

Meeting No. 1,040

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

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November 12-13, 2008

El Paso, Texas

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 OF
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MEETING NO. 1,040

WEDNESDAY, NOVEMBER 12, 2008.--The members of the Board of Regents of The University of Texas System convened at 11:08 a.m. on Wednesday, November 12, 2008, in the Templeton Suite, Union Building East, The University of Texas at El Paso, 500 West University Avenue, El Paso, Texas, with the following participation:

ATTENDANCE.--

Present

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

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 11:08 a.m. Chairman Caven announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 1:20 p.m., the Board reconvened in open session in the Tomás Rivera Conference Center, Union Building East, for the following actions taken on matters discussed in Executive Session.

- 1a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, Chancellor ad interim, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

- 1b. U. T. Austin: Approval of employment term and change in compensation for Head Baseball Coach August E. Garrido, Jr.

Vice Chairman Huffines moved that the Board,

- acting in recognition of the commitment, motivation, and performance of The University of Texas at Austin Head Baseball Coach August Garrido and the many accomplishments throughout his career, including his status as the all-time most winning coach in NCAA Division I Baseball,
- wishing to retain Coach Garrido at U. T. Austin, and
- acting in accordance with Regents' *Rules and Regulations*, Rule 20204, regarding determining and documenting the reasonableness of compensation,

approve a contract amendment consistent with the parameters discussed in Executive Session and as outlined on the summary sheet attached on Pages 3 - 4.

Vice Chairman Huffines also moved that these provisions be incorporated into a Head Coach Employment Agreement that will be approved by U. T. Austin and The University of Texas System Office of General Counsel, without change to the other elements of compensation as approved by the Regents in the U. T. Austin budget for 2008 - 2009.

Further, Vice Chairman Huffines moved that the Board find, as required by State law, that these proposed employment agreement provisions are in the best interest of U. T. Austin.

The motion was duly seconded by Regent Barnhill and carried unanimously.

Summary sheet
for
U. T. Austin Head Baseball Coach August E. Garrido, Jr.

Employment term of five years, from September 1, 2008 through August 31, 2013.

Increase in 2008 – 2009 guaranteed annual compensation from \$640,000 to \$800,000 through a guaranteed annual increase from \$85,000 to \$245,000 for providing services at the U. T. Austin baseball camps each year. In addition, Coach Garrido may receive 50% of any remaining camp net revenues each year after all expenses are paid.

Current annual compensation consists of:

Base Salary	\$260,000
Car Allowance	\$ 15,000
Expense Allowance	\$ 20,000
Radio/TV/Speeches	\$ 65,000
Product Endorsements	\$165,000
Camps	\$ 85,000
Endowment Supplement	\$ 30,000

for a total of \$640,000 which will increase to \$800,000, with the additional camp income of \$160,000.

Increase in non-guaranteed annual performance incentives from a maximum of \$100,000 to a maximum of \$165,000. Current annual performance incentives are:

Wins a Big 12 Championship	\$10,000
Participates in NCAA Regional Championship	\$10,000
Participates in NCAA Super Regional	\$10,000
Participates in College World Series	\$10,000
Participates in NCAA Championship Game	\$10,000
Wins NCAA College World Series	\$20,000
Meets Team Academic Goals	\$30,000 Maximum

for a total of \$100,000 which will increase to \$165,000 with an increase in the NCAA Regional Championship to \$75,000.

A guarantee that Coach Garrido's annual salary will be raised a minimum of \$50,000 per year beginning September 1, 2009.

An agreement termination provision that if, at the discretion of the Men's Athletics Director, Coach Garrido is terminated as Head Baseball Coach during the term of the agreement that he will be compensated \$300,000 per year for each year remaining on the agreement, with the understanding this termination provision will not apply if Coach Garrido is terminated for cause under the Standard of Conduct provisions; accepts employment in any capacity with an employer other than U. T. Austin; or resigns, dies, or becomes permanently disabled to the extent that he cannot satisfactorily perform the duties of Head Baseball Coach.

1c. U. T. Medical Branch – Galveston: Action on legal issues related to recovery from Hurricane Ike and individual personnel matters related to appointment, employment, evaluation, compensation, assignment, and duties of U. T. Medical Branch – Galveston employees

Chairman Caven stated that the Executive Session discussion included posted captions related to legal and personnel issues at The University of Texas Medical Branch at Galveston (UTMB). He said all members of this Board have carefully followed the situation at UTMB before, during, and after the devastation of Hurricane Ike, which happened two months ago. He said members of the Board are in awe of the heroic efforts made by the entire UTMB community to assure the welfare of patients and the protection of resources, and he noted the recovery effort has been well executed and massive, and is ongoing and great challenges remain to be addressed. He noted that President Callender was in Galveston today (November 12) working on recovery issues.

Chairman Caven then called on Chancellor ad interim Shine for an update on the current situation at UTMB. Dr. Shine spoke about the significance of the dedication yesterday (November 11) of the Galveston National Laboratory (GNL) in the wake of the devastation on Galveston Island caused by Hurricane Ike. He noted that President Callender has tried to be transparent in responding to the challenges of the campus, reporting that the campus had suffered approximately \$710 million in potential losses, including \$410 million in capital that he expects will be reimbursed by the Federal Emergency Management Agency (FEMA). Noting that FEMA may not provide funds for operations, Dr. Shine said UTMB has lost approximately \$275 million in business operations, largely due to the closing of the John Sealy Hospital.

Chancellor ad interim Shine reported that at yesterday's dedication of the GNL, he and members of the Board in attendance emphasized their support of programs at UTMB and Dr. Shine said there will be an important and successful UTMB and hospital on Galveston Island in the future. He said the research programs at UTMB are well supported, well staffed, and are functioning well with more research funding coming in despite the hurricane. Chancellor ad interim Shine said The University of Texas System will continue to support educational programs at UTMB. He reported that the institution is spending approximately \$40 million a month in excess of income. That amount is being taken out of cash reserves that will soon be depleted. He said that both the short- and long-term potential of the campus must be secured and he talked about many staff that are in limbo, knowing the institution cannot maintain the sizable workforce (in excess of 12,000 employees) it had prior to Hurricane Ike.

Dr. Shine noted the importance of fiscally-sound plans that support research and education and clinical activities that can be sustained and reconfigured in a timely manner. He said the hospital will be downsized and brought up to speed in next 90 days using temporary facilities.

Dr. Shine said that as a consequence of these deliberations, in the interest of moving forward expeditiously, and to help employees plan for the future, he had recommended to the Regents implementation of a reduction in force (RIF). He said the reduction in force could be substantial in the order of 3,800 full-time equivalent positions in an institution that has in excess of 12,000 employees. He spoke about the need to move expeditiously with notification to affected employees, noting that with severance pay, employees would be paid through the holiday season to mid-January. Dr. Shine said that terminated employees would have first right of opportunity of employment at other U. T. System campuses and UTMB will assist in negotiations with other healthcare providers in the State of Texas for opportunities for outstanding employees, job fairs and other types of consultation, and the possible early retirement programs.

In closing, Dr. Shine said he is proud the campus research activities have resumed almost in full, that students are being educated on- or off-campus, and that the 16-bed maternity ward is functioning. He said he is saddened by the necessary reduction in workforce. He said he believes UTMB has a bright future, but adjustments are necessary to ensure the campus is fiscally stable and that growth in areas such as correctional managed care are appropriate.

Chairman Caven then called on Ms. Judy Lugo, President of the Texas State Employees Union, for remarks. Ms. Lugo had requested to address the Board on the future of the institution.

Statement by Ms. Judy Lugo regarding UTMB

I want to commend you for your hard work in looking at UTMB. I know this is a very hard issue to look at. I am here today to urge the Regents to support UTMB Galveston by rebuilding the campus and restoring all services. UTMB Galveston is a vital part of Galveston and the entire state. Scaling back UTMB Galveston, slashing services, and changing the role it plays in providing healthcare to all Texans will have a devastating impact. The economic impact alone is staggering -- UTMB adds \$1 billion to the Texas economy. It employs 12,000 people directly, and supports over 29,000 jobs total.

As one of only three Level 1 trauma centers in Southeast Texas, UTMB Galveston is able to handle everything from broken arms to large-scale industrial accidents. On November 5, the National Trauma Data Bank announced UTMB Galveston had the highest survival rating of any Level 1 trauma center in the nation. The wide range of services available at UTMB Galveston is important for a number of

reasons. The role UTMB Galveston plays as a research institution and a hospital bridges the gap between the laboratory and treatment. The education that UTMB students receive is very comprehensive because of the diverse set of patients. Researchers, professionals, and students are drawn toward UTMB Galveston because it treats patients with so many different healthcare needs. By scaling back the healthcare services that UTMB Galveston provides, the research that can be conducted by the institution will be limited.

The impact of services cuts on the healthcare for vulnerable Texans is very troubling. As a safeguard of the health of Texas, UTMB Galveston works with almost every county in the state to provide the specialized care that is otherwise unavailable to insured, uninsured, and underinsured patients. These services seem to be the issue at the core of the movement to reduce capacity at UTMB Galveston. We are urging the Board of Regents to work with stakeholders to find a better solution than reducing services and capacity. UTMB Galveston's commitment to the medically underserved should not be abandoned. The people of Texas deserve a commitment from the Board of Regents to find a viable funding solution that will not limit access to healthcare for current and future patients.

Yes, the damage caused by Hurricane Ike will be costly to repair, but we do not have to look far for an example of how to recover from a natural disaster. The Texas Medical Center in Houston suffered huge losses due to flooding from Tropical Storm Allison in 2001. The institutions responded by examining their infrastructure and architecture, and then invested the resources to make the necessary improvements and changes. We should be looking at ways of making UTMB Galveston better able to withstand strong storms and flooding. We can even borrow ideas from the newest building on campus, the Galveston National Laboratory, which did not suffer any damage.

Rebuilding cannot be done overnight, but there are steps that can be taken now that will improve the long-term efforts to restore services. First, extend the emergency weather leave for staff whose work site has not been reopened yet. Second, facilitate the temporary transfer of UTMB employees to comparable positions in other U. T. institutions and ensure pay and benefits remain comparable. Finally, should any RIFs be necessary, follow UTMB's Handbook of Operating Procedures regarding any reduction in force.

The people of Texas need for UTMB Galveston to be rebuilt and for services to be restored. Hurricane Ike caused some serious problems for Galveston and for the State of Texas, but the obstacles to rebuilding can be overcome. We urge the Regents to make a commitment to restore UTMB Galveston as a premier institution, and start the next chapter in its proud history with the recovery efforts. Thank you.

Chairman Caven thanked Ms. Lugo and asked if there were further questions for her. He called on Regent McHugh who moved that the Board address issues involving UTMB by approving the following statements and actions:

- The Board of Regents and the U. T. System are committed to a successful, financially viable and responsible future for UTMB and the advancement of its education, patient care, and research mission;
- The U. T. System expresses significant gratitude and appreciation to President David Callender, UTMB leadership, and the UTMB community for their exemplary actions and heroics during and after Hurricane Ike. The U. T. System and UTMB also appreciate the support and assistance provided by other U. T. System institutions, the Baylor College of Medicine, The Texas A&M University System, and many other healthcare organizations;
- The Board acknowledges that UTMB is diligently and effectively restoring and continuing the significant educational and research programs of the institution in a financially responsible manner;
- Detailed financial analysis shows that UTMB's current rate of expenditures, including the continuation of wages and benefits for faculty and staff who have not returned to work, exceeds revenues by almost \$40 million per month. UTMB will deplete its financial resources and reserves in approximately three months, leaving the institution in the untenable position of having no funds to continue to operate;
- The U. T. System does not have resources available to cover the ongoing operating expenses and needs of UTMB; and
- The U. T. System Board of Regents cannot use Permanent University Funds, Available University Funds, or monies to be provided by the Federal Emergency Management Agency (FEMA) to fund operating expenses, or the payment of wages and benefits at UTMB.
- Therefore, as fiduciaries of UTMB and stewards of its future, with the desire to best ensure its long-term viability for its employees and the community, and in the absence of immediately available operating funds from state and local sources or philanthropy, the Board finds that a financial exigency exists at UTMB and instructs the U. T. System to work with President Callender to implement a reduction in force of approximately 3,800 full-time equivalent positions, including personnel actions discussed in Executive Session.
- The Board further directs that steps be taken to mitigate the impact of the reduction in force on affected faculty and staff, including priority hiring of qualified employees for available positions at other U. T.

System institutions, assistance in placement of employees with other healthcare institutions and employers, and exploration of opportunities for retirement incentive packages.

The motion was seconded by Vice Chairman Huffines.

Vice Chairman Rowling commented that this might be viewed as “shooting the wounded” and he said that is not the Board’s intent. He pointed out the UTMB model was not working before the hurricane and drastic changes to operations were inevitable to scale down the size of the hospital to fit the population. He remarked that the population was insufficient to support the 500-bed hospital, which lost almost \$60 million last fiscal year. Vice Chairman Rowling said the Board has had hours of discussion on what to do and it is not an easy decision. He said the Board has been diligent in trying to do the right thing.

Vice Chairman Huffines also commented that he had struggled with this decision and he reiterated Vice Chairman Rowling’s remark that the financial resources are limited, with approximately three months of reserves remaining. He said the Board had to act in a fiduciary capacity.

Regent Longoria emphasized that expenditures at UTMB exceed revenues by \$40 million a month and there is no available pot of money from which that can be funded.

Saying that Chancellor ad interim Shine has been humane in his presentation to the Board about the situation at UTMB, Regent Longoria asked Chancellor ad interim Shine what are the general opportunities for employees who are affected by this reduction in force. Dr. Shine responded that the majority of the individuals who would be affected by this reduction in force work in the hospital or in jobs closely related to the hospital. He noted that the number of faculty who would be affected is relatively small and they would remain until the end of the academic year. Dr. Shine said that in a recession, hospitals tend to be affected but on the other hand, the healthcare industry tends to be maintained. He remarked on the high quality staff at UTMB and said some staff has received inquiries about employment opportunities, some have accepted positions elsewhere, and he hopes for increasing job opportunities. He said 30% of the individuals who would be affected live on Galveston Island and 70% live on the mainland and would have been less affected by the hurricane.

Dr. Shine then commented on Ms. Lugo’s remarks, saying he is concerned about issues of mitigation. He said lessons learned from Tropical Storm Allison in 2001 will be implemented and negotiations are taking place with FEMA to find ways to mitigate further damage to buildings. Regent McHugh reemphasized the Regents’ steadfast commitment to a vibrant future for UTMB, saying the medical school will continue to operate and to thrive. She remarked that graduate students score very high on exams and she

spoke about the prominence of the UTMB research enterprise, noting the Galveston National Laboratory and work on infectious diseases. She wanted to be sure to explain to the citizens of Galveston that “this school is going nowhere. We are going to keep UTMB on Galveston Island.” Regent McHugh then called on Chancellor ad interim Shine for comments.

Dr. Shine remarked the campus had \$160 million in sponsored research last year and that has supported faculty and staff and has a multiplier effect that Ms. Lugo referred to in terms of additional outreach. He said the national laboratories and the infectious disease activities have produced remarkable work on new drugs and vaccines that will have economic significance in terms of technology transfer. He said the students in medicine at the institution on average score below the national average on entrance exams but they are among the most diverse ethnically and socioeconomically in the state and score above the national average on exams before they receive a medical license. Dr. Shine reiterated Ms. Lugo’s comment that the trauma center is considered one of the best in the world and he hopes the trauma center can be reopened but it cannot be reopened until the blood bank and intensive care patient beds are restored.

From an economic point of view, Chancellor ad interim Shine emphasized that a substantial number of hospitals in the state not owned by the U. T. System that provide indigent care receive support from the hospital district. He said Galveston County, from whence many of the uncompensated patients come, does not have such a hospital district. But, he noted he has heard from news articles that the community leaders are looking at establishing such a hospital district and that could help UTMB as it rebuilds to provide more services and a larger operation. He said this will take time and UTMB will soon run out of cash and he said he will not allow the institution to go bankrupt. He reiterated he wants to maintain research, education, and a certain level of patient care services. He stated the Regents have no choice but to make the painful decisions.

Regent Dower pointed out that U. T. System resources have restrictions on utilization. Dr. Shine responded to Student Regent Dower that he is proud that students at UTMB have been one of the leading proponents of restricting marketing of pharmaceuticals in a medical school.

Regent Dannenbaum commented that the role and mission of UTMB in providing charity care is not limited to Galveston County and he noted other counties in Texas send uncompensated care patients to UTMB and he encouraged those interested in the viable future of UTMB to be involved in ways to mitigate the uncompensated costs.

The motion carried by acclamation. (See Item 2 on Page 13 regarding Chancellor ad interim Shine’s report on the impact of Hurricane Ike on U. T. System institutions.)

- 1d. U. T. System Board of Regents: Discussion of personnel matters relating to Chancellor search

No action was taken on this item.

- 2a. U. T. System Board of Regents: Discussion with Counsel regarding legal matters or pending and/or contemplated litigation or settlement offers

No action was taken on this item.

- 2b. U. T. Austin: Report on settlement of an intellectual property lawsuit styled Board of Regents, The University of Texas System, on behalf of The University of Texas at Austin, and Hydro-Québec v. Nippon Telegraph and Telephone Corporation

No action was taken on this item.

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

See Item 1c above.

3. U. T. Medical Branch – Galveston: Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property

No action was taken on this item.

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

No action was taken on this item.

RECESS.--At 1:55 p.m., Chairman Caven announced the Board would recess for committee meetings for the remainder of the afternoon and on the morning of November 13.

THURSDAY, NOVEMBER 13, 2008.--The members of the Board of Regents of The University of Texas System reconvened at 10:40 a.m. on Thursday, November 13, 2008, in the Tomás Rivera Conference Center, Union Building East, The University of Texas at El Paso, 500 West University Avenue, El Paso, Texas, with the following participation:

ATTENDANCE.--

Present

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

Chairman Caven announced a quorum present and called the meeting to order.

WELCOME TO DANIEL K. PODOLSKY, M.D., PRESIDENT OF THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS.--Chairman Caven welcomed Daniel K. Podolsky, M.D., President of The University of Texas Southwestern Medical Center at Dallas, to his first Board meeting.

WELCOME TO MR. LAWRENCE PLUTKO, SYSTEMWIDE COMPLIANCE OFFICER.--Chairman Caven also welcomed Mr. Lawrence Plutko, Systemwide Compliance Officer, to his first Board meeting.

U. T. SYSTEM BOARD OF REGENTS: APPROVAL OF MINUTES.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on August 13-14, 2008, in Austin, Texas, were approved as prepared by the Assistant Secretary to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LV, Pages 743 - 1058.

The Minutes of the special meetings of the Board of Regents of the U. T. System held on October 8, 2008, October 27, 2008, and November 6, 2008, in Austin, Texas, were also approved as prepared by the Assistant Secretary to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LVI, Pages 1 - 8.

AGENDA ITEMS

1. U. T. El Paso: Overview of the institution

President Natalicio provided an overview of the transformative activities at The University of Texas at El Paso in recent years and Chairman Caven congratulated President Natalicio on her 20th year as President of U. T. El Paso.

2. U. T. System: Chancellor's quarterly update -- Impact of Hurricane Ike on U. T. System institutions

Chancellor ad interim Shine reported on the impact of Hurricane Ike on University of Texas System institutions. He said damages were mitigated because of previous experience and he commended partner organizations in Austin, Texas, and elsewhere who received patients, students, and residents. He spoke specifically about the operational hazards experienced at The University of Texas Medical Branch at Galveston immediately following the hurricane and about the excellent staff response. He said that in the face of a major catastrophe, the performance of the staff and faculty was admirable.

(See Item 1c on Page 5 and Item 2c on Page 11 regarding Dr. Shine's report to the Board prior to action regarding U. T. Medical Branch – Galveston.)

3. U. T. System: Approval to establish Transformational Programs in Undergraduate Education

The Board approved

- a. investment of \$500,000 of Available University Funds (AUF) to support competitive proposals on innovations in undergraduate education at The University of Texas at Austin; and
- b. investment of \$2 million of Intermediate Term Funds (ITF) to support competitive proposals on innovations in undergraduate education at The University of Texas at Arlington, The University of Texas at Brownsville, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas – Pan American, The University of Texas of the Permian Basin, The University of Texas at San Antonio, and The University of Texas at Tyler.

This competitive grant program, to be titled Transformational Programs in Undergraduate Education and described on Pages 15 - 17, will fund transformational changes in undergraduate education, targeting significant

areas of teaching and learning, including uses of technology, reorganization of curriculum, interdisciplinary learning, new pedagogical approaches, learning materials, and new learning spaces. Specifically, proposals could address any of the following topics:

Pedagogy - strategies that will promote proven pedagogical techniques that result in the most effective student learning (e.g., increase success rates, course completion rates, greater retention rates, and increased responsiveness to diverse learning styles).

Learning Materials - strategies to stimulate development of high-quality learning tools that address new learning styles (e.g., virtual laboratories for science courses, and serious gaming activities that engage undergraduates within and outside the classroom).

Technologies - strategies that will stimulate new technological applications, reduce instructional costs, and increase student learning and successes. For example, the studio teaching model has been adopted by several prominent institutions.

Learning Spaces - strategies that will explore redesign of campus facilities and alternatives to reduce costs in building new facilities. Web-based classrooms, chat rooms, and virtual laboratories are examples of new learning spaces.

The program will be led by the Office of Academic Affairs and the results may be shared across the academic institutions.

Transforming Undergraduate Education

A Proposal

Rationale

Currently there are three significant issues affecting higher education in the state and across the nation. (1) Increasing access and student success; (2) reducing costs while maintaining quality; and (3) a new generation of students that have been raised using multiple technologies simultaneously.

Increased access and student success, and control or reduction of rising costs, continue to challenge our institutions of higher education. These issues are interrelated. As tuition costs continue to rise, access for some students is diminished.

Contributing to the complexity of higher education is a new generation of students who have a different set of skills, expectations, and technology experiences.

The baby boomer generation received their education at a time when technology was at a certain level. There was media in the schools (filmstrips, record players, card catalogues, typewriters, and phones with rotary dials, and gasoline cost 35 cents per gallon!).

The new generation known as “millenniums” are students born in the late 1980’s to the present. These students grew up using Google™ and have been using a mouse and looking at a computer screen since they were three years old. These students are intense multitaskers, they are visual learners, and use the internet archive to check historical facts instead of checking out a book.

The solutions to these issues are also interrelated. Improving quality education, increasing access and success and educating a new generation of students demand new approaches to higher education. The UT System must find ways to resolve the familiar trade-off between quality and cost. We need to improve student learning and increase access to many more undergraduate students, at the same time, we need to be as cost-efficient as possible.

This calls for a significant effort and innovation in undergraduate education. We need new paradigms for undergraduate education as a complement to the lecture format. Therefore, this initiative on transforming undergraduate education is being submitted for approval by the UT System Board of Regents. An allocation of \$2 million from Intermediate Term Fund (ITF) and \$500,000 from Available University Fund (AUF) is requested to begin funding innovative proposals on a competitive basis for a limited time. A central aspect to these initiatives will be the development of methodology to evaluate their effectiveness, principally by measurements of student success.

