these students involved and set up some expectations for when they graduate, such as giving back to the University. Dr. Shine said the time to graduation is long, debt is high, and he is looking at how U. T. can help provide scholarships and loan repayment programs. Regent Dannenbaum suggested that underserved communities be encouraged to provide some economic support to encourage physicians to serve in those areas.

ADJOURNMENT

Acting Committee Chairman McHugh adjourned the meeting at 10:40 a.m.