

Meeting No. 1,063

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

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November 10-11, 2010

Austin, Texas

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 OF  
 THE UNIVERSITY OF TEXAS SYSTEM  
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MEETING NO. 1,063

WEDNESDAY, NOVEMBER 10, 2010.--The members of the Board of Regents of The University of Texas System convened at 9:54 a.m. on Wednesday, November 10, 2010, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present  
Chairman McHugh  
Vice Chairman Foster  
Vice Chairman Longoria  
Regent Dannenbaum  
Regent Gary  
Regent Hicks  
Regent Pejovich  
Regent Powell  
Regent Stillwell  
Regent Kalkwarf, Student Regent, nonvoting

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

RECESS TO EXECUTIVE SESSION.--At 9:55 a.m., Chairman McHugh announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 1:15 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

- 1a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 1b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College, the terms and conditions governing the current and proposed agreements and relationships between the parties, and the rights and obligations of the parties

See Items 2a and 4a and action taken in Open Session under Item 4 on Page 4.

- 1c. U. T. Austin: Discussion and appropriate action regarding legal issues related to rights and responsibilities for oversight and use of Brackenridge Tract held for the benefit of U. T. Austin

No action was taken on this item. See also Item 2b.

- 1d. U. T. Austin: Discussion and appropriate action of legal issues related to the structure of ownership and control of certain broadcast rights for athletic events

See action taken under Item 5 in the Academic Affairs Committee on Page 40.

- 1e. U. T. San Antonio: Discussion and appropriate action regarding legal issues concerning athletic conference membership

This additional item was posted with the Secretary of State. See action taken in Open Session under Item 6 on Page 15.

- 2a. U. T. System Board of Regents: Discussion and appropriate action regarding matters related to real property issues and the real property lease between U. T. Brownsville and Texas Southmost College

See Items 1b and 4a and action taken in Open Session under Item 4 on Page 4.

- 2b. U. T. Austin: Discussion and appropriate action regarding matters related to lease and valuation of the Brackenridge Tract held for the benefit of U. T. Austin

No action was taken on this item. See also Item 1c.

3a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Regent Hicks 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 and carried unanimously.

3b. U. T. Dallas: Approval of proposed negotiated gifts with potential naming features

Upon motion by Regent Pejovich, duly seconded, the Board authorized President Daniel and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas at Dallas with potential naming features consistent with the terms outlined in Executive Session.

The motion carried by acclamation.

3c. U. T. Permian Basin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features (Deferred)

This item was deferred.

3d. U. T. Health Science Center – Houston: Approval of proposed negotiated gifts with potential naming features

Upon motion by Regent Dannenbaum, seconded by Vice Chairman Foster, the Board authorized President Kaiser and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas Health Science Center at Houston with potential naming features consistent with the terms outlined in Executive Session.

The motion carried by acclamation.

- 4a. U. T. System Board of Regents: Discussion and appropriate action regarding individual personnel issues related to the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College, the terms and conditions governing the current and proposed agreements and relationships between the parties, and the rights and obligations of the parties

See Items 1b and 2a and action taken in Open Session under Item 4 on Page 4.

- 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.

5. U. T. System: Discussion and appropriate action concerning the deployment, or specific occasions for implementation, of security personnel or devices on U. T. System campuses

No action was taken on this item.

#### AGENDA ITEM

4. U. T. System Board of Regents: Notice of termination of the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College

Chairman McHugh announced the Board would consider the Open Session item (Item 4) regarding the Educational Partnership Agreement between The University of Texas at Brownsville (UTB) and Texas Southmost College (TSC). She noted the Board had the opportunity to discuss this

matter earlier during the Executive Session, and she called on Chancellor Cigarroa for remarks concerning the history and status of matters related to UTB/TSC.

#### Chancellor Cigarroa's remarks

In 1991, Texas Southmost College and U. T. Brownsville entered into a contractual arrangement with the primary goal of enhancing educational opportunities and offering students a seamless educational process from community college to a four-year university degree.

The partnership was effected through an educational partnership agreement, which ultimately required a series of interagency agreements covering matters such as personnel, academic programs, real property, and selection of a president by the U. T. System Board of Regents. The 1991 partnership agreement was a start and began to propel the institutions forward.

Since inception of the partnership, both UTB and TSC have experienced significant increases in student enrollment, course offerings, degrees offered, real property, and budget including sponsored research grants. The partnership has evolved and over the past two decades has increased in complexity exceeding the scope of the 1991 partnership agreement.

During the 81st Legislative Session in 2009, joint efforts were made by the U. T. System, UTB, and TSC to obtain additional funding for the lease of facilities from TSC to UTB, which is a recognized element of the existing partnership. The cost of these facilities is a line item within the direct appropriation to UTB, and all parties agreed that the funding provided by the Legislature had become inadequate to cover the actual costs to the partnership.

In the absence of any additional legislative appropriation, at the culmination of the 81st Session, the U. T. System and TSC were directed through a rider in the appropriations act to arbitrate the amount TSC should receive for the facilities leased to UTB.

Shortly after the 81st Legislative Session, leadership from U. T. System, UTB, and TSC met and agreed to focus not on lease payments but rather devote full attention on enhancing the partnership agreement. Both partners quickly agreed that the 1991 agreement was outdated, hindering the ability to enhance excellence into the future.

We also agreed to work together to seek enhanced funding through all sources including the Texas Legislature.

Over the last 18 months at the direction of and with the endorsement of both Boards, representatives of the U. T. System, UTB, and TSC discussed and drafted a new enhanced partnership agreement that offered a greater vision for higher education in Brownsville, advancing excellence, and protecting the mission of the community college and the four-year university.