Program Strategy

The purpose of the “Transforming Undergraduate Education” program (TUE) is to stimulate creative approaches to instruction that increase student access and success while being cost-efficient or reducing instructional costs. As we pursue this mission, UT System will hope to widen the projects to all academic institutions committed to transforming undergraduate education.

Goals and Objectives

- To inspire, by promulgating a vision for transforming undergraduate education that leads to greater student success.
- To enable, by creating constructive ways for collaboration among those with common interests in improving student success while reducing instructional costs.
- To leverage a significant return on this investment in instructional innovations.
- To inform, by showcasing innovative projects that transform undergraduate education.
- To influence, by advocating constructive ways to address student achievement and affordability strategically.
- To evaluate, by measuring some meaningful evidence for student success and performance of the instructional model.

Areas of Work

- Pedagogy
- Learning materials
- Technologies
- Learning space

Pedagogy – strategies that will promote proven pedagogical techniques that result in the most effective student learning (e.g., increase success rates, course completion rates, greater retention rates, increased responsiveness to diverse learning styles).

Learning Materials – strategies to stimulate development of high quality learning tools that address new learning styles (e.g., virtual laboratories for science courses, serious gaming activities that engage undergraduates within and outside the classroom).

Technologies – strategies that will stimulate new technological applications, reduce instructional costs, and increase student learning and successes. For example, the studio teaching model has been adopted by several prominent institutions.

Learning Spaces – strategies that will explore redesign of campus facilities and alternatives to reduce costs in building new facilities. The use of web-based classrooms, chat rooms, and virtual laboratories are examples of new learning spaces.

Any other transformational activities leading to substantial changes in instructional practices that are replicable and scalable that will help institutions learn from the successes of those who have done it. An example of innovation includes large lecture halls/theatres such as those at the University of Kansas.

Criteria

- Be an innovative and transformative new program, not simply a confirmation of an existing program
- Not duplicative of programs existing at the applicant campus or other UT campuses
- Have the potential for wide adaptability throughout the UT System
- Be based on sound educational and evaluation principles
- The principal investigator (P.I.) should be a full time or part time faculty member at a UT System academic institution
- Inter-campus and intra-campus collaboration, including health-related institutions.

Specifics

1. Expect to award grants of \$100,000 - \$250,000
2. Deliverables
 - a) Yearly work in progress
 - b) Annual documented outcomes
 - c) Spring investigators meeting with Executive Vice Chancellor
 - d) Detailed evaluation at end of project
3. Institutional support for the time paid for by the grant
4. Salary and proportional fringe benefits included but no other indirect costs
5. P.I.'s may be full time or part time faculty at UT System academic institutions
6. Appropriate letters supporting implementation of the innovation as described in the proposal
7. P.I.'s time must be included in budget
8. Institutional match if available

Process

Pre-proposal letter of intent should be submitted electronically in PDF format and must include:

- A. Background with statement of need and significance
- B. Project description
- C. Methodology = objectives
- D. Outcome measures
- E. Estimated total budget – no detail
- F. Up to 5 pages

Time Line

January 15, 2009	Request for Letters of Intent
April 15, 2009	Letter of intent due
May 15, 2009	Invitations for full proposals
August 15, 2009	Full proposals due
September 15, 2009	Awards announced

4. U. T. System: Approval of program details for the Regents' Outstanding Teachers Awards and the Center for Technology Commercialization

With a modification requested by Chairman Caven that excellent teaching be rewarded at the time it is recognized, without regard to whether a tenure-track individual has been awarded tenure, the Board approved the program implementation details for the previously approved Regents' Outstanding Teachers Awards and the Center for Technology Commercialization at The University of Texas System institutions as set forth on Pages 20 - 31.

On August 14, 2008, the Board modified the operating budget to add \$15 million as follows:

- a. \$1 million each year for five years to benefit The University of Texas at Austin through the establishment of a teaching excellence incentive compensation program;
- b. \$1 million each year for five years to benefit The University of Texas at Arlington, The University of Texas at Brownsville, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas – Pan American, The University of Texas of the Permian Basin, The University of Texas at San Antonio, and The University of Texas at Tyler through the establishment of teaching excellence incentive compensation programs; and
- c. \$1 million each year for five years to support technology transfer and commercialization at U. T. Austin.

The Board's action on August 14, 2008, also provided that Executive Vice Chancellor Prior and the Office of Academic Affairs would work on program implementation details of the new teaching excellence and commercialization incentives and present the proposals for Board approval at the November 2008 meeting.

Awards Program

The Awards Program will recognize tenured, tenure-track, and other instructional faculty for outstanding teaching, personal commitment to students and the learning process, and the ability to inspire and motivate students in the classroom.

The Awards Program will provide a framework that fosters excellence in teaching at all levels, rewards outstanding teachers, stimulates innovation in education, and promotes continuous quality improvement in education. This program will require a demonstration of sustained excellence in teaching, instructional development and curricular design, and advising and mentoring.

In summary, the Awards Program will recognize those faculty members who deliver the highest quality of undergraduate instruction in the classroom, the laboratory, the field, or online.

Center for Technology Commercialization

The implementation details and organizational structure for the Center for Technology Commercialization at U. T. Austin builds on the expressed intention of the Board to recognize the importance of accelerating university discoveries into commercial products, increasing the number of start-up companies, and decreasing the time from an idea generation to final stage commercialization.

In summary, the Center will be created to bring together the distinct and complementary capabilities and resources of the Office of Technology Commercialization (OTC) and the Austin Technology Incubator (ATI). The Center will accelerate commercialization and new venture activities by providing dedicated specialists to structure start-up ventures, negotiate licenses, and increase other transactions relating to University inventions.

Regents' Outstanding Teachers Awards

The University of Texas at Austin

- The Regents of The University of Texas System place the highest priority on undergraduate teaching at System universities. They wish to encourage teaching excellence by recognizing those faculty who deliver the highest quality of undergraduate instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with undergraduate teaching in the classroom, in the laboratory, in the field, or online.
- The Regents introduced the Regents' Outstanding Teachers Awards program for the nine academic institutions that will be a symbol of the importance they place on the provision of teaching and learning of the highest order, in recognition of those who serve our students in an exemplary manner and as an incentive for others who aspire to such service. These teaching awards will complement existing ways in which faculty excellence is recognized and incentivized.
- The Regents have allocated \$1 million per annum for five years, beginning FY09, for these teaching awards to be available to faculty at UT Austin. The awards will involve one-time payments to individual faculty ranging from 20 awards of \$30,000 for tenured faculty, 9 awards of \$25,000 for tenure-track faculty upon receiving tenure, and 9 awards of \$15,000 for contingent faculty (including adjuncts, lecturers, and instructional assistants). It is intended that no fewer than 30 total awards will be made each year.
- The process of selecting candidates will be a rigorous campus-based process, relying heavily on student and peer faculty evaluations within academic departments and progress through various stages of evaluation up through the university, resulting in a recommendation from the campus president. It is intended that no more than 76 candidates be recommended each year. The Office of Academic Affairs (OAA) will administer the program on behalf of the UT System Board of Regents. All recommendations shall be directed to the Executive Vice Chancellor for Academic Affairs and submitted by the last Friday in March of each year. OAA staff will review all recommendations and will forward those candidates meeting the criteria specified below to the selection committee for consideration.
- The composition of the selection committee will be as follows:
 - Chair – a Regent, Chair of the Academic Affairs Committee
 - UT System Executive Vice Chancellor for Academic Affairs
 - The President or representative of the TAMEST (The Academy of Medicine, Engineering, and Science of Texas)
 - The Executive Director or representative of Humanities Texas
 - A student representative from the UT System Student Advisory Council

- A faculty representative from the UT System Faculty Advisory Council
- A senior executive from NASULGC (National Association State Universities and Land Grant Colleges)
- Three distinguished alumni representatives of the different UT System institutions
- An external teaching expert – consultant from the Carnegie Foundation for the Advancement of Teaching (Carnegie Academy for the Scholarship of Teaching and Learning)

An allowance of \$40,000 each year shall be available to secure participation on the committee by the designated outside members.

- The successful candidates must have clearly demonstrated their commitment to teaching, and a sustained capability to deliver excellence to the undergraduate learning experience, through **all** of the following principal criteria:
 - Sustained high performance in student exit (end-of-course) evaluations for more than one undergraduate degree course, at any undergraduate level; evidence to include high evaluation scores and trends, absence of grade inflation patterns, and positive written comments
 - Peer review evaluation of curriculum quality, classroom expertise, and demonstrated focus on learning outcomes and assessment of those outcomes
 - Demonstrated ability to link faculty scholarship with innovative course development, content, and intellectual challenges that together will inspire students' curiosity and creativity, and promote student engagement in the learning process
 - Additional extraordinary commitment to teaching can be demonstrated in a variety of ways including mentor students, service learning, engagement, advising, being available to students, and undergraduate thesis advising

- The successful candidates may also exhibit **some or all** of the following:
 - Sustained quality of teaching from more than one annual evaluation at the departmental level
 - Evidence of continuous improvement and innovation in the preparation of course materials
 - Commitment to high quality undergraduate education from participation in, and experience from, teacher training and/or academic teaching conferences
 - Appropriate use of technology in the classroom (integrated into the curriculum)
 - Evidence of teaching awards already gained at department, college or university levels or elsewhere (professional discipline associations)
 - Evidence of discipline-related interaction with students beyond the classroom, such as sponsorship of student organizations, sponsorship of scholastic fraternities, field experiences, and undergraduate research

- Appropriate documentation of candidate cases for consideration should include:
 - A teaching portfolio prepared by each candidate, with examples of course materials, examples of assessments used to ascertain student attainment of learning outcomes, examples of student engagement in learning (such as active learning strategies, field experiences, service learning, learning communities, and/or undergraduate research), continuous improvement of course materials, student feedback, scholarship links to pedagogy, teacher training experience, and a statement of teaching philosophy, objectives, and commitment
 - Record of student evaluations for a minimum of two years
 - Letter(s) of support from students (limit 3)
 - Letter(s) of support from peer faculty (limit 3)
 - Letter of support from chair of department
 - Letter of support from dean of the college
 - Syllabus of recent favorite course
 - Curriculum vitae

- The evaluation of candidates will occur each April, with awards announced at the May Board of Regents' meeting. Recognition events are left to the discretion of each campus. Regent participation in events should be coordinated through the Board Office.

Regents' Outstanding Teachers Awards

**UT Arlington, UT Brownsville, UT Dallas, UT El Paso, UT Pan American,
UT Permian Basin, UT San Antonio and UT Tyler**

- The Regents of The University of Texas System place the highest priority on undergraduate teaching at System universities. They wish to encourage teaching excellence by recognizing those faculty who deliver the highest quality of undergraduate instruction, demonstrate their commitment to teaching, and have a history and promising future of sustained excellence with undergraduate teaching in the classroom, in the laboratory, in the field, or online.
- The Regents introduced the Regents' Outstanding Teachers Awards for the nine academic institutions that will be a symbol of the importance they place on the provision of teaching and learning of the highest order, in recognition of those who serve our students in an exemplary manner and as an incentive for others who aspire to such service. These teaching awards will complement existing ways in which faculty excellence is recognized and incentivized.
- The Regents have allocated \$1 million per annum for five years, beginning FY 2009, for these teaching awards to be available to faculty at UT Arlington, UT Brownsville, UT Dallas, UT El Paso, UT Pan American, UT Permian Basin, UT San Antonio and UT Tyler. The awards will involve one-time payments to individual faculty ranging from 20 awards of \$30,000 for tenured faculty, 9 awards of \$25,000 for tenure-track faculty upon receiving tenure, and 9 awards of \$15,000 for contingent faculty (including adjuncts, lecturers, and instructional assistants). It is intended that no fewer than 30 total awards will be made each year.
- The process of selecting candidates will be a rigorous campus-based process, relying heavily on student and peer faculty evaluations within academic departments and progress through various stages of evaluation up through the university, resulting in a recommendation from the campus president. Each campus president may nominate no more than the number of faculty in each classification as indicated in Appendix "A" (proportional distribution of faculty per campus in each category). The Office of Academic Affairs (OAA) will administer the program on behalf of the UT System Board of Regents. All recommendations shall be directed to the Executive Vice Chancellor for Academic Affairs and submitted by the last Friday in March of each year. OAA staff will review all recommendations and will forward those candidates meeting the criteria specified below to the selection committee for consideration. Actual awards will be made on the strength of individual faculty, not proportionally by campus.

- The composition of the selection committee will be as follows:
 - Chair – a Regent, Chair of the Academic Affairs Committee
 - UT System Executive Vice Chancellor for Academic Affairs
 - The President or representative of TAMEST (The Academy of Medicine, Engineering and Science of Texas)
 - The Executive Director or representative of Humanities Texas
 - A student representative from the UT System Student Advisory Council
 - A faculty representative from the UT System Faculty Advisory Council
 - A senior executive from NASULGC (National Association State Universities and Land Grant Colleges)
 - Three distinguished alumni representatives of the different UT System institutions
 - An external teaching expert – consultant from the Carnegie Foundation for the Advancement of Teaching (Carnegie Academy for the Scholarship of Teaching and Learning)

An allowance of \$40,000 each year shall be available to secure participation on the committee by the designated outside members.

- The successful candidates must have clearly demonstrated their commitment to teaching, and a sustained capability to deliver excellence to the undergraduate learning experience, through **all** of the following principal criteria:
 - Sustained high performance in student exit (end-of-course) evaluations for more than one undergraduate degree course, at any undergraduate level; evidence to include high evaluation scores and trends, absence of grade inflation patterns, and positive written comments
 - Peer review evaluation of curriculum quality, classroom expertise, and demonstrated focus on learning outcomes and assessment of those outcomes
 - Demonstrated ability to link faculty scholarship with innovative course development, content, and intellectual challenges that together will inspire students' curiosity and creativity, and promote student engagement in the learning process
 - Additional extraordinary commitment to teaching can be demonstrated in a variety of ways including mentor students, service learning, engagement, advising, being available to students, and undergraduate thesis advising
- The successful candidates may also exhibit **some or all** of the following:
 - Sustained quality of teaching from more than one annual evaluation at the departmental level
 - Evidence of continuous improvement and innovation in the preparation of course materials

- Commitment to high quality undergraduate education from participation in, and experience from, teacher training and/or academic teaching conferences
 - Appropriate use of technology in the classroom (integrated into the curriculum)
 - Evidence of teaching awards already gained at department, college or university levels or elsewhere (professional discipline associations)
 - Evidence of discipline-related interaction with students beyond the classroom, such as sponsorship of student organizations, sponsorship of scholastic fraternities, field experiences, and undergraduate research
- Appropriate documentation of candidate cases for consideration should include:
 - A teaching portfolio prepared by each candidate, with examples of course materials, examples of assessments used to ascertain student attainment of learning outcomes, examples of student engagement in learning (such as active learning strategies, field experiences, service learning, learning communities, and/or undergraduate research), continuous improvement of course materials, student feedback, scholarship links to pedagogy, teacher training experience, and a statement of teaching philosophy, objectives, and commitment
 - Record of student evaluations for a minimum of two years
 - Letter(s) of support from students (limit 3)
 - Letter (s) of support from peer faculty (limit 3)
 - Letter of support from chair of department
 - Letter of support from dean of the college
 - Syllabus of recent favorite course
 - Curriculum vitae
- The evaluation of candidates will occur each April, with awards announced at the May Board of Regents' meeting. Recognition events are left to the discretion of each campus. Regent participation in events should be coordinated through the Board Office.

APPENDIX "A"
Proportional Distribution of Faculty Awards by Campus

	Tenured (20 @ \$30,000)			Tenure-Track (9 @ \$25,000)			Contingent (9 @ \$15,000)		
	Total Faculty 1946		Candidates 40	Total Faculty 1145		Candidates 18	Total Faculty 3437		Candidates 18
UTA	393	20%	8	214	19%	3	713	21%	4
UTB	165	8%	3	142	12%	2	424	12%	2
UTD	291	15%	6	105	9%	2	371	11%	2
UTEP	306	16%	6	177	15%	3	614	18%	3
UTPA	255	13%	5	209	18%	3	326	9%	2
UTPB	55	3%	1	37	3%	1	130	4%	1
UTSA	388	20%	8	198	17%	3	637	19%	3
UTT	93	5%	2	63	6%	1	222	6%	1

Center for Technology Commercialization

Executive Summary

This document proposes the establishment of the Center for Technology Commercialization (Center) that will position The University of Texas at Austin at the national forefront of technology commercialization. The Center will report to the Vice President for Research (VPR). Its purpose is to increase the effectiveness and efficiency of transferring University-based and developed technologies to the private sector. The expected outcomes resulting from the proposed Center include:

- Efficient targeting of resources at technology commercialization across a spectrum of development stages;
- Development of strategies aimed at identifying, enhancing, and nurturing promising technologies for successful commercialization;
- Effective targeting of resources to obtain external funding and leadership for university start-up companies;
- Increased awareness among potential technology creators and increased enthusiasm across the university for commercialization;
- Recognition within and outside of the university regarding a unified effort to accelerate commercialization of university technologies;
- Increased number of university start-up companies, commercialized technologies, funding for research, opportunities for students, royalty income for the university, and networking for faculty and research scientists;
- Decreased time from idea generation to final stage commercialization.

The Center will be formed by combining and enhancing the capabilities of two existing units that report to the VPR:

- The Office of Technology Commercialization (OTC), and
- The Austin Technology Incubator (ATI).

As the Center reduces the number of points of contact that faculty and external audiences require to interact with the University, it can also serve a role as both a referral and a collaborator with the university's associated units and/or programs such as the IC2 Institute, the Master in Science and Technology Commercialization (MSTC), Moot Corp and Idea to Product competitions, and other entrepreneurship initiatives and programs.

The execution of this proposal will enable UT Austin to become a national leader in both the commercialization of UT Austin inventions, and a model for commercialization "best practices." Furthermore, it will allow UT Austin to better serve the faculty, the local community, and the State of Texas.

Rationale

Over the last few years, OTC has developed a robust, systematized, and scalable technology transfer capability. More than 30 startups have been created in the last five years and the number of invention disclosures from faculty has increased by fifty percent, with over 140 disclosures expected in FY 2008. At present, OTC is looked upon as a thought leader in university commercialization. Its business practices are emulated (for example, OTC's simple-to-use agreement templates are being replicated and used by other institutions) and it enjoys other recognitions, such as hosting The Association of University Technology Managers' (AUTM) national software licensing symposium this past June.

The ATI was launched by the IC2 Institute in 1989 to provide support to early stage technology companies and to act as a unique teaching resource for the University. By many measures, ATI has been very successful. It has mentored over 200 companies that have successfully raised capital and created jobs and wealth in Central Texas. The core resources of the incubator are its in-house staff, external networks of mentors, executives, and investors, and its student internship program. The potential exists to expand ATI activities to provide its services, expertise, and experience to companies that originate both outside and inside the University. This will afford UT Austin faculty and student inventors a range of services that have not been systematically available to them in the past.

The creation of the Center will bring together the distinct and complementary capabilities and resources of OTC and ATI to bear on the overall commercialization efforts of the University. Further, the Center will operate under a coherent organizational structure and with the resources needed to accomplish its mission. In particular, the Center will provide a clearer path for both faculty and external audiences (such as entrepreneurs, investors, and established industry) to engage with UT Austin regarding commercialization activities.

The Center will provide a systematized, scalable new venture creation and acceleration process that will substantially increase the number and quality of start-ups based on UT Austin inventions, will enable UT Austin to foster long-term relationships with business partners and will better leverage UT Austin's \$500 million in annual research expenditures to bring significant value to society.

Organization & Budget Considerations

Most of the resources necessary for this effort already exist and are budgeted for FY 2009. Consequently, U. T. Austin can create a Center for Technology Commercialization that will rank in the national top tier of university commercialization offices with an incremental investment of \$1 million per year for 5 years (detail shown in table at end of document).

The funding will:

- Give ATI the resources to help faculty inventors and entrepreneurs incubate companies commercializing UT Austin inventions.
- Increase the patent prosecution budget so that:
 - More faculty can have their inventions patented.

- Patents can be prosecuted and held by the University while the inventor conducts further research to demonstrate the commercial viability of the technology.
- Allow the University to expand and reorganize its approach to licensing and new venture licensing.
- Provide resources dedicated to improving communications with faculty and external audiences.

Within the proposed Center, the current technology-licensing group will be expanded and reorganized into two departments or units: “Commercialization & New Venture Creation” and “Commercialization & New Venture Transactions.”

Commercialization & New Venture Creation

This unit will promote faculty inventions and coordinate the contacts with the companies, entrepreneurs, venture capitalists, and other potential investors. A director with deep experience in working with early stage technologies will be appointed to lead the unit. This unit will expand the Entrepreneur-In-Residence Program (EIR) which is currently funded through an allocation from the State of Texas Emerging Technology Fund, in which future CEOs have a formal structure to transition university research to commercial opportunities. These EIRs, along with the commercialization officers, will be at the front lines of locating and initiating start-up and licensing opportunities. These same channels will be open to others in the community who wish to find technologies to commercialize.

Commercialization & New Venture Transactions

This unit will accelerate commercialization and new venture activities by providing dedicated specialists to structure start-up ventures, negotiate licenses and other transactions relating to university inventions, assist with obtaining grant funding for start-up ventures, oversee agreement execution to ensure compliance with relevant policies and procedures, provide guidance and review of pricing and economic terms of start-up and license agreements, and guide the development and evolution of streamlined processes (such as the license templates) to reduce transaction costs and time to closure. This department is intended to increase the flow of licensing and new venture transactions and serve as a control function for new transactions.

Marketing & Communications

In forming the Center, the marketing and communications unit will receive additional resources to support improved communication with faculty and coordination with college/departamental entrepreneurial and commercialization efforts across the university (e.g., IC2 Institute, Moot Corp and Idea to Market competitions, the Master of Science and Technology Commercialization and other entrepreneurship-focused activities on campus). In addition, funds will be used for expediting technology assessments, technology marketing campaigns, and the implementation and standardization of sales processes ensuring efficiencies and economic impact.

Metrics for Success

The \$5 million investment in the Center will promote The University of Texas at Austin to a top three ranking among public universities in technology commercialization as measured by metrics that include start-ups (numbers created, capital raised, jobs created), licenses, and invention disclosures. In addition, the Center will be measured by customer satisfaction surveys for both internal and external customers.

Budget Detail

	FY09	FY10	FY11	FY12	FY13	Total
New ATI Functionality	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Increased Patent Budget	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Commercialization & New Venture Creation*	\$200,000	\$225,000	\$250,000	\$275,000	\$300,000	\$1,250,000
Commercialization & New Venture Transactions	\$160,000	\$250,000	\$275,000	\$300,000	\$330,000	\$1,315,000
Marketing & Communications	\$140,000	\$145,000	\$150,000	\$155,000	\$160,000	\$750,000
Funds from Royalty Account		(\$120,000)	(\$175,000)	(\$230,000)	(\$290,000)	(\$815,000)
Center Supplementary Budget	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000

**\$425,000 from ETF will support EIRs and research grants in FY 2009

5. U. T. System: Preparations for the 81st Legislative Session

Mr. Barry McBee, Vice Chancellor for Governmental Relations, updated the Board on the status of The University of Texas System preparations for the 81st Regular Legislative Session, including a summary of the U. T. System's and institutions' budget requests, proposals that the Legislature may consider affecting higher education, and the major budgetary and substantive issues facing the Legislature.

