

Meeting No. 1,052

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

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November 11-12, 2009

Austin, Texas

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MEETING NO. 1,052

WEDNESDAY, NOVEMBER 11, 2009.--The members of the Board of Regents of The University of Texas System convened at 11:38 a.m. on Wednesday, November 11, 2009, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present
Chairman Huffines
Vice Chairman McHugh
Vice Chairman Foster
Regent Dannenbaum
Regent Gary
Regent Hicks
Regent Longoria
Regent Powell
Regent Stillwell
Regent Meijer, Student Regent, nonvoting

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

RECESS TO EXECUTIVE SESSION.--At 11:43 a.m., Chairman Huffines 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 12:57 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

1a. U. T. Austin: Approval of negotiated gifts with potential naming features

Regent Stillwell moved that the Board of Regents authorize President Powers and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas at Austin with potential naming features consistent with the terms outlined in Executive Session.

The motion was seconded by Vice Chairman McHugh and carried unanimously.

1b. U. T. Medical Branch – Galveston: Approval of a negotiated gift with a potential naming feature

Regent Gary moved that President Callender and Vice Chancellor Safady be authorized to conclude negotiations concerning negotiations necessary to finalize and accept a gift to benefit The University of Texas Medical Branch at Galveston with a potential naming feature consistent with the terms outlined in Executive Session.

The motion was seconded by Vice Chairman Foster and carried without objection.

2. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

3. U. T. Pan American: Authorization to negotiate the purchase of a condominium interest in approximately 25,400 rentable square feet of an office building with adjacent related surface parking located at 4302 South Sugar Road in Edinburg, Hidalgo County, Texas, from Edinburg MOB Properties, LLC, a Texas limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals, for use as office space for administrative staff and other nonacademic uses

Regent Powell moved that the Board take the following actions on behalf of The University of Texas – Pan American:

- a. authorize the purchase of a condominium interest in approximately 25,400 rentable square feet of an office building with adjacent related surface parking located at 4302 South Sugar Road in Edinburg, Hidalgo County, Texas, from Edinburg MOB Properties, LLC, a Texas limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals, and in accordance with the parameters discussed in Executive Session, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for use as office space for administrative staff and other nonacademic uses; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General

Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions within parameters outlined in Executive Session.

The motion was seconded by Regent Stillwell and carried unanimously.

4a. U. T. Pan American: Appointment of Robert S. Nelsen, Ph.D., as President

Regent Longoria moved that Robert S. Nelsen, Ph.D., currently Associate Vice President for Academic Affairs, Texas A&M University – Corpus Christi, be selected President-Designate of The University of Texas – Pan American, and become President effective January 1, 2010, at a compensation commensurate with the responsibilities of the office, to be negotiated in accordance with University of Texas System policies by Executive Vice Chancellor Prior, and submitted to the Board for approval via the usual budgetary procedures.

Regent Longoria further moved that the Minutes reflect that, by approval of this motion, the Board has made a finding that, as required by State law, this appointment is in the best interest of U. T. Pan American.

The motion was seconded by Regent Stillwell and carried unanimously.

4b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees

No action was taken on this item.

4c. 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, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

RECESS.--At 1:00 p.m., Chairman Huffines announced the Board would recess for meetings of the standing committees and would reconvene on the morning of November 12.

THURSDAY, NOVEMBER 12, 2009.--The members of the Board of Regents of The University of Texas System reconvened at 10:28 a.m. on Thursday, November 12, 2009, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Huffines
Vice Chairman McHugh
Vice Chairman Foster
Regent Dannenbaum
Regent Gary
Regent Hicks
Regent Longoria
Regent Powell
Regent Stillwell
Regent Meijer, Student Regent, nonvoting

Chairman Huffines announced a quorum present and called the meeting to order. He had previously asked Vice Chairman McHugh to chair the meeting because of his expected absence and he asked that she serve in the role of Chairman. Vice Chairman McHugh then continued the meeting.

WELCOME TO PRESIDENT-DESIGNATE ROBERT S. NELSEN, U. T. PAN AMERICAN.--Vice Chairman McHugh welcomed Dr. Robert S. Nelsen, President-Designate of The University of Texas – Pan American who was in attendance at the meeting. She acknowledged Dr. Nelsen's two terms as Chairman of The University of Texas System Faculty Advisory Council before his administrative service at The University of Texas at Dallas. Vice Chairman McHugh also thanked Dr. Charles A. Sorber for his service as Interim President at U. T. Pan American for the past nine months.

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 19-20, 2009, in Austin, Texas, were approved as prepared by the Secretary to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LVI, Pages 578 - 858.

The Minutes of the special meetings of the Board of Regents of the U. T. System held on September 8, 2009, and October 12, 2009, in Austin, Texas, were also approved as prepared by the Secretary to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LVII, Pages 1 - 22.

AGENDA ITEMS

1. U. T. System Board of Regents: Appointment of Regent Printice L. Gary to the Board of Directors of The University of Texas Investment Management Company (UTIMCO) effective immediately

The Board appointed Regent Printice L. Gary to replace Vice Chairman Colleen McHugh on The University of Texas Investment Management Company (UTIMCO) Board of Directors effective immediately. Regent Gary fills Vice Chairman McHugh's term, which expires April 1, 2011, or until his successor is named.

Vice Chairman McHugh and Regent Gary abstained from discussion and voting on this item.

Pursuant to *Texas Education Code* Section 66.08, the Board of Regents appoints the nine directors of UTIMCO. At least three members of The University of Texas System Board of Regents and the Chancellor are appointed to the UTIMCO Board of Directors upon recommendation of the Chairman of the Board of Regents, by and with the consent of the Board of Regents.

Vice Chairman McHugh was appointed to the UTIMCO Board on November 10, 2005, and she was reappointed on April 16, 2007 and on May 13, 2009. She resigned from the UTIMCO Board effective with the appointment of Regent Gary.

Regent Gary was appointed to the U. T. System Board of Regents in October 2007. He is the Chairman of the Facilities Planning and Construction Committee and also serves on the Finance and Planning Committee and on the Student, Faculty, and Staff Campus Life Committee. He is a Regental Representative on the Board for Lease of University Lands.

2. U. T. System Board of Regents: Appointment of Mrs. Vivien Hester Caven as a Regental Representative to the U. T. Austin Intercollegiate Athletics Council for Women effective immediately

Upon the recommendation of Chairman Huffines, Mrs. Vivien Hester Caven was appointed to replace Dr. Susan C. Blackwood as a Regental Representative to The University of Texas at Austin Intercollegiate Athletics Council for Women for a four-year term beginning November 12, 2009 and ending on August 31, 2013.

The U. T. Austin Intercollegiate Athletics Council for Women is composed of nine voting members and one nonvoting member as follows: two students (one nonvoting), an ex-student, two Regental appointees, and five members of the University General Faculty. The Regental appointments are for four-year staggered terms.

Dr. Blackwood was appointed to the Council on August 10, 2006, to serve the remainder of Dr. George Willeford's term through August 31, 2009, and she graciously agreed to continue to serve until her replacement was named.

Mrs. Vivien Caven, a 1972 graduate of the College of Education at U. T. Austin, is a strong supporter of The University of Texas System and its commitment to excellence. She has worked tirelessly for programs that acknowledge and support the importance of educating the "whole student," through physical activity, academic work, and community service. She was a volunteer reader and participated in several forums at The University of Texas Elementary School. Mrs. Caven is also on the mentoring team for Rusk Elementary School, Houston, Texas, working with "at risk" students to help with self-esteem, encouraging schoolwork, and being steady support for the student.

She was appointed as a member of the Governor's Commission for Women by Governor Rick Perry and has served in a variety of leadership positions in furtherance of state and local charitable, educational, and philanthropic work.

Mrs. Caven is married to H. Scott Caven, Jr., former Chairman of the Board of Regents and former Athletics Liaison to the academic institutions within the U. T. System.

3. U. T. Health Science Center – San Antonio: Appointment of John P. Howe, III, M.D., as President Emeritus

The Board appointed John P. Howe, III, M.D., as President Emeritus at The University of Texas Health Science Center at San Antonio.

Dr. Howe served as President of U. T. Health Science Center – San Antonio from 1985 - 2000, during which time research funding increased from \$32 million to \$124 million and the operating budget of the institution expanded from \$134 million to \$330 million. During his presidency, Dr. Howe presided over construction of 12 buildings and building expansions and a quarter of a billion dollars in philanthropic gifts was raised. Also during that time, the Health Science Center graduated more than 10,000 students. Under Dr. Howe's leadership, the Health Science Center helped launch the Legislature's South Texas/Border Region Health Education Initiative in 1995. Dr. Howe is honored at the Health Science Center with the John P. Howe, III, M.D., Distinguished Chair in Health Policy.

Since May 1, 2001, Dr. Howe has served as president and chief executive officer of Project HOPE, which provides health educational opportunities worldwide in an effort to solve health problems.

In 1994, the Boston University School of Medicine honored Dr. Howe with its Distinguished Alumnus Award and that same year, Dr. Howe was appointed by the Governor of Texas to chair the Texas Statewide Health Coordinating Council, a group directed by the Legislature to develop a health plan for the state. In 1998, Laredo civic leaders named him Mr. South Texas, a tribute reserved for those who have made significant contributions to South Texas.

4. U. T. System Board of Regents: Presentation on Mr. Henry Jacob Lutcher Stark, former Chairman of the U. T. System Board of Regents

Dr. Jan Todd, the Roy J. McLean Fellow in Sport History in the Department of Kinesiology and Health Education at The University of Texas at Austin, and her husband, Dr. Terry Todd, fellow director of the H.J. Lutcher Stark Center for Physical Culture and Sports, made a presentation on former Board Chairman Henry Jacob Lutcher Stark who served on the U. T. System Board of Regents from May 1919 to January 1931 and from January 1933 to February 1945. Mr. Stark served as Chairman of the Board from May 1921 until January 1930 and from March 1935 to February 1937. Mr. Stark's family amassed a timber empire in East Texas that Mr. Stark managed and diversified after he graduated from The University of Texas in 1910. Chairman Stark died in 1965.

The H.J. Lutcher Stark Center for Physical Culture and Sports is an academic unit of U. T. Austin committed to serving as a resource and research center in the fields of physical culture and sports. The Center has the largest physical culture collection in the world, including many personal items of Regent Stark.

Vice Chairman McHugh expressed appreciation to the Todds for hosting the Board reception last evening (November 11) and she acknowledged officials of the Nelda C. and H.J. Lutcher Stark Foundation, Orange, Texas, in attendance at the meeting.

(Dr. Jan Todd's [presentation](#) is on file in the Office of the Board of Regents.)

5. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board) to revise Section 3.1, regarding contracts exceeding \$1 million and deferral of addition of new Section 3.3, regarding contracts involving institution names, trademarks, trade dress, or logos

Regents' *Rules and Regulations*, Rule 10501, regarding delegation to act on behalf of the Board, was amended as set forth on Page 9 to revise Section 3.1, regarding contracts exceeding \$1 million. Action on the proposed addition of new Section 3.3, regarding contracts involving institution names, trademarks, trade dress, or logos was deferred.

Section 3 of Regents' Rule 10501 requires contracts or agreements with a cost or monetary value to The University of Texas System or a U. T. System institution of more than \$1 million to be approved by the Board except for specific exceptions listed in the Rule. Amended Section 3.1 clarifies that the total cost or monetary value of a contract includes all potential contract extensions or renewals, whether automatic or by operation of additional documentation. Further, all contracts with unspecified amounts of payments with a term of greater than four years are presumed to have a total value of more than \$1 million.

Action on the proposed revision of Section 3.3 to require Board approval of agreements that grant the right to an outside entity to use the name, trademark, trade dress, or logo of a U. T. System institution regardless of dollar amount was deferred.

The delegation of authority to execute and deliver contracts or agreements resulting from the approval or authorization by the Board of a contract or agreement that falls under Section 3 of Rule 10501 is premised upon the understanding that those authorized to execute and deliver the contract or agreement must comply with any special instructions or guidelines related to processing established pursuant to Section 2 of Rule 10501. For example, under Section 2, guidelines have been established requiring that recommendations to the Board to approve or authorize a contract or agreement must first be reviewed and approved by the appropriate Executive Vice Chancellor and the Vice Chancellor and General Counsel.

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

Sec. 1 Identification of Significant Contracts or Documents. Institutional presidents and executive officers at U. T. System Administration are responsible for identifying contracts, agreements, and other documents that are of such significance to require the prior approval of the Board of Regents. Each such matter so identified shall be presented to the Board by the Chancellor as an agenda or docket item at a meeting of the Board.

Sec. 2 Compliance with Special Instructions. All authority to execute and deliver contracts, agreements, and other documents is subject to these *Rules and Regulations* and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, and/or the Vice Chancellor and General Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping.

Sec. 3 Contracts or Agreements Requiring Board Approval. The following contracts or agreements, including purchase orders or vouchers and binding letters of intent or memorandums of understanding, must be submitted to the Board for approval or authorization.

3.1 Contracts Exceeding \$1 Million. All contracts or agreements, with a total cost or monetary value to the U. T. System or any of the institutions of more than \$1 million, unless exempted in Section 4 below. The total cost or monetary value of the contract includes all potential contract extensions or renewals whether automatic or by operation of additional documentation. For purposes of this Rule, all contracts with unspecified amounts of payments with a term of greater than four years are presumed to have a total value of greater than \$1 million.

6. U. T. System Board of Regents: Adoption of Regents' *Rules and Regulations*, Rule 30108, regarding State law on employment preferences for former foster children

The Board adopted new Regents' *Rules and Regulations*, Rule 30108, regarding employment preferences for certain former foster children as set forth on Page 11.

House Bill 1043, passed by the 81st Texas Legislature and codified as *Texas Government Code*, Chapter 672, provides an individual 25 years of age or younger who was under the permanent managing conservatorship of the Department of Family and Protective Services on the day preceding the individual's 18th birthday to a preference in employment with a State agency, including an institution of higher education, over other applicants for the same position who do not have greater qualifications. An individual entitled to an employment preference who is aggrieved by a decision of a State agency relating to hiring the individual or retaining the individual if the State agency reduces its workforce, may appeal the decision by filing a written complaint with the governing body of the state agency. The governing body must respond no later than the 15th business day after the date of receipt.

In accordance with *Texas Education Code* Section 65.31(b), the Board delegates to the Chief Administrative Officer of each institution of The University of Texas System the responsibility and authority for receiving and deciding appeals filed by former foster children who believe they were improperly denied an employment preference.

1. Title

Employment Preferences for Former Foster Children

2. Rule and Regulation

Sec. 1 Preference in Employment. As authorized in Chapter 672 of the *Texas Government Code*, an individual 25 years of age or younger who was under the permanent managing conservatorship of the Department of Family and Protective Services on the day preceding the individual's 18th birthday is entitled to a preference in State employment over other applicants for the same position who do not have greater qualifications.

Sec. 2 Complaint Regarding Employment Decision. Chapter 672 of the *Texas Government Code* provides that a former foster child entitled to an employment preference who is aggrieved by a decision of a State agency or institution relating to hiring or to retention of the individual in the event of a workforce reduction may appeal the decision by filing a complaint with the governing body of the agency.

Sec. 3 Delegation. The Board delegates to the Chief Administrative Officer of each U. T. System institution the authority to review all such written complaints and to respond within 15 business days of receipt. The Chief Administrative Officer shall review complaints promptly and may render a different employment decision if it is determined that the employment preference was not applied. The decision of the Chief Administrative Officer shall be final.

3. Definitions

Chief Administrative Officer – The Chancellor of the U. T. System and the Presidents of each of the institutions of the U. T. System.

4. Relevant Federal and State Statutes

Texas Government Code, Chapter 672 – Employment Preference for Former Foster Children

7. U. T. System Board of Regents: Rescindment of Regents' *Rules and Regulations*, Rule 50401, regarding State law concerning the immunization of students against hepatitis B

Texas law requires that students enrolled in a course of study that involves potential exposure to human or animal blood or bodily fluids receive the hepatitis B vaccine or provide proof of immunity to the virus. As the law can be implemented in the absence of a Regents' Rule, the Board rescinded Regents' *Rules and Regulations*, Rule 50401, as set forth on Page 13, regarding the immunization of students against hepatitis B.

In accordance with previous versions of *Texas Education Code* Section 51.933 and *Texas Administrative Code* Title 25, Part 1, Section 97.64, Regents' *Rules and Regulations*, Rule 50401 requires all students enrolled in health-related courses that involve direct patient contact in medical or direct care facilities to receive a complete series of hepatitis B vaccine prior to the start of direct patient care or to show serologic confirmation of immunity to hepatitis B.

The 81st Texas Legislature passed Senate Bill 291, which amends Section 51.933 of the *Texas Education Code*. Section 51.933 now provides that a rule adopted by the Texas Health and Human Services Commission requiring a hepatitis B vaccination for students may apply only to students enrolled at an institution of higher education in a course of study that involves potential exposure to human or animal blood or bodily fluids. Further, *Texas Administrative Code* Title 25, Part 1, Section 97.64 was also recently amended and is in compliance with the new statutory language of Section 51.933.

1. Title

Immunization of Students Against Hepatitis B

2. Rule and Regulation

Sec. 1 Legislative Requirement. Pursuant to *Texas Education Code Section 51.933(b)* the Texas Board of Health may require immunizations against diseases for students at any institution of higher education who are pursuing a course of study in a human or animal health profession. Texas Department of Health Administrative Rules, found in the *Texas Administrative Code Title 25, Part 1, Section 97.64* requires all students enrolled in health-related courses which will involve direct patient contact in medical or direct care facilities to receive a complete series of hepatitis B vaccine prior to the start of direct patient care or show serologic confirmation of immunity to hepatitis B virus.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code Section 51.933(b) – Immunization Requirements

Texas Administrative Code Title 25, Part 1, Section 97.64 – Required Vaccinations for Students Enrolled in Health-related and Veterinary Courses in Institutions of Higher Education

8. U. T. System: Authorization for the Chancellor to submit Report Concerning Designated Tuition

The Board granted authority to the Chancellor to submit on its behalf the "Report Concerning Designated Tuition" as required by the General Appropriations Act, Senate Bill 1, Article III, Section 50 to the Lieutenant Governor, Speaker of the House, Chair of the Senate Finance Committee, Chair of the House Appropriations Committee, and members of the Legislative Oversight Committee on Higher Education.