On October 21 (2010), the TSC Board of Trustees changed course and rejected the draft of the enhanced partnership agreement. They unanimously voted to authorize legal counsel to negotiate a new agreement and to explore a model that would create a new U. T. System University known as UTB/TSC. To date, no contact has been made to U. T. and no counterproposal in any form has been made.

It is my opinion, as Chancellor for The University of Texas System, that the current partnership agreement is hindering the advancement of excellence in the mission of The University of Texas at Brownsville.

Chairman McHugh then invited comments from members of the Board.

Remarks by Vice Chairman Longoria

We, as a Board, have a fiduciary responsibility to The University of Texas System and to its institutions, and most importantly, to the students, which those academic institutions represent.

We currently have a partnership agreement that does not capture the most fundamental requirements that would be necessary for a continued productive relationship, and our repeated good faith efforts to negotiate an acceptable agreement have been both ignored and rebuffed.

Coming from that part of the state, I regret that this notice of termination has become necessary. We will not be held hostage by the unreasonable and unrelenting demands that have been made by new members of the TSC Board of Trustees.

Regent Powell echoed the comments made by Vice Chairman Longoria and said he is also from the Rio Grande Valley. He said he is saddened by the situation and feels that the Board has a fiduciary responsibility to the citizens of the State, to the U. T. System, and to the students in South Texas. He stated the U. T. System cannot continue to operate in the same manner with the opposition to U. T.'s goals that are evident from the Board in Brownsville.



Regent Hicks asked if the U. T. System has taken every action possible if the decision is made to terminate the agreement, to make sure students and faculty are cared for. Executive Vice Chancellor Prior responded with an unequivocal affirmation, saying the U. T. System's principle purpose at U. T. Brownsville is to provide educational opportunities for students of the four-year institution. He noted discussions will be held concerning the future direction of the University, with the strong commitment to maintain U. T.'s presence and to enhance the opportunities for students in the area.

Regent Kalkwarf asked Chancellor Cigarroa if he saw any changes in access and opportunities for students. Dr. Cigarroa reiterated that an important endeavor for himself and his executive management team is to enhance the educational opportunities for students at the undergraduate and professional levels and the advancement of excellence at all U. T. System institutions. He stated that planting a larger flag in South Texas as discussed with the members of the Board of Regents at the December 2009 Presidents' Retreat is also an important theme, especially through the Regional Academic Health Centers (RAHC), as mentioned in his Vision Statement.

Regent Stillwell then made the following motion:

I move that the U. T. System Board of Regents find that the current educational partnership between the Board of Regents on behalf of U. T. Brownsville and the Board of Trustees of the Texas Southmost College District on behalf of Texas Southmost College can no longer be sustained and that the notice of termination of the Educational Partnership Agreement be provided immediately. Under the terms of the Agreement, the termination is effective no later than August 31, 2015; however, the parties may work to achieve an earlier effective date.

I further move that the Board direct that written notice of this action be provided immediately to the Board of Trustees and that the Board ask Chancellor Cigarroa to plan for the orderly wind down of the partnership in a manner designed to provide uninterrupted continuation of the studies and academic career objectives of the partnership's students while shortening the period of transition.

This motion is premised upon the unwavering principle that the U. T. System Board of Regents is committed to the continuation of educational access and opportunity for our students and believes that, while the partnership structure has had many successes, this current partnership between U. T. Brownsville and Texas Southmost College is not the best model to achieve excellence in the future.

The motion was seconded by Vice Chairman Longoria and Regent Powell and carried unanimously.

Chairman McHugh then provided the following remarks.

Remarks by Chairman McHugh

While we had hoped to forge a new relationship that would propel the U. T. System and TSC into the future as partners, we have come to the conclusion today that the current working situation is untenable, and therefore, the U. T. System will concentrate on advancing higher education in South Texas and at U. T. Brownsville without a partnership with TSC. The students, faculty, and staff of U. T. Brownsville and its exceptional President Juliet García have our full support as we reiterate our full commitment that is unwavering in the commitment to our four-year university.

We will not put our standards of excellence in higher education on hold. U. T. Brownsville's leadership team needs the opportunity now to redirect its time and energy to the future aspirations of the University. We cannot live under the status quo. This is an outdated agreement, and we are at the expense of putting U. T. Brownsville's principles of accountability and transparency at risk. This action by the U. T. System Board of Regents should give U. T. Brownsville's students and faculty great confidence in the future of the University. Their educational experiences will not change. Classes and university operations will continue. Over the next four years as we engage in a phased-in approach to sunseting the current agreement, we will work with the TSC Board to address the separation aspects of the agreement.

We will also look forward to communicating with the Brownsville community and with other important stakeholders regarding our plans to enhance U. T. Brownsville's important educational goals and support its unique mission. U. T. Brownsville will continue on an upward trajectory toward excellence. We will look at the past with pride and accomplishment, and we will look to the future as the TSC Board of Trustees and the U. T. System Board of Regents work to advance our respective institutional missions. We will always be grateful to the citizens of Brownsville for all they have done to support the UTB/TSC partnership over the years.

In 1991, Texas Southmost College and U. T. Brownsville entered into a contractual arrangement to maximize resources and bring additional educational opportunities to the communities of the Lower Rio Grande Valley. The primary goal of the partnership, which is operationally managed by U. T. System, was to offer students a seamless educational process by eliminating barriers between two institutions located on the same campus.

The partnership was effected through a short educational partnership agreement and implemented using a series of interagency agreements covering matters such as personnel, academic programs, selection of the institution's president by the U. T. System Board of Regents, and real property. As enrollment and physical facilities have increased and personnel issues have become more complex, the abbreviated legal documents no longer address all issues of concern to the governing boards and do not provide an adequate platform for success in the future.