6. U. T. System Board of Regents: Approval to amend Regents' *Rules and Regulations*, Rule 10501, regarding Delegation to Act on Behalf of the Board, to allow certain agreements needed to facilitate negotiation of contracts with foreign governments

The Board amended the Regents' *Rules and Regulations*, Rule 10501, regarding Delegation to Act on Behalf of the Board, as set forth below to add a provision allowing The University of Texas System Administration and U. T. System institutions to enter into certain agreements needed to facilitate negotiation of contracts with foreign governments, without the need for prior Board approval:

Sec. 3 Contracts or Agreements Requiring Board Approval. The following contracts or agreements, including purchase orders or vouchers, must be approved by the Board.

...

3.2 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except affiliation agreements and cooperative program agreements, material transfer agreements, sponsored research agreements and licenses, or other conveyances of intellectual property owned or controlled by the Board of Regents prepared on an approved standard form or satisfying the requirements set by the Office of the General Counsel, or agreements or contracts necessary to protect the exchange of confidential information or nonbinding letters of intent or memorandums of understanding executed in advance of definitive agreements each as reviewed and approved by the Vice Chancellor and General Counsel.

....

Under Rule 10501, the Board of Regents controls and monitors contracting with foreign governments subject to certain exceptions for matters that do

not raise substantial concern and/or are in the normal course of business. The amendment to Section 3.2 adds language allowing The University of Texas System Administration and U. T. System institutions to enter into nondisclosure agreements and similar mechanisms routinely used to facilitate business transaction discussions in advance of definitive agreements. In each instance, the contemplated facilitating agreement will be subject to review and approval by the Vice Chancellor and General Counsel. Definitive agreements will remain subject to Regental approval other than the express exceptions already listed in Rule 10501.

7. U. T. System Board of Regents: Amendment to Regents' Rules and Regulations, Rule 30202, regarding delegation to amend the Optional Retirement Program

The Board amended the Regents' *Rules and Regulations*, Rule 30202, regarding Employee Benefits, to delegate authority to the Vice Chancellor for Administration to amend the Optional Retirement Program (ORP). Amended Section 1.1 is set forth below:

Sec. 1 Optional Retirement Program. The Board of Regents shall select those companies accepted as vendors to participate in the Optional Retirement Program (ORP), based upon recommendation from the Chancellor. Within a reasonable time period following selection by the Board of Regents, each vendor must execute a contract for products and services. The contract must be acceptable to The University of Texas System and must include the selection criteria contained in the Request for Proposals.

1.1 Delegation of Authority. The Board of Regents delegates to the Chancellor authority to approve the ORP employer contribution rates for all institutions and U. T. System Administration in accordance with rules issued by the Texas Higher Education Coordinating Board. The Board of Regents further delegates to the Vice Chancellor for Administration the authority to sign and amend the ORP plan documents consistent with applicable law and to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate the ORP consistent with the plan documents. The Vice Chancellor for Administration will perform, or cause to be performed, such record keeping functions as necessary to administer and maintain the Program in accordance with Section 403(b) of the *Internal Revenue Code*, consistent with *Texas Government Code* Section 830.001 et seq.

ORP is a State-authorized retirement program for institutions of higher education. Participant account balances include employee contributions pursuant to a salary reduction agreement, employer contributions, and earnings on the contributions. An eligible employee shall make a once-per-lifetime irrevocable election to participate in the ORP in lieu of participation in the Teacher Retirement System (TRS) of Texas.

An eligible employee must be employed on a full-time basis for at least one full semester or four and one-half months or more in an ORP eligible position. ORP eligible positions include faculty members whose duties include teaching and/or research as a principal activity, faculty administrators responsible for teaching and research faculty, professional librarians, executive administrators of U. T. System and its institutions, other key administrators, professionals including physicians, engineers, attorneys, veterinarians, and architects, and athletic coaches.

This delegation of authority will facilitate the required revision of the ORP to meet new Internal Revenue Service (IRS) regulations under Section 403(b) of the *Internal Revenue Code*, which will become effective January 1, 2009. The final regulations will require for the first time a formal written plan document for tax deferred 403(b) plans such as the ORP. Such plans must be signed before the end of 2008.

Since there will now be a formal plan document for the ORP, such plan will need to be revised from time to time to comply with applicable law and to facilitate plan operations. It is for these reasons that similar delegations of authority to the Vice Chancellor for Administration are already in place for all other U. T. Systemwide retirement plans, including the UTSaver Deferred Compensation Plan, the UTSaver Tax-Sheltered Annuity Program, and The University of Texas Governmental Retirement Arrangement (UTGRA).

8. U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 60101, regarding Acceptance and Administration of Gifts

Regents' *Rules and Regulations*, Rule 60101, regarding acceptance and administration of gifts, was amended as set forth on Pages 36 - 39 to streamline the acceptance of gifts that conform to all relevant policies, including the U. T. System Gift Acceptance Procedures, to provide that gifts, which currently require Board of Regents' approval if valued at greater than \$1,000,000, may be accepted by the Chancellor or the president, following approval by the appropriate Executive Vice Chancellor and the Vice Chancellor for External Relations, regardless of the value of the gift. Only gifts that do not conform to all relevant policies would continue to require Board of Regents' approval.

Deletion of Section 6.3 eliminates the mention of a requirement for periodic reports summarizing acceptance and approval by the Office of External Relations of all conforming gifts. These reports were discontinued several years ago and were replaced by an annual presentation to the Board on private giving.

Deletion of the references to quasi-endowments in Section 7 eliminates redundancy, as quasi-endowments are simply one classification of endowments. Minor editorial changes were also made.

1. Title

Acceptance and Administration of Gifts

2. Rule and Regulation

Sec. 1 Authority to Accept Gifts and Develop Acceptance Procedures.

The authority to accept gifts to The University of Texas System or to any of the institutions is vested in the Board of Regents and delegated by the Board as specifically set out in this Rule. Except as provided in this Rule or any other Rule in the Regents' *Rules and Regulations*, or approved institutional policies, no member of the staff of any institution has the authority to accept gifts.

Sec. 2 U. T. System Gift Acceptance Procedures. The Board delegates to the Vice Chancellor for External Relations the authority and responsibility to promulgate a set of guidelines regarding the acceptance, processing, investment, and administration of gifts. These guidelines, known as [The University of Texas System Administration Policy UTS138, Gift Acceptance Procedures](#), shall be adhered to by the U. T. System and the institutions. In promulgating the [U. T. System Gift Acceptance Procedures](#), the delegate shall also consider provisions to:

- 2.1 accomplish the goal of increasing financial support for the U. T. System through the appropriate assistance of donors,
- 2.2 allow staff members to respond to donor initiatives quickly and with certainty,
- 2.3 establish administrative processes to accept and administer gifts in a prudent and efficient manner, with fiduciary responsibilities of fundamental importance,
- 2.4 comply with the Texas Constitution and applicable federal and State law,
- 2.5 comply with the provisions of the [Internal Revenue Code](#) and related regulations,
- 2.6 specifically incorporate provisions related to the acceptance of pledges to fund endowments as follows:
 - (a) at least 20% of the donors' total required minimum funding must be received prior to the acceptance of an endowment, and

(b) the pledge for payment of the remaining funds shall not extend beyond five years from the date of execution of the gift agreement. With the written approval of the Vice Chancellor for External Relations, the pledge period may be longer than five years under rare and special circumstances, and

2.7 provide that, in the interest of financial responsibility and efficiency, it is the specific preference of the Board that all endowment gifts be eligible for commingling for investment purposes with other endowment funds.

Sec. 3 Board Approval of Nonconforming Gifts. Recommendations regarding the acceptance of gifts or other actions that do not conform to all relevant policies, including but not limited to the [U. T. System Gift Acceptance Procedures](#), shall be made through the Vice Chancellor for External Relations to the Board of Regents after review by appropriate offices of the terms of the gifts, the nature of the donated assets, and/or the requested action.

Sec. 4 Gifts of Art

4.1 Outdoor Works of Art. Approval by the Board is also required prior to the acceptance of a gift of an outdoor work of art. Considerations will include appropriateness with regard to the institution's Campus Master Plan and expense related to installation and/or continuing maintenance.

4.2 Gifts of Statuary Depicting Living Persons. No gift of statuary depicting a living person shall be accepted by an institution, unless intended for display in a museum or for addition to the collection of works of art for display in a museum. Authority to accept proposed museum gifts of statuary depicting living persons, intended for display indoors, is delegated to the presidents. Proposed gifts of statuary intended for outdoor display require approval under Section 4.1 above.

Sec. 5 Approval of Conforming Gifts. The Board of Regents delegates to the Chancellor or the president of an institution, following prior review and approval by the appropriate Executive Vice Chancellor and the Vice Chancellor for External Relations, the authority to accept conforming gifts, including pledges, other than gifts of real property, that are not processed or administered by the Office of External Relations, and the authority to take any and all desirable actions relating to the administration and management of gifts

accepted by the Chancellor or the president of the institution, as may be permitted by applicable law, policies, these Regents' *Rules and Regulations*, and the *U. T. System Gift Acceptance Procedures*.

- Sec. 6 Gifts Requiring Approval by Executive Vice Chancellor for Business Affairs. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to accept all conforming gifts of real property of any value that are not processed or administered by the Office of External Relations, and the authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Executive Vice Chancellor for Business Affairs, as may be permitted by applicable law, policies, the *U. T. System Gift Acceptance Procedures*, *The University of Texas System Administration Policy UTS161*, *Environmental Review for Acquisition of Real Property*, and these Regents' *Rules and Regulations*, including *Rule 60103* concerning guidelines for acceptance of gifts of real property. Acceptance of all gifts of real property shall be subject to the Regents' *Rules and Regulations*, *Rule 60103* and *The University of Texas System Administration Policy UTS161*, *Environmental Review for Acquisition of Real Property*.
- Sec. 7 Gifts Requiring Approval by Vice Chancellor for External Relations. The Board of Regents delegates to the Vice Chancellor for External Relations authority to accept all conforming gifts, including pledges, of any value (either in cash or in kind) that are processed or administered by the Office of External Relations. The Board also delegates to the Vice Chancellor for External Relations authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Office of External Relations, including without limitation the modification or termination of trusts and endowments as may be permitted by applicable law, policies, these *Rules and Regulations*, and the *U. T. System Gift Acceptance Procedures*.
- 7.1 Gifts Reviewed. The Office of Development and Gift Planning Services, with assistance from the Real Estate Office, University Lands - West Texas Operations, and the Office of General Counsel as required, shall review all gift assets processed or administered by the Office of External Relations and certain gift assets that the Chancellor or president is authorized to accept. Gift assets requiring review include, but are not limited to, securities, interests in limited partnerships, stock of closely-held corporations, stock

of S corporations, stock options, and warrants. The Office of Development and Gift Planning Services shall also review all bequests, interests in trusts, gifts, and other funds to establish endowments and other planned gifts as defined in the [U. T. System Gift Acceptance Procedures](#).

- 7.2 Gifts to Establish Endowments. Endowments will be established with gifts that have been completed for tax purposes or with a combination of such gifts, pledges, and other funds at a minimum funding level of \$10,000.
- Sec. 8 Internal Revenue Service Forms. The Board of Regents delegates to the Chancellor, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for External Relations, and the president of the institution the authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms [8283](#) and [8282](#), that relate to gifts accepted by each.
- Sec. 9 Gift Benefiting an Individual. Neither the U. T. System nor any of the institutions will administer a gift for the benefit of any designated individual unless the donor is exempt from federal income taxes as defined by the Commissioner of Internal Revenue.
- Sec. 10 Service by Board as Estate Executor/Administrator. The Board of Regents will not serve as executor or administrator of an estate because of the potential for conflicts of interest and the scope of the required duties.
- Sec. 11 Prohibition to Act as Witness to Will. The employees of the U. T. System or any of the institutions should not knowingly act as witnesses to wills in which the U. T. System or an institution is named as a beneficiary so as not to jeopardize the receipt of the bequest.
- Sec. 12 Service by Employee as Executor/Administrator of Estate or Trustee of Trust. Employees of the U. T. System or any of the institutions who agree to serve as trustee of a trust, or executor or administrator of an estate benefiting the U. T. System or any of the institutions are immediately to notify the Office of Development and Gift Planning Services of their appointment. Upon notification, the employee will be furnished with a statement advising of the potential for conflicts of interest and directing that all communications pertaining to the trust or estate between the employee and any office of the U. T. System or the institutions shall be in writing.

9. U. T. System Board of Regents: Approval of amendments to the Master Investment Management Services Agreement with The University of Texas Investment Management Company (UTIMCO)

Upon recommendation of The University of Texas Investment Management Company (UTIMCO) Board of Directors, the Board approved amendments to Section 3, Description of Investment Management Services, of the Master Investment Management Services Agreement (IMSA) as set forth below. Regent Longoria said she is satisfied with the work UTIMCO has done to conform policies to her request for a log of certain transactions made at the August 14, 2008 Board meeting.

Section 3. Description of Investment Management Services.

...

(h) Other Services:

...

- (x) maintaining a log of (1) all agreements or transactions between UTIMCO or a "UTIMCO entity" and a "Director entity" or an "Employee entity," and (2) all investments in the private investments of a business entity in which a "Director" or "Employee" then owns a private investment, or is then co-investing, in the same business entity, provided that all quoted terms above shall have the meanings assigned to them in UTIMCO's Code of Ethics, which annually shall be reviewed by the UTIMCO Board of Directors and reported to the U. T. Board;
- (xi) reporting to the U. T. Board annually on compliance with the UTIMCO Code of Ethics and any recommended changes to the UTIMCO Code of Ethics following review by the UTIMCO Board of Directors; and
- (xii) any other services necessary to provide investment management of the Funds.

These amendments to the IMSA between the U. T. Board and UTIMCO incorporate compliance requirements associated with the revised UTIMCO Code of Ethics, approved at the August 14, 2008, meeting of the U. T. Board. The action approving the amended Code was conditioned upon requirements that UTIMCO maintain a log of certain transactions, assure that the log is reviewed annually by the UTIMCO Board of Directors, and report the covered transactions annually to the U. T. Board. UTIMCO is also required to report annually to the U. T. Board on compliance with the Code of Ethics and suggest recommended Code changes, if any, following review by the UTIMCO Board.

These revisions to the IMSA and the precise wording of the Code of Ethics (as approved on August 14, 2008) have been the subject of careful review and consultation between U. T. System and UTIMCO staff members to assure that the compliance requirements are consistent with the intent of the approval motion and are clear and enforceable. The IMSA revisions were approved by the UTIMCO Board of Directors on November 7, 2008. (The IMSA was previously approved on February 7, 2008. The [revised IMSA](#) is on file in the Office of the Board of Regents.)

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 11:40 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Caven announced the Board would reconvene to approve the report and recommendations of the committees.

The meetings of the Standing Committees were conducted in open session, and the reports and recommendations thereof are set forth on Pages 42 - 83.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Page 42).--Committee Chairman Foster reported the Audit, Compliance, and Management Review Committee met in open session to consider a matter on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Management Review Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Approval of the U. T. Systemwide Internal Audit Plan for Fiscal Year 2009

As approved by the Committee at a Special Called Meeting on October 8, 2008, the Board approved The University of Texas Systemwide Internal Audit Plan for Fiscal Year 2009 except for The University of Texas Medical Branch at Galveston audit plan that is delayed due to the impact of Hurricane Ike. The U. T. Medical Branch – Galveston audit plan will be amended and presented to the Committee at a later date.

Development of the Systemwide Audit Plan was based on risk assessments performed at each institution and implementation of the Plan will be coordinated with the institutional auditors.

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

This item was considered only by the Committee (see Committee Minutes).

3. U. T. System: Report on the Fiscal Year 2008 Consolidated Annual Financial Report audit

This item was considered only by the Committee (see Committee Minutes).

4. U. T. System: Report on the Systemwide internal audit activities and Internal Audit Department report for U. T. Health Science Center – Tyler

This item was considered only by the Committee (see Committee Minutes).

5. U. T. System: Report on the Systemwide Compliance Program, including introduction of Mr. Lawrence Plutko, Systemwide Compliance Officer

This item was considered only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 43 - 64).--Committee Chairman Rowling reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Approval of Docket No. 136

The Board approved *Docket No. 136* in the form distributed by the General Counsel to the Board of Regents. It is attached following Page 85 in the official copy of the *Minutes* and is made a part of the record of this meeting.

It was expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective University of Texas System institution involved.

To avoid any appearance of a possible conflict of interest,

- Vice Chairman Huffines abstained from vote on the easement and operating agreement between The University of Texas at Arlington and DFW Midstream, a wholly-owned subsidiary of Energy Future Holdings, and on the license agreement between U. T. Arlington and Oncor Electric Delivery Company, both on Page Docket - 5 and both because of board service.
- Regent Barnhill abstained from vote on the U. T. System contract with Sun Travel/American Express on Page Docket - 1 and on the gift from the Michael and Susan Dell Foundation to The University of Texas at Austin on Page Docket - 13 because of stockholdings.

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

This item was considered only by the Committee (see Committee Minutes).

3. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the fiscal year and quarter ended August 31, 2008

The University of Texas Investment Management Company (UTIMCO) Performance Summary Report as of August 31, 2008 is attached on Page 45.

The Investment Reports for the fiscal year and quarter ended August 31, 2008, are set forth on Pages 46 - 49.

Item I on Page 46 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was negative 3.34% versus its composite benchmark return of negative 5.20%. The PUF's net asset value decreased by \$383 million since the beginning of the fiscal year to \$11,359 million. This change in net asset value includes increases due to contributions from PUF Land receipts and decreases in net investment and by the annual distribution of \$449 million.

Item II on Page 47 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was negative 3.09% versus its composite benchmark return of negative 5.20%. The GEF's net asset value decreased during the fiscal year to \$6,310 million.

Item III on Page 48 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the fiscal year was negative .71% versus its composite benchmark return of negative 4.15%. The net asset value has increased to \$3,875 million due to contributions, net of distributions of \$119 million.

For all funds, all exposures were within their asset class ranges, generally very close to target, and liquidity was within policy.

Item IV on Page 49 presents book and market value of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, decreased by \$242 million to \$1,560 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$25 million versus \$26 million at the beginning of the period; equities: \$72 million versus \$68 million at the beginning of the period; and other investments: \$4 million versus \$15 million at the beginning of the period.

UTIMCO Performance Summary

August 31, 2008

	Net Asset Value 8/31/2008 (in Millions)	Periods Ended August 31, 2008 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
		1 Mo	3 Mos	Calendar	Fiscal	1 Yr	3 Yrs	5 Yrs	10 Yrs
ENDOWMENT FUNDS									
Permanent University Fund	\$ 11,359	(2.14)	(7.63)	(6.79)	(3.34)	(3.34)	7.41	11.05	8.20
General Endowment Fund		(2.16)	(7.62)	(6.68)	(3.09)	(3.09)	7.66	11.22	N/A
Permanent Health Fund	1,026	(2.09)	(7.60)	(6.70)	(3.14)	(3.14)	7.58	11.11	N/A
Long Term Fund	5,285	(2.09)	(7.60)	(6.70)	(3.13)	(3.13)	7.59	11.11	9.07
Separately Invested Funds	173	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	17,843								
OPERATING FUNDS									
Short Term Fund	1,489	0.23	0.68	2.21	3.97	3.97	4.65	3.49	3.79
Intermediate Term Fund	3,875	(1.79)	(6.52)	(4.68)	(0.71)	(0.71)	N/A	N/A	N/A
Total Operating Funds	5,364								
Total Investments	\$ 23,207								
VALUE ADDED									
Permanent University Fund		0.24	0.57	1.55	1.86	1.86	0.87	1.55	0.62
General Endowment Fund		0.22	0.58	1.66	2.11	2.11	1.12	1.72	N/A
Short Term Fund		0.08	0.17	0.68	0.98	0.98	0.45	0.27	0.22
Intermediate Term Fund		0.35	0.35	2.15	3.44	3.44	N/A	N/A	N/A
VALUE ADDED (\$ IN MILLIONS)									
Permanent University Fund		28	69	188	218	218	273	798	N/A
General Endowment Fund		14	40	113	139	139	197	475	N/A
Intermediate Term Fund		14	15	87	131	131	N/A	N/A	N/A

Footnotes available upon request.