A Report Concerning Designated Tuition is to be filed not later than January 1, 2010, by the governing board of each public institution of higher education that charges students Designated Tuition under Section 54.0513, *Texas Education Code*. The Report consists of two principal sections. For selected years, the first section identifies the amount of Designated Tuition collected, the purposes for which it was spent, the amount spent for each purpose, the amounts set aside for resident undergraduate and graduate student assistance as required by Sections 56.011 and 56.012 of the *Texas Education Code*, and how those amounts are allocated among various types of student assistance. For specific semesters, the second section of the Report includes the total academic cost for resident undergraduates enrolled for 15 semester credit hours as derived from actual fee bills.

Completion of the Report requires certain financial information contained in the pending annual financial report and therefore the Report is not able to be completed in time for approval at this meeting. Upon completion, a copy of the [Report](#) will be filed with the Office of the Board of Regents.

9. U. T. System: Annual accountability report on research and technology transfer

Vice Chancellor McDowell presented the annual Research and Technology Transfer accountability report for The University of Texas System.

10. U. T. System: Report on activities of the Office of Federal Relations in Washington, D.C.

Vice Chancellor Shute reported on the activities of The University of Texas System Office of Federal Relations in Washington, D.C.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 11:43 a.m., Vice Chairman McHugh announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 15 - 70.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 15 - 16).--Committee Chairman Hicks 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: Report on the Medical Billing Compliance work plan for Fiscal Year 2010

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

2. U. T. System: Report on the U. T. Systemwide Compliance Academy

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

3. 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 for consideration only by the Committee (see Committee Minutes).

4. U. T. System Board of Regents: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2010

The Board approved The University of Texas Systemwide Annual Internal Audit Plan for Fiscal Year 2010. Development of the Plan is based on risk assessments performed at each U. T. System institution and implementation of the Plan will be coordinated with the institutional auditors.

Institutional audit plans, compiled by the internal audit departments after input and guidance from the U. T. System Audit Office, the Offices of Academic or Health Affairs, and the institution's Management and institutional Internal Audit Committee, were submitted to the respective institutional Internal Audit Committee and institutional president for review and comments.

5. U. T. System: Report on the Systemwide internal audit activities, including the preliminary results of the Presidential travel, entertainment, and housing expense audits and audits of financial controls at the institutional police departments; and Internal Audit Department reports for U. T. Health Science Center – San Antonio and U. T. El Paso

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

6. U. T. System: Report on the progress and preliminary results of the audits of the Fiscal Year 2009 U. T. System Administration and institutional Annual Financial Reports

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 17 - 24).--Committee Chairman Foster 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. 140

The Board approved *Docket No. 140* in the form distributed by the Secretary to the Board of Regents. It is attached following Page 71 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.

An error was noted in the dollar amount for the 4350 LOCKHILL SELMA, LLC lease of office space to The University of Texas at San Antonio in Docket Item 1 on Docket Page 23. The correct amount is \$1,629,048 for the initial 66-month term, which includes the base rent and U. T. San Antonio's share of operating expenses and tenant finish out costs.

The Docket item on Docket Page 37 related to the extension of the employment agreement with Larry R. Kaiser, M.D., President of The University of Texas Health Science Center at Houston, to reimburse him for reasonable transportation and temporary housing costs until July 31, 2010, was approved, was found to be in the best interest of the institution and the U. T. System as required by *Texas Education Code* Section 51.948, and notice of this Docket action has been provided to the Legislative Budget Board.

2. U. T. System: Key Financial Indicators Report and Monthly Financial 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, 2009

The August 31, 2009 Performance Summary Report for The University of Texas Investment Management Company (UTIMCO) is set forth on Page 19.

The Investment Reports for the fiscal year and quarter ended August 31, 2009, are set forth on Pages 20 - 23.

Item I on Page 20 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was negative 12.98% versus its composite benchmark return of negative 15.42%. The PUF's net asset value decreased by \$1,686 million since the beginning of the fiscal year to \$9,674 million. This change in net asset value includes contributions from PUF Land receipts, decreases due to net investment return, and the annual distribution to the Available University Fund (AUF) of \$531 million.

Item II on Page 21 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was negative 13.22% versus its composite benchmark return of negative 15.42%. The GEF's net asset value decreased during the fiscal year to \$5,359 million.

Item III on Page 22 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the fiscal year was negative 7.07% versus its composite benchmark return of negative 7.56%. The net asset value decreased during the fiscal year to \$3,572 million due to net investment return of negative \$278 million and net distributions of \$98 million. The decrease in net asset value was offset by \$73 million net contributions.

For all funds, all exposures were within their asset class and investment type ranges and liquidity was within policy.

Item IV on Page 23 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, increased by \$320 million to \$1,848 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$25 million versus \$29 million at the beginning of the period; equities: \$38 million versus \$40 million at the beginning of the period; and other investments: \$4 million versus \$4 million at the beginning of the period.

UTIMCO Performance Summary

August 31, 2009

	Net Asset Value 8/31/2009 (in Millions)	Periods Ended August 31, 2009 (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	\$ 9,674	2.04%	6.83%	11.29%	(12.98%)	(12.98%)	(1.00%)	5.08%	4.97%
General Endowment Fund		2.04	6.85	11.20	(13.22)	(13.22)	(0.85)	5.17	N/A
Permanent Health Fund	842	2.02	6.74	11.11	(13.27)	(13.27)	(0.92)	5.09	N/A
Long Term Fund	4,517	2.01	6.74	11.11	(13.27)	(13.27)	(0.92)	5.09	5.42
Separately Invested Funds	128	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	15,161								
OPERATING FUNDS									
Short Term Fund	1,787	0.03	0.11	0.45	1.21	1.21	3.51	3.52	3.39
Intermediate Term Fund	3,572	2.13	7.20	14.91	(7.07)	(7.07)	0.69	N/A	N/A
Total Operating Funds	5,359								
Total Investments	\$ 20,520								
VALUE ADDED (Percent)									
Permanent University Fund		0.70%	2.06%	2.06%	2.44%	2.44%	2.13%	1.77%	1.09%
General Endowment Fund		0.70	2.08	1.97	2.20	2.20	2.28	1.86	N/A
Short Term Fund		0.01	0.06	0.31	0.55	0.55	0.55	0.39	0.24
Intermediate Term Fund		(0.39)	(0.15)	0.18	0.49	0.49	2.00	N/A	N/A
VALUE ADDED (\$ IN MILLIONS)									
Permanent University Fund		\$ 66	\$ 187	\$ 180	\$ 273	\$ 273	\$ 617	\$ 810	N/A
General Endowment Fund		37	106	97	139	139	370	468	N/A
Intermediate Term Fund		(14)	(5)	5	18	18	204	N/A	N/A
Total Value Added		\$ 89	\$ 288	\$ 282	\$ 430	\$ 430	\$ 1,191	\$ 1,278	N/A

Footnotes available upon request.

I. PERMANENT UNIVERSITY FUND

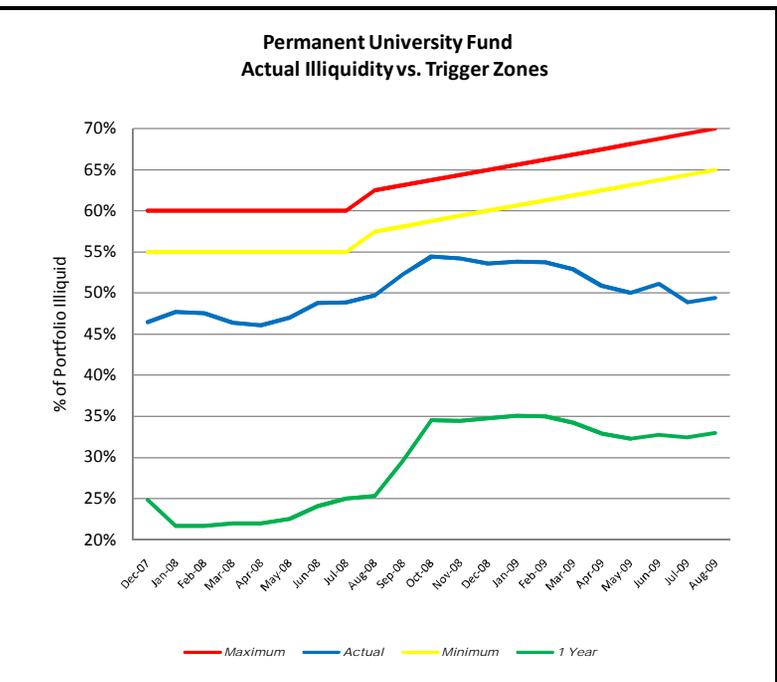
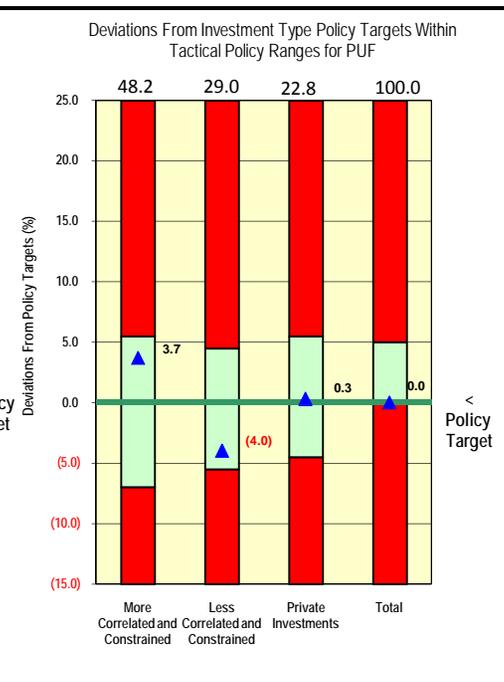
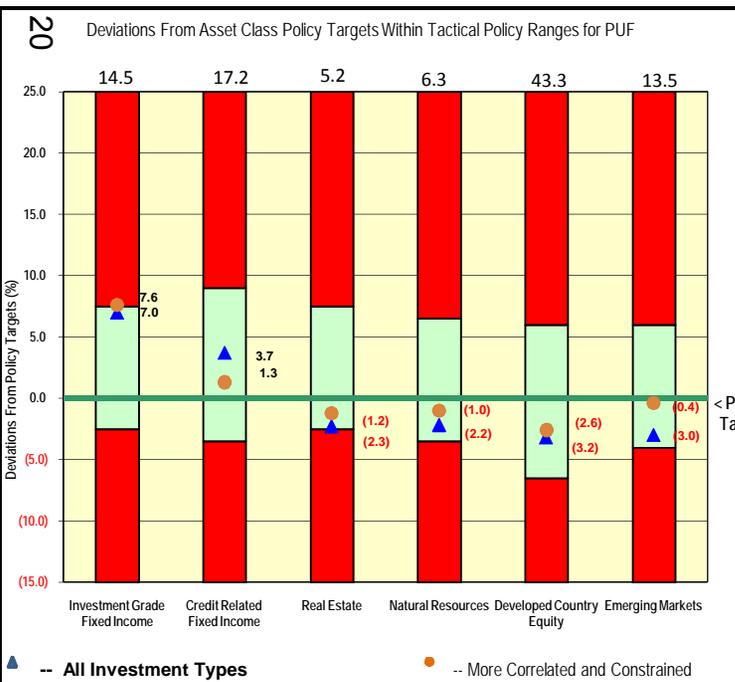
Investment Reports for Periods Ended August 31, 2009

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2008	Quarter Ended August 31, 2009	Fiscal Year Ended August 31, 2009
Beginning Net Assets	\$ 11,742.8	\$ 9,143.8	\$ 11,359.5
PUF Lands Receipts	457.7	54.4	340.0
Investment Return (Net of Expenses)	(392.1)	608.4	(1,494.7)
Distributions to AUF	(448.9)	(132.7)	(530.9)
Ending Net Assets	<u>\$ 11,359.5</u>	<u>\$ 9,673.9</u>	<u>\$ 9,673.9</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	5.31%	8.52%	0.62%	-0.25%	0.37%
Credit-Related	4.83%	7.02%	-0.15%	0.04%	-0.11%
Real Estate	-19.54%	-23.06%	-0.26%	0.25%	-0.01%
Natural Resources	-34.22%	-29.47%	0.00%	-0.23%	-0.23%
Developed Country	-20.41%	-17.21%	0.34%	-0.69%	-0.35%
Emerging Markets	-18.36%	-9.95%	0.14%	-0.92%	-0.78%
Total More Correlated and Constrained	-15.19%	-12.07%	0.69%	-1.80%	-1.11%
Less Correlated and Constrained	-7.92%	-13.42%	0.11%	1.58%	1.69%
Private Investments	-15.00%	-22.27%	0.09%	1.77%	1.86%
Total	-12.98%	-15.42%	0.89%	1.55%	2.44%

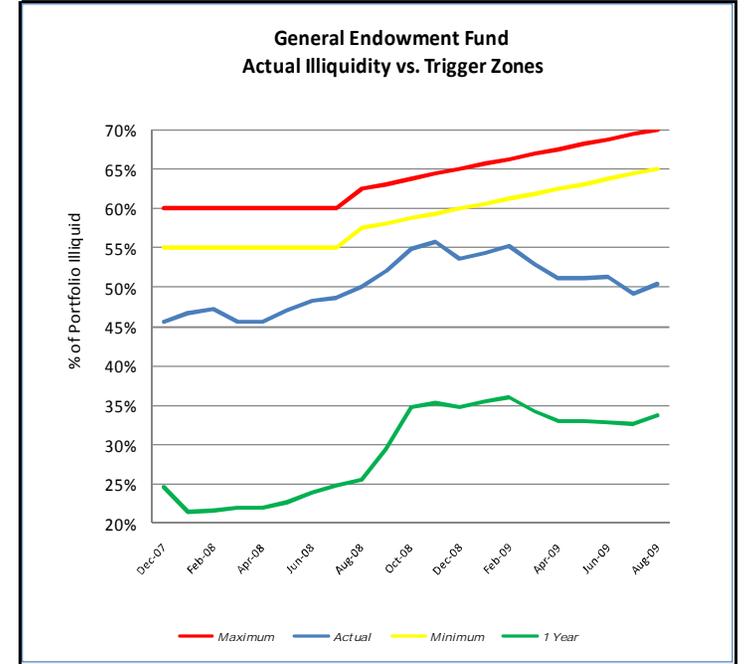
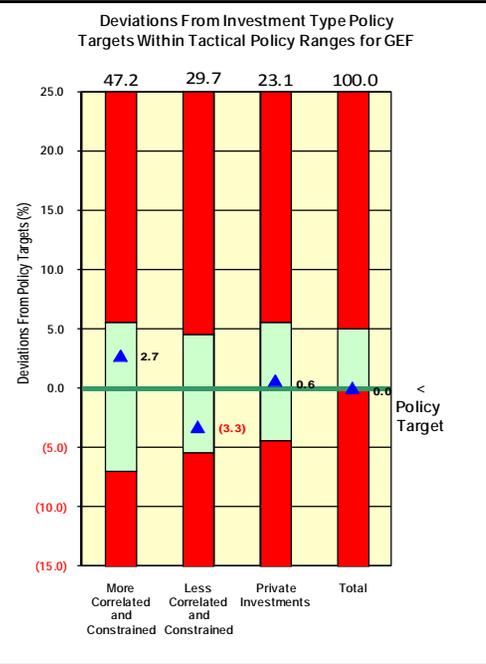
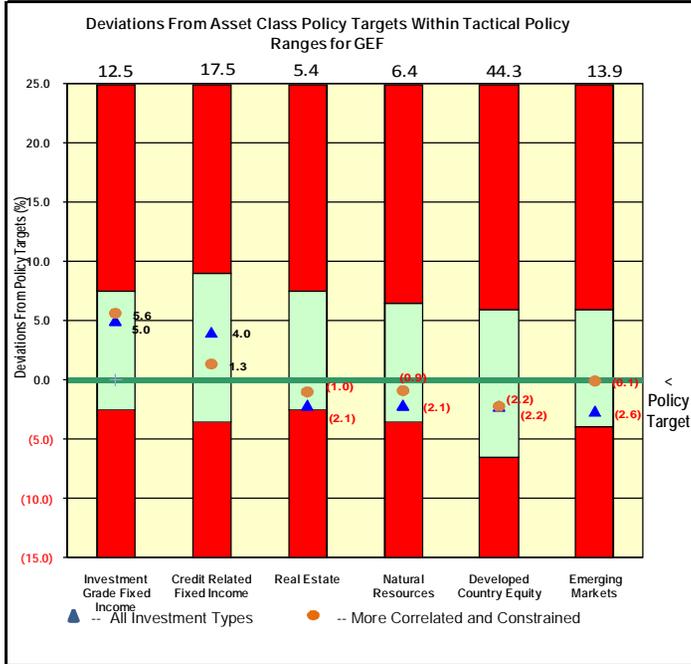


II. GENERAL ENDOWMENT FUND Investment Reports for Periods Ended August 31, 2009

Prepared in accordance with Texas Education Code Sec. 51.0032

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2008	Quarter Ended August 31, 2009	Fiscal Year Ended August 31, 2009
Beginning Net Assets	\$ 6,433	\$ 5,066	\$ 6,310
Contributions	358	24	185
Withdrawals	(20)	(5)	(11)
Distributions	(259)	(71)	(279)
Investment Return (Net of Expenses)	(202)	345	(846)
Ending Net Assets	<u>\$ 6,310</u>	<u>\$ 5,359</u>	<u>\$ 5,359</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	5.32%	8.52%	0.45%	-0.25%	0.20%
Credit-Related	4.69%	7.02%	-0.16%	0.04%	-0.12%
Real Estate	-19.68%	-23.06%	-0.26%	0.23%	-0.03%
Natural Resources	-33.40%	-29.47%	0.00%	-0.18%	-0.18%
Developed Country	-20.85%	-17.21%	0.32%	-0.78%	-0.46%
Emerging Markets	-18.32%	-9.95%	0.10%	-0.90%	-0.80%
Total More Correlated and Constrained	-15.86%	-12.07%	0.45%	-1.84%	-1.39%
Less Correlated and Constrained	-7.92%	-13.42%	0.15%	1.56%	1.71%
Private Investments	-14.97%	-22.27%	0.09%	1.79%	1.88%
Total	-13.22%	-15.42%	0.69%	1.51%	2.20%