Over the last 18 months, at the direction of and with the endorsement of both Boards, representatives of the U. T. System and the Texas Southmost College Board of Trustees had discussed a new proposed partnership agreement that would have offered a vision for higher education in Brownsville and U. T. System's continued participation in the unique higher educational endeavor.

RECESS.--At 1:30 p.m., Chairman McHugh announced the Board would recess for meetings of the standing committees and would reconvene on the morning of November 11.

THURSDAY, NOVEMBER 11, 2010.--The members of the Board of Regents of The University of Texas System reconvened at 11:10 a.m. on Thursday, November 11, 2010, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman McHugh  
Vice Chairman Foster  
Vice Chairman Longoria  
Regent Dannenbaum  
Regent Gary  
Regent Hicks  
Regent Pejovich  
Regent Powell  
Regent Stillwell  
Regent Kalkwarf, Student Regent, nonvoting

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

REMARKS BY CHAIRMAN MCHUGH.--In honor of Veterans Day, Chairman McHugh called for a moment of silence. She noted that Student Regent Kalkwarf served in the U.S. Army as an Armor Officer where he was promoted to the rank of captain, spent 19 months deployed to the Middle East, and his military awards include the Bronze Star Medal and the Meritorious Service Medal. Regent Kalkwarf continues service as an officer in the Texas Army National Guard, and Chairman McHugh called on him for remarks. Regent Kalkwarf thanked the American public for the appreciation shown to all soldiers, and he asked for continued efforts to bring soldiers back into society by providing access and giving them opportunities to succeed.

Chairman McHugh introduced Assistant General Counsel to the Board of Regents Kristy Orr. The Chairman then congratulated President Romo on The University of Texas at San Antonio having the Number One debate team in the nation in both varsity and junior varsity divisions. She asked President Romo to convey the Board's great excitement to the Roadrunner debaters and their coach on this stellar accomplishment.

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 11-12, 2010, and the special called meeting held on September 28, 2010, in Austin, Texas, were approved as prepared by the Secretary to

the Board of Regents. The official copy of the August Minutes is recorded in the *Permanent Minutes*, Volume LVII, Pages 442 - 786 and the official copy of the September Minutes is recorded in Volume LVIII, Pages 1 - 5.

## AGENDA ITEMS, CONTINUED

1. U. T. System Board of Regents: Amendment to the Regents' *Rules and Regulations*, Rule 80201 (Disposal of U. T. System Property), Section 4.3

The Board amended Regents' *Rules and Regulations*, Rule 80201, Section 4.3, regarding disposal of University of Texas System property, to read as set forth below:

- 4.3 A sale in the amount of \$100,000 or more shall be approved in advance by the Chancellor and approved by the Board of Regents through the institutional docket; provided, however, that in the event of a catastrophic occurrence where insurable property losses are expected to exceed the institution's \$250,000 deductible under the U. T. System's Comprehensive Property Protection Plan (CPPP), the chief business officer of an institution is authorized to enter into contracts to dispose of damaged institution property, including equipment, in a manner deemed to be in the interest of the institution consistent with State law and Regents' Rule 10501.

Regents' Rule 80201 was intended to cover routine disposition of unused and outdated equipment only. Following Tropical Storm Allison in 2001 and Hurricane Ike in 2008, the Board of Regents granted authority to institutional presidents to enter into contracts to dispose of salvage and surplus property. The authority granted at the time was specific to those events. Certain controls that are in place during normal times can potentially create a problem when time is of the essence due to a catastrophic event. This amendment to the Regents' Rules allows U. T. System institutions to quickly recover the salvage value for property damaged by a catastrophic event when the damage exceeds the institution's deductible under the CPPP.

2. U. T. System: Approval of \$23 million from the Available University Fund (AUF) to support Systemwide computing capabilities, including completion of 10-gigabyte connectivity through the 15 campuses and the U. T. System data centers, additional high performance computing capacity, and pilot projects on shared data storage in support of research

Executive Vice Chancellor Shine introduced Dr. Brian Herman, Vice President for Research at The University of Texas Health Science Center at San Antonio and Dr. John R. (Jay) Boisseau, Director of the Texas Advanced Computing Center (TACC) and Dr. L. Wayne Wedemeyer,

Director of The University of Texas at Austin Telecommunication Services, both from The University of Texas at Austin. Dr. Shine stated they were instrumental in the development of the proposal to allocate \$23 million from the Available University Fund (AUF) to support Systemwide computing capabilities.

Dr. Shine said that computing power will be among the defining elements in the position of The University of Texas System for the next decade, and he explained the four issues further described below: data storage, data archiving, computing power, and connectivity. He said \$15 million of the \$23 million request would be used to complete the "last mile" of connectivity of all 15 campuses and to connect the campuses to the two data centers in Arlington and Houston. Dr. Shine said \$4 million is being requested for a pilot project in data storage that is intended to take advantage of economies of scale in significantly reducing utility costs, and the remaining \$3 million would be used to increase the capacity of TACC to process the material. A National Science Foundation (NSF) grant will match the \$3 million to enhance the computing power of the TACC.

Dr. Shine proposed that a cyberinfrastructure steering committee be formed to continue to look at the issue of high-performance computing over the next year or two to determine possible interactions with, for instance, commercial vendors and industrial partners to take advantage of skills, reduce costs, and increase efficiency.