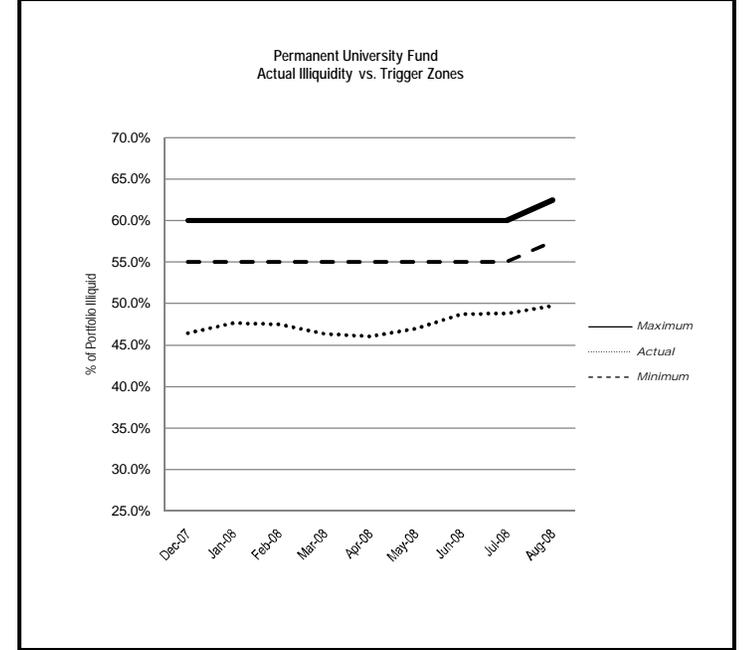
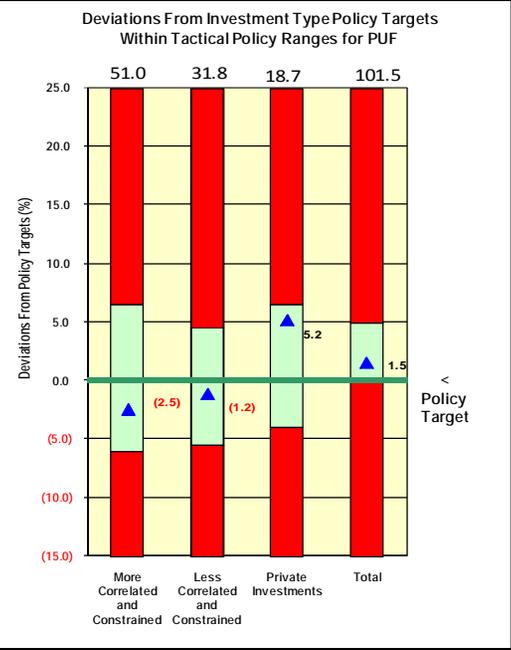
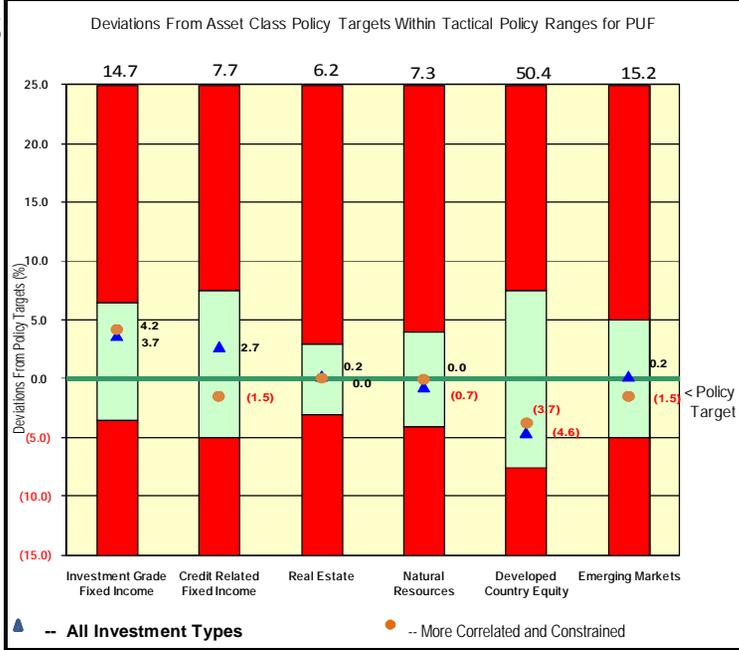
I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended August 31, 2008

Prepared in accordance with *Texas Education Code Sec. 51.0032*

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2007	Quarter Ended August 31, 2008	Fiscal Year Ended August 31, 2008
Beginning Net Assets	\$ 10,313.4	\$ 12,246.0	\$ 11,742.8
PUF Lands Receipts	272.8	155.8	457.7
Investment Return	1,639.8	(923.1)	(339.5)
Expenses	(82.5)	(7.0)	(52.6)
Distributions to AUF	(400.7)	(112.2)	(448.9)
Ending Net Assets	<u>\$ 11,742.8</u>	<u>\$ 11,359.5</u>	<u>\$ 11,359.5</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	5.03%	5.11%	-0.01%	-0.07%	-0.08%
Credit-Related	N/A	-0.46%	-0.10%	0.01%	-0.09%
Real Estate	-17.93%	-22.08%	-0.01%	0.25%	0.24%
Natural Resources	23.86%	20.14%	0.60%	0.18%	0.78%
Developed Country	-14.98%	-13.27%	0.18%	-0.56%	-0.38%
Emerging Markets	-9.71%	-10.09%	0.16%	-0.04%	0.12%
Total More Correlated and Constrained	-7.57%	-8.54%	0.82%	-0.23%	0.59%
Less Correlated and Constrained					
	1.47%	-5.86%	-0.21%	2.15%	1.94%
Private Investments					
	2.30%	9.23%	0.08%	-0.75%	-0.67%
Total	-3.34%	-5.20%	0.69%	1.17%	1.86%

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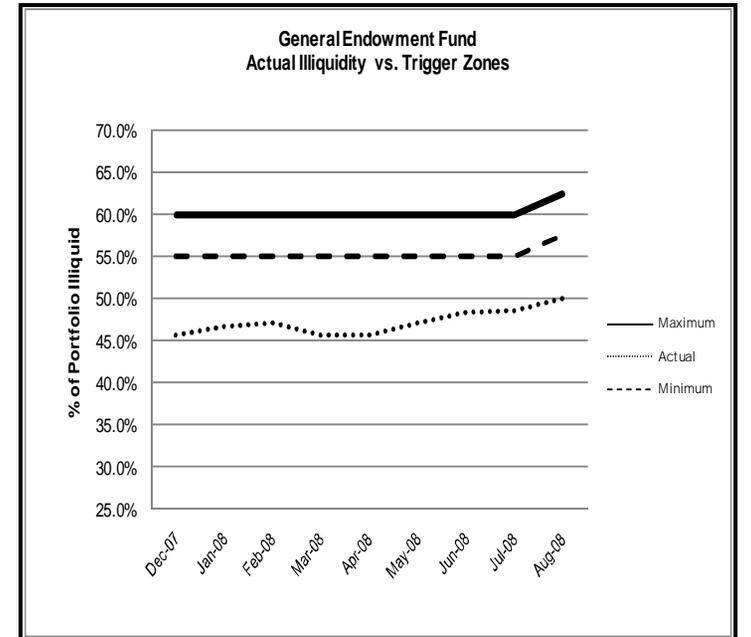
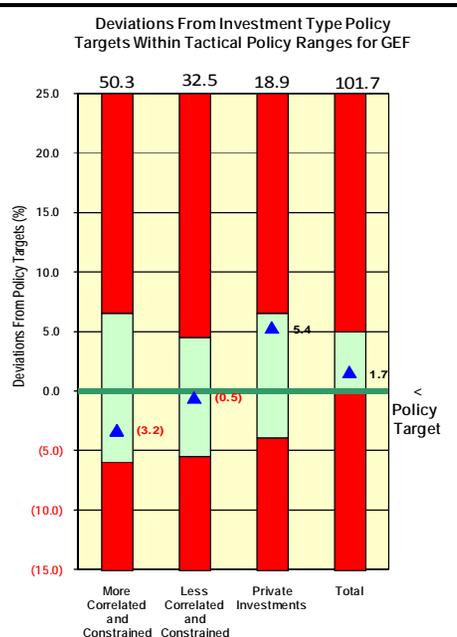
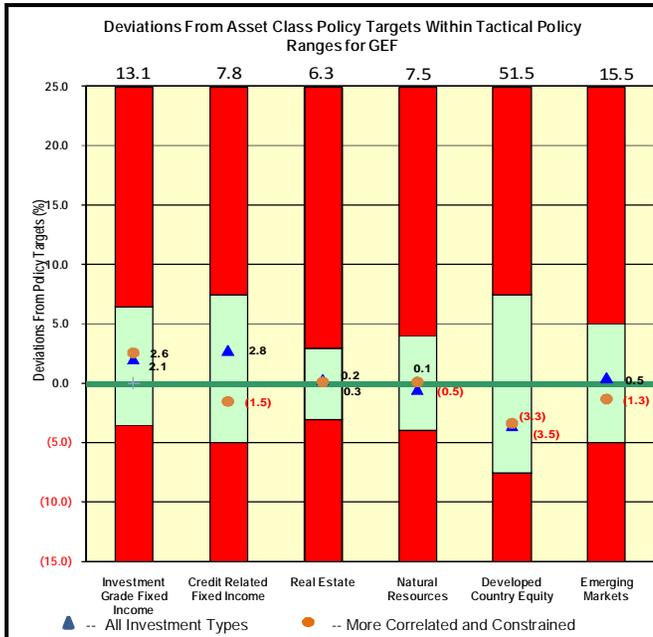


II. GENERAL ENDOWMENT FUND Investment Reports for Periods Ended August 31, 2008

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2007	Quarter Ended August 31, 2008	Fiscal Year Ended August 31, 2008
Beginning Net Assets	\$ 5,427.8	\$ 6,830.9	\$ 6,433.1
Contributions	360.7	73.0	358.6
Withdrawals	(6.2)	(4.5)	(20.2)
Distributions	(239.6)	(66.0)	(259.0)
Investment Return	928.5	(521.3)	(180.8)
Expenses	(38.1)	(1.7)	(21.3)
Ending Net Assets	<u>\$ 6,433.1</u>	<u>\$ 6,310.4</u>	<u>\$ 6,310.4</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	5.29%	5.11%	0.00%	-0.05%	-0.05%
Credit-Related	N/A	-0.46%	-0.10%	0.01%	-0.09%
Real Estate	-17.80%	-22.08%	0.01%	0.28%	0.29%
Natural Resources	23.22%	20.14%	0.56%	0.14%	0.70%
Developed Country	-14.78%	-13.27%	0.18%	-0.49%	-0.31%
Emerging Markets	-9.81%	-10.09%	0.15%	-0.06%	0.09%
Total More Correlated and Constrained	-7.47%	-8.54%	0.80%	-0.17%	0.63%
Less Correlated and Constrained	1.48%	-5.86%	-0.19%	2.12%	1.93%
Private Investments	3.68%	9.23%	0.09%	-0.54%	-0.45%
Total	-3.09%	-5.20%	0.70%	1.41%	2.11%

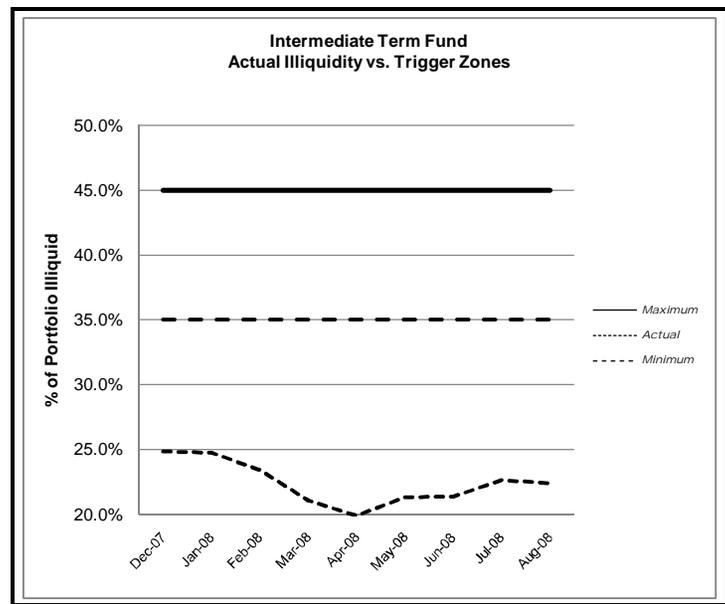
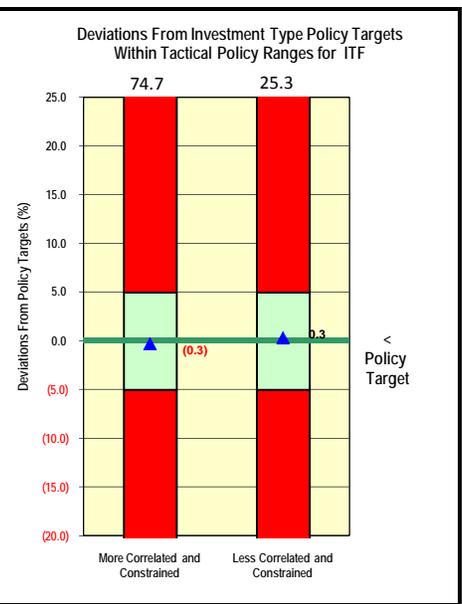
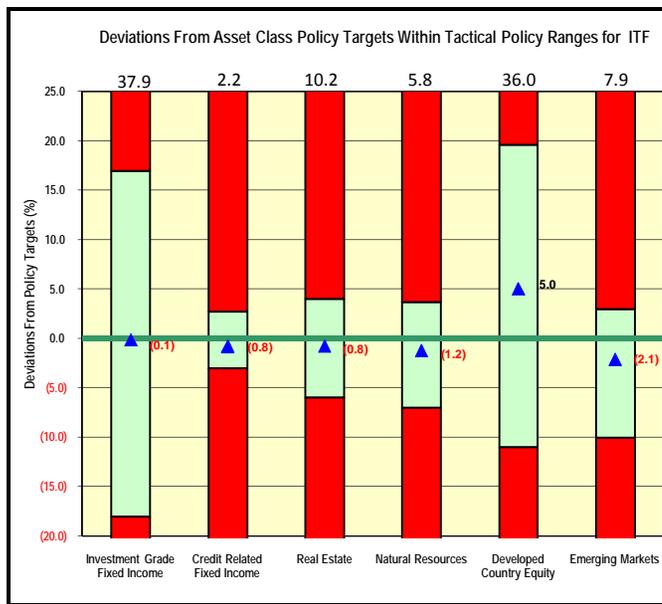


III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended August 31, 2008

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2007	Quarter Ended August 31, 2008	Fiscal Year Ended August 31, 2008
Beginning Net Assets	\$ 3,048.8	\$ 4,129.5	\$ 3,720.6
Contributions	664.6	189.8	1,639.1
Withdrawals	(228.6)	(145.4)	(1,335.3)
Distributions	(104.0)	(30.3)	(118.6)
Investment Return	377.4	(266.5)	(7.5)
Expenses	(37.6)	(2.3)	(23.5)
Ending Net Assets	<u>\$ 3,720.6</u>	<u>\$ 3,874.8</u>	<u>\$ 3,874.8</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	6.14%	4.83%	0.05%	0.39%	0.44%
Credit-Related	N/A	-0.46%	-0.12%	0.01%	-0.11%
Real Estate	-18.03%	-22.08%	-0.03%	0.50%	0.47%
Natural Resources	26.60%	20.15%	0.24%	0.25%	0.49%
Developed Country	-13.03%	-13.59%	0.28%	0.12%	0.40%
Emerging Markets	-11.72%	-10.09%	-0.03%	-0.11%	-0.14%
Total More Correlated and Constrained	-1.58%	-3.60%	0.39%	1.16%	1.55%
Less Correlated and Constrained					
	1.82%	-5.86%	0.00%	1.89%	1.89%
Private Investments					
	0.00%	0.00%	0.00%	0.00%	0.00%
Total	-0.71%	-4.15%	0.39%	3.05%	3.44%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at August 31, 2008
Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	CURRENT PURPOSE		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (SHORT TERM FUND)		TOTAL	
	DESIGNATED	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:																
Beginning value 05/31/08	2,459	2,459	2,339	2,339	36,281	36,281	2,433	2,433	9,267	9,267	52,779	52,779	1,748,786	1,748,786	1,801,565	1,801,565
Increase/(Decrease)	(2,459)	(2,459)	829	829	25,871	25,871	(350)	(350)	(5,776)	(5,776)	18,115	18,115	(259,719)	(259,719)	(241,604)	(241,604)
Ending value 08/31/08	-	-	3,168	3,168	62,152	62,152	2,083	2,083	3,491	3,491	70,894	70,894	1,489,067	1,489,067	1,559,961	1,559,961
Debt Securities:																
Beginning value 05/31/08	-	-	264	244	12,730	13,413	11,708	12,091	-	-	24,702	25,748	-	-	24,702	25,748
Increase/(Decrease)	-	-	1	15	(125)	(179)	(32)	(132)	-	-	(156)	(296)	-	-	(156)	(296)
Ending value 08/31/08	-	-	265	259	12,605	13,234	11,676	11,959	-	-	24,546	25,452	-	-	24,546	25,452
Equity Securities:																
Beginning value 05/31/08	18	2,595	428	402	34,437	38,138	25,359	26,465	-	-	60,242	67,600	-	-	60,242	67,600
Increase/(Decrease)	-	10,968	12	13	(531)	(3,374)	93	(2,992)	-	-	(426)	4,615	-	-	(426)	4,615
Ending value 08/31/08	18	13,563	440	415	33,906	34,764	25,452	23,473	-	-	59,816	72,215	-	-	59,816	72,215
Other:																
Beginning value 05/31/08	-	-	12,934	12,934	1	1	304	130	1,829	1,829	15,068	14,894	-	-	15,068	14,894
Increase/(Decrease)	-	-	(9,738)	(9,738)	2	2	17	-	(775)	(775)	(10,494)	(10,511)	-	-	(10,494)	(10,511)
Ending value 08/31/08	-	-	3,196	3,196	3	3	321	130	1,054	1,054	4,574	4,383	-	-	4,574	4,383
Total Assets:																
Beginning value 05/31/08	2,477	5,054	15,965	15,919	83,449	87,833	39,804	41,119	11,096	11,096	152,791	161,021	1,748,786	1,748,786	1,901,577	1,909,807
Increase/(Decrease)	(2,459)	8,509	(8,896)	(8,881)	25,217	22,320	(272)	(3,474)	(6,551)	(6,551)	7,039	11,923	(259,719)	(259,719)	(252,680)	(247,796)
Ending value 08/31/08	18	13,563	7,069	7,038	108,666	110,153	39,532	37,645	4,545	4,545	159,830	172,944	1,489,067	1,489,067	1,648,897	1,662,011

Details of individual assets by account furnished upon request.

4. U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center: Authorization to file Federal Emergency Management Agency (FEMA) documents; dispose of salvageable property; and execute all documents related thereto

The Board authorized President Callender, President Kaiser, and President Mendelsohn to execute Federal Emergency Management Agency (FEMA) documents relating to damage sustained at The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center in September 2008 as a result of Hurricane Ike. The Board further authorized these presidents to take all necessary related steps and provide such additional information as may be required by FEMA.

Hurricane Ike resulted in extensive wind and water damage to U. T. Medical Branch – Galveston and some wind and water damage to U. T. Health Science Center – Houston and U. T. M. D. Anderson Cancer Center.

FEMA requires that an applicant appoint an authorized representative to file and execute documents in connection with the application and to provide such additional information as FEMA may require. To expedite the reimbursement process, authority was delegated to the presidents to file applications for public assistance and to enter into contracts or settlements necessary to accomplish the recovery and restoration.

President Callender was also authorized to contract with a salvage company or companies to dispose of damaged property in a manner deemed in the interest of U. T. Medical Branch – Galveston, consistent with State law.

This approval will allow U. T. Medical Branch – Galveston to recover salvage value more quickly than through the property disposal procedures governed by Regents' *Rules and Regulations*, Rule 80201, which covers the routine disposition of unused and outdated equipment. University of Texas System staff will review the Regents' *Rules* regarding property disposal procedures and may suggest *Rules* changes for the future.

(See Item 5 on Page 71 in the Facilities Planning and Construction Committee regarding emergency interim financing for repair and renovation capital improvements at these three institutions.)

5. U. T. System: Adoption of a Resolution related to a contract to hedge the price and sell a portion of the future oil and gas royalty production from the Permanent University Fund Lands

Following a request from Regent Longoria that the resolution reflect that the transactions may move forward upon subsequent approval by the Board of Regents, the Board

- a. adopted the Resolution on Pages 52 - 55 related to a contract to hedge the price and sell a portion of the future oil and gas royalty production from the Permanent University Fund (PUF) Lands; and

(Note: Accordingly, the attached resolution was revised following the meeting to incorporate the requested amendment. Number (iii) was added to the first paragraph on Page 2 of the resolution and “officers of the” was deleted in the fourth paragraph, also on Page 2 of the resolution.)

- b. authorized appropriate officers and employees of The University of Texas System and The University of Texas Investment Management Company (UTIMCO) as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein.

On July 24, 2008, the Board of Regents approved an initial recommendation to enter into a contract to sell a portion of future oil and gas royalty production from the PUF Lands. While the substance of the proposed transaction is unchanged, the attached Resolution provides significant additional detail regarding the statutory and Constitutional authorization for such a transaction. The Resolution also more fully describes the authorities that are being granted to U. T. System and UTIMCO staff.

The passage of this Resolution allows staff to move expeditiously upon approval by the Board of Regents once market conditions return to more attractive levels. Board authority granted on July 24, 2008, had stated the consultation would be with the Chairman and Vice Chairmen of the Board of Regents.

The PUF Lands encompass 2.1 million acres of surface and mineral interests in 19 counties in West Texas. Royalty production net to the U. T. System in Fiscal Year 2007 totaled 1.8 million barrels of oil and 14.7 billion cubic feet of natural gas. Total oil and gas royalty income in Fiscal Year 2007 was \$210.8 million and is expected to exceed \$350 million in Fiscal Year 2008.

Note: The [complete Reserve Report](#) is on file in the Office of the Board of Regents.

**RESOLUTION AUTHORIZING
PERMANENT UNIVERSITY FUND FORWARD SALE TRANSACTION**

WHEREAS, the Permanent University Fund of the State of Texas (the “PUF”) is a constitutional fund created by the Texas Constitution of 1876 and currently consists of approximately 2,109,000 acres of land located in 24 North and West Texas Counties (the “PUF Lands”) and over \$10 billion in investment assets;

WHEREAS, except as provided below, the Board of Regents (the “Board”) of The University of Texas System (the “U. T. System”) is responsible for managing all the assets of the PUF, including the PUF Land and the investment assets;

WHEREAS, the Board for Lease of University Lands (the “Board for Lease”) is authorized to lease PUF Lands for oil and gas exploration and development (“Mineral Leases”) and to contract for the sale or other disposition of crude oil and natural gas royalties taken in kind;

WHEREAS, the Board commissioned the petroleum consulting firm of Netherland, Sewell & Associates, Inc. (“NSA”) to study the estimated proven, probable and possible crude oil and natural gas reserves and future PUF royalty net revenue from certain Mineral Leases, which study resulted in a written report from NSA to the Board, dated September 12, 2008 (see attached “Reserve Report”);

WHEREAS, in managing the assets of the PUF, the Board is authorized by Article VII, Section 11b of the State Constitution to “acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment . . . that prudent investors, exercising reasonable care, skill and caution, would acquire or retain in light of the purposes, terms, distribution requirements, or other circumstances of the [PUF] then prevailing, taking into consideration the investment of all the assets of the [PUF] rather than a single investment”;

WHEREAS, the U. T. System staff, based upon consultation with the staff of UTIMCO, has submitted to the Board the recommendation (the “Staff Recommendation”) to approve one or more investment transactions for the PUF (each, a “Transaction”), pursuant to which the Board, as manager of the PUF, would agree to sell to one or more unrelated counterparties (each, a “Counterparty”) certain quantities of crude oil and natural gas to be delivered by the Board over a multiyear period, and the applicable Counterparty would agree to purchase such quantities from the Board by paying an upfront purchase price, said agreements to be set forth in one or more commodity prepayment agreements (each, a “Commodity Prepayment Agreement”);

WHEREAS, the Staff Recommendation calls for each Transaction to be structured, based upon the Reserve Report, such that the obligation of the Board, as manager of the PUF, to sell and deliver crude oil and natural gas pursuant to all Commodity Prepayment Agreements does not exceed the estimated PUF royalty production per the Reserve Report from total proved reserves in any given calendar year, during the delivery period of the Transactions; and

WHEREAS, in connection with a Transaction, it may be necessary or appropriate for the Board, as manager of the PUF, to enter into one or more of the following basic documents

(together with the applicable Commodity Prepayment Agreement, the “Basic Transaction Documents”) in furtherance of the prudent execution of the Transaction:

- (i) Physical commodity sales agreement(s) with one or more commodity marketers pursuant to which the Board would purchase, or exchange for PUF royalties taken in kind, crude oil and natural gas to be delivered in amounts necessary to satisfy its obligations under the applicable Commodity Prepayment Agreement; and
- (ii) Financial commodity price swap agreement(s) with two or more swap counterparties pursuant to which the Board would agree to pay a floating-price for a notional volume of crude oil and natural gas and the swap counterparty would agree to pay a fixed-price for such notional volume.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM THAT:

1. Subject to the other provisions of this Resolution, the U. T. System staff, in consultation with the staff of UTIMCO, is hereby authorized and directed to determine the size, timing, participants and other terms of each Transaction and to complete all negotiations and finalize all arrangements with respect to the Transaction, all as may be deemed necessary or appropriate and in the best interests of the PUF; provided, however, that (i) each Transaction shall be structured, based upon the Reserve Report, such that the obligations of the Board, as manager of the PUF, to sell and deliver crude oil and natural gas pursuant to all Commodity Prepayment Agreements does not exceed the estimated PUF royalty production in any given calendar year from total proved reserves, (ii) the term of the Transaction shall not exceed six years, and (iii) the Transaction has been authorized by subsequent Board action.