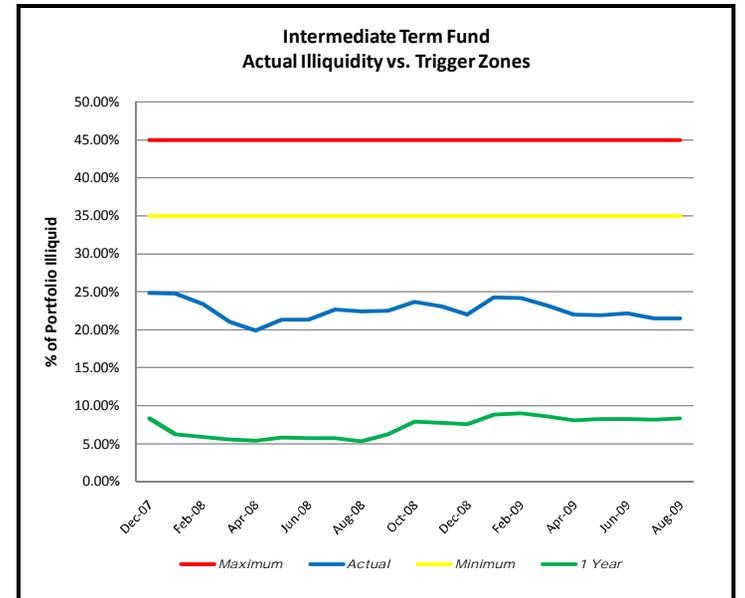
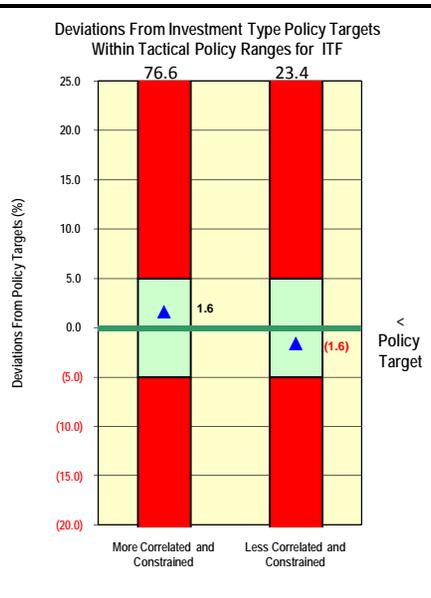
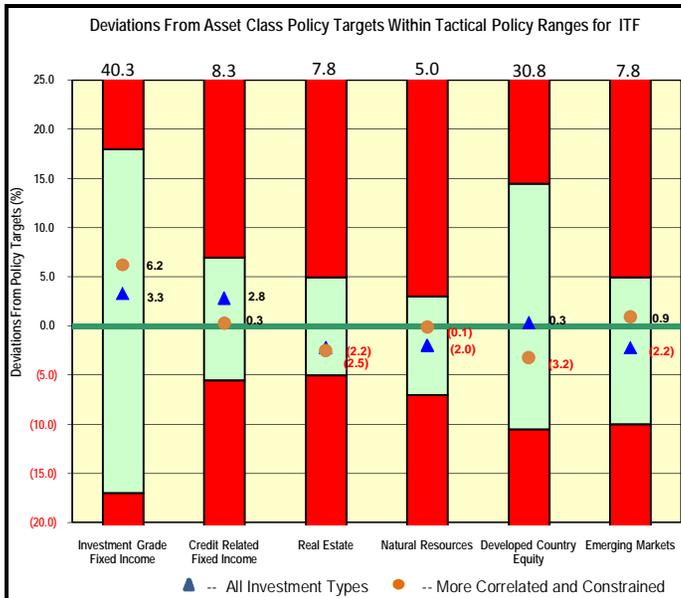


III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended August 31, 2009

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2008	Quarter Ended August 31, 2009	Fiscal Year Ended August 31, 2009
Beginning Net Assets	\$ 3,721	\$ 3,365	\$ 3,875
Contributions	1,639	13	251
Withdrawals	(1,335)	(20)	(178)
Distributions	(119)	(26)	(98)
Investment Return (Net of Expenses)	(31)	240	(278)
Ending Net Assets	\$ 3,875	\$ 3,572	3,572

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	7.00%	8.52%	0.26%	-0.56%	-0.30%
Credit-Related	3.55%	7.02%	-0.28%	-0.01%	-0.29%
Real Estate	-19.56%	-23.06%	-0.54%	0.43%	-0.11%
Natural Resources	-30.35%	-29.47%	0.05%	0.00%	0.05%
Developed Country	-16.02%	-17.21%	-0.16%	0.21%	0.05%
Emerging Markets	-18.78%	-9.95%	0.19%	-0.50%	-0.31%
Total More Correlated and Constrained	-6.96%	-5.89%	-0.48%	-0.43%	-0.91%
Less Correlated and Constrained	-7.97%	-13.42%	0.03%	1.37%	1.40%
Private Investments	0.00%	0.00%	0.00%	0.00%	0.00%
Total	-7.07%	-7.56%	-0.45%	0.94%	0.49%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at August 31, 2009
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (SHORT TERM FUND)		TOTAL	
BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	
Cash & Equivalents:																
Beginning value 05/31/09	11	11	1,763	1,763	24,914	24,914	1,241	1,241	2,296	2,296	30,225	30,225	1,497,582	1,497,582	1,527,807	1,527,807
Increase/(Decrease)	(11)	(11)	8,932	8,932	21,913	21,913	(80)	(80)	(288)	(288)	30,466	30,466	289,825	289,825	320,291	320,291
Ending value 08/31/09	-	-	10,695	10,695	46,827	46,827	1,161	1,161	2,008	2,008	60,691	60,691	1,787,407	1,787,407	1,848,098	1,848,098
Debt Securities:																
Beginning value 05/31/09	-	-	265	261	12,420	13,233	15,806	15,646	-	-	28,491	29,140	-	-	28,491	29,140
Increase/(Decrease)	-	-	-	1	63	329	(4,979)	(4,628)	-	-	(4,916)	(4,298)	-	-	(4,916)	(4,298)
Ending value 08/31/09	-	-	265	262	12,483	13,562	10,827	11,018	-	-	23,575	24,842	-	-	23,575	24,842
Equity Securities:																
Beginning value 05/31/09	17	2,972	1,499	1,482	26,468	21,656	18,879	14,373	-	-	46,863	40,483	-	-	46,863	40,483
Increase/(Decrease)	-	(1,229)	(1,166)	(1,181)	884	3,047	(5,012)	(3,050)	-	-	(5,294)	(2,413)	-	-	(5,294)	(2,413)
Ending value 08/31/09	17	1,743	333	301	27,352	24,703	13,867	11,323	-	-	41,569	38,070	-	-	41,569	38,070
Other:																
Beginning value 05/31/09	-	-	178	178	1,655	1,655	337	134	2,010	2,010	4,180	3,977	-	-	4,180	3,977
Increase/(Decrease)	-	-	3,035	3,035	(1,650)	(1,650)	16	-	(884)	(884)	517	501	-	-	517	501
Ending value 08/31/09	-	-	3,213	3,213	5	5	353	134	1,126	1,126	4,697	4,478	-	-	4,697	4,478
Total Assets:																
Beginning value 05/31/09	28	2,983	3,705	3,684	65,457	61,458	36,263	31,394	4,306	4,306	109,759	103,825	1,497,582	1,497,582	1,607,341	1,601,407
Increase/(Decrease)	(11)	(1,240)	10,801	10,787	21,210	23,639	(10,055)	(7,758)	(1,172)	(1,172)	20,773	24,256	289,825	289,825	310,598	314,081
Ending value 08/31/09	17	1,743	14,506	14,471	86,667	85,097	26,208	23,636	3,134	3,134	130,532	128,081	1,787,407	1,787,407	1,917,939	1,915,488

Details of individual assets by account furnished upon request.

4. U. T. System: Overview of U. T. System debt programs

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

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 25 - 29).--Committee Chairman Longoria 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. Austin: Authorization to lease approximately five acres out of Survey No. 632 and the William Little Survey in Port Aransas, Nueces County, Texas, together with all improvements, to the Port Aransas Independent School District for the operation and maintenance of athletic facilities; and finding of public purpose

On behalf of The University of Texas at Austin, the Board

- a. granted authorization to lease approximately five acres out of Survey No. 632 and the William Little Survey in Port Aransas, Nueces County, Texas, together with all improvements, to the Port Aransas Independent School District (PAISD) for the operation and maintenance of athletic facilities;
- b. determined that the lease of the land to the PAISD for the stated reason serves a public purpose appropriate to the function of U. T. Austin, and that the consideration to The University of Texas System and U. T. Austin for the lease of the land is adequate; and
- c. authorized the Executive Director of Real Estate to execute the lease and 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 actions.

The University of Texas Marine Science Institute (MSI), formally founded in 1941, is a department in the College of Natural Sciences at U. T. Austin. The MSI campus is located in Port Aransas, Texas, and includes an 83,000 square foot central complex of office, classroom, lab, workshop, and library space, a 10,000 square foot wet lab, 9,500 square feet of student apartments, and other facilities on approximately 72 acres. There are currently approximately 114 faculty and staff members, 30 graduate students, and 25 part-time undergraduate students. The student apartments house approximately 30 graduate students and their families.

The MSI facilities house a game room that is funded by the Graduate Student Association's allocation of a recreational sports fee paid by the students of

MSI to U. T. Austin. The MSI does not have athletic facilities. Rather, MSI staff, faculty, and students have access to PAISD's track and adjacent facilities in exchange for a lease to PAISD of the land on which the track is located. The lease of five acres to PAISD will be the third time the subject property has been leased to PAISD for use as athletic facilities. The five-acre tract is immediately adjacent to the PAISD gymnasium and its softball and tennis complex. MSI students, faculty, and staff are permitted to use those facilities at no cost.

In 1987, PAISD constructed an all-weather athletic track on the five acres at a cost of \$120,000. In 2008, PAISD paid \$33,100 to resurface the track and added lighting. The 1996 lease expired in August 2008.

The new lease will be for a 20-year term and PAISD will be required to maintain and insure the property. Only track, field, and other athletic activities will be permitted on the leased premises; MSI faculty, staff, and students will continue to be permitted to use the facilities, as well as the adjacent PAISD sports complex, at no cost. Either party will be allowed to terminate the lease with one year notice to the other party. The rental rate will be a nominal \$200 for the 20-year term, in recognition of the mission-related purpose of the lease.

The Attorney General of the State of Texas has advised in Opinion No. MW-373 (1981) that, for the use of university property without cash rental payments to comply with the Texas Constitution, three requirements must be met: (1) the use of the property must serve a public purpose, appropriate to the function of the university; (2) adequate consideration must be received by the university; and (3) the university must maintain controls over the user's activity to ensure that the public purpose is achieved.

U. T. Austin has concluded that leasing this five-acre parcel to PAISD serves mission-related functions benefiting the institution. The ability of MSI faculty, staff, and students to use PAISD athletic facilities relieves U. T. Austin of the need to provide and maintain such facilities and services. Additionally, the lease enables U. T. Austin to retain the land for future use, while avoiding the costs of maintaining and operating it at the current time.

2. U. T. Tyler: Authorization to purchase real property and improvements located at 2611 Old Omen Road, Tyler, Smith County, Texas, from the Estate of Ruth G. Thompson for a purchase price not to exceed the fair market value as established by an independent appraisal for campus expansion needs and initial use as office space for sponsored research projects

On behalf of The University of Texas at Tyler, approval was granted to

- a. purchase the real property and improvements located at 2611 Old Omen Road, Tyler, Smith County, Texas, from the Estate of Ruth G. Thompson for a purchase price of \$117,500, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for campus expansion needs and initial use as office space for sponsored research projects; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

The subject property and improvements consist of a 1,660 square foot house on a 10,492 square foot lot. The property is located adjacent to a former single family residence at 3620 Varsity Drive, which was purchased by U. T. Tyler on March 31, 2006, having been approved by the Board of Regents on February 9, 2006. That property is currently used as office space for sponsored research projects. The subject improvements will initially be used also for office space for sponsored research projects.

To fund the purchase, U. T. Tyler will use unrestricted fund balances.

3. U. T. Austin: Authorization for additional use of the Mike A. Myers Stadium and Soccer Field by the Austin Aztex FC soccer organization to hold the Austin Cup soccer tournaments

The Board authorized an exception to the Regents' *Rules and Regulations*, Rule 80104 regarding Use of Facilities, to allow the Austin Aztex FC soccer organization to use the Mike A. Myers Stadium and Soccer Field at The University of Texas at Austin to hold the Austin Cup soccer tournaments for three additional years.

On February 12, 2009, the Board of Regents gave approval to the U. T. Austin Departments of Intercollegiate Athletics to work with the Austin Aztex FC soccer organization to hold an Austin Cup soccer tournament in

July 2009. The agreement reached with the Austin Aztex FC soccer organization provides for two similar events to be presented within the next three years upon availability of the Stadium and upon mutual agreement of both parties. For the tournaments, Austin Aztex FC is required to supply two internationally-recognized professional soccer teams to be the only teams competing in the tournaments. The events would be held at the Myers Stadium.

The Austin Aztex FC soccer organization is not a registered organization authorized under Regents' Rule 80104 to reserve and use a facility owned by a University of Texas System institution. Thus, permission is needed from the Board of Regents to authorize the use of the Myers Stadium for these events.

National Collegiate Athletic Association (NCAA) bylaws on amateurism prescribe certain types of income that member institutions may receive from professional sports organizations and the uses of that income. The Office of General Counsel has determined that the arrangements are permissible under applicable NCAA rules.

4. U. T. Austin: Authorization to establish M.A. and Ph.D. degree programs in Religious Studies

Pursuant to Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, the Board

- a. established M.A. and Ph.D. degrees in Religious Studies at The University of Texas at Austin;
- b. authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and
- c. authorized the Executive Vice Chancellor for Academic Affairs to certify on behalf of the Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

U. T. Austin will offer a graduate degree program in Religious Studies that will include both the M.A. and Ph.D. degrees. The M.A. degree will require the completion of at least 30 semester credit hours, and the Ph.D. will require the completion of at least 42 semester credit hours, including hours counted toward the M.A. and in addition to hours required for the dissertation. The program will be administered by the Department of Religious Studies in the College of Liberal Arts and by the Graduate School and will incorporate courses and expertise from the graduate programs in Anthropology, Asian Studies, Classics, History, and Middle Eastern Studies.

The objective of the graduate program in Religious Studies is to train specialists for careers in teaching and/or scholarly research. Training will be focused on the analysis of religion, the sophisticated knowledge of different cultures, and social and historical contexts. The anticipated date for enrolling the first students is Fall 2010.

Resources and faculty at U. T. Austin are in place to support the graduate program. Resources currently expended for graduate-level courses in other areas will be used for cross-listed graduate-level courses in Religious Studies that will support multiple programs. In addition, new faculty lines already approved for the Department of Religious Studies will supply additional capacity for both the undergraduate and graduate programs. The five-year cost of the new program is anticipated to be \$3,114,215, of which \$3,039,215 will be for personnel; \$2,466,218 will be covered through reallocated funds, and for years three, four, and five, \$647,997 will be generated by formula funding. No new funding was requested.

5. U. T. Brownsville: Report on Satisfactory Academic Progress Policy

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

6. U. T. System: Discussions on academic leadership matters related to distance education

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 30 - 57).--Since Committee Chairman McHugh was Acting Chairman for the full Board meeting, she had asked Regent Powell to present this Committee report. Regent Powell 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. System Board of Regents: Authorization to enter into amended and restated license agreements between the U. T. System Board of Regents and M. D. Anderson Physicians Network and between the U. T. System Board of Regents and M. D. Anderson Services Corporation relating to the use of certain trademarks of U. T. M. D. Anderson Cancer Center

To allow the continued use of certain trademarks of The University of Texas M. D. Anderson Cancer Center for certain business activities, to clarify the terms and conditions of such use, and to ensure the collaboration of all parties in such business activities, the Board authorized the entering into First Amended and Restated License Agreements between The University of Texas System Board of Regents and M. D. Anderson Physicians Network (Physicians Network) as set forth on Pages 32 - 42 and between the U. T. System Board of Regents and M. D. Anderson Services Corporation (Services Corporation) as set forth on Pages 43 - 55.

Physicians Network and Services Corporation are Texas nonprofit corporations organized under Section 501(c)(3) of the *Internal Revenue Code* in support of U. T. M. D. Anderson Cancer Center pursuant to previous approval of the U. T. System Board of Regents. Physicians Network and Services Corporation are used by U. T. M. D. Anderson Cancer Center to carry out certain business activities of the institution, such as development and delivery of an array of oncology-related services and programs to third parties throughout the world in conjunction with and in furtherance of the institution's mission, programs, and services.

The U. T. System Board of Regents owns and controls all U. T. M. D. Anderson Cancer Center trade and service marks. The U. T. System Board of Regents originally entered into a license agreement with the Services Corporation effective March 1, 1990 and with the Physicians Network effective in 1994 and amended in 1996.

The new license agreements update, clarify, and enhance the original license agreements and include the following principal terms:

- Nonexclusive licenses of U. T. M. D. Anderson Cancer Center marks to Physicians Network and to Services Corporation

- Quality assurance and prior notice provisions for new business activities
- Use of marks within Texas only in association with the name The University of Texas
- Consultation with the U. T. System Vice Chancellor and General Counsel 90 days prior to any public announcement of a new business venture
- Termination provisions for defaults under the agreements
- Indemnity in favor of the U. T. System Board of Regents

**FIRST AMENDED AND RESTATED LICENSE AGREEMENT
BETWEEN
BOARD OF REGENTS AND
M. D. ANDERSON PHYSICIANS NETWORK**

This First Amended and Restated License Agreement (“AGREEMENT”) is entered into effective as of the ____ day of _____, 2009 (hereinafter referred to as the “EFFECTIVE DATE”), between the parties hereto, who agree as follows in consideration of the mutual promises contained herein:

1. PARTIES

- 1.1 The Board of Regents of The University of Texas System (hereinafter referred to as “BOARD OF REGENTS”) has its principal office at 201 West 7th Street, Austin, Texas, 78701.
- 1.2 M. D. Anderson Physicians Network, a Texas corporation (hereinafter referred to as “LICENSEE”) has a principal place of business at 7505 S. Main, Suite 500, Houston, Texas 77030.
- 1.3 BOARD OF REGENTS and LICENSEE are parties to this AGREEMENT.

