



**AGENDA
for
SPECIAL CALLED TELEPHONE MEETING
U. T. SYSTEM BOARD OF REGENTS**

10:00 a.m. (Central Standard Time)
December 5, 2005
Austin, Texas

A. CALL TO ORDER IN OPEN SESSION

10:00 a.m.
Chairman Huffines

B. RECESS TO EXECUTIVE SESSION

10:00 a.m.

1. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - *Texas Government Code Section 551.074*

U. T. Austin: Discussion and appropriate action regarding individual personnel matters related to the presidential search, including the selection and employment of Dean William C. Powers, Jr., as president

2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers - *Texas Government Code Section 551.071*

U. T. Arlington: Discussion and appropriate action regarding litigation involving patent infringement matters

Mr. Burgdorf

3. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – *Texas Government Code Section 551.072*

U. T. Health Science Center - Houston: Authorization to market and sell the real property and improvements located at 3028 South MacGregor Way, Houston, Harris County, Texas, with the net sale proceeds to be used for future construction of a new facility by The University of Texas Health Science Center - Houston to replace the current Mental Sciences Institute building

President Willerson
Ms. Mayne

4. Negotiated Contracts for Prospective Gifts or Donations - *Texas Government Code* Section 551.073
- a. **U. T. System: Discussion and appropriate action of legal issues related to Katrina Emergency Tax Relief Act of 2005 (KETRA) and negotiated gift features of proposed donations to U. T. System institutions** *Dr. Safady*
 - b. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding negotiated gifts involving naming opportunities** *Dr. Safady*
 - c. **U. T. Austin: Discussion and appropriate action regarding negotiated gifts involving naming opportunities** *Dr. Safady*
- C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEM(S) *10:30 a.m. approximately*
- D. CONSIDER AGENDA ITEMS
- 1. **U. T. System: Approval to negotiate with Deloitte & Touche to provide non-audit services for U. T. System Administration and to exceed the five percent cap on aggregate fees** *10:45 a.m. Action Vice Chancellor Brown*
 - 2. **U. T. System: Report on planned request for proposals for entities to participate in U. T. System retirement programs** *10:50 a.m. Report Vice Chancellor Brown*
- E. ADJOURN BOARD MEETING *11:00 a.m. approximately*

1. **U. T. System: Approval to negotiate with Deloitte & Touche to provide non-audit services for U. T. System Administration and to exceed the five percent cap on aggregate fees**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Administration and the Vice Chancellor and General Counsel that Deloitte & Touche be hired to provide non-audit services as part of a compensation study for U. T. System Administration.

It is further requested that U. T. System Administration staff be authorized to negotiate and enter into a contract with Deloitte & Touche that will terminate on August 31, 2006.

BACKGROUND INFORMATION

The Office of Employee Benefits solicited proposals through a Request for Proposal and a committee evaluated all proposals to determine the best value to U. T. System.

On July 16, 2004, the U. T. System Board of Regent selected Deloitte & Touche to perform a comprehensive audit of the annual financial statements 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.

In keeping with the Spirit of Sarbanes Oxley, U. T. System evaluates any contracts with Deloitte & Touche to determine that independence is not being compromised and that we are in compliance with the Regents' *Rules and Regulations*. It has been determined that the contract does maintain independence and is in compliance with Sarbanes Oxley. Finally, based on the committee's review of the submitted proposals, Deloitte & Touche's proposal represents the best value to U. T. System Administration.

Board approval is needed pursuant to the *Rules and Regulations* of the Board of Regents, Series 20402, Section 3.1. The aggregate amount of the fees paid to an external audit firm for the performance of audit services exceeds five percent of the total amount of fees anticipated to be paid to the external audit firm for the performance of audit services provided during any fiscal year in which non-audit services will be provided.

It has been determined that the hiring of Deloitte & Touche does not present an independence issue nor is it a prohibited audit service under Sarbanes Oxley. No management decisions, recruiting, etc. will be performed; the deliverable will be recommendations only.

Regent Estrada, on behalf of the Audit, Compliance, and Management Review Committee, will make a recommendation concerning the firm.

2. **U. T. System: Report on planned request for proposals for entities to participate in U. T. System retirement programs**