2. In connection with the actions authorized by Section 1 above, the U. T. System staff, in consultation with the staff of UTIMCO, is hereby authorized and directed to assist the Board for Lease in reviewing the terms of the Mineral Leases and exercising such rights contained therein as are deemed necessary or appropriate to facilitate the Transactions, including the rights to take crude oil and natural gas royalties in kind, to sell and dispose of such royalties taken in kind and to determine the delivery location of such royalties taken in kind.

3. Subject to the requirements of paragraph 1 above, in connection with each Transaction, the Chancellor, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for Finance and Business Development, and the Vice Chancellor and General Counsel are hereby severally authorized and directed to execute and deliver the applicable Basic Transaction Documents on behalf of the Board, as manager of the PUF, in such forms and with such terms as they determine to be necessary or desirable and in the best interests of the Board, as manager of the PUF, such determination to be conclusively evidenced by such execution thereof.

4. The members of the staffs of U. T. System and UTIMCO, and the Board, and each of them shall be and each is expressly authorized, empowered and directed from time-to-time to do and perform all acts and things and to execute, acknowledge and deliver in the name and on behalf of the Board all certificates, instruments and other papers, whether or not herein

mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this Resolution and the Transactions authorized hereunder, such determination to be conclusively evidenced by the performance of such acts and things and the execution of certificate, instrument or paper.

5. In reliance upon the Staff Recommendation, the Reserve Report, the recitals to this Resolution and the foregoing paragraphs 1 through 4,

(a) the Board hereby finds and determines that each Transaction is prudent and appropriate for the PUF in light of the purpose, terms, distribution requirements, and other circumstances of the PUF then prevailing, taking into consideration the investment of all the assets of the PUF rather than a single investment and, thus, is an authorized investment under Article VII, Section 11b of the State Constitution; and

(b) the Board specifically further finds and determines that:

(i) because the upfront purchase payment pursuant to all Commodity Prepayment Agreements, when credited to the PUF, will be invested in investment assets pursuant to the Board's investment policies in effect from time to time, which investment assets are expected to produce revenue for the PUF, (a) distributions to the Available University Fund ("AUF") from the total return on all investment assets of the PUF are expected to increase as a result of the Transactions, and (b) the amount of bonds payable from the AUF authorized to be issued by the Board and the Board of Regents of The Texas A&M University System is expected to increase;

(ii) because each Transaction will be structured, based upon the Reserve Report, such that the obligation of the Board, as manager of the PUF, to sell and deliver crude oil and natural gas pursuant to all Commodity Prepayment Agreements is expected to be fully satisfied from PUF royalty production from total proved reserves in any given calendar year, during the delivery period of the Transactions, the Board's sale and delivery obligation is not speculative, but is fully hedged by the PUF's expected royalty production;

(iii) because the upfront purchase payment pursuant to all Commodity Prepayment Agreements will be deposited to the credit of the PUF and invested in investment assets in accordance with the Board's investment policies in effect from time-to-time, the Transactions will reduce the PUF's reliance upon volatile crude oil and natural gas commodity prices, thereby prudently further diversifying the assets of the PUF; and

- (iv) because the upfront purchase payment to the Board will be calculated based upon commodity prices and interest rates established at or prior to execution of the applicable Transaction, the Transactions will allow the PUF to lock in what currently appear to be relatively high market prices for crude oil and natural gas and relatively low interest rates.

6. This Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

PASSED AND APPROVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM THIS ____ DAY OF NOVEMBER, 2008.

6. U. T. System: Update on the credit markets and the impact on U. T. System debt programs and credit ratings

This item was considered only by the Committee (see Committee Minutes).

7. U. T. System Board of Regents: Adoption of Resolutions authorizing the use of tender programs and direct debt repurchases to refund and retire outstanding Permanent University Fund Bonds and Revenue Financing System Bonds, and authorization to complete all related transactions

The Board

- a. adopted Resolutions, substantially in the form before The University of Texas System Board of Regents on Pages 57 - 62, authorizing the use of tender programs and direct debt repurchases in connection with the refunding and retirement of outstanding Permanent University Fund (PUF) Bonds and Revenue Financing System (RFS) Bonds; and
- b. authorized appropriate officers and employees of U. T. System as set forth in the Resolutions to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the tender and repurchase of such bonds.

Current market conditions may allow the U. T. System Board to achieve significant debt service savings by tendering and/or directly repurchasing outstanding PUF Bonds and RFS Bonds. The tender and/or direct repurchase would be financed by the issuance of new bonds, commercial paper notes, or the use of other lawfully available funds. Depending on market conditions, the U. T. System could purchase outstanding bonds at a significant discount to par resulting in debt service savings, a reduction in the amount of debt outstanding, and an increase in the U. T. System's net assets.

Adoption of the Resolutions allows a U. T. System Representative to undertake tender programs or direct repurchases of debt in connection with a refunding transaction, to determine the price at which offers will be made, and to determine the method for establishing such price, such as through the use of a Dutch auction, all provided that the present value savings requirements or other thresholds set forth in the tender Resolutions are met.

A RESOLUTION AUTHORIZING REFUNDING OF OUTSTANDING PERMANENT UNIVERSITY FUND DEBT THROUGH A TENDER PROGRAM AND AUTHORIZING OTHER AGREEMENTS AND PROCEDURES RELATING THERETO

November 13, 2008

WHEREAS, the Board of Regents (the “Board”) of The University of Texas System (the “System”) is the governing body of the System, an institution of higher education under the *Texas Education Code* and an agency of the State of Texas (the “State”);

WHEREAS, the Permanent University Fund is a constitutional fund and public endowment created in the Texas Constitution of 1876, as created, established, implemented and administered pursuant to Sections 10, 11, 11a, 11b, 15 and 18 of Article VII of the Constitution of the State, as amended, and by other applicable present and future constitutional and statutory provisions, and further implemented by the provisions of Chapter 66, *Texas Education Code*, as amended (the “Permanent University Fund”);

WHEREAS, the Available University Fund is defined by the Constitution of the State and consists of distributions made to it from the total return on all investment assets of the Permanent University Fund, including the net income attributable to the surface of Permanent University Fund land, as determined by the Board pursuant to Section 18 of Article VII of the Constitution of the State (the “Available University Fund”);

WHEREAS, Section 18 of Article VII of the Constitution of the State, as may hereafter be amended (the “Constitutional Provision”), authorizes the Board to issue bonds and notes (“PUF Debt”) not to exceed a total amount of 20% of the cost value of investments and other assets of the Permanent University Fund, exclusive of real estate, at the time of issuance thereof and to pledge all or any part of its two-thirds interest in the Available University Fund (the “Interest of the System”) to secure the payment of the principal of and interest on PUF Debt, for the purpose of acquiring land, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under the Constitutional Provision or prior law, at or for the System Administration and institutions of the System as listed in the Constitutional Provision;

WHEREAS, the Board heretofore has authorized, issued and delivered, pursuant to the Constitutional Provision, various series of PUF Debt, all of which are secured by a pledge of the Interest of the System in the Available University Fund;

WHEREAS, of even date herewith the Board has adopted a resolution (the “Bond Resolution”) authorizing issuance of its Permanent University Fund Bonds (the “Bonds”) in the maximum aggregate principal amount of \$500,000,000 for the purpose, among others, of refunding certain “Outstanding Parity Bonds”, “Flexible Rate Notes” or “Commercial Paper Notes” (as each such quoted term is defined in the Bond Resolution);

WHEREAS, capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Bond Resolution;

WHEREAS, due to certain current market conditions, the Board may have the opportunity to achieve a debt service savings or to otherwise restructure the debt service requirements of the Outstanding Parity Bonds in a manner that is economically advantageous to the Board by the issuance of Bonds or Commercial Paper Notes or the use of other lawfully available funds to refund certain Outstanding Parity Bonds through a tender program pursuant to which the holders of such Outstanding Parity Bonds would

tender their Outstanding Parity Bonds for purchase at a price that results in debt service savings or would otherwise restructure the debt service requirements of such Outstanding Parity Bonds in a manner that is economically advantageous to the Board, as applicable;

WHEREAS, in order to provide for the efficient management of its PUF Debt, the Board hereby desires to specifically authorize the use of a tender program to accomplish the refunding of Outstanding Parity Bonds under the Constitutional Provision, Chapters 1207 and 1371, *Texas Government Code*, Section 65.46, *Texas Education Code*, and other applicable laws; and

WHEREAS, the Board finds that such program is in the best interest of the Board and the System.

NOW THEREFORE BE IT RESOLVED, that

SECTION 1. Authorization of Tender Program. The Board specifically authorizes the refunding of any of its Outstanding Parity Bonds (the “Potential Tendered Bonds”) pursuant to a tender program whereby the holders thereof are given the opportunity to tender such bonds for purchase at a price that (i) satisfies the savings requirement set forth in Section 7.04 of the Bond Resolution, in the event such refunding is accomplished by the issuance of the Bonds, (ii) is determined by an Authorized Representative (as hereinafter defined) to satisfy the requirements set forth in Section 3.02(b) of the resolution of the Board authorizing the issuance of the Commercial Paper Notes (the “Commercial Paper Resolution”), in the event such refunding is accomplished by the issuance of Commercial Paper Notes, or (iii) is determined by an Authorized Representative to be economically advantageous to the Board in the event lawfully available funds other than those described in clauses (i) and (ii) are used to accomplish such purpose, as the case may be. The “Authorized Representative” (as such quoted term is defined in the Bond Resolution or the Commercial Paper Resolution, as applicable) is hereby authorized to determine which Potential Tendered Bonds are to be included in any offer under such tender program and to enter into any necessary tender agreement with a tender agent selected by the Authorized Representative to accomplish the refunding of any Potential Tendered Bonds pursuant to such tender program. The Authorized Representative is authorized to determine the price at which offers will be made under the tender program or to determine the method for establishing such price, such as through the use of a Dutch auction, all provided that the requirement set forth in Section 7.04 of the Bond Resolution or Section 3.02(b) of the Commercial Paper Resolution, as applicable, is satisfied. Such refunding may be accomplished through the purchase and cancellation of the Potential Tendered Bonds actually tendered by the holders thereof and purchased (the “Tendered Bonds”).

SECTION 2. Sources of Funds. Any refunding of Tendered Bonds authorized by this Resolution may be funded through the issuance of the Bonds under the terms of the Bond Resolution, Commercial Paper Notes under the Commercial Paper Resolution, as applicable, or lawfully available funds of the Board as determined by the Authorized Representative. Notwithstanding anything to the contrary in this Resolution or in the Bond Resolution, a refunding of Tendered Bonds may be accomplished as determined by the Authorized Representative through the issuance of the Bonds as exchange refunding bonds to be exchanged for Tendered Bonds pursuant to Subchapter D of Chapter 1207, *Texas Government Code*.

SECTION 3. Disclosure Statement. The Authorized Representative is authorized to provide for and oversee the preparation of a disclosure statement and any related materials in connection with the tender program contemplated by this Resolution, and to approve such disclosure statement and related materials, deem them final and provide them to holders of Potential Tendered Bonds anticipated to be participants in the tender program contemplated by this Resolution.

SECTION 4. Expiration of Tender Program. No tender transaction pursuant to the tender program described in this Resolution shall be conducted after August 31, 2009.

SECTION 5. Additional Authorization. (a) The Authorized Representative and all officers or officials of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution or are otherwise necessary in connection with accomplishing a tender of Potential Tendered Bonds related to the tender program described in this Resolution, as any such officer or official shall deem appropriate, including without limitation, officer's certificates, legal opinions, disclosure documents, tender agency agreements, tender notices and any other related documents or instruments.

(b) All officers or officials of the Board and its agents and counsel are authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board and to pay all such expenses, as in his or her judgment, shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

A RESOLUTION AUTHORIZING REFUNDING OF OUTSTANDING REVENUE FINANCING SYSTEM DEBT THROUGH A TENDER PROGRAM AND AUTHORIZING OTHER AGREEMENTS AND PROCEDURES RELATING THERETO

November 13, 2008

WHEREAS, the Board of Regents (the "Board") of The University of Texas System (the "System") is the governing body of the System, an institution of higher education under the *Texas Education Code* and an agency of the State of Texas;

WHEREAS, on February 14, 1991, the Board adopted the First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System and amended such resolution on October 8, 1993, and August 14, 1997 (referred to herein as the "Master Resolution");

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution and the Twentieth Supplement (as defined below);

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of the institutions now or hereafter constituting components of the System that are designated "Members" of the Financing System by action of the Board and pledges the Pledged Revenues attributable to each Member of the Financing System to the payment of Parity Debt to be outstanding under the Master Resolution;

WHEREAS, the Board has outstanding certain Parity Debt issued pursuant to Supplemental Resolutions to the Master Resolution as special, limited obligations of the Board payable solely from and secured by a lien on and pledge of Pledged Revenues pledged for the equal and proportionate benefit and security of all owners of Parity Debt;

WHEREAS, on August 14, 2008, the Board adopted the Twentieth Supplemental Resolution to the Master Resolution (the "Twentieth Supplement") authorizing the future issuance of up to \$800,000,000 of additional Revenue Financing System bonds as Parity Debt (the "Bonds") which may be issued for the purpose, among other purposes, of refunding certain previously issued outstanding Parity Debt;

WHEREAS, the Board has also authorized a commercial paper program under which up to \$1,250,000,000 of Revenue Financing System commercial paper notes as Parity Debt (the "Commercial Paper Notes") may be outstanding at any time and may be issued for the purpose, among other purposes, of refunding other outstanding Parity Debt;

WHEREAS, due to certain current market conditions, the Board may have the opportunity to achieve a debt service savings or to otherwise restructure the debt service requirements of its currently outstanding Parity Debt in a manner that is economically advantageous to the Board by the issuance of Bonds or Commercial Paper Notes or the use of other lawfully available funds to refund certain currently outstanding Parity Debt through a tender program pursuant to which the holders of such Parity Debt would tender their bonds for purchase at a price that results in debt service savings or would otherwise restructure the debt service requirements of outstanding Parity Debt in a manner that is economically advantageous to the Board, as applicable;

WHEREAS, in order to provide for the efficient management of its Revenue Financing System debt service obligations, the Board hereby desires to specifically authorize the use of a tender program to accomplish the refunding of such Parity Debt under the Chapters 1207 and 1371, *Texas Government Code*, Section 65.46, *Texas Education Code* and other applicable laws; and

WHEREAS, the Board finds that such program is in the best interest of the Board and the Members of such Revenue Financing System.

NOW THEREFORE BE IT RESOLVED, that

SECTION 1. Authorization of Tender Program. The Board specifically authorizes the refunding of any of its currently outstanding Parity Debt previously issued pursuant to the Second through the Nineteenth Supplemental Resolutions to the Master Resolution (the "Potential Tendered Bonds") pursuant to a tender program whereby the holders thereof are given the opportunity to tender such bonds for purchase at a price that (i) satisfies the savings requirement set forth in Section 3(c) of the Twentieth Supplement, in the event such refunding is accomplished by the issuance of the Bonds, (ii) is determined by the U. T. System Representative in accordance with Section 2.01 of the resolution of the Board authorizing the issuance of the Commercial Paper Notes (the "Commercial Paper Resolution"), in the event such refunding is accomplished by the issuance of Commercial Paper Notes, or (iii) is determined by the U. T. System Representative to be economically advantageous to the Board in the event lawfully available funds other than those described in clauses (i) and (ii) are used to accomplish such purpose, as the case may be. The U. T. System Representative is hereby authorized to determine which Potential Tendered Bonds are to be included in any offer under such tender program and to enter into any necessary tender agreement with a tender agent selected by the U. T. System Representative to accomplish the refunding of any Potential Tendered Bonds pursuant to such tender program. The U. T. System Representative is authorized to determine the price at which offers will be made under the tender program or to determine the method for establishing such price, such as through the use of a Dutch auction, all provided that the other applicable requirements set forth in this section are complied with. Such refunding may be accomplished through the purchase and cancellation of the Potential Tendered Bonds actually tendered by the holders thereof and purchased (the "Tendered Bonds").

SECTION 2. Sources of Funds. Any refunding of Tendered Bonds authorized by this Resolution may be funded through the issuance of the Bonds under the terms of the Twentieth Supplement, Commercial Paper Notes under the Commercial Paper Resolution, or lawfully available funds of the Board as determined by the U. T. System Representative, as applicable. Notwithstanding anything to the contrary in this Resolution or in the Twentieth Supplemental Resolution, a refunding of Tendered Bonds may be accomplished as determined by the U. T. System Representative through the issuance of the Bonds as exchange refunding bonds to be exchanged for Tendered Bonds pursuant to Subchapter D of Chapter 1207, *Texas Government Code*.

SECTION 3. Disclosure Statement. The U. T. System Representative is authorized to provide for and oversee the preparation of a disclosure statement and any related materials in connection with the tender program contemplated by this Resolution, and to approve such disclosure statement and related materials, deem them final and provide them to holders of Potential Tendered Bonds anticipated to be participants in the tender program contemplated by this Resolution.

SECTION 4. Expiration of Tender Program. No tender transaction pursuant to the tender program described in this Resolution shall be conducted after August 31, 2009.

SECTION 5. Additional Authorization. (a) The U. T. System Representative and all officers or officials of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution or are otherwise necessary in connection with accomplishing a tender of Potential Tendered Bonds related to the tender program described in this Resolution, as any such officer or official shall deem appropriate, including without limitation, officer's

certificates, legal opinions, disclosure documents, tender agency agreements, tender notices and any other related documents or instruments.

(b) All officers or officials of the Board and its agents and counsel are authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board and to pay all such expenses, as in his or her judgment, shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

8. U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds not to exceed \$500 million, and authorization to complete all related transactions

The Board

- a. adopted a Resolution, substantially in the form previously approved by The University of Texas System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed \$500 million to be used to refund certain outstanding PUF Bonds, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs, and to pay the costs of issuance; and
- b. authorized appropriate officers and employees of U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

On August 14, 2008, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds during Fiscal Year 2009 in an amount not to exceed \$450 million. The majority of this authority was utilized with the issuance of \$400.9 million of PUF Bonds, Series 2008A that were issued on October 30, 2008. The Series 2008A Bonds were issued for the purpose of refunding all of the Board's outstanding PUF Flexible Rate Notes, Series A.

Adoption of the [Resolution](#), which is on file in the Office of the Board of Regents, authorizes issuance of additional PUF Bonds in an amount not to exceed \$500 million to be used to allow the advance or current refunding of a portion of certain outstanding PUF Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing, including bonds refunded through the use of a tender program or direct repurchase.

As provided in the Resolution, the potential bonds to be refunded include the outstanding PUF Bonds, Series 2002A, Series 2004A&B, Series 2005A&B, and Series 2006A-C. The Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

Proceeds from the PUF Bonds related to refunding outstanding debt may be used to purchase U.S. government or other eligible securities to be placed in one or more escrow accounts. Proceeds from the escrowed securities will be used to redeem the refunded bonds and the refunded Commercial Paper Notes.

9. U. T. System: Shared Services Initiative Report including Regional Data Centers, North Texas Student Information System, Time and Effort Reporting, and Supply Chain Alliance

This item was considered only by the Committee (see Committee Minutes).

10. U. T. System: Discussion with representative chief business officers regarding the challenges of institutional budget and finance

This item was considered only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 65 - 66).--Committee Chairman Barnhill reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. Dallas: Creation of advisory councils for the Office of International Education, the Institute of Public Affairs, and the Institute for Urban Policy Research (Regents' Rules and Regulations, Rule 60302, relating to advisory councils)

In accordance with Regents' *Rules and Regulations*, Rule 60302, relating to advisory councils, the Board approved the creation and operation of the Office of International Education Advisory Council, the Institute of Public Affairs Advisory Council, and the Institute for Urban Policy Research Advisory Council at The University of Texas at Dallas.

The Office of International Education Advisory Council will focus on providing leadership and advising to strengthen and enrich the development and execution of the existing Office of International Education agenda, including ensuring safety and health issues and reviewing and approving faculty-led program proposals to study abroad.

The Institute of Public Affairs Advisory Council will assist Institute staff to establish goals for the Institute and evaluate the Institute's success. The Institute of Public Affairs will serve as an outreach arm for U. T. Dallas to local, State, and federal governments, nonprofit organizations, and businesses that routinely deal with public sector organizations.

The Institute for Urban Policy Research Advisory Council will work with the Institute director and University president to establish long-term direction for the existing Institute for Urban Policy Research. The Council will be composed of leaders from Dallas/Fort Worth (DFW) Metroplex businesses, academic institutions, nonprofit organizations, and neighborhoods. From their various perspectives, Council members will be responsible for ensuring that the research and engagement direction of the Institute will best meet the policy issues local residents and businesses face now and into the future. The Council will also provide advice regarding strategic development and growth of the Institute.

2. U. T. Austin: Honoring naming of the new Experimental Science Building as the Norman Hackerman Building

The Board approved the honorific naming of the new Experimental Science Building as the Norman Hackerman Building to recognize Dr. Hackerman's significant legacy of service to The University of Texas at Austin.

The Experimental Science Building will be built on the site of the recently demolished original structure from 1950 located at 100 East 24th Street, Austin, Texas. This project was approved by the Board of Regents on February 7, 2008, with an expected completion date of 2010/2011.

Dr. Norman Hackerman (1912 - 2007) had a long and highly-esteemed professional life, a substantial portion of which was spent in service to U. T. Austin. He joined the U. T. Austin faculty in 1945 as a professor of chemistry and served as Chairman of the Chemistry Department from 1952 to 1962. He was later appointed as U. T. Austin's Vice President and Provost, as Vice Chancellor of Academic Affairs at The University of Texas System, and subsequently as President of U. T. Austin. In 1970, he was appointed President of Rice University and in 2003, Dr. Hackerman was inducted into the Texas Hall of Fame for Science, Mathematics, and Technology.

3. U. T. Austin: Update regarding the School of Undergraduate Studies

This item was considered only by the Committee (see Committee Minutes).

4. U. T. System: Report on Textbook Study Group recommendations

This item was considered only by the Committee (see Committee Minutes).

5. U. T. Arlington: Report on potential natural gas production and plans for investing projected revenues

This item was considered only by the Committee (see Committee Minutes).