2. BACKGROUND

- 2.1 The BOARD OF REGENTS is the governing body of The University of Texas System (“UT SYSTEM”).
- 2.2 The University of Texas M. D. Anderson Cancer Center (“UTMDACC”) is an institution of higher education within UT SYSTEM, an agency of the State of Texas, and a comprehensive cancer treatment, research, and prevention facility.
- 2.3 LICENSEE is a Texas nonprofit corporation that was organized, pursuant to the approval of BOARD OF REGENTS, as an organization described in Section 501(c)(3) of the *Internal Revenue Code* as a supporting organization to UTMDACC. LICENSEE is governed by a board of directors that is appointed by the President of UTMDACC.
- 2.4 LICENSEE develops and delivers an array of oncology-related services and programs to third parties throughout the world in conjunction with and in furtherance of UTMDACC’s mission, programs, and services.
- 2.5 For the use and benefit of UTMDACC, BOARD OF REGENTS owns and controls the licensing of certain trademarks and service marks used by UTMDACC that have acquired public recognition and goodwill through the use of such marks.

- 2.6 The parties entered into a License Agreement effective in 1994 (the “ORIGINAL LICENSE AGREEMENT”), which was amended by the parties in 1996, pursuant to which BOARD OF REGENTS granted to LICENSEE a nonexclusive license to use such marks.
- 2.7 The parties desire to further amend and restate the ORIGINAL LICENSE AGREEMENT in order to clarify and extend LICENSEE’s rights to use such marks. Accordingly, the parties are entering into this AGREEMENT.

3. DEFINITIONS

- 3.1 AFFILIATION means a contractual affiliation between LICENSEE and another entity (other than UTMDACC) pursuant to which LICENSEE provides certain LICENSED SERVICES to such entity. AFFILIATE shall mean the entity with whom LICENSEE has an AFFILIATION.
- 3.2 LICENSED MARK(S) mean the mark(s) listed in Attachment A, including common law rights, as well as any applications for registration that may be filed by BOARD OF REGENTS or registrations that may be issued to BOARD OF REGENTS covering such mark(s), whether state or federal.
- 3.3 LICENSED SERVICES mean those services specified in Attachment B hereto in connection with which any of the LICENSED MARK(S) are used.
- 3.4 LICENSED TERRITORY means the area described in Attachment C.
- 3.5 TERM means the effective period of this AGREEMENT, which shall commence on the EFFECTIVE DATE and which shall terminate on the tenth (10th) anniversary of the EFFECTIVE DATE unless (i) earlier terminated in accordance with the terms of this AGREEMENT or (ii) extended by mutual written agreement of the parties.
- 3.6 QUALITY means an acceptable level of quality to, in the sole judgment of, BOARD OF REGENTS.

4. LICENSE GRANT

- 4.1 Subject to and in accordance with the terms and conditions of this AGREEMENT, BOARD OF REGENTS grants to LICENSEE the nonexclusive right and license to utilize the LICENSED MARK(S) in the LICENSED TERRITORY during the TERM.
- 4.2 LICENSEE shall use the LICENSED MARK(S) (a) solely in connection with the LICENSED SERVICES of QUALITY; and (b) with advertising and promotional materials in conjunction with the provision of LICENSED SERVICES.

- 4.3 LICENSEE may use, and subject to the notice provisions of Section 4.6, LICENSEE may permit an AFFILIATE to use, the LICENSED MARK(S) in conjunction with LICENSED SERVICES that LICENSEE provides to such AFFILIATE. Any such use of the LICENSED MARK(S) by LICENSEE or an AFFILIATE pursuant to an AFFILIATION shall be in accordance with the terms and conditions of this AGREEMENT. Any such use of the LICENSED MARK(S) by the AFFILIATE pursuant to this Section 4.3 shall not require a sublicense agreement between LICENSEE and the AFFILIATE but shall be subject to prior review and approval by LICENSEE.
- 4.4 In any use of the LICENSED MARK(S), the LICENSEE may combine the LICENSED MARK(S) with the name of an AFFILIATE (if applicable), a geographic location, and/or a description of the type of LICENSED SERVICES that shall be provided.
- 4.5 LICENSEE shall include the modifier “The University of Texas” with any use of the LICENSED MARK “M. D. Anderson” with respect to activities that are conducted in the State of Texas. LICENSEE shall not include the modifier “The University of Texas” with any use of the LICENSED MARK “M. D. Anderson” with respect to activities that are conducted outside the State of Texas. Notwithstanding the foregoing and subject to the notice provisions of Section 4.6, the parties may agree in writing to waive the requirements of this Section 4.5 with respect to specific programs and/or specific AFFILIATIONS, and any such waiver shall not require an amendment to this AGREEMENT.
- 4.6 LICENSEE shall notify the Vice Chancellor and General Counsel and the Executive Vice Chancellor for Health Affairs of UT SYSTEM of any potential or new AFFILIATION that will include any use of the LICENSED MARK(S) at least ninety (90) days prior to any public announcement of such AFFILIATION. Any such notice shall be kept confidential by BOARD OF REGENTS and UT SYSTEM until such public announcement.

5. DEFAULT, TERMINATION

- 5.1 In the event that LICENSEE becomes insolvent, makes any assignment for the benefit of creditors, is subject to any bankruptcy or receivership proceedings, or fails to comply with any of its obligations under this AGREEMENT (including but not limited to its obligations under Section 8.1), BOARD OF REGENTS may serve on LICENSEE a notice of default specifying the nature of the default. If the default is not cured within thirty (30) days from service of the notice of default, this AGREEMENT shall automatically terminate upon service by BOARD OF REGENTS of a formal notice of termination.

- 5.2 LICENSEE may terminate this AGREEMENT without cause upon at least thirty (30) days written notice to BOARD OF REGENTS, which termination shall be effective at the end of such notice period or upon such later date that shall be specified in the termination notice.
- 5.3 Upon expiration or termination of this AGREEMENT, all rights granted to LICENSEE hereunder shall cease, and LICENSEE will refrain from further use of the LICENSED MARK(S), or any mark or name reasonably deemed to be similar to the LICENSED MARK(S), in connection with the provision of or promotion of LICENSED SERVICES. LICENSEE acknowledges that failure to comply with this provision will result in immediate and irreparable harm affording injunctive relief and any and all other appropriate relief to the BOARD OF REGENTS.
- 5.4 Upon expiration or termination of this AGREEMENT, LICENSEE shall not operate its business in any manner which would falsely suggest to the public that this AGREEMENT is still in force or that any relationship exists between LICENSEE and BOARD OF REGENTS.
- 5.5 Notwithstanding the foregoing, upon expiration or earlier termination of this AGREEMENT, LICENSEE shall be permitted to continue to use the LICENSED MARK(S) in accordance with the terms of this AGREEMENT through the expiration or earlier termination of each AFFILIATION then in effect, provided that LICENSEE shall be prohibited from renewing or extending any such AFFILIATION.

6. SUBLICENSES

LICENSEE shall have the right to grant a sublicense under this AGREEMENT only with the prior written approval of BOARD OF REGENTS, and only under terms at least as restrictive as those of this AGREEMENT.

7. GOODWILL IN LICENSED MARK(S)

LICENSEE agrees that the essence of this AGREEMENT is founded on the goodwill associated with the LICENSED MARK(S) and the value of that goodwill in the minds of the consuming public. LICENSEE agrees that it is critical that such goodwill be protected and enhanced and, toward this end, LICENSEE shall not during the TERM or thereafter:

- (a) attack the title or any rights in or to the LICENSED MARK(S);
- (b) apply to register or maintain any application or registration of the LICENSED MARK(S) or any other mark confusingly similar thereto in any jurisdiction, domestic or foreign;
- (c) use any colorable imitation of any of the LICENSED MARK(S), or any variant form (including variant design forms, logos, colors, or typestyles) of the LICENSED MARK(S) not specifically approved by BOARD OF REGENTS;

- (d) misuse the LICENSED MARK(S);
- (e) take any action that would bring the LICENSED MARK(S) into public disrepute;
- (f) use the LICENSED MARK(S), or any mark or name confusingly similar thereto, in its corporate or trade name without approval of BOARD OF REGENTS, provided however that the use of the LICENSED MARK “M. D. Anderson Physicians Network” as the corporate name of LICENSEE is approved; or
- (g) take any action that would tend to destroy or diminish the goodwill in the LICENSED MARK(S).

8. QUALITY CONTROL

- 8.1 All LICENSED SERVICES shall be QUALITY services. LICENSEE acknowledges that if LICENSED SERVICES were of inferior quality, the substantial goodwill in LICENSED MARK(S) would be impaired. Accordingly, LICENSEE agrees that all LICENSED SERVICES shall be QUALITY services. In particular, LICENSEE shall maintain a standard of quality with respect to its LICENSED SERVICES that is consistent with the standards approved and applied by UTMDACC.
- 8.2 All advertising and promotional material bearing the LICENSED MARK(S) shall comply with the terms of this AGREEMENT.

9. INDEMNITY/HOLD HARMLESS

- 9.1 LICENSEE agrees that it is wholly responsible for all services provided by it, including all LICENSED SERVICES, and that BOARD OF REGENTS shall have no liability for any services, including any LICENSED SERVICE, provided by LICENSEE to any AFFILIATE or the sublicensee of LICENSEE. LICENSEE indemnifies and holds harmless BOARD OF REGENTS and the officers, employees, and agents thereof, from any claims, demands, causes of action, and damages, including reasonable attorney’s fees, caused or arising out of LICENSEE’S provision of LICENSED SERVICES.
- 9.2 INDEMNITY. To the extent authorized by the Constitution and the laws of the State of Texas, the BOARD OF REGENTS indemnifies and holds harmless LICENSEE and the officers, employees, and agents, thereof, from any claims, demands, causes of action, and damages, including reasonable attorneys’ fees, based solely on an alleged infringement by LICENSEE of the claimant’s trademark or trade name directly resulting from the use by LICENSEE of LICENSED MARK(S). Notwithstanding the foregoing, nothing herein shall be construed to be a waiver of the sovereign immunity of BOARD OF REGENTS. The indemnity contained in this Section 9.2 shall not apply to any AFFILIATE, and no AFFILIATE shall be entitled to rely on such indemnity.

10. NOTICES

All notices or demands required to be made or permitted under this AGREEMENT shall be in writing and shall be given by personal delivery, overnight delivery, or United States mail, first class postage prepaid, certified, or registered mail, return receipt requested, addressed as follows:

If to LICENSEE:

M. D. Anderson Physicians Network
7505 South Main Street
Suite 500
Houston, Texas 77030
Facsimile: (713)794-5025
Attn: President and Chief Executive Officer

If to BOARD OF REGENTS:

The University of Texas System Board of Regents
Office of Vice Chancellor and General Counsel
201 West 7th Street, 6th Floor
Austin, Texas 78701
Facsimile: (512)499-4523

All notices will be effective and will be deemed delivered (i) if by personal delivery, delivery service, or courier, or facsimile, on the date of delivery and (ii) if by mail, three (3) days after deposit in the mail. Either party may change their mailing address by written notice to the other.

11. STATUS OF PARTIES

This AGREEMENT is not intended to create, and shall not be interpreted or construed as creating, a partnership, joint venture, agency, employment, master and servant, or similar relationship between BOARD OF REGENTS and LICENSEE or any sublicensee, and no representation to the contrary shall be binding upon LICENSEE or BOARD OF REGENTS.

12. BINDING EFFECT

This AGREEMENT shall be binding upon and inure to the benefit of BOARD OF REGENTS and LICENSEE and their respective successors, assigns, executors, heirs, and personal representatives.

13. LAW GOVERNING

This AGREEMENT shall for all purposes be governed by and interpreted and enforced in accordance with the laws of the State of Texas. LICENSEE hereby agrees that any action arising out of this AGREEMENT shall be litigated under the laws of the State of Texas in a court of competent jurisdiction in Travis County, Texas. LICENSEE hereby agrees to submit to the jurisdiction of the courts of the State of Texas and to use reasonable effort to obtain each sublicensee's consent to submit to the jurisdiction of the courts of the State of Texas or such other dispute resolution processes that are acceptable to UTMDACC and are in accordance with allowances under the rules of the BOARD OF REGENTS, and that service of process by certified mail, return receipt requested, shall be sufficient to confer in personam jurisdiction over LICENSEE or any sublicensee. LICENSEE agrees that the terms of this paragraph shall be part of any sublicense.

14. MISCELLANEOUS

14.1 The provisions of this AGREEMENT are severable, and if any provision shall be held illegal, invalid, or unenforceable, such holding shall not affect the legality, validity, or enforceability of any other provision. Any such illegal, invalid, or unenforceable provision shall be deemed stricken herefrom as if it had never been contained herein, but all other provisions shall continue in full force and effect.

14.2 As used herein, the term LICENSEE shall include the plural as well as the singular, the masculine and feminine genders, and corporations, partnerships, and other business entities as well as individuals.

14.3 This AGREEMENT contains the entire agreement between the parties with respect to the LICENSED MARK(S) and supersedes any prior agreements between the parties, written or oral, with respect to such LICENSED MARK(S). Specifically, this AGREEMENT is intended to amend and restate in its entirety the terms, conditions, and provisions of the ORIGINAL LICENSE AGREEMENT as of the EFFECTIVE DATE. Notwithstanding anything to the contrary herein, any past use of any form of the LICENSED MARK(S) by LICENSEE is hereby ratified, approved, and confirmed.

14.4 This AGREEMENT may not be amended, modified, or rescinded except by a written agreement executed by BOARD OF REGENTS and LICENSEE.

14.5 This AGREEMENT may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

EXECUTED BY BOARD OF REGENTS and LICENSEE effective as of the day and year first above written, in duplicate copies, each of which shall be deemed an original.

BOARD OF REGENTS:

LICENSEE:

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM

M. D. ANDERSON PHYSICIANS NETWORK

By: _____

By: _____

William A. Hyslop

Title:

Title: President and Chief Executive Officer

Date Signed: _____

Date Signed: _____

Approved as to Form:

The University of Texas System
Office of General Counsel

ATTACHMENT A

LICENSED MARK(S) ARE:

M. D. Anderson

M. D. Anderson Physicians Network

ATTACHMENT B

LICENSED SERVICES ARE:

In accordance with LICENSEE's purposes and emphases on the clinical, educational, and scientific aspects of cancer care, the following services may be provided by LICENSEE in connection with the LICENSED MARK(S) listed in Attachment A:

1. Cancer care services provided in Surgery, Medicine, Radiotherapy, Diagnostic Imaging, Laboratory Medicine, Pathology, Pediatrics, Cancer Prevention, Nursing, and Pharmacy;
2. Cancer research services;
3. Cancer education services; and
4. Services that support the delivery of cancer care services, cancer research services, and/or cancer education services by another entity.

ATTACHMENT C

LICENSED TERRITORY IS:

LICENSED TERRITORY means all countries of the world except as otherwise prohibited by federal statute or regulation.

**FIRST AMENDED AND RESTATED LICENSE AGREEMENT
BETWEEN
BOARD OF REGENTS AND
M. D. ANDERSON SERVICES CORPORATION**

This First Amended and Restated License Agreement (“AGREEMENT”) is entered into effective as of the ____ day of _____, 2009 (hereinafter referred to as the “EFFECTIVE DATE”), between the parties hereto, who agree as follows in consideration of the mutual promises contained herein:

1. PARTIES

- 1.1 The Board of Regents of The University of Texas System (hereinafter referred to as “BOARD OF REGENTS”) has its principal office at 201 West 7th Street, Austin, Texas, 78701.
- 1.2 M. D. Anderson Services Corporation, a Texas corporation formerly known as M. D. Anderson Outreach Corporation (hereinafter referred to as “LICENSEE”) has a principal place of business at 7505 S. Main, Suite 500, Houston, Texas 77030.
- 1.3 BOARD OF REGENTS and LICENSEE are parties to this AGREEMENT.

2. BACKGROUND

- 2.1 The BOARD OF REGENTS is the governing body of The University of Texas System (“UT SYSTEM”).
- 2.2 The University of Texas M. D. Anderson Cancer Center (“UTMDACC”) is an institution of higher education within UT SYSTEM, an agency of the State of Texas, and a comprehensive cancer treatment, research, and prevention facility.
- 2.3 LICENSEE is a Texas nonprofit corporation that was organized, pursuant to the approval of BOARD OF REGENTS, as an organization described in Section 501(c)(3) of the *Internal Revenue Code* as a supporting organization to UTMDACC. LICENSEE is governed by a board of directors that is appointed by the President of UTMDACC and BOARD OF REGENTS.
- 2.4 LICENSEE develops and delivers an array of oncology-related services and programs to third parties throughout the world in conjunction with and in furtherance of UTMDACC’s mission, programs, and services.
- 2.5 For the use and benefit of UTMDACC, BOARD OF REGENTS owns and controls the licensing of certain trademarks and service marks used by UTMDACC that have acquired public recognition and goodwill through the use of such marks.

- 2.6 The parties entered into a License Agreement effective the 1st day of March, 1990 (the “ORIGINAL LICENSE AGREEMENT”), pursuant to which BOARD OF REGENTS granted to LICENSEE a nonexclusive license to use certain marks.
- 2.7 The parties entered into another License Agreement effective the 1st day of January, 1996 (the “1996 LICENSE AGREEMENT”), which was subsequently amended by the parties, pursuant to which BOARD OF REGENTS granted to LICENSEE a nonexclusive license to use certain marks.
- 2.8 The parties desire that the terms and conditions for LICENSEE’s ongoing use of the marks be set forth in a single agreement between the parties that clarifies and extends LICENSEE’s rights to use such marks. Accordingly, by entering this AGREEMENT, the parties intend to substitute this AGREEMENT for the ORIGINAL LICENSE AGREEMENT and the 1996 LICENSE AGREEMENT, as amended. Further, the parties desire that the ORIGINAL LICENSE AGREEMENT and the 1996 LICENSE AGREEMENT shall terminate as of the EFFECTIVE DATE, upon the terms and conditions hereinafter set forth.

