

Meeting No. 1,037

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

Pages 1 - 4

October 8, 2008

Austin, Texas

MEETING NO. 1,037

WEDNESDAY, OCTOBER 8, 2008.--The members of the Board of Regents of The University of Texas System convened this special called meeting via telephone conference call at 1:00 p.m. on Wednesday, October 8, 2008, in the Chairman's Office, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present  
Chairman Caven, presiding  
Vice Chairman Huffines  
Vice Chairman Rowling  
Regent Barnhill  
Regent Dannenbaum  
Regent Dower  
Regent Gary  
Regent Foster  
Regent Longoria  
Regent McHugh

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

RECESS TO EXECUTIVE SESSION.--At 1:02 p.m. Chairman Caven announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 2:22 p.m., the Board reconvened in open session. No action was taken on matters discussed in Executive Session.

1. U. T. Medical Branch – Galveston: Negotiated Contracts for Prospective Gifts or Donations

No action was taken on this item.

2. U. T. Medical Branch – Galveston: Legal issues related to recovery from Hurricane Ike

No discussion was held on this item.

3. U. T. System: Appointment of John D. Stobo, M.D., former President at The University of Texas Medical Branch at Galveston, as President Emeritus

Vice Chairman Huffines moved that the Board

- a. resolve to express appreciation to John D. Stobo, M.D., Executive Director for Academic Programs for The University of Texas System and former President at The University of Texas Medical Branch at Galveston from October 1, 1997 to August 31, 2007, for his service to the U. T. System and wish him well in his new position as Senior Vice President for Health Sciences and Services at the University of California System; and
- b. appoint Dr. Stobo as President Emeritus of The University of Texas Medical Branch at Galveston, effective October 15, 2008, in recognition of his exemplary service to the State, the U. T. System, and the U. T. Medical Branch.

Regent McHugh seconded the motion, which carried by acclamation.

#### AGENDA ITEM

U. T. Austin: Approval of formation of a civil association in Mexico for the future establishment of a University-sponsored center for innovation and technology in the City of Monterrey, State of Nuevo León, Mexico

The Board approved the formation of a civil association in Mexico to pursue the opportunities afforded The University of Texas at Austin in the State of Nuevo León, Mexico, pursuant to the Letter of Commitment executed by President Powers and José Natividad González Parás, Governor of the State of Nuevo León, on September 19, 2006.

The Letter of Commitment set forth certain understandings between U. T. Austin and the State of Nuevo León with regard to the basis, strategies, content, and implementation of a long-term collaboration between U. T. Austin and the State of Nuevo León. A primary objective of the Letter and the collaboration is to facilitate the establishment of a permanent presence for U. T. Austin in the State of Nuevo León through creation of a global innovation center for business in Monterrey.

Pursuant to the Letter, the State of Nuevo León reserved approximately 50,000 square feet of land in a science and technology park in Monterrey for use by U. T. Austin. U. T. Austin, primarily through its IC<sup>2</sup> Institute, already has a variety of general activities in Mexico, and specific activities in the State of Nuevo León.

U. T. Austin believes construction of a facility on the land in the Monterrey science park would enhance its presence and program offerings in Mexico and align with State goals regarding educational and research collaboration with Mexico. The Texas Legislature has signaled its support for Texas-Mexico educational initiatives through the establishment of the Texas-Mexico Educational Development Program (Program) administered by the Texas Higher Education Coordinating Board as authorized by Chapter 147.002, *Texas Education Code*, and some funds may be available for this project through the Program. The proposed facility would also serve as a "portal" between U. T. Austin and northeastern Mexico and an entry point to Latin America.

Consejo Nacional de Ciencia y Tecnología (CONACYT), the Mexican equivalent of the United States National Science Foundation, is offering \$500,000 to fund, in part, construction of a U. T. Austin facility in Monterrey. To obtain this funding, U. T. Austin must first create a "civil association" or nonprofit entity in Mexico. If facility construction approval is granted by the Board of Regents and if funding is obtained from CONACYT, the IC<sup>2</sup> Institute will provide the remaining additional requisite funding to construct the Monterrey facility. Total construction costs are estimated at \$1,000,000. No State or other U. T. Austin funding will be required to construct or operate the Monterrey facility.

In response to a question from Regent Barnhill, Dr. Juan Sanchez responded that the civil association will own the land and building and he listed the members of the association as three U. T. Austin officials: Vice President for Research, the Vice President for Legal Affairs, and the President. President Powers said the structure of the association would minimize clawback liabilities to the University or any entities and Vice Chancellor and General Counsel Burgdorf agreed, saying creation of a corporate entity is a shield that protects the University against liabilities and future establishment of use agreements between the association and U. T. Austin programs will authorize use rights. Regent Longoria asked about the internal controls and reporting on the use of funds and Mr. Burgdorf responded that the individuals on the Board have direct line authority to President Powers and no activities would occur without his approval. President Powers added that the Board of the civil association would be accountable to CONACYT and Mr. Burgdorf said the structure would be similar to a restricted endowment.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:30 p.m.

/s/ Carol A. Felkel  
Assistant Secretary to the Board of Regents

October 10, 2008