6. U. T. System: Discussions on academic leadership matters - the importance of research as part of the higher education enterprise

This item was considered only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 67 - 69).--Committee Chairman McHugh reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. M. D. Anderson Cancer Center: Authorization to acquire by purchase or exchange Blocks 14, 15, 16, 17, 18, 19, 21, and 22, and Lots 1 through 9 of Block 20 of the Institute Addition, and the real property within the area bounded by South Braeswood Boulevard to the north, Fannin Street to the west, Old Spanish Trail to the south, and Bertner Avenue to the east, and within the area bounded by Corder Street to the north, Almeda Road to the west, the alignment of Pawnee Street to the south, and Cayuga Street and a line extending from its centerline to the east, together with all improvements, adjacent streets, and alleys, if applicable, all in Houston, Harris County, Texas, as and when the individual properties or undivided interests therein become available for purchase, and each for a price not to exceed fair market value as established by independent appraisals, for future programmed development of campus expansion or other purposes related to the institution's mission (Deferred except for acquisition of 0.115 of an acre at 1113 St. Agnes Street, Houston, Harris County, Texas)

Following discussion in the Health Affairs Committee meeting on November 12, 2008, of the deflation of property values and the nonurgency of most of the requested land purchases, the Board granted approval only to purchase 0.115 of an acre at 1113 St. Agnes Street, Houston, Harris County, Texas, as under contract by The University of Texas M. D. Anderson Cancer Center. The subject property, which will be acquired for a price not to exceed fair market value as established by independent appraisals, is located in the Mid-Campus area.

The Board further authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

Institutional funds will be used to fund the purchase.

The Committee had recommended that the purchase or exchange of other properties in the Mid-Campus and East Campus areas as described in the Agenda Item be brought back to the Board for strategic planning discussion of acquisition zones.

2. U. T. M. D. Anderson Cancer Center: Authorization to enter into contracts, easements, and agreements with CenterPoint Energy Houston Electric LLC, a Delaware limited liability company, which was selected through a request for proposals process to provide electrical utility distribution and transmission services to existing and future institutional properties and facilities in the Houston, Texas, Metropolitan Area

On behalf of The University of Texas M. D. Anderson Cancer Center, the Board

- a. authorized the institution to enter into contracts, easements, and agreements with CenterPoint Energy Houston Electric LLC, a Delaware limited liability company, which was selected through a request for proposals (RFP) process to provide electrical utility distribution and transmission services to existing and future properties and facilities of the institution in the Houston, Texas, Metropolitan Area; and
- b. authorized the institution's Vice President for Business Affairs to execute the contract and related agreements and the Executive Director of Real Estate to execute all documents, easements, and other agreements regarding real property, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

Regent Longoria abstained from vote on this item because she serves on the board of CenterPoint Energy.

Institutional funds will be used to fund the purchases.

On August 29, 2008, U. T. M. D. Anderson Cancer Center issued a RFP for electrical utility distribution and transmission services covering the Houston, Texas, Metropolitan Area. CenterPoint Energy was the only respondent. *Texas Education Code* Section 51.923 permits a contract with CenterPoint Energy by its selection through a RFP process.

The master contract is for a term of five years for the provision of electrical distribution and transmission services for U. T. M. D. Anderson Cancer Center's current and future facilities located in the Houston Metropolitan Area. The contract permits the institution and CenterPoint Energy to enter into project-specific addenda and easements under the master contract to minimize delays related to provision of electrical distribution and transmission services to construction and renovation projects at existing and future properties. Services and fees will be based on CenterPoint Energy's tariffs and regulations from the Texas Utility Commission.

3. U. T. Health Science Center – Houston: Report on activities related to a potential partnership between the Children's Learning Institute and the Knowledge Is Power Program

This item was considered only by the Committee (see Committee Minutes).

4. U. T. System: Update on the status and cost savings of shared purchasing initiatives of the U. T. System Supply Chain Alliance

This item was considered only by the Committee (see Committee Minutes).

5. U. T. System: Quarterly report on health matters to cover discussion of leadership at the U. T. System health institutions (Deferred)

This item was to be considered only by the Committee but was deferred (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 70 - 83).--Committee Chairman Huffines reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System Board of Regents: Amendments to Regents' Rules and Regulations, Rule 80402 (Major Construction and Repair and Rehabilitation Projects), Section 6, regarding Contract Management

To clarify the authority of the Associate Vice Chancellor for Facilities Planning and Construction to manage major and minor project contracts executed by the Executive Vice Chancellor for Business Affairs, Regents' *Rules and Regulations*, Rule 80402 (Major Construction and Repair and Rehabilitation Projects), Section 6, regarding Contract Management, was amended to read as set forth below:

Sec. 6 Contract Management. The Associate Vice Chancellor for Facilities Planning and Construction is authorized to implement and manage all professional service, construction, and construction-related contracts executed by the Executive Vice Chancellor for Business Affairs pursuant to Sections 1 and 2 of this Rule and Rule 80403, Section 1. The Associate Vice Chancellor for Facilities Planning and Construction's authority includes, but is not limited to, extending the term of existing contracts to the extent such extensions are contemplated in the contract; approving additional work requests; approving a construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; approving change orders; and providing general supervision of all Major and Minor Projects.

2. U. T. System: Report on Owner's Project Requirements

This item was considered only by the Committee (see Committee Minutes).

3. U. T. System: Report on major investment impact metrics

This item was considered only by the Committee (see Committee Minutes).

4. U. T. System: Fiscal Year 2008 Energy Utility Task Force Report

This item was considered only by the Committee (see Committee Minutes).

5. U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center: Hurricane Ike Recovery Projects - Amendment of the Capital Improvement Program to include projects; authorization of institutional management; approval of emergency interim financing; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Hurricane Ike Recovery Projects at The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center, respectively, as follows:

Project Nos.:	601-475 UTMB 701-476 UTHSC-H 703-477 UTMDACC	
Institutionally Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	August 2012	
U. T. Medical Branch – Galveston	<u>Source</u>	<u>Current</u>
Total Project Cost:	Revenue Financing System Bond Proceeds	\$47,710,000
U. T. Health Science Center – Houston	<u>Source</u>	<u>Current</u>
Total Project Cost:	Revenue Financing System Bond Proceeds	\$ 740,000
U. T. M. D. Anderson Cancer Center	<u>Source</u>	<u>Current</u>
Total Project Cost:	Revenue Financing System Bond Proceeds	\$ 1,550,000

- a. amend the Capital Improvement Program (CIP) to include the projects;
- b. authorize U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. approve emergency interim financing pending receipt of Federal Emergency Management Agency (FEMA) reimbursement;
- d. appropriate funds and authorize expenditure of funds; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- the institutions and U. T. System Administration, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$50,000,000 for emergency interim financing related to Hurricane Ike recovery;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

Project Description

The projects will provide emergency interim funding for expenditures related to campuswide repair and renovation capital improvements resulting from Hurricane Ike recovery efforts at U. T. System's three Houston-Galveston area institutions. The projects have been approved by U. T. System staff and meet the criteria for inclusion in the CIP. It has been determined that these projects would best be managed by the Facilities Management personnel who have the experience and capability to manage all aspects of the work.

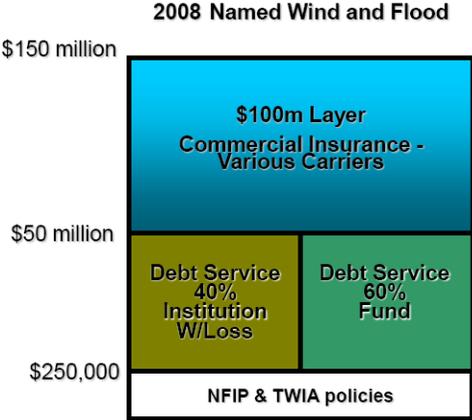
Debt Service

FEMA is expected to reimburse U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center for a portion of the emergency capital expenditures related to cleanup and recovery efforts resulting from Hurricane Ike. Out of the total FEMA reimbursement, at least \$50,000,000 is expected to be recovered within 6-12 months. These FEMA funds will be used to retire \$50,000,000 of emergency interim Revenue Financing System debt issued to fund the institutions' recovery efforts. In the event that the \$50,000,000 FEMA reimbursement is not recovered in full and/or delayed, the debt service on the Revenue Financing System debt will be paid by U. T. System's Comprehensive Property Protection Plan (CPPP). Interest expense on the interim financing is not expected to exceed \$2,000,000 per year.

The CPPP is a catastrophic damage self-insurance fund established and maintained by the Office of Risk Management. The CPPP consists of two programs: a Fire and All Other Perils Program and a Named Windstorm and Flood Program, which are subject to the terms, exclusions, limits, and conditions of the commercial insurance policy.

Physical damage caused by Hurricane Ike is covered under the CPPP Named Windstorm and Flood Program. This program includes primary underlying National Flood Insurance Program (NFIP) and Texas Windstorm Insurance Association (TWIA) policies, an institutional deductible within a funded reserve supported by a mechanism to issue up to \$50,000,000 in debt for physical loss, and a process for replenishment of the fund when claims are paid with funded reserves. Commercial insurance including a \$100,000,000 limit for Named Windstorm and Flood was purchased in April 2008. Using a \$50,000,000 Named Windstorm deductible allowed U. T. System to attract primary carriers at reasonably competitive pricing.

In accordance with the CPPP, 60 percent of the debt service on \$50,000,000 of emergency interim Revenue Financing System debt will be paid by the CPPP fund. Annual contributions will continue to be made by all institutions to the CPPP fund. The remaining 40 percent of the debt service will be paid by the CPPP fund using proportionate contributions from U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer. The CPPP structure for the Named Windstorm and Flood Program is exhibited in the chart below.



(See Item 4 on Page 50 in the Finance and Planning Committee related to authorization to apply for FEMA public assistance grants and to dispose of salvageable property.)

6. U. T. San Antonio: Athletics Complex - Phase I - Amendment of the FY 2008-2013 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2008-2013 Capital Improvement Program (CIP) to include the Athletics Complex - Phase I project at The University of Texas at San Antonio as set forth on the following page.

Project No.:	401-456	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	March 2012	
Total Project Cost:	Source	Current
	Grants	\$22,050,000
Investment Metrics:	By 2012:	
	<ul style="list-style-type: none"> • Increased reputation of the athletic program • Increased student involvement in athletic events • Increased overall student satisfaction with the university • Greater alumni involvement in attending sport events • Increased alumni giving 	

The project will construct a combined soccer and track field stadium plus the utilities, road, and parking infrastructure needed for Phase I of the planned Athletics Complex to be located at the 1604 Campus expansion site on the Hausman Road property. Included in the project scope is the stadium structure, a two-lane road extending from Hausman Road to the edge of the creek bed running through the center of the campus, a 500-space surface parking lot, electric power service to the road and parking area, and city utility connections.

Later phases of the Athletics Complex development will add intercollegiate facilities such as baseball and softball fields, tennis courts, and multipurpose practice fields. A multipurpose team and administration building is also planned for the site.

U. T. San Antonio will collaborate with the City of San Antonio to sponsor athletic competitions. In addition to U. T. San Antonio athletic events, the Complex is expected to host University Interscholastic League (UIL) championships, coach/athlete clinics, National Collegiate Athletics Association (NCAA) and conference tournaments, national youth championships, Senior Games, Para Olympics, Special Olympics, international track and soccer events, and professional exhibition matches.

This project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

7. U. T. Southwestern Medical Center – Dallas: Paul M. Bass Administrative and Clinical Center Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2008-2013 Capital Improvement Program (CIP) to include the Paul M. Bass Administrative and Clinical Center Renovation project at The University of Texas Southwestern Medical Center at Dallas as follows:

Project No.:	303-460		
Institutionally Managed:	Yes	No	
Project Delivery Method:	Design/Build		
Substantial Completion Date:	May 2010		
Total Project Cost:	Source	Current	
	Revenue Financing System Bond Proceeds	\$22,000,000	

- a. approve a total project cost of \$22,000,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Southwestern Medical Center – Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Southwestern Medical Center – Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$22,000,000.

Debt Service

The \$22,000,000 in Revenue Financing System debt will be repaid from new rental income and lease savings. Annual debt service on the \$22,000,000 Revenue Financing System debt is expected to be \$1,765,000. The institution's debt service coverage is expected to average 2.5 times over FY 2009-2014.

Project Description

The project will renovate and upgrade the building for office space to allow staff to move out of currently leased space. The Paul M. Bass Administrative and Clinical Center is the building complex recently purchased as the Exchange Park property located between Harry Hines Boulevard and Forrest Park Road. There is one building involved in the remodeling work located in the center of the property. The area to be remodeled is 150,000 gross square feet. The project will address upgrades to the infrastructure, network and telecommunication systems, building and roof structural improvements, and mechanical and electrical system improvements.

This repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Southwestern Medical Center – Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

- 8. U. T. Arlington: FY 09 High Priority Fire and Life Safety Corrections Phase 2 - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board amended the Fiscal Year 2008-2013 Capital Improvement Program (CIP) to include the FY 09 High Priority Fire and Life Safety Corrections Phase 2 project at The University of Texas at Arlington as follows:

Project No.: 301-452
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: February 2010
Total Project Cost:

<u>Source</u>	<u>Current</u>
Permanent University Fund Bond Proceeds	\$1,400,000

- a. approve a total project cost of \$1,400,000 with funding from Permanent University Fund (PUF) Bond Proceeds;

- b. appropriate funds; and
- c. authorize U. T. Arlington to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$1,400,000 from PUF Bond Proceeds for the project.

Project Description

The project addresses various fire and life safety deficiencies identified as high priority items including fire protection systems in the Library and Texas Hall Auditorium; means of egress deficiencies in the Physical Education Building; emergency egress lighting systems; fire door retrofits in the Library, Pickard Hall, and Carlisle Hall; and the survey of campus buildings for design of handrail corrections. The major focus for this phase will be the Library. The entire building will ultimately be retrofitted with a sprinkler system with two floors included in this portion of the work. Other specific areas being addressed include handrails and fire doors in certain buildings and upgrading the fire protection water line on South Oak Street.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Arlington Facility Management personnel who have the experience and capability to manage all aspects of the work.

- 9. U. T. Medical Branch – Galveston: FY 09 High Priority Fire and Life Safety Projects - University Hospital Clinics Building - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board amended the Fiscal Year 2008-2013 Capital Improvement Program (CIP) to include the FY 09 High Priority Fire and Life Safety Projects - University Hospital Clinics Building at The University of Texas Medical Branch at Galveston as follows:

Project No.: 601-454
 Institutionally Managed: Yes No
 Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date:	May 2009	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$ 600,000
	Hospital Revenues	\$ 600,000
		\$1,200,000

- a. approve a total project cost of \$1,200,000 with funding of \$600,000 from Permanent University Fund (PUF) Bond Proceeds and \$600,000 from Hospital Revenues;
- b. appropriate funds; and
- c. authorize U. T. Medical Branch – Galveston to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$600,000 from PUF Bond Proceeds for the project.

Project Description

The project will address installation of fire sprinklers on all floors of the University Hospital Clinics Building except the ground level and will complete the repairs and renovations needed to upgrade the building to current life safety codes.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Medical Branch – Galveston Facility Management personnel who have the experience and capability to manage all aspects of the work.

10. U. T. Health Science Center – San Antonio: FY 09 High Priority Fire and Life Safety Projects - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board amended the Fiscal Year 2008-2013 Capital Improvement Program (CIP) to include the FY 09 High Priority Fire and Life Safety Projects at The University of Texas Health Science Center at San Antonio as set forth on the following page.

Project No.: 402-455
 Institutionally Managed: Yes No
 Project Delivery Method: Competitive Sealed Proposals
 Substantial Completion Date: May 2009
 Total Project Cost: Source Current
 Permanent University Fund Bond Proceeds \$1,700,000

- a. approve a total project cost of \$1,700,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; and
- c. authorize U. T. Health Science Center – San Antonio to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$1,700,000 from PUF Bond Proceeds for the project.

Project Description

The project will extend the fire sprinkler system in the Auditorium and Basic Science Buildings in the Medical School Building and design a fire alarm and sprinkler system in the Lecture Hall Building.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Health Science Center – San Antonio Facility Management personnel who have the experience and capability to manage all aspects of the work.

- 11. U. T. El Paso: Swimming and Fitness Center - Phase II - Approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Swimming and Fitness Center - Phase II project at The University of Texas at El Paso as follows:

Project No.: 201-348
 Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date:	September 2010	
Total Project Cost:	Source	Current
	Revenue Financing System Bond Proceeds	\$32,000,000
Investment Metrics:	By 2010:	
	<ul style="list-style-type: none"> • Increase student participation in wellness/fitness activities by providing state-of-the-art exercise equipment and recreational facilities • Increased teaching and learning facilities for the Kinesiology and Recreational Sports Departments • Increase in organized fitness class offerings, both credit and non-credit, for students, faculty, and staff 	

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of funds;
- c. approve the evaluation of alternative energy economic feasibility; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$32,000,000.

Debt Service

The \$32,000,000 in Revenue Financing System debt will be repaid from student fees. The 80th Legislature passed House Bill 868 authorizing the student fees, and the bill was subsequently supported by a student referendum approving the fee. Annual debt service on the \$32,000,000 Revenue Financing System debt is expected to be \$2,201,000. The project's debt service coverage is expected to average 2.3 times over FY 2009-2038.

Previous Board Action

On August 23, 2007, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$32,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The new addition, to be located at the south end of the existing Swimming and Fitness Center, will be approximately 87,427 gross square feet. The facility will include a multipurpose gymnasium, an enlarged weight room with cardiovascular exercise areas, two court gymnasiums, expanded locker and dressing facilities, instructional space, and administrative offices for the Recreational Sports Department.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

- 12. U. T. Austin: Battle Hall Complex, Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to redefine the project as a study; redesignation of study as the Battle Hall Complex/West Mall Office Building Renovation; approval to decrease the total project cost; approval to revise the funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Preliminary Board approval)

The Board approved the recommendations for the Battle Hall Complex, Renovation project at The University of Texas at Austin as follows:

Project No.:	102-357		
Architecturally Significant:	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	December 2009		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Gifts	\$15,000,000	
	Unexpended Plant Funds		\$1,000,000
	Revenue Financing System Bond Proceeds		\$1,000,000
			\$2,000,000

- a. amend the FY 2008-2013 Capital Improvement Program (CIP) to redefine the project as a study;
- b. redesignate the study as Battle Hall Complex/West Mall Office Building Renovation;
- c. reduce the total project cost from \$15,000,000 to \$2,000,000;
- d. revise the funding sources from \$15,000,000 from Gifts to \$2,000,000 with funding of \$1,000,000 from Revenue Financing System Bond Proceeds and \$1,000,000 from Unexpended Plant Funds;
- e. appropriate funds and authorize expenditure of funds; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$1,000,000.

Debt Service

The \$1,000,000 in Revenue Financing System debt will be repaid from Gifts, as received. Annual debt service on the \$1,000,000 Revenue Financing System debt is expected to be \$87,000. The institution's debt service coverage is expected to average 2.4 times over FY 2009-2014.

Previous Board Action

On August 23, 2007, the project was included in the CIP with a total project cost of \$15,000,000 with funding from Gifts.

Project Description

Battle Hall is perhaps the most architecturally significant building on the U. T. Austin campus. Designed in 1911 by renowned Beaux-Arts architect Cass Gilbert of New York, it is the first building on campus to employ the Spanish Renaissance architectural style that defines the character of the U. T. Austin campus. The study will better define the scope of the work for the first major renovation since the existing air conditioning system was installed in 1966. The building does not have a public elevator or accessible restrooms. Several life safety modifications are required to protect the occupants, contents, and architectural fabric of the building.

The scope of the study will include the development of a Historic Structures Report, facilities programming that includes library services upgrades and stack/archive reorganization, facility fire and life safety analysis, and necessary building surveys including building envelope, forensic, hazardous material, topographic, and geotechnical. The study will also include input on requirements for building commissioning and Leadership in Energy and Environmental Design (LEED) certification. An Owner's Project Requirements (OPR) document will also be prepared as part of the study.

13. U. T. System: Report on construction projects completed in 2008

This item was considered only by the Committee (see Committee Minutes).

RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE.--
At 11:45 a.m., the Board reconvened as a committee of the whole.

10. U. T. System Board of Regents: Selection of The Honorable Dolph Briscoe, Jr., as 2009 recipient for Santa Rita Award

Chairman Caven recommended and the Board approved The Honorable Dolph Briscoe, Jr., as the 2009 recipient of the Santa Rita Award.

Remarks and motion by Chairman Caven

I am pleased to recommend for your consideration a very outstanding recipient for the Santa Rita Award.

At the outset of this recommendation, I remind the Board and the audience that this award is the highest honor bestowed by the Board of Regents.

The Santa Rita Award is reserved for those individuals who have made extraordinary contributions to University of Texas System institutions, show a deep commitment to higher education, and exhibit time and time again a selfless spirit of service to the U. T. community. The Award acknowledges Santa Rita, the discovery oil well whose resources transformed The University of Texas.

Since the Board of Regents began recognizing deserving individuals with this honor in 1968, only 20 Santa Rita Awards have been made. The 2008 recipient was Bernard Rapoport of Waco.

It gives me great pleasure today to nominate Governor Dolph Briscoe, Jr., as the 21st recipient of the Santa Rita Award. Former Governor Briscoe is a superb ambassador of the U. T. family and a true Texan in every sense. He served as Texas governor from 1973 through 1978, and is one of the state's last great cattle ranchers. His Briscoe Ranch spread covers 640,000 acres over 10 counties in South and West Texas. Clearly, his reputation for dealing with matters on a grand scale extends also to his life as a philanthropist. Governor Briscoe and his late wife, Janey Slaughter Briscoe, a former Regent on this board, made gift commitments of more than \$26 million to U. T. System institutions.

I cannot begin to capture all of the ways Dolph Briscoe has enhanced excellence among U. T. institutions, but for starters, Briscoe gifts have been instrumental in making the Center for American History at The University of Texas at Austin one of the country's great repositories

of historical collections, have created scholarship and faculty endowments at The University of Texas at San Antonio, have funded cardiovascular research and medicine at The University of Texas Health Science Center at San Antonio, and have supported other medical programs at The University of Texas M. D. Anderson Cancer Center in Houston and The University of Texas Southwestern Medical Center at Dallas.

Additionally, Governor Briscoe has served on numerous boards within the U. T. family, including U. T. Austin's Centennial Commission and the Commission of 125, U. T. San Antonio's development board, U. T. M. D. Anderson's Board of Visitors, and the U. T. System Chancellor's Council. He was also named a distinguished alumnus of U. T. Austin in 1996.

If approved, I recommend that the award be bestowed upon Governor Briscoe at an appropriate ceremony to be held in February 2009 in Austin, when we may acknowledge the details of his lifelong dedication and service to U. T. institutions.

RESIGNATION OF FRANCISCO G. CIGARROA, M.D., PRESIDENT OF THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO.-- Chairman Caven acknowledged the announcement by President Francisco Cigarroa that he plans to step down from the presidency at The University of Texas Health Science Center at San Antonio next summer. Chairman Caven said Dr. Cigarroa has been a superb leader and will be difficult to replace. To start the search process, he said he will work with Chancellor ad interim Shine to appoint a search committee to assist the Board in the appointment of Dr. Cigarroa's successor.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on February 11-12, 2009, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 11:50 a.m.