3. DEFINITIONS

- 3.1 AFFILIATION means a contractual affiliation between LICENSEE and another entity (other than UTMDACC) pursuant to which LICENSEE provides certain LICENSED SERVICES to such entity. AFFILIATE shall mean the entity with whom LICENSEE has an AFFILIATION.
- 3.2 LICENSED MARK(S) mean the mark(s) listed in Attachment A, including common law rights, as well as any applications for registration that may be filed by BOARD OF REGENTS or registrations that may be issued to BOARD OF REGENTS covering such mark(s), whether state or federal.
- 3.3 LICENSED SERVICES mean those services specified in Attachment B hereto in connection with which any of the LICENSED MARK(S) are used.
- 3.4 LICENSED TERRITORY means the area described in Attachment C.
- 3.5 TERM means the effective period of this AGREEMENT, which shall commence on the EFFECTIVE DATE and which shall terminate on the tenth (10th) anniversary of the EFFECTIVE DATE unless (i) earlier terminated in accordance with the terms of this AGREEMENT or (ii) extended by mutual written agreement of the parties.
- 3.6 QUALITY means an acceptable level of quality to, in the sole judgment of, BOARD OF REGENTS.

4. LICENSE GRANT

- 4.1 Subject to and in accordance with the terms and conditions of this AGREEMENT, BOARD OF REGENTS grants to LICENSEE the nonexclusive right and license to utilize the LICENSED MARK(S) in the LICENSED TERRITORY during the TERM.
- 4.2 LICENSEE shall use the LICENSED MARK(S) (a) solely in connection with the LICENSED SERVICES of QUALITY; and (b) with advertising and promotional materials in conjunction with the provision of LICENSED SERVICES.
- 4.3 LICENSEE may use, and subject to the notice provisions of Section 4.6, LICENSEE may permit an AFFILIATE to use, the LICENSED MARK(S) in conjunction with LICENSED SERVICES that LICENSEE provides to such AFFILIATE. Any such use of the LICENSED MARK(S) by LICENSEE or an AFFILIATE pursuant to an AFFILIATION shall be in accordance with the terms and conditions of this AGREEMENT. Any such use of the LICENSED MARK(S) by the AFFILIATE pursuant to this Section 4.3 shall not require a sublicense agreement between LICENSEE and the AFFILIATE but shall be subject to prior review and approval by LICENSEE.
- 4.4 In any use of the LICENSED MARK(S), the LICENSEE may combine the LICENSED MARK(S) with the name of an AFFILIATE (if applicable), a geographic location, and/or a description of the type of LICENSED SERVICES that shall be provided.
- 4.5 LICENSEE shall include the modifier “The University of Texas” with any use of the LICENSED MARK “M. D. Anderson” with respect to activities that are conducted in the State of Texas. LICENSEE shall not include the modifier “The University of Texas” with any use of the LICENSED MARK “M. D. Anderson” with respect to activities that are conducted outside the State of Texas. Notwithstanding the foregoing and subject to the notice provisions of Section 4.6, the parties may agree in writing to waive the requirements of this Section 4.5 with respect to specific programs and/or specific AFFILIATIONS, and any such waiver shall not require an amendment to this AGREEMENT.
- 4.6 LICENSEE shall notify the Vice Chancellor and General Counsel and the Executive Vice Chancellor for Health Affairs of UT SYSTEM of any potential or new AFFILIATION that will include any use of the LICENSED MARK(S) at least ninety (90) days prior to any public announcement of such AFFILIATION. Any such notice shall be kept confidential by BOARD OF REGENTS and UT SYSTEM until such public announcement.

5. DEFAULT, TERMINATION

- 5.1 In the event that LICENSEE becomes insolvent, makes any assignment for the benefit of creditors, is subject to any bankruptcy or receivership proceedings, or fails to comply with any of its obligations under this AGREEMENT (including but not limited to its obligations under Section 8.1), BOARD OF REGENTS may serve on LICENSEE a notice of default specifying the nature of the default. If the default is not cured within thirty (30) days from service of the notice of default, this AGREEMENT shall automatically terminate upon service by BOARD OF REGENTS of a formal notice of termination.
- 5.2 LICENSEE may terminate this AGREEMENT without cause upon at least thirty (30) days written notice to BOARD OF REGENTS, which termination shall be effective at the end of such notice period or upon such later date that shall be specified in the termination notice.
- 5.3 Upon expiration or termination of this AGREEMENT, all rights granted to LICENSEE hereunder shall cease, and LICENSEE will refrain from further use of the LICENSED MARK(S), or any mark or name reasonably deemed to be similar to the LICENSED MARK(S), in connection with the provision of or promotion of LICENSED SERVICES. LICENSEE acknowledges that failure to comply with this provision will result in immediate and irreparable harm affording injunctive relief and any and all other appropriate relief to the BOARD OF REGENTS.
- 5.4 Upon expiration or termination of this AGREEMENT, LICENSEE shall not operate its business in any manner which would falsely suggest to the public that this AGREEMENT is still in force or that any relationship exists between LICENSEE and BOARD OF REGENTS.
- 5.5 Notwithstanding the foregoing, upon expiration or earlier termination of this AGREEMENT, LICENSEE shall be permitted to continue to use the LICENSED MARK(S) in accordance with the terms of this AGREEMENT through the expiration or earlier termination of each AFFILIATION then in effect, provided that LICENSEE shall be prohibited from renewing or extending any such AFFILIATION.

6. SUBLICENSES

- 6.1 LICENSEE shall have the right to grant a sublicense under this AGREEMENT only with the prior written approval of BOARD OF REGENTS, and only under terms at least as restrictive as those of this AGREEMENT.

6.2 BOARD OF REGENTS hereby approves and authorizes LICENSEE to amend and/or terminate the sublicense agreements described on Attachment D as necessary, and/or if such sublicense agreements should no longer be required, pursuant to the terms and conditions of this AGREEMENT.

7. GOODWILL IN LICENSED MARK(S)

LICENSEE agrees that the essence of this AGREEMENT is founded on the goodwill associated with the LICENSED MARK(S) and the value of that goodwill in the minds of the consuming public. LICENSEE agrees that it is critical that such goodwill be protected and enhanced and, toward this end, LICENSEE shall not during the TERM or thereafter:

- (a) attack the title or any rights in or to the LICENSED MARK(S);
- (b) apply to register or maintain any application or registration of the LICENSED MARK(S) or any other mark confusingly similar thereto in any jurisdiction, domestic or foreign;
- (c) use any colorable imitation of any of the LICENSED MARK(S), or any variant form (including variant design forms, logos, colors, or typestyles) of the LICENSED MARK(S) not specifically approved by BOARD OF REGENTS;
- (d) misuse the LICENSED MARK(S);
- (e) take any action that would bring the LICENSED MARK(S) into public disrepute;
- (f) use the LICENSED MARK(S), or any mark or name confusingly similar thereto, in its corporate or trade name without approval of BOARD OF REGENTS, provided however that the use of the LICENSED MARK "M. D. Anderson Services Corporation" as the corporate name of LICENSEE is approved; or
- (g) take any action that would tend to destroy or diminish the goodwill in the LICENSED MARK(S).

8. QUALITY CONTROL

8.1 All LICENSED SERVICES shall be QUALITY services. LICENSEE acknowledges that if LICENSED SERVICES were of inferior quality, the substantial goodwill in LICENSED MARK(S) would be impaired. Accordingly, LICENSEE agrees that all LICENSED SERVICES shall be QUALITY services. In particular, LICENSEE shall maintain a standard of quality with respect to its LICENSED SERVICES that is consistent with the standards approved and applied by UTMDACC.

8.2 All advertising and promotional material bearing the LICENSED MARK(S) shall comply with the terms of this AGREEMENT.

9. INDEMNITY/HOLD HARMLESS

9.1 LICENSEE agrees that it is wholly responsible for all services provided by it, including all LICENSED SERVICES, and that BOARD OF REGENTS shall have no liability for any services, including any LICENSED SERVICE, provided by

LICENSEE to any AFFILIATE or the sublicensee of LICENSEE. LICENSEE indemnifies and holds harmless BOARD OF REGENTS and the officers, employees, and agents thereof, from any claims, demands, causes of action, and damages, including reasonable attorney's fees, caused or arising out of LICENSEE'S provision of LICENSED SERVICES.

9.2 INDEMNITY. To the extent authorized by the Constitution and the laws of the State of Texas, the BOARD OF REGENTS indemnifies and holds harmless LICENSEE and the officers, employees, and agents, thereof, from any claims, demands, causes of action, and damages, including reasonable attorneys' fees, based solely on an alleged infringement by LICENSEE of the claimant's trademark or trade name directly resulting from the use by LICENSEE of LICENSED MARK(S). Notwithstanding the foregoing, nothing herein shall be construed to be a waiver of the sovereign immunity of BOARD OF REGENTS. The indemnity contained in this Section 9.2 shall not apply to any AFFILIATE, and no AFFILIATE shall be entitled to rely on such indemnity.

10. NOTICES

All notices or demands required to be made or permitted under this AGREEMENT shall be in writing and shall be given by personal delivery, overnight delivery, or United States mail, first class postage prepaid, certified, or registered mail, return receipt requested, addressed as follows:

If to LICENSEE:

M. D. Anderson Services Corporation
7505 South Main Street
Suite 500
Houston, Texas 77030
Facsimile: (713)794-5025
Attn: President and Chief Executive Officer

If to BOARD OF REGENTS:

The University of Texas System Board of Regents
Office of Vice Chancellor and General Counsel
201 West 7th Street, 6th Floor
Austin, Texas 78701
Facsimile: (512)499-4523

All notices will be effective and will be deemed delivered (i) if by personal delivery, delivery service, or courier, or facsimile, on the date of delivery and (ii) if by mail, three (3) days after deposit in the mail. Either party may change their mailing address by written notice to the other.

11. STATUS OF PARTIES

This AGREEMENT is not intended to create, and shall not be interpreted or construed as creating, a partnership, joint venture, agency, employment, master and servant, or similar relationship between BOARD OF REGENTS and LICENSEE or any sublicensee, and no representation to the contrary shall be binding upon LICENSEE or BOARD OF REGENTS.

12. BINDING EFFECT

This AGREEMENT shall be binding upon and inure to the benefit of BOARD OF REGENTS and LICENSEE and their respective successors, assigns, executors, heirs, and personal representatives.

13. LAW GOVERNING

This AGREEMENT shall for all purposes be governed by and interpreted and enforced in accordance with the laws of the State of Texas. LICENSEE hereby agrees that any action arising out of this AGREEMENT shall be litigated under the laws of the State of Texas in a court of competent jurisdiction in Travis County, Texas. LICENSEE hereby agrees to submit to the jurisdiction of the courts of the State of Texas and to use reasonable effort to obtain each sublicensee's consent to submit to the jurisdiction of the courts of the State of Texas or such other dispute resolution processes that are acceptable to UTMDACC and are in accordance with allowances under the rules of the BOARD OF REGENTS, and that service of process by certified mail, return receipt requested, shall be sufficient to confer in personam jurisdiction over LICENSEE or any sublicensee. LICENSEE agrees that the terms of this paragraph shall be part of any sublicense.

14. MISCELLANEOUS

14.1 The provisions of this AGREEMENT are severable, and if any provision shall be held illegal, invalid, or unenforceable, such holding shall not affect the legality, validity, or enforceability of any other provision. Any such illegal, invalid, or unenforceable provision shall be deemed stricken herefrom as if it had never been contained herein, but all other provisions shall continue in full force and effect.

14.2 As used herein, the term LICENSEE shall include the plural as well as the singular, the masculine and feminine genders, and corporations, partnerships, and other business entities as well as individuals.

- 14.3 This AGREEMENT contains the entire agreement between the parties with respect to the LICENSED MARK(S) and supersedes any prior agreements between the parties, written or oral, with respect to such LICENSED MARK(S). Specifically, this AGREEMENT constitutes a novation insofar as it shall be a substitute for both the ORIGINAL SUBLICENSE AGREEMENT and the 1996 SUBLICENSE AGREEMENT, as amended. LICENSEE and BOARD OF REGENTS hereby agree that each of the ORIGINAL SUBLICENSE AGREEMENT and the 1996 SUBLICENSE AGREEMENT, as amended, shall terminate automatically and without action by the parties as of the EFFECTIVE DATE hereof. Pursuant to such terminations, no party shall have any further obligations under the ORIGINAL SUBLICENSE AGREEMENT and/or the 1996 SUBLICENSE AGREEMENT. Notwithstanding anything to the contrary herein, any past use of any form of the LICENSED MARK(S) by LICENSEE is hereby ratified, approved, and confirmed.
- 14.4 This AGREEMENT may not be amended, modified, or rescinded except by a written agreement executed by BOARD OF REGENTS and LICENSEE.
- 14.5 This AGREEMENT may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

EXECUTED BY BOARD OF REGENTS and LICENSEE effective as of the day and year first above written, in duplicate copies, each of which shall be deemed an original.

BOARD OF REGENTS:

LICENSEE:

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM

M. D. ANDERSON SERVICES CORPORATION

By: _____

By: _____

William A. Hyslop

Title:

Title: President and Chief Executive Officer

Date Signed: _____

Date Signed: _____

Approved as to Form:

The University of Texas System
Office of General Counsel

ATTACHMENT A

LICENSED MARK(S) ARE:

M. D. Anderson

M. D. Anderson Services Corporation

M. D. Anderson International

M. D. Anderson Outreach

ATTACHMENT B

LICENSED SERVICES ARE:

In accordance with LICENSEE's purposes and emphases on the clinical, educational, and scientific aspects of cancer care, the following services may be provided by LICENSEE in connection with the LICENSED MARK(S) listed in Attachment A:

1. Cancer care services provided in Surgery, Medicine, Radiotherapy, Diagnostic Imaging, Laboratory Medicine, Pathology, Pediatrics, Cancer Prevention, Nursing, and Pharmacy;
2. Cancer research services;
3. Cancer education services; and
4. Services that support the delivery of cancer care services, cancer research services, and/or cancer education services by another entity.

ATTACHMENT C

LICENSED TERRITORY IS:

LICENSED TERRITORY means all countries of the world except as otherwise prohibited by federal statute or regulation.

ATTACHMENT D

SUBLICENSE AGREEMENTS

1. Sublicense Agreement by and among LICENSEE, Orlando Regional Healthcare System, Inc., and Orlando Cancer Center, Inc.
2. Sublicense Agreement by and between LICENSEE and MDA Holding, Spain, S.A.

2. U. T. M. D. Anderson Cancer Center: Approval to negotiate the sale of the institution's interest in P.E.T.Net Houston, LLC, to PETNET Solutions, a wholly-owned subsidiary of Siemens Medical Solutions USA, Inc., for a negotiated price based on the fair market value to be determined by an independent business valuation expert

The Board

- a. authorized the negotiation of the sale of The University of Texas M. D. Anderson Cancer Center's interest in P.E.T.Net Houston, LLC, to PETNET Solutions, a wholly-owned subsidiary of Siemens Medical Solutions USA, Inc., for a negotiated price based on the fair market value to be determined by an independent business valuation expert; and
- b. authorized the President of U. T. M. D. Anderson Cancer Center or his delegate to execute all documents, instruments, and other agreements, subject to approval by The University of Texas System 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.

U. T. M. D. Anderson Cancer Center owns a 49% interest in P.E.T.Net Houston, LLC, a Texas limited liability company that is a radiopharmaceutical manufacturer operating out of a facility leased from U. T. M. D. Anderson Cancer Center on the institution's Mid-Campus. M. D. Anderson cofounded P.E.T.Net Houston, LLC, in March 2002 with P.E.T.Net Pharmaceuticals, Inc. (subsequently acquired by Siemens Medical Solutions USA, Inc., and now operating as PETNET Solutions), as a means of securing a cyclotron on campus to service its need for radiopharmaceuticals used in patient care and research. PETNET Solutions owns the remaining 51% interest in P.E.T.Net Houston, LLC, and has managed and operated P.E.T.Net Houston since its inception.

Siemens Medical Solutions USA, Inc., currently has a global initiative to reduce the number of its worldwide affiliates, which presents the opportunity for M. D. Anderson to cash out its interest in P.E.T.Net Houston, LLC, and realize a substantial return on its original investment. M. D. Anderson desires to sell its interest in P.E.T.Net Houston, LLC, to PETNET Solutions to simplify the institution's relationships with the radiopharmaceutical companies.

According to the terms of the initial agreement establishing P.E.T.Net, the sale of the institution's interest in the limited liability company P.E.T.Net is subject to the consent of PETNET Solutions. The sale price will be based on the fair market value of the institution's interest as determined by an independent business valuation expert. P.E.T.Net Houston, LLC, will continue to lease its facility on M. D. Anderson's campus and to supply the institution with radiopharmaceuticals.

3. U. T. System: Discussion of federal health care legislation and its impact on the U. T. System health institutions

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

4. U. T. System: Quarterly report on health matters, including a report on the U. T. System Health Services Working Group established to facilitate discussion of anticipated changes in health care, and recent conferences

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

5. U. T. System: Report on efforts and activities related to patient safety and clinical effectiveness at U. T. System health institutions

This item was for consideration only by the Committee (see Minutes of the Special Health Affairs Committee meeting).

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 58 - 70).--Committee Chairman Gary 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: Fiscal Year 2009 Energy Utility Task Force Report

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

2. U. T. Dallas: Renovation of 17217 Waterview Parkway - Amendment of the FY 2010-2015 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 2010-2015 Capital Improvement Program (CIP) to include the Renovation of 17217 Waterview Parkway project at The University of Texas at Dallas as follows:

Project No.:	302-557	
Institutionally Managed:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	July 2010	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$5,500,000

- a. approve a total project cost of \$5,500,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. 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. 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 \$5,500,000.

Debt Service

The \$5,500,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$5,500,000 Revenue Financing System debt is expected to be \$480,000. The institution's debt service coverage is expected to be at least 1.3 times and average 2.1 times over FY 2010-2015.