Chancellor Cigarroa noted the importance expressed by the U. T. System institutions for high-performance computing and mentioning the Competitiveness Initiative, he noted the substantial attraction this proposal will have on bringing the best faculty from around the world to The University of Texas. He stated the importance of progress reports to the Board on outcomes from this proposed investment. In reply to a question from Chancellor Cigarroa about facilitating collaboration in higher education inside and outside the state, Dr. Shine said institutions in Texas and nationwide may invest in the "last mile" and benefit from the connectivity that will be available. He emphasized this will further enhance the TACC, and Dr. Boisseau said having a leading system is a competitive advantage to gain federal funding that will further augment the recruitment of talented faculty and researchers.

Dr. Shine added that while the project will connect to two points on each campus, it will be up to the institution to decide where those points will be and arrange for, and fund, further access that may be needed.

Executive Vice Chancellor Prior stated the proposed connectivity is overdue. He said that competitiveness will be dependent on this kind of capability. Regent Dannenbaum asked about redundancy, and Dr. Shine said redundancy of lines into each campus and redundancy of data storage are being developed. Regent Powell asked how many campuses are ready to

receive the connectivity, and Dr. Shine said U. T. Austin, The University of Texas Southwestern Medical Center at Dallas, and The University of Texas M. D. Anderson Cancer Center are ready. Dr. Wedemeyer explained that those three campuses have a ubiquitous connection to deliver to many researchers. He said the pilot project will deliver connections to two researchers on each of the other campuses, and the institutions will have to decide which two researchers will receive the connections and what infrastructure they may want to fund for more connections.

The Board then approved \$23 million from the AUF to support Systemwide computing capabilities, including completion of 10-gigabyte connectivity through the 15 campuses and the U. T. System data centers, additional high performance computing capacity, and pilot projects on shared data storage in support of research. Funds will be provided for technical support in the implementation and utilization of these new technologies.

State-of-the-art computing capability will be central to the future success of many aspects of the U. T. System research programs. Access to high-performance computing capacity is essential for an increasing number of areas in science. These funds will allow completion of the "last mile" of connectivity for broadband width access by all 15 campuses and two data centers. This connectivity will allow access to the high-performance computing capacity at U. T. Austin, as well as to investigators in other parts of the state and world. Enhanced high-performance capacity of TACC will permit expansion of services for a number of campuses, particularly the health research institutions that have expanding needs in these areas. An important pilot project in shared data storage will seek additional proof of concept that multiple investigators at several sites can use a single data repository for conduct of their research. It will also provide proof of concept for the archiving of computer data that can be "mined" at a future time.

The U. T. System will also establish a Research Cyberinfrastructure Steering Committee, which will continue to assess the long-term needs of the U. T. System for additional computer capacity in support of the campuses and their faculties. The availability of broadband width connections by these methods will also contribute to the use of new technologies in classroom instruction and support these fertilized data analyses in the health care delivery programs of the U. T. System.

3. U. T. System: Report on preparations for the 82nd Legislative Session

Vice Chancellor and Chief Governmental Relations Officer McBee updated the Board on the status of University of Texas System preparations for the 82nd Regular Legislative Session, including a summary of the System's and institutions' budget requests, proposals affecting higher education that the

Legislature may consider, and the major budgetary and substantive issues facing the Legislature. In addition, Mr. McBee provided an update on federal legislative activities.

Regent Stillwell noted he had recently attended a meeting of the U. T. System Faculty Advisory Council (FAC) and the recommendation to include a non-voting faculty member on the Board of Regents was reiterated. Regent Stillwell reported he told the FAC that the matter would again be included in the U. T. System legislative package and that he recognizes the benefits achieved from having a Student Regent.

Regent Gary asked if the shortfall in the margins tax was due to reduced economic activity or nonprofitable activity versus the mechanics of how it works, and Vice Chancellor McBee agreed some of the shortfall is due to economic performance and some is due to underperformance of the margins tax since its inception. In response to a further question from Regent Gary, Mr. McBee explained that merit-based financial aid will continue to be need-based.

Chancellor Cigarroa noted the importance of mobilizing alumni and advocates in the business community to emphasize to legislators that higher education is an investment in the future, and he emphasized that teamwork and alignment between the presidents and U. T. System will be critical. He asked for the support of the members of the Board, and Regent Powell recommended that Chancellor Cigarroa seek Regents' participation on visits to the Capitol.

4. U. T. System Board of Regents: Notice of termination of the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College, the terms and conditions governing the current and proposed agreements and relationships between the parties, and the rights and obligations of the parties

See action taken on this item on Page 4.

5. U. T. System Board of Regents: Former Board Chairman James R. Huffines as recipient of the Santa Rita Award

See action taken on this item on Page 66.



6. U. T. San Antonio: Approval of change in athletic conference membership to join the Western Athletic Conference

An additional item was posted with the Secretary of State regarding possible change in athletic conference membership for The University of Texas at San Antonio. President Romo said that morning (November 11), U. T. San Antonio received an invitation to join the Western Athletic Conference effective July 2012, and he asked the members of the Board to approve acceptance of the invitation. Following comments by Executive Vice Chancellor Prior, Regent Powell moved that President Romo be authorized to accept an invitation for U. T. San Antonio to join the Western Athletic Conference and to negotiate and finalize terms for athletic conference membership subject to approval by the Chancellor, the Vice Chancellor and General Counsel, and the Executive Vice Chancellor for Academic Affairs.

Regent Powell said this motion is conditioned upon acknowledgement of the Board's December 2008 action approving U. T. San Antonio's Athletic Initiative Business Plan as attached on the next page.