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

December 12, 2008

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 136**

October 22, 2008

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

The Docket for The University of Texas System Administration and the Dockets recommended by the respective presidents and prepared by the institutions listed below are submitted for discussion and appropriate action regarding approval of the Docket at the meeting of the U. T. System Board of Regents on November 13, 2008. The Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	Docket 1 - 4
The University of Texas at Arlington	Docket 5 - 12
The University of Texas at Austin	Docket 13 - 24
The University of Texas at Dallas	Docket 25 - 26
The University of Texas at El Paso	Docket 27 - 38
The University of Texas – Pan American	Docket 39 - 42
The University of Texas of the Permian Basin	Docket 43
The University of Texas at San Antonio	Docket 44 - 47
The University of Texas at Tyler	Docket 48 - 51
The University of Texas Southwestern Medical Center at Dallas	Docket 52 - 53
The University of Texas Medical Branch at Galveston	Docket 54 - 57
The University of Texas Health Science Center at Houston	Docket 58 - 59
The University of Texas Health Science Center at San Antonio	Docket 60 - 62
The University of Texas M. D. Anderson Cancer Center	Docket 63 - 66

Kenneth I. Shine
Chancellor ad interim
and Executive Vice Chancellor for Health Affairs

xc: Other Members of
the Board

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U. T. SYSTEM ADMINISTRATION

CONTRACTS

The following contracts have been administratively approved by the Executive Vice Chancellor for Business Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Anthony Travel, Incorporated
The Alamo Travel Group, LP
Carlson Wagonlit Travel, Inc.
Corporate Travel Planners, Inc.
Sun Travel/American Express
Funds: \$4,200,000
Period: January 1, 2009 through December 31, 2011, with three renewal options of two years each
Description: Full service and on line travel services for staff, faculty, guests, students, study abroad, and athletic travel programs. Five travel agencies will compete for an estimated 70,000 travel transactions annually at a cost to U. T. System of \$20 per transaction.

2. Agency: Hays Consolidated I.S.D.
Funds: \$1,686,987
Period: July 1, 2008 through June 30, 2009
Description: Develop and implement goals for The University of Texas System Teacher Incentive Fund Program, a project that is funded through a federal Teacher Incentive Fund grant to improve student achievement in high need schools through a comprehensive strategy aimed at rewarding teachers and principals for effectiveness with performance-based differentiated compensation, recruiting, and retaining high quality teachers and principals.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

3. Agency: Bryan I.S.D.
Funds: \$2,077,985
Period: July 1, 2008 through June 30, 2009
Description: Develop and implement goals for The University of Texas System Teacher Incentive Fund Program, a project that is funded through a federal Teacher Incentive Fund grant to improve student achievement in high need schools through a comprehensive strategy aimed at rewarding teachers and principals for effectiveness with performance-based differentiated compensation, recruiting and retaining high quality teachers and principals.

REAL ESTATE REPORT

THE UNIVERSITY OF TEXAS SYSTEM SEPARATELY INVESTED ASSETS Managed by U. T. System

Summary Report at August 31, 2008

	FUND TYPE							
	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land & Buildings:								
Ending Value 05/31/08	\$ 3,620,535	\$ 28,989,260	\$ 104,630,997	\$ 284,369,718	\$ 1,789,250	\$ 1,819,766	\$ 110,040,781	\$ 315,178,744
Increase or Decrease	(6,800)	(1,934,054)	(850,104)	32,990,889	-	1,455,606	(856,904)	32,512,441
Ending Value 08/31/08	<u>\$ 3,613,735</u>	<u>\$ 27,055,206</u>	<u>\$ 103,780,892</u>	<u>\$ 317,360,607</u>	<u>\$ 1,789,250</u>	<u>\$ 3,275,372</u>	<u>\$ 109,183,877</u>	<u>\$ 347,691,185</u>
Other Real Estate:								
Ending Value 05/31/08	\$ 86,617	\$ 86,617	\$ 141,041	\$ 141,041	\$ -	\$ -	\$ 227,658	\$ 227,658
Increase or Decrease	(1,281)	(1,281)	(8,544)	(8,544)	-	-	(9,824)	(9,824)
Ending Value 08/31/08	<u>\$ 85,336</u>	<u>\$ 85,336</u>	<u>\$ 132,498</u>	<u>\$ 132,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,834</u>	<u>\$ 217,834</u>

Report prepared in accordance with Sec. 51.0032 of the *Texas Education Code*.

Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands – West Texas Operations. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Chancellor ad interim in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Malandra with The University of Texas System Administration. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

- | | |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name: | Geri H. Malandra, Ph.D |
| Title: | Vice Chancellor for Strategic Management |
| Position: | Member, Jacob K. Javits Fellows Program Fellowship Board |
| Period: | Immediately through July 31, 2012 |
| Compensation: | None |
| Description: | Secretary Spellings has appointed Dr. Malandra to the Jacob K. Javits Fellows Program Fellowship Board. The Program provides fellowships to students of superior academic ability, selected based on demonstrated achievement, financial need, and exceptional promise, to undertake study at the doctoral and Master of Fine Arts level in selected fields of arts, humanities, and social sciences. |

U. T. ARLINGTON

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: DFW Midstream
Funds: None
Period: Effective November 14, 2008 for a one-year term and continuing thereafter so long as oil or gas is produced in paying quantities to warrant the need for such equipment.
Description: Authorization to enter into an Easement and Operating Agreement whereby DFW Midstream will install and operate a natural gas transmission pipeline and natural gas compressor facility on the campus of U. T. Arlington.

FUNDS GOING OUT

2. Agency: Oncor Electric Delivery Company, LLC
Funds: \$200,000
Period: Effective September 1, 2008, and running until such time as electrical services are no longer needed and easement is abandoned.
Description: License agreement whereby Oncor will place or install underground electrical distribution facilities to provide for permanent electrical service to the Engineering Research Complex located at the south side of UTA Boulevard and College Street on the main campus of U. T. Arlington.

CHANGES TO AWARD OF COMPETITIVE SCHOLARSHIPS/FELLOWSHIPS

The following changes, in congressional style, to the criteria for the award of institutional competitive scholarships or fellowships are proposed for inclusion in the Undergraduate Catalog at The University of Texas at Arlington. The changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

Proposed Scholarship Eligibility Criteria for Fall 2009

Entering Freshman Scholarships	
Scholarship	Selection Criteria
President's Charter	1400 <u>1300</u> SAT or 34 <u>29</u> ACT and Top 10% or 3.5 Cumulative high school GPA
Outstanding Freshman	1250 <u>1200</u> SAT or 28 <u>26</u> ACT and Top 10% or 3.2 Cumulative high school GPA
Freshman Honors	1150 <u>1100</u> SAT or 25 <u>24</u> ACT and Top 20% of high school class

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS					
History					
1. Richard V. Francaviglia					2553
From: Professor (T)		100	09	94,775	
To: Professor Emeritus	9/1-8/31			0	
2. Dennis P. Reinhartz					2556
From: Professor (T)		100	09	65,577	
To: Professor Emeritus	9/1-8/31			0	

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

COLLEGE OF EDUCATION					
Educational Administration					
Professor and Chairperson					
3. Adrienne E. Hyle (T)	7/1-8/31	100	09	95,000	2628
Curriculum and Instruction					
Professor and Chairperson					
4. John A. Smith (T)	7/1-8/31	100	09	95,000	2595

AMENDMENTS TO THE 2007-08 BUDGET (CONTINUED)

TENURE APPOINTMENTS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS					
Linguistics and TESOL					
Associate Professor and Chair					
5. Colleen M. Fitzgerald (T)	8/16-8/31	100	09	68,000	2627
		SUPLT	.50	6,244	
COLLEGE OF ENGINEERING					
Electrical Engineering					
Professor					
6. Robert Magnusson (T)	8/1-8/31	100	09	160,000	2629
		SUPLT	01	10,000	
SCHOOL OF URBAN AND PUBLIC AFFAIRS					
Office of the Dean of School of Urban and Public Affairs					
Dean					
7. Barbara Becker (T)	7/16-8/31	100	12	180,000	2626

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been executed, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Arlington is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Arlington. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

1. Item: Head Baseball Coach
Funds: \$62,500 annually
Period: June 1, 2008 through May 31, 2011
Description: Initial agreement for employment of Head Baseball Coach, Darin Thomas, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Head Men's Basketball Coach

From: \$95,000 annually

To: \$115,000 annually

Salary
Percent
Change: 21.00

Description: Renewal agreement for employment of Head Men's Basketball Coach, Scott Cross, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: Added: Twenty win season \$1,500; NIT Appearance \$1,500; each win in a National Post Season Tournament \$2,500; Conference Coach of the Year Award \$2,500; Final season RPI of top 64 in Division I \$1,500; Final season RPI of top 125 in Division I \$1,000; Team Annual NCAA Academic Progress Rate Score of 975 or better \$2,500; Team Annual NCAA Academic Progress Rate Score of 925 or better \$1,000; Every First Team All-Southland Conference Player Recognition \$500; Every First Team All-Academic Southland Conference Recognition \$500; Men's Basketball Student-Athlete receiving the Southland Conference Student-Athlete of the Year Award \$750; Team graduation rate of 75% or better for the year \$500.

Changes: Conference Regular Season Championship changed from \$2,500 to \$4,000; Conference Tournament Championship and automatic bid to NCAA Tournament or at-large bid to NCAA Tournament changed from \$1,000 to \$5,000.

Period: April 1, 2008 through March 31, 2012

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

3. Item: Head Women's Basketball Coach
- From: \$105,000 annually
- To: \$110,000 annually
- Salary
Percent
Change: 4.76
- Description: Amendment to the agreement for employment of Head Women's Basketball Coach, Samantha Morrow, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Added: Each win in a national post season tournament \$2,500; Conference Coach of the Year Award \$2,500; every First Team All-Southland Conference Player recognition \$500; every First Team All-Academic Southland Conference recognition \$500; women's basketball student-athlete receiving the Southland Conference Student-Athlete of the Year Award \$750.
- Changes: Conference Regular Season Championship changed from \$3,000 to \$4,000; Conference Tournament Championship and automatic bid to NCAA Tournament or at-large bid to NCAA Tournament changed from \$2,000 to \$5,000. Twenty wins in a season changed from \$1,000 to \$1,500. Women's National Intercollegiate Tournament appearance changed from \$1,000 to \$1,500. Final season RPI ranking of top 64 in Division I changed from \$1,000 to \$1,500. Final season RPI ranking of top 125 in Division I changed from \$500 to \$1,000. Team annual NCAA academic progress rate score of 975 or better changed from \$2,000 to \$2,500.
- Period: April 1, 2008 through March 31, 2011

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

4. Item: Head Men's Golf Coach
- From: \$50,000 annually
- To: \$52,000 annually
- Salary
Percent
Change: 4.00
- Description: Amendment to the agreement for employment of Head Men's Golf Coach, Jarrod E. Rees, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Changes: Team qualification for the NCAA post season changed from \$2,000 to \$2,500. Team qualification for the NCAA Division I men's golf tournament finals changed from \$1,500 to \$2,500. Individual student-athletes qualification for the NCAA Division I Men's Golf Tournament finals changed from \$500 to \$1,000. Team annual NCAA academic progress rate of 925 or better changed to 940 or better.
- Period: June 1, 2008 through May 31, 2011

U. T. AUSTIN

GIFTS

The following gifts have been received, have been administratively approved by the President or his delegate, and are recommended for approval by the U. T. System Board of Regents:

1. Donor Name: Michael and Susan Dell Foundation
College/School/ Department: Dell Pediatric Research Institute
Purpose: Buildings and capital items
Asset Type: Cash
Value: \$10,000,000

2. Donor Name: Landmark Graphics Corporation
College/School/ Department: John A. and Katherine G. Jackson School of Geosciences
Purpose: Equipment
Asset Type: Non-monetary gift of software and licensing
Value: \$7,327,380

3. Donor Name: The Welch Foundation
College/School/ Department: Various
Purpose: Grants for research in chemistry
Asset Type: Cash
Value: \$1,152,500

4. Donor Name: The Welch Foundation
College/School/ Department: College of Natural Sciences
Purpose: Center for Electrochemistry
Asset Type: Pledge
Value: \$5,000,000

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: IMG Communications, Inc. dba IMG College and Texas A&M University
Funds: Anticipated to exceed \$1,000,000 during the initial term
Period: July 1, 2008 through June 30, 2016 with an option for a two-year renewal
Description: IMG Communications, Inc. dba IMG College will engage in corporate sponsorship, marketing and promotional activities relative to certain intercollegiate athletic games played between U. T. Austin and Texas A&M University and referred to as the "Lone Star Showdown Rivalry Series."

FUNDS GOING OUT

2. Agency: Capital Metropolitan Transportation Authority (Capital Metro)
Funds: \$5,982,654
Period: Effective September 1, 2008 through August 31, 2009
Description: First amendment to agreement between U. T. Austin and the Capital Metropolitan Transportation Authority to provide shuttle bus service for the University. The amendment extends the agreement under option year one for a projected amount of 131,910 service hours. The original agreement was approved by the Board at the February 9, 2006 meeting.

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COCKRELL SCHOOL OF ENGINEERING					
Civil, Architectural and Environmental Engineering					
1. Gregory L. Fenves					2789
From: Dean		100	12	315,000	
Dean's Chair Supplement		SUPLT	12	35,000	
To: Jack and Beverly Randall Dean's Chair for Excellence in Engineering and Professor (T)	9/1-5/31	0	09	175,000	
Dean	9/1-8/31	100	12	315,000	
Dean's Supplement	9/1-8/31	SUPLT	12	35,000	
COLLEGE OF FINE ARTS					
Art and Art History					
Associate Professor					
2. Moyosore B. Okediji (T)	9/1-5/31	100	09	85,000	2682
3. Roberto J. Tejada (T)	9/1-5/31	100	09	80,000	2638
Theatre and Dance and					
LBJ School of Public Affairs					
Professor					
4. Francie Ostrower (T)	9/1-5/31	100	09	98,000	2660
JACKSON SCHOOL OF GEOSCIENCES					
Geological Sciences					
Professor					
5. Robert E. Dickinson (T)	9/1-5/31	100	09	200,000	2791
6. Kerry H. Cook (T)	9/1-5/31	100	09	165,000	2792

AMENDMENTS TO THE 2008-09 BUDGET (CONTINUED)

TENURE APPOINTMENTS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
JACKSON SCHOOL OF GEOSCIENCES (Continued)					
Geological Sciences (Continued)					
Professor					
7. Rong Fu (T)	9/1-5/31	100	09	127,000	2790
Associate Professor					
8. Richard A. Ketcham (T)	9/1-5/31	100	09	102,500	2793
SCHOOL OF LAW					
Thomas W. Gregory Professorship and Professor					
9. Stefanie A. Lindquist (T)	9/1-5/31	100	09	176,000	2657
	9/1-5/31	SUPLT	09	5,000	
COLLEGE OF LIBERAL ARTS					
Classics					
10. Cynthia W. Shelmerdine					2686
From: Robert M. Armstrong Centennial Professorship and Professor (T)		100 SUPLT	09 09	93,000 5,580	
To: Professor Emeritus	9/1-5/31			0	
11. Ingrid M. Edlund-Berry					2658
From: Professor (T)		50	09	76,001	
To: Professor Emeritus	9/1-5/31			0	
History					
Professor					
12. Marion Bodian (T)	1/16-5/31	100	09	125,000	2794
Associate Professor					
13. Matthew J. Butler (T)	9/1-5/31	100	09	76,000	2683

AMENDMENTS TO THE 2008-09 BUDGET (CONTINUED)

TENURE APPOINTMENTS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF LIBERAL ARTS (Continued)					
Psychology					
Professor					
14. Zenzi Griffin (T)	9/1-5/31	100	09	130,000	2684
15. Duane G. Albrecht					2795
From: Professor (T)		100	09	72,367	
To: Professor Emeritus	9/1-5/31			0	
Sociology					
Professor					
16. Nestor P. Rodriguez (T)	9/1-5/31	100	09	115,000	2659
COLLEGE OF NATURAL SCIENCES					
School of Human Ecology					
Professor					
17. Jonathan Y. Chen (T)	1/16-5/31	100	09	100,000	2796
Associate Professor					
18. Linda A. Degraffenried (T)	9/1-5/31	100	09	87,500	2670
SCHOOL OF NURSING					
Associate Professor					
19. Eileen K. Kintner (T)	9/1-5/31	100	09	85,000	2661
20. Catherine Cubbin (T)	9/1-5/31	100	09	75,000	2662
COLLEGE OF PHARMACY					
21. Creed W. Abell					2797
From: Henry M. Burlage Centennial Endowed Professorship and Professor (T)		100	09	131,346	
To: Professor Emeritus	9/1-5/31			0	

AMENDMENTS TO THE 2007-08 BUDGET

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AUXILIARY ENTERPRISES		
Frank C. Erwin, Jr. Special Events Center		
13. Amount of Transfer:	700,000	2637

From: Frank C. Erwin, Jr. Special Events Center - Operating Income

To: Frank C. Erwin, Jr. Special Events Center - Other Expenses

Temporary budget transfer is to provide spending authority for the Frank C. Erwin, Jr. Special Events Center expense account through the end of Fiscal Year 2008. Ringling Circus sales proceeds, when transferred from the Texas Box Office to the Erwin Center, will offset the payment to the producer. Also, proceeds from the Host Communications advertising signage contract and Sodexo Food and Beverage annual settlement should be transferred from Intercollegiate Athletics to the Erwin Center before fiscal year end. The Erwin Center will end the fiscal year with a positive operations balance forward.

PLANT FUNDS

Project Management and Construction Services

14. Amount of Transfer:	550,000	2671
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From: Psychology – Information Resources Fee
Miscellaneous Expenses

To: Seay Building – Renovate Animal Lab/Vivarium
All Expenses

Transfer to provide funding for renovation of Suite 6.114 of the Animal Laboratory and Vivarium on the sixth floor of the Sarah M. and Charles E. Seay Building.

OTHER FISCAL ITEMS

PURCHASE ORDERS - MORE THAN \$1,000,000

The following purchase order has been administratively approved by the President and is recommended for approval by the U. T. System Board of Regents:

FUNDS GOING OUT

1. Agency: Sonatech, Inc.
Funds: \$1,103,092
Title/Description: Engineering design and manufacture of homing and docking sonar equipment as part of a U.S. government sponsored project at U. T. Austin.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS

The following agreements have been executed, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Austin. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

- Item: Head Women's Rowing Coach
From: \$86,493 annually
To: \$86,493 annually
Salary
Percent
Change: n/a
Description: Second amendment to the agreement for employment of Head Women's Rowing Coach, Carie B. Graves, to extend the term of the agreement for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
Incentive
Change: None
Period: September 1, 2008 through August 31, 2009

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Head Men's Tennis Coach
- From: \$125,000 annually
- To: \$125,000 annually
- Salary
Percent
Change: n/a
- Description: Second amendment to the agreement for employment of Head Men's Tennis Coach, Michael E. Center, to extend the term of the agreement for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2010 through August 31, 2012
3. Item: Head Men's Track and Field Coach
- From: \$135,000 annually
- To: \$135,000 annually
- Salary
Percent
Change: n/a
- Description: Second amendment to the agreement for employment of Head Men's Track and Field Coach, Charles G. Thornton, to extend the term of the agreement for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2010 through August 31, 2012

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

4. Item: Head Men's Swimming and Diving Coach
- From: \$145,000 annually
- To: \$145,000 annually
- Salary
Percent
Change: n/a
- Description: Second amendment to the agreement for employment of Head Men's Swimming and Diving Coach, Edwin C. Reese, to extend the term of the agreement for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2010 through August 31, 2012
5. Item: Head Men's Golf Coach
- From: \$120,000 annually
- To: \$120,000 annually
- Salary
Percent
Change: n/a
- Description: Second amendment to the agreement for employment of Head Men's Golf Coach, John T. Fields, to extend the term of the agreement for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2010 through August 31, 2012

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

6. Item: Athletics Director, Intercollegiate Athletics Department for Women
- From: \$280,000 annually
- To: \$280,000 annually
- Salary
Percent
Change: n/a
- Description: First amendment to the agreement for employment of Athletics Director, Intercollegiate Athletics Department for Women, Christine A. Plonsky, to extend the term of the agreement for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2011 through August 31, 2015

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Ms. Stidvent with The University of Texas at Austin. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

- | | |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name: | Veronica Vargas Stidvent, J.D. |
| Title: | Director, Center for Politics and Governance at the Lyndon B. Johnson School of Public Affairs |
| Position: | Member, Texas Human Rights Commission |
| Period: | Will begin service upon confirmation by the Senate during the 2009 legislative session. The unexpired six-year term ends on February 1, 2009. |
| Compensation: | None |
| Description: | Governor Perry nominated Ms. Stidvent to fill an unexpired term on the Texas Human Rights Commission. The goal of the Commission is to reduce discrimination in employment and housing through educational and outreach programs, and enforcement of the Texas Commission on Human Rights Act and Texas Fair Housing Act. |

U. T. DALLAS

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF ECONOMIC, POLITICAL AND POLICY SCIENCES					
GIS					
Professor and Program Head					
1. Denis Dean (T)	9/1-5/31	100	09	110,000	2724
Geography and Geospatial Sciences					
2. Ronald Briggs					2749
From: Professor (T)		100	09	92,702	
To: Professor Emeritus	9/1-5/31			0	

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE					
Dean, Ericsson Chair and Professor					
3. Mark Spong (T)	8/16-8/31	100	12	310,000	2598
	8/16-8/31	WOS	09	202,500	

AMENDMENTS TO THE 2007-08 BUDGET (CONTINUED)

TENURE APPOINTMENTS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MANAGEMENT					
Finance					
Ashbel Smith Professor					
4. David C. Mauer (T)	7/1-8/31	100	09	220,000	2607

U. T. EL PASO

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF EDUCATION Teacher Education Professor					
1. Arturo Olivarez Jr. (T)	9/1-5/31	100	09	96,000	2547
COLLEGE OF ENGINEERING Electrical and Computer Engineering Professor					
2. Wei Qian (T)	9/1-5/31	100	09	110,000	2548

AMENDMENTS TO THE 2008-09 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
SUMMER 2008 ENROLLMENT GROWTH INITIATIVE		
3. Amount of Transfer:	1,257,883	2739
From: Designated Funds	1,257,883	
To: College of Business Enrollment Growth Fund	290,282	
College of Education Enrollment Growth Fund	166,557	
College of Health Science Enrollment Growth Fund	112,886	
College of Liberal Arts Enrollment Growth Fund	440,028	
School of Nursing Enrollment Growth Fund	163,059	
College of Science Enrollment Growth Fund	85,071	

This adjustment is needed to allocate Summer 2008 Enrollment Growth Initiative funds.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
COLLEGE OF EDUCATION Teacher Education Professor					
4. Arturo Olivarez Jr. (T)	8/1-8/31	100	09	96,000	2560
INSTITUTE FOR POLICY AND ECONOMIC DEVELOPMENT Professor					
5. Joao R. Faria (T)	6/1-8/31	100	09	85,000	2688

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been executed, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at El Paso is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at El Paso. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

1. Item: Athletics Director
From: \$215,000 annually
To: \$223,000 annually
Salary
Percent
Change: 3.72
Description: Amendment to agreement for employment of Athletics Director, Robert Stull, for the designated period following the standard athletics director's employment contract prepared by the Office of General Counsel.
Incentive
Change: None
Period: September 1, 2008 through August 31, 2010
2. Item: Head Men's Basketball Coach
From: \$226,600 annually
To: \$233,602 annually
Salary
Percent
Change: 3.09
Description: Amendment to agreement for employment of Head Men's Basketball Coach, Anthony Barbee, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change: Changed: For all home games excluding the Sun Carnival Basketball Tournament: From \$1 per person in attendance over 8,000 to \$1 per gate ticket sold (not including complimentary tickets, trade tickets, student tickets and season tickets). Changed: For all Season Tickets Sold: From \$20 per ticket issued over 4,800, to \$20 per ticket issued over 4,500. Added: For participation in NCAA Sanctioned Post Season Basketball Tournament (e.g. CBI), Barbee may receive an additional bonus in an amount not to exceed \$5,000, provided that the tournament revenues exceed the tournament expenditures and the net revenues support such payment, and upon approval by the Director and the President.