Project Description

The project involves renovation of interior space of an existing office building approved for purchase by the Board of Regents on July 9, 2009. The facility consists of approximately 93,060 gross square feet of office and light manufacturing space. This building will be renovated to accommodate various campus departments in conjunction with program growth and dislocation due to new construction and major renovations. The building will also house administrative and academic units to maximize the availability of square footage for classrooms and faculty offices in the core of the U. T. Dallas campus. This renovation is needed to bring the building into compliance with current codes/standards and to modify the existing space to meet the needs of the prospective tenants.

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. Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

3. U. T. Dallas: Shell Space and Infrastructure Build-out Projects - Amendment of the FY 2010-2015 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 2010-2015 Capital Improvement Program (CIP) to include the Shell Space and Infrastructure Build-out Projects at The University of Texas at Dallas as follows:

Project No.:	302-558	
Institutionally Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	July 2010	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$5,500,000

- a. approve a total project cost of \$5,500,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. 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. 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 \$5,500,000.

Debt Service

The \$5,500,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$5,500,000 Revenue Financing System debt is expected to be \$480,000. The institution's debt service coverage is expected to be at least 1.3 times and average 2.1 times over FY 2010-2015.

Project Description

The project consists of several shell space build-out projects in the Natural Science and Engineering Research Laboratory (NSERL), including neuroscience laboratory space, material science laboratory space, and bioengineering laboratory shell space. The project also involves build-out of the mechanical engineering machine shop in the Waterview Science and Technology Center. Some campus infrastructure improvements associated with academic programs are included in the project.

As U. T. Dallas continues to increase the amount of sponsored research, additional laboratory space is needed as soon as possible. This project will complete the build-out of all available space in the NSERL research facility and provide machine shop space for the new mechanical engineering program.

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. Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

4. U. T. Dallas: Student Housing Living/Learning Center, Phase II - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2010-2015 Capital Improvement Program (CIP) to include the Student Housing Living/Learning Center, Phase II project at The University of Texas at Dallas as follows:

Project No.:	302-556	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	June 2012	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$31,000,000

Investment Metric: This Residence Hall will directly support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students by 2017, creating a total student population of 21,000.

The new student housing will contain approximately 150,000 gross square feet to house 400 students as well as classrooms, gathering spaces, and offices to support living and learning communities. These beds will be reserved for use by incoming freshman students. The project will also include parking, connector roads, and outdoor recreational facilities.

The Student Housing Living/Learning Center, Phase I filled quickly, and all current student housing is operating close to 100% occupancy with 40 students on the waiting list.

This project has been approved by U. T. 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.

5. U. T. El Paso: University Parking Garage II - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2010-2015 Capital Improvement Program (CIP) to include the University Parking Garage II project at The University of Texas at El Paso as follows:

Project No.:	201-553	
Project Delivery Method:	Design/Build	
Substantial Completion Date:	July 2011	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$ 5,000,000
	Unexpended Plant Funds	\$ 7,000,000
		\$12,000,000

Investment Metrics: By 2011

- Increase in University parking capacity in a developing area of campus
- Ease campus arterial traffic congestion on Schuster Avenue and related parking lots

The parking garage will consist of a new multistory facility containing approximately 770 parking spaces. Two sites are being considered adjacent to Schuster Avenue for the project.

With the addition of the new School of Nursing and the Chemistry and Computer Science Building to the southeast quadrant of the campus, the demand for additional parking in that area has increased considerably.

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.

6. U. T. Permian Basin: Residence Hall - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2010-2015 Capital Improvement Program (CIP) to include the Residence Hall project at The University of Texas of the Permian Basin as follows:

Project No.:	501-555	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	July 2012	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$26,500,000

- Investment Metrics:
- Percent occupancy equal to other campus housing by three years after opening
 - Student first-year retention at or above the campus average first-year retention by three years after opening
 - Student annual satisfaction survey results at or above other campus housing by two years after opening

The Residence Hall to be located adjacent to the Student Multipurpose Center will provide 300 beds and student support service areas. The dormitory will feature four students per room. The students will each have their own bedroom with a lavatory and share a common living area. Other amenities will include multipurpose lobbies, study rooms, a mail room, a laundry room, and a media room. Outdoor amenities may include a sand volleyball court and outdoor grill area. The project will be completed in two phases. The first phase to be completed in Fall 2012 will include approximately 150 beds and a new parking lot. The second phase will be completed by Fall 2013.

All of the existing housing on campus consists of apartment-style units with students housed in a two-bedroom unit with a shared bath, living room, and full kitchen. There are also some efficiency unit apartments with a full kitchen/living room with a single bedroom/bath. This new Residence Hall will

provide incoming freshmen and other students a choice of apartment or dormitory housing on campus. Current student housing, consisting of 560 beds, is operating at 100% occupancy with 40 students on the waiting list.

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. Health Science Center – Houston: Library, Equipment, Repair and Rehabilitation (LERR10) - University Center Tower Isolation Switch - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; approval to reallocate approved funding; and authorization of expenditure (Final Board approval)

The Board amended the Fiscal Year 2010-2015 Capital Improvement Program (CIP) to include the LERR10 - University Center Tower Isolation Switch project at The University of Texas Health Science Center at Houston as follows:

Project No.:	701-554		
Institutionally Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Project Delivery Method:	Competitive Sealed Proposals		
Substantial Completion Date:	August 2010		
Project No.: 701-445	<u>Source</u>	<u>Former</u>	<u>Current</u>
LERR09-University Center Tower Emergency Generator Replacement Systems	Permanent University Fund Bond Proceeds	\$1,200,000	\$1,043,325
Total Project Cost:			
Project No.: 701-446	<u>Source</u>	<u>Former</u>	<u>Current</u>
LERR09-Dental Branch Building Emergency Generator Replacement Systems	Permanent University Fund Bond Proceeds	\$ 600,000	\$ 474,675
Total Project Cost:			
Project No.: 701-552	<u>Source</u>		<u>Current</u>
LERR10-University Center Tower Isolation Switch	Permanent University Fund Bond Proceeds		\$ 282,000
Total Project Cost:			

- a. approve a total project cost of \$282,000 with funding from Permanent University Fund (PUF) Bond Proceeds Library, Equipment, Repair and Rehabilitation (LERR);

- b. approve the reallocation from PUF Bond Proceeds in the amount of \$156,675 from the LERR09 - University Center Tower Emergency Generator Replacement Systems project and \$125,325 from the LERR09 - Dental Branch Building Emergency Generator Replacement Systems project; and
- c. authorize expenditure of funds.

Previous Board Actions

On August 14, 2008, the LERR09 - University Center Tower Emergency Generator Replacement Systems project was included in the CIP with a total project cost of \$1,200,000 with funding from PUF LERR and institutional management.

On August 14, 2008, the LERR09 - Dental Branch Building Emergency Generator Replacement Systems project was included in the CIP with a total project cost of \$600,000 with funding from PUF LERR and institutional management.

On August 20, 2009, the Board approved the Request for Budget Change via the Docket to transfer the amount of \$282,000 from the two previously approved LERR projects for emergency generators for a new project to address a high voltage electrical switch that serves the University Center Tower.

Project Description

A new LERR10 project will be created from surplus funds of the existing LERR09 - University Center Tower Emergency Generator Replacement Systems project and the LERR09 - Dental Branch Building Emergency Generator Replacement Systems project. The LERR funds from both projects are available for transfer and will be used for project design in preparation for executing the project in the near future.

Each building in the Texas Medical Center (TMC) area is fed by underground high voltage cables. The high voltage electrical cables connecting University Center Tower (UCT) also serve multiple buildings in the TMC area. This isolation switch project will isolate UCT from other buildings in the TMC to minimize the impact on other TMC institutions of a high water incident at UCT.

8. U. T. Southwestern Medical Center – Dallas: Clinical Campus Phase 2: Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; revise the funding sources; appropriation of partial funding for relocation and demolition work; and redesignate as the New University Hospital (Preliminary Board approval)

The Board approved the recommendations for the Clinical Campus Phase 2 project at The University of Texas Southwestern Medical Center at Dallas as follows. Regent Gary abstained from discussion and vote on this item as he has a preexisting interest in real property at 5225 Maple Street near the proposed hospital site.

Project No.: 303-366
 Institutionally Managed: Yes No
 Project Delivery Method: Construction Manager at Risk
 Substantial Completion Date: April 2015

Total Project Cost:	Source	Former	Current
	Unexpended Plant Funds	\$ 80,000,000	
	Interest on Local Funds	\$ 50,000,000	
	MSRDP*	\$ 80,000,000	
	Revenue Financing System Bond Proceeds		\$400,000,000
	Gifts	\$ 50,000,000	\$200,000,000
	Designated Funds	<u>\$100,000,000</u>	<u>\$200,000,000</u>
		\$360,000,000	\$800,000,000

* Medical Services Research and Development Plan

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost from \$360,000,000 to \$800,000,000;
- b. revise the funding of \$80,000,000 from Unexpended Plant Funds, \$50,000,000 from Interest on Local Funds, \$80,000,000 from Medical Services Research and Development Plan (MSRDP), \$50,000,000 from Revenue Financing System Bond Proceeds, and \$100,000,000 from Gifts to \$400,000,000 from Revenue Financing System Bond Proceeds, \$200,000,000 from Gifts, and \$200,000,000 from Designated Funds;
- c. appropriate partial funding of \$48,000,000 from Designated Funds for relocation and demolition work; and
- d. redesignate the project as the New University Hospital.

Previous Board Action

On August 23, 2007, the project was included in the CIP with a total project cost of \$360,000,000 with funding of \$80,000,000 from Unexpended Plant

Funds, \$50,000,000 from Interest on Local Funds, \$80,000,000 from MSRDP, \$50,000,000 from Revenue Financing System Bond Proceeds, and \$100,000,000 from Gifts.

Project Description

The original project was anticipated to be a 224-bed addition to St. Paul University Hospital. During the programming of the project it became evident that the scale, location, and cost would need to be changed to serve the current needs of the institution and patients. The traffic congestion at this site and continued use of the older sections of St. Paul University Hospital, including lack of teaching space, patient flow issues, and the disruption caused by construction activity over many years were of particular concern. In addition, the site would not allow later expansion to accommodate future relocation of clinical programs at Zale Lipshy University Hospital when that facility eventually needs to be replaced. The project was redesignated as the New University Hospital.

The New University Hospital is planned to be a 424-bed facility that will replace the existing St. Paul University Hospital. The hospital will be a full service tertiary hospital that will provide needed patient care, clinical trials, and medical education. The hospital will provide for an additional 6,500 admissions between Fiscal Years 2016 and 2020. To support the hospital, a new central utility plant will be constructed along with a parking garage, utilities, and streets. The hospital will be located on a site known as the West Campus, which is directly northwest of the existing St. Paul University Hospital. After the new hospital is complete, the existing hospital site will be converted to other clinical and faculty uses.

Prior to beginning the hospital construction, the occupants of three existing buildings will need to be relocated and those buildings demolished. So that the construction of the New University Hospital is not delayed, U. T. Southwestern Medical Center – Dallas needed this item approved to proceed with the relocation and demolition work. The total cost for this portion of the work is estimated to be \$48,000,000 with funding from Designated Funds.

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 at a later date.

9. U. T. Arlington: Special Events Center - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval of design development; approval to revise the funding sources; 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 Special Events Center project at The University of Texas at Arlington as follows:

Project No.:	301-397		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	January 2012		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$28,000,000	\$68,000,000
	Gifts	\$10,000,000	
	Unexpended Plant Funds	<u>\$35,000,000</u>	<u>\$10,000,000</u>
		\$73,000,000	\$78,000,000

- Investment Metrics:
- By 2012:
- Host approximately 41 athletic events and 25 other U. T. Arlington related activities
 - Host approximately 60 non-University events that will address the campus community and general public's interest
 - Accommodate commencement exercises, convocation ceremonies, student orientations, and Maverick Preview Days
 - Provide a facility capable of seating 6,500 people
 - Earn over \$1.0 million during the first year of operations from non-University event bookings, generating 30% net revenue
 - Lease a minimum of 20% of bookable facility time to non-University entities to drive income generation and support student recruitment and community involvement

- a. amend the FY 2010-2015 Capital Improvement Program to increase the total project cost from \$73,000,000 to \$78,000,000;
- b. approve design development plans;
- c. revise the funding sources of \$28,000,000 from Revenue Financing System Bond Proceeds, \$10,000,000 from Gifts, and \$35,000,000 from Unexpended Plant Funds to \$68,000,000 from Revenue Financing System Bond Proceeds and \$10,000,000 from Unexpended Plant Funds;
- d. appropriate funds and authorize expenditure of funds;

- e. approve the evaluation of alternative energy economic feasibility; 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. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$68,000,000.

Debt Service

The \$68,000,000 in aggregate Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$68,000,000 Revenue Financing System debt is expected to be \$4,700,000. The institution's debt service coverage is expected to be at least 2.0 times and average 2.8 times over FY 2010-2015.

Previous Board Action

On February 12, 2009, the project was included in the CIP with a total project cost of \$73,000,000 with funding of \$28,000,000 from Revenue Financing System Bond Proceeds, \$10,000,000 from Gifts, and \$35,000,000 from Unexpended Plant Funds.

Project Description

The Special Events Center (SEC) will include approximately 218,000 gross square feet (GSF) to house a multipurpose, state-of-the-art facility for U. T. Arlington athletics, graduation ceremonies, convocation celebrations, concerts, and distinguished lecture series, as well as many community events. The SEC will also include large meeting rooms and suites ideal for hosting special functions, events, and meetings. For U. T. Arlington athletics, the SEC will include an athletic floor for both the men's and women's basketball teams and the women's volleyball team. It will include practice

courts, offices, locker rooms, training facilities, a film and media center, lounge areas, and academic spaces for the student athletes. The facility will be able to accommodate small and large events equally well to serve the academic and administrative departments. The increase in the total project cost is due to an increase of approximately 20,000 GSF to include larger mechanical rooms, larger service corridors, and an increase in the amount of storage space in the building.

The SEC will be located on the east side of the campus in close proximity to the University Center for the convenience of the campus community. The site will be between Pecan and Center Streets and south of West Second Street. This site has an additional benefit of being located adjacent to the recent enhancement and upgrades of Center Street as a pedestrian parkway and green space by the City of Arlington. The SEC's site landscaping is designed to blend into the City's Trail System to make a strong statement in regard to the stature of the University.

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.

10. U. T. Dallas: Campus Services and Bookstore Building - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; 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) (Deferred)

This item was deferred to a future meeting.

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 11:50 a.m., the Board voted and approved the Standing Committee recommendations.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on December 9-10, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 11:55 a.m.

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

December 16, 2009

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 140

October 26, 2009

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 12, 2009. The Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health 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 - 7
The University of Texas at Arlington	Docket 8
The University of Texas at Austin	Docket 9 - 14
The University of Texas at Brownsville	Docket 15
The University of Texas at Dallas	Docket 16 - 18
The University of Texas at El Paso	Docket 19
The University of Texas – Pan American	Docket 20 - 22
The University of Texas at San Antonio	Docket 23 - 26
The University of Texas at Tyler	Docket 27
The University of Texas Southwestern Medical Center at Dallas	Docket 28 - 29
The University of Texas Medical Branch at Galveston	Docket 30 - 35
The University of Texas Health Science Center at Houston	Docket 36 - 40
The University of Texas Health Science Center at San Antonio	Docket 41
The University of Texas M. D. Anderson Cancer Center	Docket 42 - 46
The University of Texas Health Science Center at Tyler	Docket 47 - 48


Francisco G. Cigarroa
Chancellor

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 COMING IN

1. Agency: Lake Austin Family Dental, PLLC
Funds: \$1,289,778
Period: July 1, 2011 through June 30, 2031
Description: Lease of a 2,000 square foot building on 0.154 acres at 2504 Lake Austin Boulevard, Austin, Texas. The lease is for an initial term of 10 years with two 5-year renewal options, subject to U. T. System's consent. Lake Austin Family Dental is currently subleasing the property from the current tenant, Heidi's German Bakery, Pastry Shop, Etc., Inc.; the sublease expires on June 30, 2011, and this new lease commences at that time. Lake Austin Family Dental has agreed to spend a minimum of \$275,000 on renovations and improvements to the property. In accordance with Rule 70301 of the Regents' *Rules and Regulations*, this property is managed by the U. T. System Real Estate Office. All revenue generated by the property benefits U. T. Austin.

FUNDS GOING OUT

2. Agency: Stericycle, Inc.
Funds: Expected to exceed \$1,000,000 annual based on services provided
Period: September 1, 2009 through August 31, 2010 with the possibility of four contract extensions
Description: Stericycle, Inc. will provide medical and biological waste disposal services to U. T. System institutions on a non-exclusive basis.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

3. Agency: Bryan I.S.D.
Funds: \$4,420,532
Period: July 1, 2009 through June 30, 2012
Description: Develop and implement goals for The University of Texas System Teacher Incentive Fund Program, a project 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. Represents years three through five of a five-year contract. Years one and two were approved by the Board November 2008.

4. Agency: Lancaster I.S.D.
Funds: \$3,168,856
Period: July 1, 2008 through June 30, 2012
Description: Develop and implement goals for The University of Texas System Teacher Incentive Fund Program, a project 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. Represents years two through five of a five-year contract. The Institute for Public School Initiatives did not docket prior year contracts until funds spent approached the threshold requiring Board approval.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

5. Agency: Lytle I.S.D.
Funds: \$2,125,017
Period: July 1, 2008 through June 30, 2012
Description: Develop and implement goals for The University of Texas System Teacher Incentive Fund Program, a project 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. Represents years two through five of a five-year contract. The Institute for Public School Initiatives did not docket prior year contracts until funds spent approached the threshold requiring Board approval.
6. Agency: Manor I.S.D.
Funds: \$1,667,807
Period: July 1, 2008 through June 30, 2012
Description: Develop and implement goals for The University of Texas System Teacher Incentive Fund Program, a project 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. Represents years two through five of a five-year contract. The Institute for Public School Initiatives did not docket prior year contracts until funds spent approached the threshold requiring Board approval.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

7. Agency: Richardson I.S.D.
Funds \$2,464,919
Period: July 1, 2008 through June 30, 2012
Description: Develop and implement goals for The University of Texas System Teacher Incentive Fund Program, a project 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. Represents years two through five of a five-year contract. The Institute for Public School Initiatives did not docket prior year contracts until funds spent approached the threshold requiring Board approval.
8. Agency: Blackboard Inc.
Funds \$1,342,827
Period: September 1, 2009 through August 31, 2010 with the possibility of three contract extensions
Description: Blackboard is the chosen UT TeleCampus provider for a course management system, which is used to deliver all online courses. Since contracted in 2002, annual contract extensions have been exercised. Total value of the contract is now approaching the \$1,000,000 threshold requiring Board approval.