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

U. T. Board of Regents' December 18, 2008 action  
approving  
U. T. San Antonio's Athletic Initiative Business Plan

On December 18, 2008, then Vice Chairman Huffines in his role as Athletics Liaison to the Board, moved to approve the Athletic Initiative Business Plan, including development of acreage for an Athletic Complex, addition of a football program, and advancement of 16 intercollegiate sports programs for U. T. San Antonio. He noted the following:

- a. that the Plan as presented provide for a phase-in of athletic facility and program improvements as funding becomes available and without funneling existing or future institutional resources away from academic programs;
- b. that if fundraising goals as established in the Plan are not met as projected in any given year, a corresponding reduction of expenditures will be made for the next budget cycle;
- c. that the annual amount of institutional funds (for example, Auxiliary Funds) currently budgeted for support of the athletic program will not increase during the course of the Plan except as adjusted for inflation and that this limitation will not apply to the student-funded athletic fee or tuition waivers for out-of-state student athletes;
- d. that an annual fiscal review of the Plan by the U. T. System Office of Academic Affairs will be performed in conjunction with the regular budget review process, focusing on the details of expenses and revenues associated with implementation of the Plan, and a report of this annual review will be provided to the Athletics Liaison to the Board of Regents for evaluation of progress as well as direction for any needed adjustments in operations and plans; and
- e. that U. T. San Antonio will continue to enhance the academic excellence of the institution by improving the graduation rates of students and raising admission standards.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 12:10 p.m., Chairman McHugh announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 18 - 65.

REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 18 - 19).--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 Inter-University Compliance Consortium

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

2. U. T. System: Risk Management Report

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: Report on the progress and preliminary results of the audits of the Fiscal Year 2010 U. T. System Administration and institutional Annual Financial Reports

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

5. U. T. System Board of Regents: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2011

The Board approved The University of Texas Systemwide Annual Internal Audit Plan for Fiscal Year 2011. 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.

6. U. T. System: Report on the Systemwide internal audit activities, including the results of the Systemwide internal audit performance metrics

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 20 - 37).--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. 144

The Board approved *Docket No. 144*, which is attached following Page 67 in the official copy of the *Minutes*. The Docket 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.

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

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

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

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

4. 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, 2010

The August 31, 2010 UTIMCO Performance Summary Report follows on Page 22.

The Investment Reports for the fiscal year and quarter ended August 31, 2010, are set forth on Pages 23 - 26.

Item I on Page 23 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was 13.04% versus its composite benchmark return of 8.76%. The PUF's net asset value increased by \$1,051 million since the beginning of the fiscal year to

\$10,725 million. This change in net asset value includes contributions from PUF Land receipts, increases due to net investment return, and the annual distribution to the Available University Fund (AUF) of \$516 million.

Item II on Page 24 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was 13.02% versus its composite benchmark return of 8.76%. The GEF's net asset value increased by \$676 million during the fiscal year to \$6,035 million.

Item III on Page 25 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the fiscal year was 11.04% versus its composite benchmark return of 6.05%. The net asset value increased during the fiscal year to \$4,156 million due to net investment return of \$406 million, net contributions of \$297 million, less distributions of \$119 million.

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

Item IV on Page 26 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 \$116 million to \$1,990 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$24 million versus \$24 million at the beginning of the period; equities: \$43 million versus \$43 million at the beginning of the period; and other investments: \$7 million versus \$2 million at the beginning of the period.

# UTIMCO Performance Summary

August 31, 2010

	Net Asset Value 8/31/2010 (in Millions)	Periods Ended August 31, 2010 (Returns for Periods Longer Than One Year are Annualized)																		
		Short Term		Year to Date		Historic Returns														
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs											
<b>ENDOWMENT FUNDS</b>																				
Permanent University Fund	\$ 10,725	0.21%	2.47%	13.04%	3.97%	13.04%	(1.66%)	4.04%	4.65%											
General Endowment Fund		0.20	2.48	13.02	3.96	13.02	(1.68)	4.12	N/A											
Permanent Health Fund	906	0.18	2.44	12.91	3.94	12.91	(1.74)	4.05	N/A											
Long Term Fund	5,130	0.18	2.45	12.90	3.95	12.90	(1.74)	4.05	4.73											
Separately Invested Funds	396	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A											
<b>Total Endowment Funds</b>	<b>17,157</b>																			
<b>OPERATING FUNDS</b>																				
Short Term Fund	1,667	0.03	0.08	0.22	0.15	0.22	1.79	3.06	2.80											
Intermediate Term Fund	4,156	0.72	3.79	11.04	3.65	11.04	0.82	N/A	N/A											
<b>Total Operating Funds</b>	<b>5,823</b>																			
<b>Total Investments</b>	<b>\$ 22,980</b>																			
<b>VALUE ADDED (Percent)</b>																				
Permanent University Fund		0.94%	(0.18%)	4.28%	2.51%	4.28%	2.80%	1.89%	1.95%											
General Endowment Fund		0.93	(0.17)	4.26	2.50	4.26	2.78	1.97	N/A											
Short Term Fund		0.02	0.04	0.08	0.07	0.08	0.53	0.39	0.20											
Intermediate Term Fund		1.00	0.50	4.99	3.22	4.99	2.87	N/A	N/A											
<b>VALUE ADDED (\$ IN MILLIONS)</b>																				
Permanent University Fund		\$101	\$(19)	\$410	\$261	\$410	\$908	\$959	\$1,961											
General Endowment Fund		57	(10)	230	146	230	508	561	N/A											
Intermediate Term Fund		41	20	186	129	186	334	N/A	N/A											
<b>Total Value Added</b>		<b>\$ 199</b>	<b>\$ (9)</b>	<b>\$ 826</b>	<b>\$ 536</b>	<b>\$ 826</b>	<b>\$ 1,750</b>	<b>\$ 1,520</b>	<b>\$ 1,961</b>											

Footnotes available upon request.