Period: September 1, 2008 through August 31, 2013

3. Item: Head Women's Rifle Coach

From: \$44,242 annually

To: \$45,570 annually

Salary
Percent
Change: 3.00

Description: Renewal agreement for employment of Head Women's Rifle Coach, George Brenzovich, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: None

Period: September 1, 2008 through August 31, 2009

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

4. Item: Head Women's Tennis Coach
- From: \$40,173 annually
- To: \$41,378 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Head Women's Tennis Coach, Mary Campbell, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2008 through August 31, 2009
5. Item: Head Women's Soccer Coach
- From: \$62,400 annually
- To: \$64,272 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Head Women's Soccer Coach, Kevin Cross, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2008 through August 31, 2009

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

6. Item: Head Strength and Conditioning Coach
- From: \$56,424 annually
- To: \$60,007 annually
- Salary
Percent
Change: 6.35
- Description: Renewal agreement for employment of Head Strength and Conditioning Coach, Kirk Davis, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2008 through August 31, 2009
7. Item: Head Women's and Men's Cross Country Coach
- From: \$48,668 annually
- To: \$51,102 annually
- Salary
Percent
Change: 5.00
- Description: Renewal agreements for employment of Head Women's and Men's Cross Country Coach, Paul Ereng, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel. Coach Ereng is appointed 50% time as the Head Women's Cross Country Coach and 50% time as the Head Men's Cross Country Coach.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change: Changed: For C-USA Indoor Cross Country Team Championship, Outdoor Cross Country Team Championship, NCAA Indoor Top 10 Team Finish, NCAA Outdoor Top 10 Team Finish: from a one month salary bonus can be achieved for "one and only one" of the listed accomplishments, to a one month salary bonus under either the Head Men's Coach Agreement or Head Women's Coach Agreement for any of the above listed achievements. For Men's and Women's Multi-Year Academic Progress Report (APR) Published Miner Athlete Academic Center (MAAC) Report Score of 925 equals \$1,000 bonus: from both teams must achieve APR score, to a \$1,000 bonus for either team; For Men's and Women's Multi-Year APR Published MAAC Report Score of 1000 or above equals an additional \$1,000 bonus: from both teams must achieve APR score, to an additional \$1,000 bonus for either team.

Period: September 1, 2008 through August 31, 2009

8. Item: Head Women's and Men's Indoor and Outdoor Track Coach

From: \$85,738 annually

To: \$90,026 annually

Salary
Percent
Change: 5.00

Description: Renewal agreements for employment of Head Women's and Men's Indoor and Outdoor Track Coach, Robert Kitchens, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel. Coach Kitchens is appointed 50% time as the Head Women's Indoor and Outdoor Track Coach and 50% time as the Head Men's Indoor and Outdoor Track Coach.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

Incentive
Change: Changed: For C-USA Indoor Men's or Women's Track Team Championship, Outdoor Men's or Women's Track Team Championship, NCAA Indoor Men's or Women's Top 10 Team Finish, NCAA Outdoor Men's or Women's Top 10 Team Finish, C-USA Indoor Cross Country Team Championship, Outdoor Cross Country Team Championship, NCAA Indoor Top 10 Team Finish, NCAA Outdoor Top 10 Team Finish: from a one month salary bonus can be achieved for "one and only one" of the listed accomplishments, to a one month salary bonus under either the Head Men's Coach Agreement or Head Women's Coach Agreement for any of the above listed achievements. For Men's and Women's Multi-Year Academic Progress Report (APR) Published Miner Athlete Academic Center (MAAC) Report Score of 925 equals \$1,000 bonus from both teams must achieve APR score, to a \$1,000 bonus for either team; For Men's and Women's Multi-Year APR Published MAAC Report Score of 1000 or above equals an additional \$1,000 bonus from both teams must achieve APR score, to an additional \$1,000 bonus for either team.

Period: September 1, 2008 through August 31, 2009

9. Item: Head Women's Volleyball Coach

From: \$57,000 annually

To: \$58,710 annually

Salary
Percent
Change: 3.00

Description: Renewal agreement for employment of Head Women's Volleyball Coach, Kenneth Murphy, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: None

Period: September 1, 2008 through August 31, 2009

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

10. Item: Head Women's Golf Coach
- From: \$49,500 annually
- To: \$50,985 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Head Women's Golf Coach, Jere Pelletier, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Added: For speaking engagements arranged by U. T. El Paso, the coach may receive an annual salary supplement for the performance of these services from income paid to U. T. El Paso by third parties.
- Period: September 1, 2008 through August 31, 2009
11. Item: Head Football Coach
- From: \$260,000 annually
- To: \$267,800 annually
- Salary
Percent
Change: 3.00
- Description: Amendment to agreement for employment of Head Football Coach, Michael Bruce Price, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Changed: For all home games: from \$1 per person in attendance, to \$1 per gate ticket sold (not including complimentary tickets, trade tickets, student tickets and season tickets).
- Period: September 1, 2008 through August 31, 2013

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

12. Item: Associate Head Women's Softball Coach
- From: \$43,273 annually
- To: \$44,571 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Associate Head Women's Softball Coach, James Rodriguez, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2008 through August 31, 2009
13. Item: Associate Head Women's Softball Coach
- From: \$43,273 annually
- To: \$44,571 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Associate Head Women's Softball Coach, Kathleen Rodriguez, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: September 1, 2008 through August 31, 2009

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

14. Item: Head Men's Golf Coach
- From: \$49,997 annually
- To: \$51,497 annually
- Salary
Percent
Change: 3.00
- Description: Renewal agreement for employment of Head Men's Golf Coach, Richard Todd, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: Added: For speaking engagements arranged by U. T. El Paso, the coach may receive an annual salary supplement for the performance of these services from income paid to U. T. El Paso by third parties.
- Period: September 1, 2008 through August 31, 2009

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and are submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding these positions and the appointments of Dr. Anders and Mr. Riojas with The University of Texas at El Paso. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University.

1. Name: Robert Anders
Title: Dean of the School of Nursing
Position: Member, Defense Health Board Psychological Health External Advisory Subcommittee
Period: July 23, 2008 through July 22, 2009
Compensation: None
Description: Secretary Gates has approved the appointment of Dr. Anders to the Defense Health Board Psychological Health External Advisory Subcommittee. The mission of the Subcommittee is to provide independent authoritative advice to maximize the health, safety, and effectiveness of the United States Armed Forces.

2. Name: Jose Riojas
Title: Vice President for Strategic Initiatives
Position: Member, Texas Emerging Technology Advisory Committee
Period: September 1, 2008 through August 30, 2010
Compensation: None
Description: Governor Perry has reappointed Mr. Riojas to the Texas Emerging Technology Advisory Committee. The Committee includes 17 high-tech leaders, entrepreneurs, and research experts appointed to serve in an advisory capacity related to the Emerging Technology Fund. The Committee will make recommendations to the Governor, Lieutenant Governor, and Speaker of the House on collaborations, investments, research grants, and recruitment associated with the Emerging Technology Fund. The Fund focuses on fostering innovation, research, and job creation in emerging high-tech industries like semiconductor manufacturing, biotechnology, nanotechnology, environmental sciences, and advanced energy.

U. T. PAN AMERICAN
AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF EDUCATION					
Curriculum and Instruction					
Department Chair and Professor					
1. Irma N. Guadarrama (T)	9/1-8/31	100	09	80,000	2731
	9/1-8/31	SUPLT	09	8,000	
COLLEGE OF BUSINESS					
ADMINISTRATION					
Management, Marketing and International Business					
2. Gilberto de los Santos					2716
From: Professor (T)		100	09	90,952	
To: Professor Emeritus	9/1-8/31			0	
COLLEGE OF ARTS AND HUMANITIES					
Music					
3. John Raimo					2717
From: Professor (T)		100	09	82,662	
To: Professor Emeritus	11/15-8/31			0	

AMENDMENTS TO THE 2008-09 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AUXILARY ENTERPRISE SERVICES PLEGED ACTIVITY		
4. Amount of Transfer:	505,020	2666

From: Auxiliary Funds

To: Unexpended Plant Funds

To record the transfer of Auxiliary Funds to Unexpended Plant Funds to cover the costs of renovation to the University Ballroom.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been executed, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas - Pan American is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas - Pan American. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

- Item: Head Women's Basketball Coach

From: \$70,967 annually

To: \$75,216 annually

Salary
Percent
Change: 5.99

Description: Renewal agreement for employment of Head Women's Basketball Coach, DeAnn Craft, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Incentive
Change: None

Period: April 1, 2008 through August 31, 2010

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Head Men's and Women's Tennis Coach
- From: \$38,112 annually
- To: \$39,252 annually
- Salary
Percent
Change: 2.99
- Description: Renewal agreement for employment of Head Men's and Women's Tennis Coach, Robert Hubbard, for the designated period following the standard coach's employment contract prepared by the Office of General Counsel.
- Incentive
Change: None
- Period: July 1, 2008 through June 30, 2009

U. T. PERMIAN BASIN
AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF EDUCATION					
1. Karen S. Smith (T)					2746
From: Associate Professor		100	09	60,155	
To: Associate Professor	9/1-5/31	75	09	60,155	
Associate Dean	9/1-5/31	25	12	80,207	
	6/1-8/31	50	12	80,207	
SCHOOL OF BUSINESS					
2. William H. Price (T)					2747
From: Associate Professor		100	09	76,500	
To: Associate Professor	9/1-5/31	75	09	76,500	
Associate Dean	9/1-5/31	25	12	102,000	
	6/1-8/31	50	12	102,000	

U. T. SAN ANTONIO

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: I-10 Tech, Ltd.
Funds: \$4,995,904
Period: April 1, 2008 through October 31, 2014 and renewal option period – August 1, 2014 through October 31, 2018.
Description: Extension of existing space lease agreement at University Heights Tech Center for a period beyond the maximum term contemplated by the parties in the original lease with additional space provided in accordance with the lease terms. Total leased space is 38,912 square feet located at 5723 University Heights Boulevard, San Antonio, Texas, used for office space during campus renovations and to expand current space for growing departments.
2. Agency: Grandview Partners, Ltd.
Funds: \$2,453,916 and renewal option periods at market rate
Period: February 1, 2009 through October 31, 2014 and four 1-year renewal option periods – August 1, 2014 through October 31, 2018.
Description: Lease of 18,994 square feet in Building IV at University Heights Tech Center located at 5723 University Heights Boulevard, San Antonio, Texas used for office space during campus renovations and to expand current space for growing departments.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT					
Health and Kinesiology					
Associate Professor					
1. Meizi He (T)	8/18-8/31	100	09	84,000	2726
Interdisciplinary Learning and Teaching					
Associate Professor					
2. Audrey M. Dentith (T)	8/18-8/31	100	09	70,000	2725
COLLEGE OF LIBERAL AND FINE ARTS					
Art and Art History					
Chair and Professor					
3. Gregory M. Elliott (T)	8/18-8/31	100	09	90,000	2728
Music					
Chair and Professor					
4. Robert John D. Frego (T)	7/1-8/31	100	09	75,000	2730
Sociology					
Professor					
5. John P. Bartkowski (T)	8/18-8/31	100	09	120,000	2727
COLLEGE OF PUBLIC POLICY					
Demography and Organization Studies					
Professor					
6. Lloyd B. Potter (T)	8/18-8/31	100	09	162,000	2729

AMENDMENTS TO THE 2007-08 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
University Center		
7. Amount of Transfer:	569,000	2640

From: University Center Fees

To: University Center, Repairs, and Rehabilitation

This adjustment is needed for repair and maintenance of the existing University Center building (waterproofing, caulking, and glazing windows).

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been executed, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at San Antonio is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at San Antonio. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

1. Item: Head Men's Golf Coach
Funds: \$50,000 annually
Period: August 20, 2008 through June 30, 2011
Description: Initial agreement for employment of Head Men's Golf Coach, John Knauer, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Women's Golf Coach
Funds: \$42,000 annually
Period: August 6, 2008 through June 30, 2011
Description: Initial agreement for employment of Head Women's Golf Coach, Carolina Cole, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. TYLER

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ARTS AND SCIENCES					
Criminal Justice					
1. Peter W. Phillips					2562
From: Associate Professor (T)		100	09	54,050	
To: Professor Emeritus	9/1-5/31			0	
COLLEGE OF EDUCATION AND PSYCHOLOGY					
Criminal Justice					
2. Frederick G. Mears					2563
From: Professor (T)		100	09	67,122	
To: Professor Emeritus	9/1-5/31			0	
COLLEGE OF BUSINESS AND TECHNOLOGY					
Criminal Justice					
3. Tommy D. Gilbreath					2564
From: Associate Professor (T)		100	09	55,683	
To: Professor Emeritus	9/1-5/31			0	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been executed, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Tyler is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Tyler. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

1. Item: Athletics Director and Head Baseball Coach
Funds: \$75,624 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Athletics Director and Head Baseball Coach, James Vilade, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.
2. Item: Assistant Athletic Director-Business Affairs and Head Golf Coach
Funds: \$35,370 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Assistant Athletic Director-Business Affairs and Head Golf Coach, King Campbell, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.
3. Item: Head Tennis Coach
Funds: \$35,544 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Head Tennis Coach, Chris Bizot, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

4. Item: Associate Athletic Director and Head Women's Basketball Coach
Funds: \$57,900 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Associate Athletic Director, Head Women's Basketball Coach, Terri Roberts Deike, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.
5. Item: Head Men's Soccer Coach
Funds: \$40,560 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Head Men's Soccer Coach, Kenneth Jones, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.
6. Item: Head Men's Basketball Coach
Funds: \$49,956 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Head Men's Basketball Coach, Louis Bizot, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

7. Item: Head Volleyball Coach
Funds: \$40,212 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Head Volleyball Coach, Kristee Phelps, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.
8. Item: Assistant Athletic Director-Compliance and Head Softball Coach
Funds: \$50,000 annually
Period: September 1, 2008 through August 31, 2009
Description: Initial agreement for employment of Assistant Athletic Director-Compliance and Head Softball Coach, Michael Reed, for the above designated period following the standard coach's employment contract approved by the Office of General Counsel.

U. T. SOUTHWESTERN MEDICAL CENTER – DALLAS

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: U. T. Southwestern Moncrief Cancer Center
Funds: \$3,261,279
Period: September 1, 2008 through August 31, 2009
Description: To provide professional and technical services.
2. Agency: VA North Texas Healthcare System
Funds: \$3,276,974
Period: June 3, 2008 through June 2, 2010
Description: To provide clinical studies of various Gulf War veterans' illnesses. The study will use brain imaging to identify irregularities.
3. Agency: VA North Texas Healthcare System
Funds: \$1,797,374
Period: July 11, 2008 through July 10, 2010
Description: To provide scientific studies of various Gulf War veterans' illnesses. The study will review the relationship of certain brain functions.

FUNDS GOING OUT

4. Agency: Patient Financial Services, Inc.
Funds: \$3,300,000 (estimated amount)
Period: March 1, 2008 through February 28, 2011
Description: To provide collection services.

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL					
Physiology					
1. Youxing Jiang					2743
From: Assistant Professor		100	12	134,000	
To: Associate Professor (T)	9/1-8/31	100	12	134,000	
Anesthesiology and Pain Management					
2. Edward R. Johnson					2744
From: Professor (T)		100	12	275,900	
To: Professor Emeritus	9/1-8/31			0	

U. T. MEDICAL BRANCH – GALVESTON

GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

- | | |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Donor Name: | The Sealy & Smith Foundation |
| College/School/ | |
| Department: | School of Medicine |
| Purpose: | Gift of \$5,700,000 for the cardiac catheterization lab replacement, with an initial payment of \$4,091,467 and remaining amount pledged. |
| Asset Type: | Cash |
| Value: | \$4,091,467 |

CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: ValueOptions of Texas, Inc.
Funds: \$1,522,600
Period: September 1, 2008 through August 31, 2009
Description: Fourth amendment for U. T. Medical Branch – Galveston to continue providing administration of uniform assessment, primary care medical screening services, care coordination of clinical sub-specialty services, and clinical pharmacy services to indigent members of the NorthSTAR program.

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
ACADEMIC ENTERPRISE					
Biochemistry and Molecular Biology					
1. Rong-sen Shen					2634
From: Associate Professor (T)		100	12	82,248	
To: Associate Professor Emeritus	9/1-8/31			0	
SCHOOL OF MEDICINE					
Dermatology					
Microbiology and Immunology					
Pathology					
2. Michael R. McGinnis					2567
From: Professor (T)		100	12	170,517	
To: Professor Emeritus	1/1-8/31			0	
Pathology					
Professor					
3. Stephen K. Wikel (T)	9/1-8/31	100	12	208,000	2573

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued)					
Pediatrics					
4. Mary Ellen Haggard					2589
From: Professor (T)		20	12	25,231	
To: Professor Emeritus	7/1-8/31			0	
Pharmacology and Toxicology					
Psychiatry and Behavioral Science					
5. Patricia Shinnick-Gallagher					2584
From: Professor (T)		100	12	135,878	
To: Professor Emeritus	7/26-8/31			0	

U. T. HEALTH SCIENCE CENTER – HOUSTON

GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

- | | |
|--------------------------------|---------------------------------------------------------------------------------------------|
| Donor Name: | The Cullen Trust for Health Care |
| College/School/
Department: | Institution |
| Purpose: | Support the Virtual Cancer Research Project at the School
of Health Information Sciences |
| Asset Type: | Cash |
| Value: | \$1,500,000 |

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL SCHOOL					
Department of Neurobiology and Anatomy					
1. Kathleen R. Gibson					2732
From: Professor (T)		100	12	116,138	
Department of Neurobiology and Anatomy and Dental Branch, Department of Orthodontics					
To: Professor Emeritus	9/1-8/31				0

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL SCHOOL					
Department of Integrative Biology and Pharmacology					
Professor and Chairman					
2. John F. Hancock (T)	7/1-8/31	100	12	205,000	2602
	7/1-8/31	SUPLT	12	95,000	

U. T. HEALTH SCIENCE CENTER – SAN ANTONIO

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
DENTAL SCHOOL					
Dental Diagnostic Science					
Dental Hygiene					
1. John W. Preece					2681
From: Professor (T)	9/1-8/31	80	12	114,271	
	9/1-8/31	20	12	110,000	
To: Professor Emeritus	9/1-8/31			0	
Dental Diagnostic Science					
GRADUATE SCHOOL OF BIOMEDICAL SCIENCES					
Office of the Dean					
Biochemistry					
2. Merle S. Olson					2677
From: Professor and Chair (T)	9/1-8/31	100	12	265,886	
To: Professor Emeritus	9/1-8/31			0	
SCHOOL OF MEDICINE					
Medicine					
3. Michael S. Katz					2678
From: Professor (T)	9/1-1/4	WOS	12		
To: Professor Emeritus	9/1-8/31			0	

AMENDMENTS TO THE 2008-09 BUDGET (CONTINUED)

TENURE APPOINTMENTS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued)					
Medicine (Continued)					
4. Leslie David Hillis					2679
From: Professor and Chair	9/1-8/31	100	12	390,000	
To: Professor and Chair (T)	9/1-8/31	100	12	390,000	
5. Craig M. Klugman					2680
From: Associate Professor	9/1-8-31	100	12	120,000	
To: Associate Professor (T)	9/1-8/31	100	12	120,000	

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Nolan with The University of Texas Health Science Center at San Antonio. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

- | | |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name: | Charles R. Nolan, III, M.D. |
| Title: | Professor of Medicine and Surgery and Medical Director of Kidney and Pancreas Transplantation |
| Position: | Member, Chronic Kidney Disease Task Force |
| Period: | August 1, 2008 to an indefinite date |
| Compensation: | None |
| Description: | Governor Perry has appointed Dr. Nolan to the Chronic Kidney Disease Task Force as the representative from a nephrology department of a medical school per House Bill 1373. The Task Force fulfills its responsibilities by studying issues pertaining to early identification, prevention, and treatment of kidney disease among residents in the State of Texas. |

U. T. M. D. ANDERSON CANCER CENTER

GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

- | | |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Donor Name: | Mays Family Foundation |
| College/School/
Department: | Institution |
| Purpose: | South Campus Research Initiative, Red and Charline
McCombs Institute for the Early Detection and Treatment of
Cancer |
| Asset Type: | Cash |
| Value: | \$3,000,000 |

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: St. Luke's Sugar Land Partnership, L.L.P.
Funds: Approximately \$12,555,948 in base rent plus proportionate share of operating expenses, which will not increase more than five percent per year for controllable expenses.

Period: August 31, 2009 through August 30, 2019. Agreement may be renewed for two additional five-year terms.

Description: A space lease agreement for U. T. M. D. Anderson Cancer Center to lease approximately 22,603 square feet of net rentable area in a medical office building located at 1327 Lake Pointe Parkway, Sugar Land, Texas to provide technical and/or professional radiation oncology or medical oncology/infusion therapy services and associated incidental services and supporting office activities.
2. Agency: St. Luke's Sugar Land Partnership, L.L.P.
Funds: Approximately \$24,874,926 in base rent plus proportionate share of operating expenses, which will not increase more than five percent per year for controllable expenses.

Period: August 31, 2009 through August 30, 2019. Agreement may be renewed for two additional five-year terms.

Description: A space lease agreement for U. T. M. D. Anderson Cancer Center to lease approximately 13,565 square feet of net rentable area in a medical office building located at 1327 Lake Pointe Parkway, Sugar Land, Texas, to provide technical and/or professional radiation oncology and associated incidental services and supporting office activities.

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS APPOINTMENTS**

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL STAFF					
Genitourinary Medical Oncology Associate Professor					
1. Paul Mathew (T)	9/1-8/31	100	12	190,229	2587
Stem Cell Transplantation Professor					
2. Paolo Anderlini (T)	9/1-8/31	100	12	240,000	2609
Surgical Oncology Associate Professor					
3. Eddie K. Abdalla (T)	9/1-8/31	100	12	283,000	2610
Infectious Diseases Associate Professor					
4. Roy F. Chemaly (T)	9/1-8/31	100	12	210,717	2611
Hematopathology Associate Professor					
5. Ellen J. Schlette (T)	9/1-8/31	100	12	193,124	2612
Pathology Professor					
6. Jeanne Meis (T)	9/1-8/31	100	12	300,000	2723

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
RESEARCH					
Biochemistry and Molecular Biology Professor					
7. John Ladbury (T)	7/15-8/31	100	12	225,000	2588