AMENDMENTS TO THE 2009-10 BUDGET

TRANSFERS OF FUNDS

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION (LERR)		
1. Amount of Transfer:	1,968,000	136

From: Unallocated LERR Funds

To: Unexpended Plant Funds

Transfer needed for waterproofing the Ashbel Smith Hall plaza and planters. The 25-year life expectancy for waterproofing has been exceeded and major leaks with potential structural issues must be addressed. Previously identified structural repairs and needed waterproofing for other U. T. System Complex parking garages will also be completed.

2. Amount of Transfer:	35,000	137
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From: Unallocated LERR Funds

To: Unexpended Plant Funds

Transfer needed for purchase and installation of security gates in the Colorado Building Garage No. 5 to secure the garage in the evenings.

AMENDMENTS TO THE 2009-10 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AVAILABLE UNIVERSITY FUND		
3. Amount of Transfer:	50,000	138
From: Unallocated Available University Funds		
To: Unexpended Plant Funds		
Transfer needed to fund additional exterior repairs to the Claudia Taylor Johnson Building identified during recent exterior maintenance repairs.		
4. Amount of Transfer:	85,000	139
From: Unallocated Available University Funds		
To: Unexpended Plant Funds		
Transfer needed to fund upgrades to the navigation system hardware and software to include a Wide Area Augmentation System for the U. T. System King Air 350 as required by Federal Aviation Administration standards.		
DESIGNATED FUNDS		
5. Amount of Transfer:	2,220,000	140
From: Unemployment Compensation Income		
To: Unemployment Compensation Benefits		
Transfer needed to fund second quarter unemployment compensation reimbursement from existing income balances as a result of unanticipated unemployment compensation claims expenses resulting from a Reduction in Force at U. T. Medical Branch – Galveston following the devastation of Hurricane Ike. This caused expenditures to exceed the original budget amount of \$4,000,000 and created the need for a one-time budget transfer of \$2,200,000. The Unemployment Compensation Insurance self-insured fund will replenish these funds over the next three years as future actuarially determined rates factor in the claim experience from Fiscal Year 2009.		

REAL ESTATE REPORT

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

Summary Report at August 31, 2009

	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 5/31/09	\$ 3,613,237	\$ 27,055,058	\$ 103,994,396	\$ 317,608,775	\$ 1,843,260	\$ 3,446,892	\$ 109,450,893	\$ 348,110,725
Increase or Decrease	170,001	2,246,906	(6,000)	(34,651,514)	-	537,8	164,001	(31,866,715)
Ending Value 08/31/09	\$ 3,783,238	\$ 29,301,964	\$ 103,988,396	\$ 282,957,261	\$ 1,843,260	\$ 3,984,785	\$ 109,614,894	\$ 316,244,010
Other Real Estate:								
Ending Value 05/31/09	\$ 73,833	\$ 73,833	\$ 156,841	\$ 156,841	\$ -	\$ -	\$ 230,674	\$ 230,674
Increase or Decrease	(1,387)	(1,387)	(3,013)	(3,013)	-	-	(4,400)	(4,400)
Ending Value 08/31/09	\$ 72,446	\$ 72,446	\$ 153,828	\$ 153,828	\$ -	\$ -	\$ 226,274	\$ 226,274

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.

U. T. ARLINGTON

AMENDMENTS TO THE 2009-10 BUDGET

TRANSFER OF FUNDS

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>\$ Amount</u>	<u>RBC #</u>
LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION ALLOCATION (LERR) Obstetrics and Gynecology		
1. Amount of Transfer:	12,900	3334

From: Library, Equipment, Repair and Rehabilitation project for Nedderman and Fine Arts roof replacement

To: University Hall roof repair and replacement

Transfer surplus funds from a previously approved LERR project for Nedderman and Fine Arts roof replacement to a new project to address an emergency roof repair and replacement on University Hall.

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS 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>	
COLLEGE OF SCIENCE Earth and Environmental Science Dean of Science and Professor					
2. Pamela E. Jansma (T)	8/15-8/31	100	12	210,000	3155
	8/15-8/31	WOS	09	157,500	

U. T. AUSTIN

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: NIKE USA, Inc.
Funds: Minimum of \$1,221,020
Period: July 1, 2009 through June 30, 2014
Description: NIKE USA, Inc. will be the official provider of athletic footwear, apparel, and uniforms for University Interscholastic League (UIL) staff and representatives and provide marketing support for championship events. NIKE will provide cash compensation (minimum of \$1,221,020) and NIKE products (minimum of \$50,000) to UIL championship events during the term of the agreement.

2. Agency: Texas Education Agency
Funds: \$2,000,000
Period: September 1, 2009 through August 31, 2011
Description: Texas Education Agency will provide funding in consideration of University Interscholastic League's (UIL) designation as the lead agency in developing, implementing, and enforcing a random steroid testing program for UIL member high school athletes in Texas, as mandated in Senate Bill 8 of the 80th Texas Legislature, Regular Session. UIL of U. T. Austin will continue administering the random steroid testing program for UIL member high school athletes in Texas.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

3. Agency: IMG Communications, Inc.
Funds: U. T. Austin estimates that the amendment of the existing contract will result in \$119,000,000 of additional revenue
Period: July 1, 2005 through June 30, 2022
Description: Third amendment to existing contract between U. T. Austin and IMG Communications, Inc. (formerly known as Host Communications, Inc.) for IMG to provide 1) certain radio and television broadcasts related to its intercollegiate athletics program; 2) for the production, sale, and distribution of programs and certain printed materials; 3) for certain corporate sponsorships; and 4) for other ancillary and marketing activities. The third amendment extends the agreement an additional seven years and revises certain other terms and conditions that will result in increased revenue and benefits to U. T. Austin. For the rights and privileges granted, IMG will pay an annual rights fee of \$310,000. From the sales and marketing of the rights and licenses belonging to U. T. Austin, IMG shall remit an adjusted gross revenue royalty based on a percentage of the aggregate gross revenue collected by IMG pursuant to the aggregate gross revenue schedules detailed in the amendment.

FUND GOING OUT

4. Agency: National Center for Drug Free Sports, Inc.
Funds: \$1,800,400
Period: September 1, 2009 through August 31, 2011
Description: Drug testing through statewide random steroid testing for Texas high school student athletes in Texas, as mandated in Senate Bill 8 of the 80th Texas Legislature, Regular Session.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

5. Agency: Cincinnati Bell Technology Solutions, Inc.
Funds: \$11,000,000
Period: Effective upon receipt of federal broadband stimulus grant funds
Description: U. T. Austin has applied for American Recovery and Reinvestment Act grants from the federal Broadband USA stimulus grant program. The purpose of the grant is to improve the rural broadband network in Texas. This is a coordinated project involving Texas A&M University, dozens of municipalities, and rural electric cooperatives, as well as the Lower Colorado River Authority and USFon, a nonprofit telecommunications carrier. Under this purchase agreement with Cincinnati Bell Technology Solutions, Inc. (CBTS), U. T. Austin will purchase all of CBTS' telecommunication assets located in Texas, including a dark fiber indefeasible right to use the agreement for the exclusive use of 68 strands of fiber on a 302-mile Houston-Austin-San Antonio route, as well as six long-haul telecommunications conduits on the same route, and all conduits owned by CBTS in El Paso. This acquisition will serve the long-term broadband needs of U. T. Austin at an economical price as well as allowing U. T. Austin to participate in the stimulus program to bring broadband service to underserved rural communities in Texas. No acquisition will be made unless U. T. Austin is awarded the Broadband USA grant, and then only to the extent the grant funding allows.

AMENDMENTS TO THE 2009-10 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					
1. Elaine L. Danielson					3219
From: Associate Professor (T)		100	09	62,098	
To: Associate Professor Emeritus	9/1-5/31			0	
<p>Dr. Danielson was granted emeritus status effective September 1, 2006. Approval was effective June 1, 2006 but the title change was not submitted for docket approval at that time. The honorary title designation is being submitted now for formal approval with the request that the emeritus title be shown as effective on June 1, 2006, as intended.</p>					
SCHOOL OF LAW					
Thomas Shelton Maxey Professorship and Professor					
2. Ronen Avraham (T)	9/1-5/31	100	09	247,500	3214
	9/1-5/31	SUPLT	09	5,000	
Bernard J. Ward Centennial Professorship and Professor					
3. Abraham L. Wickelgren (T)	9/1-5/31	100	09	202,500	3215
	9/1-5/31	SUPLT	09	5,000	
Charles I. Francis Professorship in Law and Professor					
4. Robert M. Chesney (T)	9/1-5/31	100	09	172,500	3216
	9/1-5/31	SUPLT	09	5,000	

AMENDMENTS TO THE 2009-10 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 LAW (Continued)					
Harry M. Reasoner Regents Chair in Law and Professor					
5. David E. Adelman (T)	9/1-5/31	100	09	161,250	3217
	9/1-5/31	SUPLT	09	5,000	
COLLEGE OF NATURAL SCIENCES					
Biological Sciences/Molecular Genetics					
6. Paul J. Szaniszlo					3221
From: Professor (T)		100	09	106,872	
To: Professor Emeritus	9/1-5/31			0	
Biological Sciences/Neurobiology					
7. Jeanne M. Lagowski					3213
From: Professor (T)		100	09	123,264	
To: Professor Emeritus	9/1-5/31			0	
LBJ SCHOOL OF PUBLIC AFFAIRS					
Tom Slick Memorial Trust Professorship and Professor					
8. Ethan B. Kapstein (T)	9/1-5/31	66	09	145,785	3218
	9/1-5/31	34	09	145,785	

AMENDMENTS TO THE 2008-09 BUDGET

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
GENERAL REVENUE APPROPRIATION		
U. T. Austin - State General Revenue		
9. Amount of Transfer:	9,902,630	3178

From: HB 4586, Section 59 Hold Harmless

To: State General Revenue

To record supplemental appropriation funding as per HB 4586, Section 59 which U. T. Austin has budgeted for expenditure in Fiscal Years 2010 and 2011. This is a routine required action to transfer funds to general revenue to be spent appropriately.

SERVICE DEPARTMENTS

University Printing Services

10. Amount of Transfer:	650,000	3171
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From: Operating Income

To: Plant Operations

Transfer needed to purchase supplies to complete year end orders. The matching income will follow as the majority of University Printing Services business transactions occur in July and August of each fiscal year.

AUXILIARY SERVICES

Frank C. Erwin, Jr. Special Events Center

11. Amount of Transfer:	1,000,000	3167
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From: Frank C. Erwin, Jr. Special Events Center - Operating Income

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

Temporary budget transfer needed to provide spending authority for the Frank C. Erwin, Jr. Special Events Center expense account through the end of Fiscal Year 2009. Payments to the producers of the Jamie Foxx concert and the Ringling Bros. and Barnum and Bailey Circus will be offset by ticket proceeds from the Host Communications Advertising Signage contract and the Sodexo Food and Beverage annual settlement. These proceeds will be recorded before the end of the fiscal year, resulting in a positive ending balance.

U. T. BROWNSVILLE
AMENDMENTS TO THE 2009-10 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>	
OFFICE OF THE PROVOST					
Provost and Professor					
1. Alan F. J. Artibise (T)	10/22-8/31	100	12	230,000	3290
COLLEGE OF SCIENCE, MATHEMATICS AND TECHNOLOGY					
Dean and Professor					
2. Mikhail M. Bouniev (T)	9/1-8/31	100	12	145,000	3270

U. T. DALLAS

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Ciber, Inc.
Funds: \$2,567,000
Period: July 1, 2009 through June 30, 2011
Description: Contractor will implement Oracle PeopleSoft HCM/Finance 9.0 at U. T. Dallas and provide other related, necessary, and appropriate services.

AMENDMENTS TO THE 2009-10 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>	
BEHAVIORAL AND BRAIN SCIENCES AND ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE Bioengineering Associate Professor					
1. Robert L. Rennaker (T)	9/1-5/31	100	09	98,000	3248
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS Molecular and Cell Biology Professor					
2. Michael Q. Zhang (T)	9/1-5/31	100	09	202,500	3260
Mathematics Professor and Program Head					
3. Wieslaw Z. Krawcewicz (T)	9/1-5/31	100	09	135,000	3261

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS 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 Mechanical Engineering Professor and Program Head					
4. Mario O. Rotea (T)	8/1-8/31	100	09	175,000	3182
ECONOMIC, POLITICAL, AND POLICY SCIENCES Econometrics Professor					
5. Donggyu Su (T)	7/1-8/31	100	09	180,000	3183

U. T. EL PASO

AMENDMENTS TO THE 2009-10 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 HEALTH SCIENCE Health Sciences Associate Professor					
1. Timothy N. Tansey (T)	9/1-5/31	100	09	72,500	3243

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS 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>	
COLLEGE OF SCIENCE Mathematical Science Professor					
2. Maria C. Mariani (T)	7/1-8/31	100	09	120,000	3242

U. T. PAN AMERICAN
AMENDMENTS TO THE 2009-10 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>	
ARTS AND HUMANITIES					
Professor					
1. Russel Skowronek (T)	9/1-5/31	100	09	90,000	3251
Art Department					
2. Nancy Moyer					3239
From: Professor (T)		100	09	72,745	
To: Professor Emeritus	9/1-5/31			0	
3. Frank Manuella					3237
From: Professor (T)		100	09	73,854	
To: Professor Emeritus	9/1-5/31			0	
4. Wilbert Raymond Martin					3238
From: Professor (T)		100	09	64,602	
To: Professor Emeritus	9/1-5/31			0	
5. Edward E. Nichols					3240
From: Professor (T)		100	09	76,470	
To: Professor Emeritus	9/1-5/31			0	

AMENDMENTS TO THE 2009-10 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 HEALTH SCIENCES AND HUMAN SERVICES					
Rehabilitation Department					
Professor and Chair					
6. Jerome M. Fischer (T)	9/1-5/31	100	09	85,000	3250
Nursing Department					
7. Barbara Tucker					3241
From: Professor (T)		100	09	72,107	
To: Professor Emeritus	9/1-5/31			0	
COLLEGE OF SCIENCE AND ENGINEERING					
Manufacturing Engineering					
Professor					
8. James Paul Ignizio (T)	9/1-5/31	100	09	155,000	3252
COLLEGE OF SOCIAL AND BEHAVIOR SCIENCES					
Psychology and Anthropology					
9. Mark Glazer					3236
From: Professor (T)		100	09	85,482	
To: Professor Emeritus	9/1-5/31			0	

AMENDMENTS TO THE 2009-10 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
BANNER PROJECT AND TECHNICAL SUPPORT		
10. Amount of Transfer:	1,237,306	3253
From: Designated Tuition		
To: Unexpended Plant Funds		
Transfer needed for the student information system implementation project.		

AMENDMENTS TO THE 2008-09 BUDGET

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
EDINBURG PROFESSIONAL PLAZA		
11. Amount of Transfer:	2,800,000	3307
From: Designated Tuition		
To: Unexpended Plant Funds Building Alterations and Maintenance		
Transfer needed to cover the estimated cost of acquiring, renovating, and furnishing the building on South Sugar Road, Edinburg Professional Plaza, in which U. T. Pan American will have a condominium interest.		

U. T. SAN ANTONIO

CONTRACTS

GENERAL 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:

FUNDS GOING OUT

1. Agency: 4350 LOCKHILL SELMA, LLC, a Texas limited liability company
Funds: \$1,629,048 for the initial 66-month term; and market rate for the 5-year renewal option period
Period: December 1, 2009 through June 1, 2015 and renewal option period – through May 31, 2020
Description: Lease of 11,168 square feet of space in an office building located near the U. T. San Antonio main campus to house the Center of Infrastructure Assurance and Security (CIAS) for an initial 66-month term with a 5-year renewal option. CIAS is a grant-funded Center. Permitted uses include office and educational space.

FOREIGN CONTRACTS

2. Agency: The Confucius Institute Headquarters of China
Funds: Established annually based on the budget needed to support and maintain the operations of the Institute
Period: Effective upon signing of the Agreement for a period of five years, or until the Confucius Institute ceases to exist, whichever is sooner.
Description: The Confucius Institute Headquarters of China agrees to establish a Confucius Institute at U. T. San Antonio in cooperation with the University of International Business and Economics, Beijing, China.

AMENDMENTS TO THE 2009-10 BUDGET

TRANSFERS OF FUNDS

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>\$ Amount</u>	<u>RBC #</u>
FACILITIES PROJECTS		
Sombrilla Project		
1. Amount of Transfer:	2,599,074	3220
From: Project Reserves		
To: Sombrilla Rehabilitation Project		

Transfer needed to fund the Sombrilla project. The Sombrilla project is the refurbishment of the signature plaza at the Main Campus by replacing all of the original pyramid skylights. This project will restore the Sombrilla to its iconic status that once served as the symbol of the University and as the hub of student activity.

AMENDMENTS TO THE 2008-09 BUDGET

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AUXILIARY ADMINISTRATION		
Wayfinding		
2. Amount of Transfer:	750,000	3180
From: Auxiliary Administration		
To: Renovations		

Transfer needed for wayfinding implementation: (1) schematic design and construction drawings; (2) gateways; (3) vehicular signage, and (4) partial pedestrian signage.