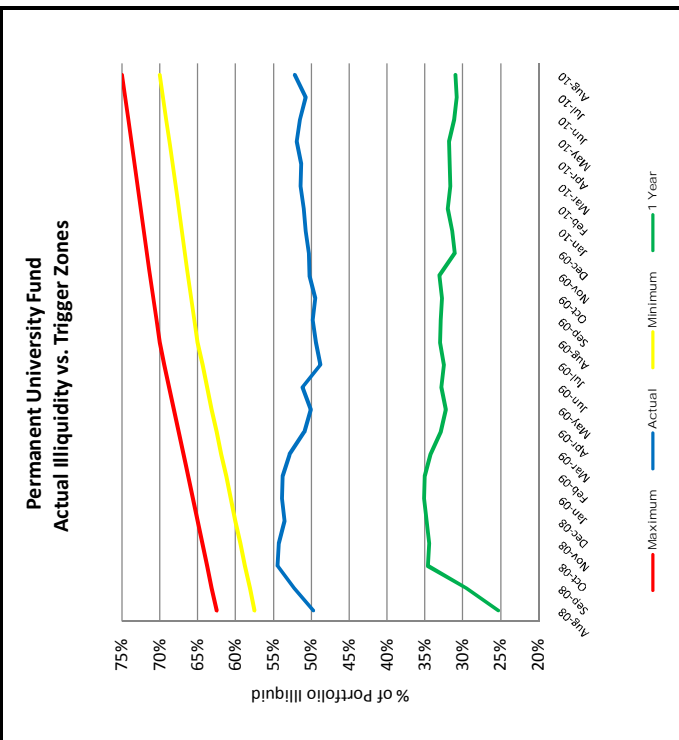
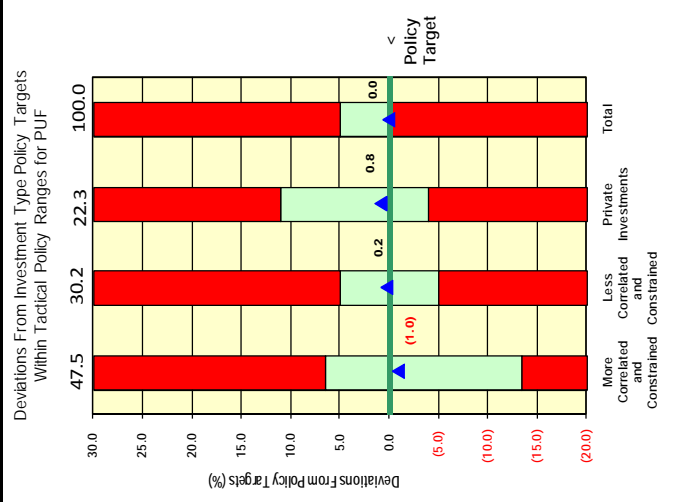
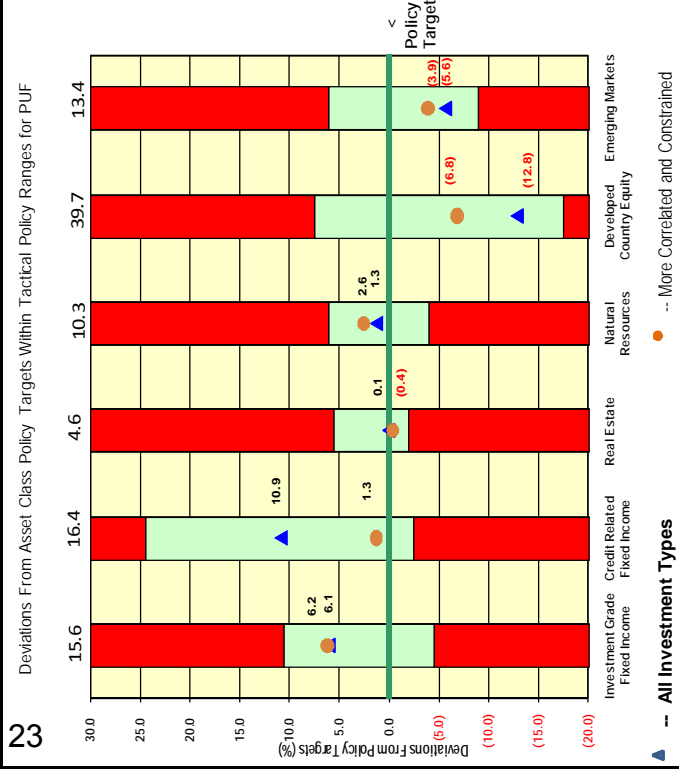
# I. PERMANENT UNIVERSITY FUND

## Investment Reports for Periods Ended August 31, 2010

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

<u>Summary of Capital Flows</u>			
	Fiscal Year Ended August 31, 2009	Quarter Ended August 31, 2010	Fiscal Year Ended August 31, 2010
(\$ millions)			
Beginning Net Assets	\$ 11,360	\$ 10,524	\$ 9,674
PUF Lands Receipts	340	75	338
Investment Return (Net of Expenses)	(1,495)	255	1,229
Distributions to AUF	(531)	(129)	(516)
Ending Net Assets	\$ 9,674	\$ 10,725	\$ 10,725