AMENDMENTS TO THE 2008-09 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AUXILIARY ADMINISTRATION		
University Center Renovation		
3. Amount of Transfer:	1,143,900	3193
From: Parking Services	1,000,000	
Food Services Retail Operations	143,900	
To: University Center Renovation, Repair and Rehabilitation		
<p>Project encompasses the design, demolition, renovation, and construction of Chili's Too at the University Center and costs include construction and hardware expenditures.</p>		
FACILITIES PROJECTS		
Sculpture and Ceramics Addition		
4. Amount of Transfer:	920,861	3188
From: Project Reserve		
To: Sculpture and Ceramics Building Addition		
<p>This transfer is needed to fund the estimated total project costs of design and construction of a new building for the Sculpture and Ceramics Departments. The new building will be approximately 12,000 square feet and include graduate studios, sculpture and ceramics work rooms, and offices.</p>		
LIBRARY RENOVATIONS		
Library		
5. Amount of Transfer	2,409,900	3212
From: Library Resource Fee		
To: Library Renovations		
<p>Renovation of the 4th floor, John Peace Library Building.</p>		

NEW AWARD OF TENURE

The following personnel actions involving new award of tenure have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2010 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Education and Human Development		
Educational Leadership and Policy Studies		
Amaury Nora	New Hire	Professor (T)
College of Liberal and Fine Arts		
Anthropology		
Jerry K. Jacka	New Hire	Associate Professor (T)
Joanna E. Lambert	New Hire	Professor (T)
Psychology		
Rebecca J. Weston	New Hire	Associate Professor (T)
Sociology		
Xiaohe Xu	New Hire	Professor (T)
College of Science		
Chemistry		
Banglin Chen	New Hire	Associate Professor (T)

U. T. TYLER

AMENDMENTS TO THE 2009-10 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					
History					
1. Vincent Falzone					3245
From: Professor (T)		100	09	80,649	
To: Professor Emeritus	9/1-5/31			0	
COLLEGE OF ARTS AND SCIENCES					
Mathematics					
2. A. Richard Mitchell					3246
From: Professor (T)		100	09	76,100	
To: Professor Emeritus	9/1-5/31			0	
COLLEGE OF ARTS AND SCIENCES					
Communication					
3. Roger Conaway					3247
From: Professor (T)		100	09	70,499	
To: Professor Emeritus	9/1-5/31			0	

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: Dallas County Hospital District
Funds: \$1,092,913
Period: July 1, 2009 through June 30, 2010
Description: To provide reimbursement for cost of patient care services provided by U. T. Southwestern Medical Center – Dallas residents and fellows.

2. Agency: Dallas County Indigent Care Corporation
Funds: \$151,696,778
Period: October 1, 2009 through September 30, 2010
Description: To provide physicians and other health care professionals to Parkland Health and Hospital System.

FUNDS GOING OUT

3. Agency: Waste Management
Funds: \$1,832,168
Period: November 1, 2009 through August 31, 2014
Description: To provide campus-wide waste management services.

4. Agency: Dallas County Hospital District
d/b/a Parkland Health and Hospital System
Funds: \$1,274,787
Period: October 1, 2009 through September 30, 2010
Description: To provide clinical, administrative, and medical director services to Dallas County Hospital District/Parkland Health and Hospital System. This agreement will also provide billing, oversight, and supervision for midlevels in the Parkland Midwifery Program.

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

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

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Health Affairs and is 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 MEDICINE					
Surgery					
1. Robert Clyde Eberhart					3198
From: Surgery Adjunct Professor (T)		50	12	106,000	
To: Surgery Professor Emeritus	9/1-8/31			0	

U. T. MEDICAL BRANCH – GALVESTON

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: Brazoria County, Texas
Funds: \$4,623,974
Period: October 1, 2009 through September 30, 2011
Description: Fifth amendment for U. T. Medical Branch – Galveston to continue providing primary care services and hospital services at the Brazoria County Jail.
2. Agency: ValueOptions of Texas, Inc.
Funds: \$1,803,900
Period: September 1, 2009 through August 31, 2010
Description: Seventh 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.
3. Agency: Texas Department of Criminal Justice
Funds: \$1,100,000
Period: September 1, 2009 through August 31, 2011
Description: U. T. Medical Branch – Galveston to provide meals to assigned offenders and staff while at the Galveston Hospital.
4. Agency: Correctional Managed Health Care Committee
Funds: \$734,077,688
Period: September 1, 2009 through August 31, 2011
Description: U. T. Medical Branch – Galveston to provide health care to offenders on behalf of the Texas Department of Criminal Justice.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

5. Agency: Department of Assistive and Rehabilitative Services
Division for Early Childhood Intervention (ECI)
Services
Funds: \$1,434,333
Period: September 1, 2009 through August 31, 2010
Description: Amendment to extend the agreement for an additional
year to provide a program of early childhood
intervention services for children with developmental
delay and respite services for families of children
enrolled in ECI comprehensive services.

FUNDS GOING OUT

6. Agency: MFR, P.C.
Funds: \$8,000,000
Period: December 1, 2009 through November 10, 2014
Description: Contractor will assist U. T. Medical Branch –
Galveston with Federal Emergency Management
Agency related accounting and project management
activities for Hurricane Ike reimbursements.

AMENDMENTS TO THE 2009-10 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. David Wayne Bolen					3192
From: Professor (T)		100	12	147,972	
To: Professor Emeritus	9/1-8/31			0	
Biochemistry and Molecular Biology					
2. Lee-Nien Lillian Chan					3191
From: Professor (T)		100	12	140,800	
To: Professor Emeritus	9/1-8/31			0	
Biochemistry and Molecular Biology					
Internal Medicine - Administration					
3. Edward I. Bradbridge Thompson					3194
From: Professor (T)		50	12	92,259	
To: Professor Emeritus	9/1-8/31			0	
Internal Medicine – Infectious Disease					
Professor					
4. Philip Keiser (T)	9/1-8/31	100	12	194,000	3184

AMENDMENTS TO THE 2009-10 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (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>	
ACADEMIC ENTERPRISE (Continued)					
Microbiology and Immunology					
5. Teh-sheng Chan (T)					3209
From: Professor (T)		100	12	114,330	
To: Professor Emeritus	9/1-8/31			0	
Neurology					
Neuroscience & Cell Biology					
Professor					
6. George R. Jackson (T)	9/1-8/31	100	12	190,000	3185
Pathology					
7. Landon C. Stout, Jr.					3195
From: Professor		100	12	111,872	
To: Professor Emeritus	9/1-8/31			0	
ACADEMIC ENTERPRISE AND INSTITUTIONAL SUPPORT					
Surgery - Urology					
IS Leadership					
8. Michael M. Warren					3200
From: Clinical Professor (T) EMR Project Liaison		50	12	182,500	
To: Ashbel Smith Professor Emeritus	8/15-8/31			0	

NEW AWARD OF TENURE

The following personnel actions involving new award of tenure have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2010 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
School of Medicine		
Anesthesiology Rakesh Vadhera	Professor	Professor (T)
Internal Medicine Yong-Fang Kuo	Associate Professor	Associate Professor (T)
Ronald G. Tilton	Professor	Professor (T)
Bernard Karnath	Associate Professor	Associate Professor (T)
Microbiology and Immunology Alfredo Torres	Assistant Professor	Associate Professor (T)
Neurology Robert Glen Smith	Associate Professor	Professor (T)
Neuroscience and Cell Biology Gracie Vargas	Assistant Professor	Associate Professor (T)
Pathology Suimin Qiu	Assistant Professor	Associate Professor (T)
Jianli Dong	Assistant Professor	Associate Professor (T)
Pediatrics Antonella Casola	Associate Professor	Associate Professor (T)
Richard Pyles	Associate Professor	Associate Professor (T)
Surgery Kathleen O'Connor	Associate Professor	Associate Professor (T)

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 Mr. Moore with The University of Texas Medical Branch at Galveston. 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: | Richard S. Moore |
| Title: | Interim Vice President of Finance, U. T. Medical Branch – Galveston Austin Programs |
| Position: | Board member, Texas Department of Information Resources |
| Period: | September 10, 2009 through February 1, 2015 |
| Compensation: | None |
| Description: | Governor Perry has appointed Mr. Moore to the Board of the Texas Department of Information Resources. The Texas Department of Information Resources is responsible for the effective planning, implementation, and management of a statewide technology infrastructure that supports agency business operations and is also responsible for a cooperative contracts program that enables government entities to efficiently pool their purchasing power to drive down costs. Mr. Moore retired from U. T. Medical Branch – Galveston in 2007, returning at various times to assist the U. T. Medical Branch – Galveston since Hurricane Ike in various interim roles. |

U. T. HEALTH SCIENCE CENTER – HOUSTON

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: PST Services, Inc.
Funds: \$1,000,848, based on monthly rental payments of \$41,702
Period: September 1, 2009 through August 31, 2011
Description: Extension of lease of administrative office space at 1851 Crosspoint, Houston, Texas, covering 30,804 square feet of rentable space.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following extension has been awarded, has been approved by the Chancellor, and is recommended for approval by the U. T. System Board of Regents. Such employment under this extension is subject to the Regents' *Rules and Regulations*, Rules 10501 and 20201 and *Texas Education Code*, Section 51.948.

1. Item: President

Description: Extension of agreement with Larry Kaiser, M.D., President of The University of Texas Health Science Center at Houston where U. T. Health Science Center – Houston compensates Dr. Kaiser for reasonable commuting costs incurred by him and his spouse including airfare, accommodations, and meals associated with transition and temporary housing costs until July 31, 2010.

FEES AND MISCELLANEOUS CHARGES

PARKING AND TRAFFIC ENFORCEMENT FEES

Approval is recommended for the following parking permit fees to be effective beginning November 1, 2009. The proposed fees are consistent with the applicable statutory requirements under Section 51.202 of the *Texas Education Code* and have been administratively approved by the Executive Vice Chancellor for Health Affairs.

<u>Monthly Fees</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>University Center Tower Garage</u>			
<u>7000 Fannin, Houston, Texas</u>			
Faculty/Staff (payroll deduction)	74.80	77.04	2.99
Faculty/Staff	79.80	82.04	2.81
Student	74.80	77.04	2.99
Faculty/Staff - Reserved (payroll deduction)	110.00	115.50	5.00
Faculty/Staff - Reserved	115.00	120.50	4.78
Faculty/Staff -Reserved 2 nd level (payroll deduction)	105.00	110.25	5.00
Faculty/Staff - Reserved 2 nd level	110.00	115.25	4.77
Motorcycle	30.00	31.50	5.00
Motorcycle Non-UT	32.48	36.50	12.38
Non-Tenant Contract	102.50	105.58	3.00
Non-Tenant Contract - Reserved	115.00	121.90	6.00
Non-Tenant Contract - Reserved 2 nd level	110.00	115.50	5.00
<u>Recreation Center Lot</u>			
<u>7779 Knight Road, Houston, Texas</u>			
Staff (payroll deduction)	20.00	21.00	5.00
Staff	25.00	26.25	5.00

FEES AND MISCELLANEOUS CHARGES (CONTINUED)

PARKING AND TRAFFIC ENFORCEMENT FEES (CONTINUED)

<u>Monthly Fees</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>UT Professional Building Garage</u>			
<u>6414 Fannin, Houston, Texas</u>			
Faculty/Staff (payroll deduction)	133.94	137.96	3.00
Faculty/Staff	133.94	142.96	6.73
Non-UT	145.00	154.35	6.45
Faculty/Staff Basement (payroll deduction)	133.94	147.96	10.47
Faculty/Staff Basement	133.94	152.96	14.20
Non-UT Basement	145.00	164.35	13.34
MHHS Night	70.00	72.10	3.00
MHHS Weekend	30.00	31.00	3.33
Motorcycle Non-UT	32.48	38.97	19.98
Motorcycle (payroll deduction)	30.00	31.00	3.33
Motorcycle UT	30.00	36.00	20.00
<u>South Campus Lot</u>			
<u>7779 Knight Road, Houston, Texas</u>			
	55.00	58.30	6.00
<u>Operations Center Building</u>			
<u>Surface Lots</u>			
<u>1851 Crosspoint, Houston, Texas</u>			
OCB A	37.00	38.28	3.46
OCB A (payroll deduction)	32.00	33.28	4.00
OCB A (Non-UT)	37.00	41.44	12.00
OCB B	32.00	33.08	3.37
OCB B (payroll deduction)	27.00	28.08	4.00
OCB B (Non-UT)	32.00	35.81	11.91
OCB C	21.00	21.64	3.05
OCB C (payroll deduction)	16.00	16.64	4.00
OCB C (Non-UT)	21.00	23.64	12.57
<u>Mental Sciences Institute Surface Lots</u>			
<u>1300 Moursund, Houston, Texas</u>			
Faculty/Staff	77.00	81.62	6.00
Faculty/Staff (payroll deduction)	72.00	76.32	6.00

FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

PARKING AND TRAFFIC ENFORCEMENT FEES (CONTINUED)

<u>Monthly Fees</u>	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
School of Nursing/School of Public Health Surface Lots <u>1200 Hermann Pressler, Houston, Texas</u>			
Faculty/Staff	115.00	128.06	11.36
Faculty/Staff (payroll deduction)	110.00	113.30	3.00

Note: Non-UT permit holders pay the payroll deduction amount plus 8.25% tax.

U. T. HEALTH SCIENCE CENTER – SAN ANTONIO

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: Coca-Cola Enterprises, Inc., DBA San Antonio Coca-Cola Bottling Company, a Delaware corporation
Funds: \$255,000
Period: January 1, 2010 through August 31, 2013
Description: Coca-Cola Enterprises, Inc., DBA San Antonio Coca-Cola Bottling Company, a Delaware corporation, agrees to furnish and service beverage vending machines on all campus locations. *Texas Government Code*, Section 2203.005(a) requires all vending machine agreements to be approved by the Board.

U. T. M. D. ANDERSON CANCER CENTER

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: Cactus Builders
Funds: Costs for projects selected for this vendor are based on the pre-pricing information in the RS Means Building Construction Cost Data Book adjusted with a negotiated, local co-efficient. It is now anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.
Period: The initial term of the contract is June 1, 2008 through May 31, 2010. Agreement may be renewed for two additional 2-year periods.
Description: A job order contracting agreement. Vendor will act as a general contractor to provide general and specific construction services for renovation projects on a per-project basis. Vendor will provide all material, labor, equipment, and services necessary for completion of the project. Services are on a non-exclusive, indefinite quantity basis, and there is no minimum amount of work required.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

2. Agency: Gossen Livingston Associates, Inc.
Funds: Costs for projects selected for this vendor are based on negotiated hourly labor rates for various skill levels. It is now anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.
- Period: The initial term of the contract was January 1, 2007 through December 31, 2007. Two additional 12-month renewals have been utilized, and the current renewal period ends December 31, 2009. The agreement may be renewed for two additional 12-month periods.
- Description: Vendor will provide miscellaneous architectural and technical support services for renovations, repair and minor construction projects of limited scope on a per-project basis. Services are on a non-exclusive, indefinite quantity basis, and there is no minimum amount of work required.
3. Agency: Jacobs Engineering Group, Inc.
Funds: Costs for projects selected for this vendor are based on negotiated hourly labor rates for various skill levels. It is now anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.
- Period: The initial term of the contract was July 27, 2007 through July 26, 2008. Two additional 12-month renewals have been utilized, and the current renewal period ends July 26, 2010. The agreement may be renewed for two additional 12-month periods.
- Description: Vendor will provide various project management services on a per-project basis. Services are on a non-exclusive, indefinite quantity basis, and there is no minimum amount of work required.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

4. Agency: J. T. Vaughn Construction Company, Inc.
Funds: Costs for projects selected for this vendor are based on the pre-pricing information in the RS Means Building Construction Cost Data Book adjusted with a negotiated, local co-efficient. It is now anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.
- Period: The initial term of the contract is June 1, 2008 through May 31, 2010. The agreement may be renewed for two additional 2-year periods.
- Description: A job order contracting agreement. Vendor will act as a general contractor to provide general and specific construction services for renovation projects on a per-project basis. Vendor will provide all material, labor, equipment, and services necessary for completion of the project. Services are on a non-exclusive, indefinite quantity basis, and there is no minimum amount of work required.
5. Agency: The Trevino Group, Inc.
Funds: Costs for projects selected for this vendor are based on the pre-pricing information in the RS Means Building Construction Cost Data Book adjusted with a negotiated, local co-efficient. It is now anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.
- Period: The initial term of the contract is June 1, 2008 through May 31, 2010. The agreement may be renewed for two additional 2-year periods.
- Description: A job order contracting agreement. Vendor will act as a general contractor to provide general and specific construction services for renovation projects on a per-project basis. Vendor will provide all material, labor, equipment, and services necessary for completion of the project. Services are on a non-exclusive, indefinite quantity basis, and there is no minimum amount of work required.

AMENDMENTS TO THE 2009-10 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					
Clinical Cancer Prevention Chair					
1. Powell Brown (T)	9/21-8/31	100	12	325,000	3202
Laboratory Medicine Chair					
2. Elizabeth Wagar (T)	1/1-8/31	100	12	340,000	3203
Gastroenterology, Hepatology, and Nutrition Chair					
3. Lopa Mishra (T)	1/1-8/31	100	12	320,000	3204
Pathology Associate Professor					
4. Yun Gong (T)	9/1-8/31	100	12	198,716	3205
Head and Neck Surgery Associate Professor					
5. Floyd Holsinger (T)	9/1-8/31	100	12	283,000	3206
Genitourinary Medical Oncology Associate Professor					
6. Eric Jonasch (T)	9/1-8/31	100	12	188,464	3208
RESEARCH					
Neuro-Oncology Associate Professor					
7. Zhimin Lu (T)	9/1-8/31	100	12	107,746	3207

AMENDMENTS TO THE 2008-09 BUDGET

TENURE APPOINTMENTS

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,
AND EMERITUS 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 STAFF Experimental Radiation Oncology Chair					
8. Junjie Chen (T)	7/1-8/31	100	12	310,000	3201

U. T. HEALTH SCIENCE CENTER – TYLER

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: Custom Food Group, L.P.
Funds: \$50,000
Period: September 1, 2008 through August 31, 2010
Description: Installation and operation of vending machines on the campus. *Texas Government Code*, Section 2203.005(a) requires all vending machine agreements to be approved by the Board.

FUNDS GOING OUT

2. Agency: Crothall Clinical Equipment Services, Inc.
Funds: \$3,931,765
Period: May 8, 2009 through May 7, 2010 is the initial term, with four additional one-year term options
Description: Provide U. T. Health Science Center – Tyler with a comprehensive program of biomedical and imaging equipment services, including maintenance, repair, and parts services.

AMENDMENTS TO THE 2009-10 BUDGET

EMERITUS APPOINTMENTS

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

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Health Affairs and is 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>	
RESEARCH					
Biochemistry					
Professor					
1. Barry Starcher					3310
From: Professor		100	12	129,576	
To: Professor Emeritus	9/1-8/31			0	