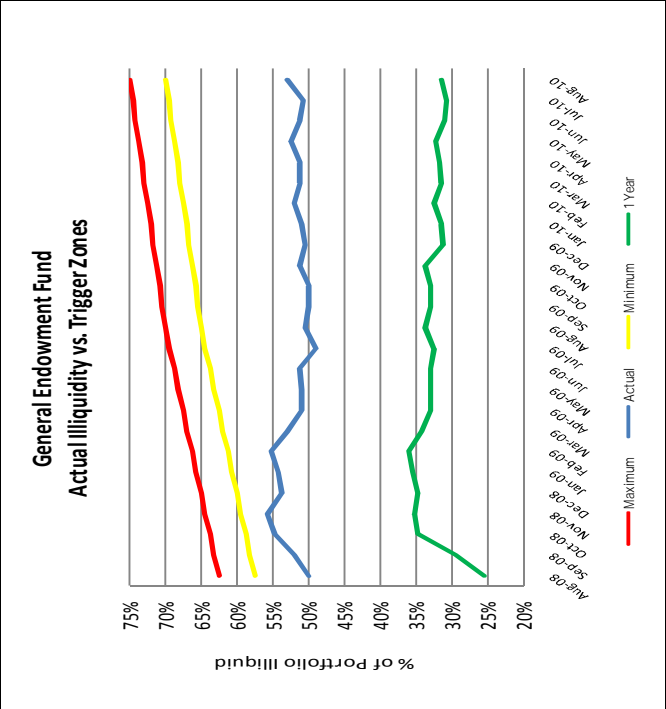
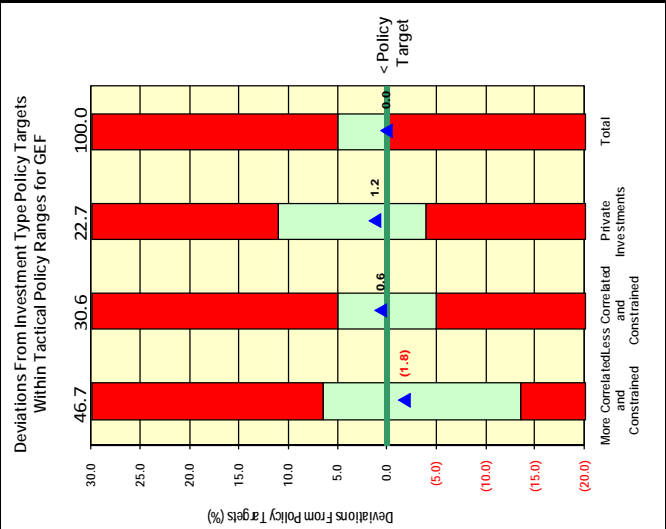
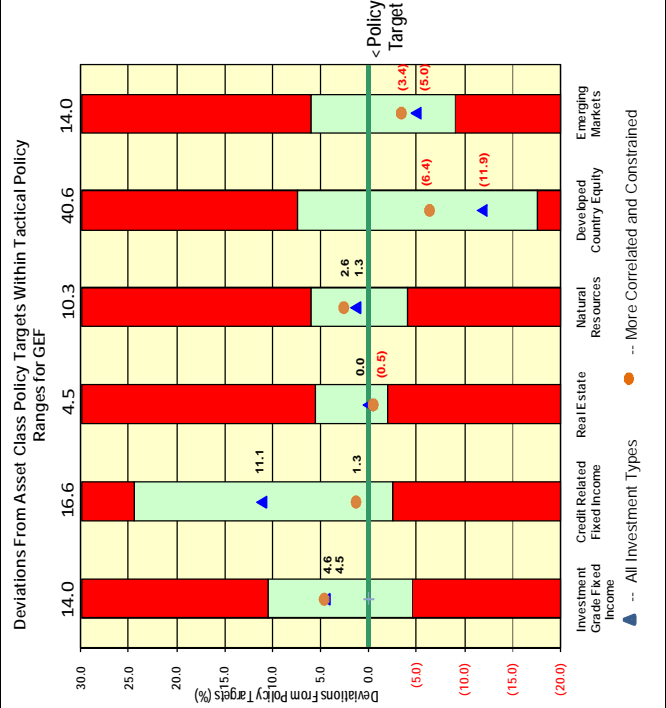
	Fiscal Year to Date				
	Returns	Value Added			
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	6.39%	5.84%	-0.10%	0.05%	-0.05%
Credit-Related	44.36%	20.86%	0.47%	0.07%	0.54%
Real Estate	16.66%	15.11%	-0.09%	0.08%	-0.01%
Natural Resources	12.87%	2.78%	0.01%	0.56%	0.57%
Developed Country	7.13%	1.54%	0.07%	1.07%	1.14%
Emerging Markets	19.39%	18.02%	-0.24%	0.15%	-0.09%
<b>Total More Correlated and Constrained</b>	<b>12.18%</b>	<b>7.87%</b>	<b>0.12%</b>	<b>1.98%</b>	<b>2.10%</b>
<b>Less Correlated and Constrained</b>					
Private Investments	11.89%	2.89%	0.32%	2.44%	2.76%
<b>Total</b>	<b>13.04%</b>	<b>8.76%</b>	<b>0.29%</b>	<b>-0.87%</b>	<b>4.28%</b>



**II. GENERAL ENDOWMENT FUND**  
**Investment Reports for Periods Ended August 31, 2010**  
 Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended	Quarter Ended	Fiscal Year Ended
	August 31, 2009	August 31, 2010	August 31, 2010
Beginning Net Assets	\$ 6,310	\$ 5,873	\$ 5,359
Contributions	185	98	285
Withdrawals	(11)	(7)	(11)
Distributions	(279)	(76)	(298)
Investment Return (Net of Expenses)	(846)	147	700
Ending Net Assets	\$ 5,359	\$ 6,035	\$ 6,035

	Fiscal Year to Date		
	Returns	Value Added	Total
	Portfolio	Policy Benchmark	From Asset Allocation
<b>More Correlated and Constrained:</b>			
Investment Grade	6.29%	5.84%	-0.14%
Credit-Related	44.34%	20.86%	0.45%
Real Estate	16.71%	15.11%	-0.09%
Natural Resources	12.82%	2.78%	0.00%
Developed Country	7.08%	1.54%	0.10%
Emerging Markets	19.11%	18.02%	-0.26%
<b>Total More Correlated and Constrained</b>	<b>12.05%</b>	<b>7.87%</b>	<b>0.06%</b>
<b>Less Correlated and Constrained</b>	<b>11.89%</b>	<b>2.89%</b>	<b>0.35%</b>
<b>Private Investments</b>	<b>16.40%</b>	<b>19.19%</b>	<b>0.29%</b>
<b>Total</b>	<b>13.02%</b>	<b>8.76%</b>	<b>0.70%</b>
			<b>3.56%</b>
			<b>-0.87%</b>
			<b>4.26%</b>



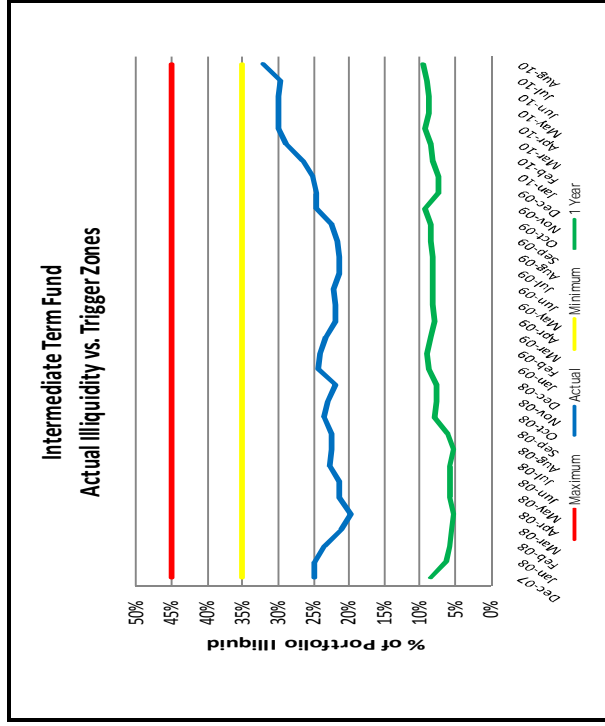
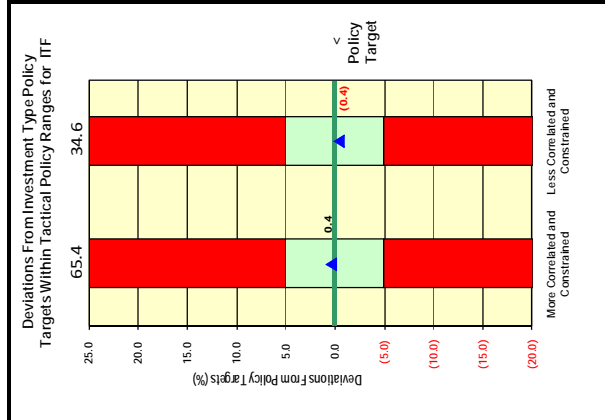
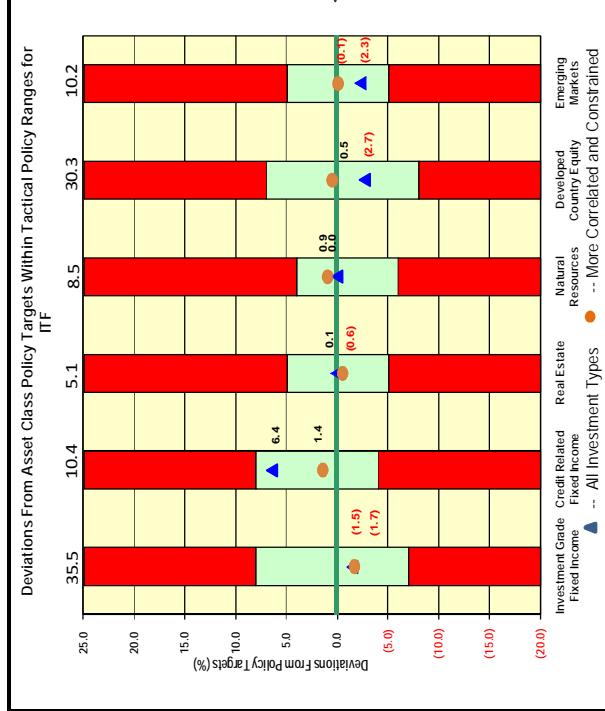
### III. INTERMEDIATE TERM FUND

#### Investment Reports for Periods Ended August 31, 2010

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2009	Quarter Ended August 31, 2010	Fiscal Year Ended August 31, 2010
Beginning Net Assets	\$ 3,875	\$ 4,035	\$ 3,572
Contributions	251	35	409
Withdrawals	(178)	(36)	(112)
Distributions	(98)	(31)	(119)
Investment Return (Net of Expenses)	(278)	153	406
Ending Net Assets	\$ 3,572	\$ 4,156	\$ 4,156

	Fiscal Year to Date				
	Returns	Value Added			
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	8.10%	5.84%	-0.21%	0.77%	0.56%
Credit-Related	43.13%	20.86%	0.33%	0.18%	0.51%
Real Estate	17.27%	15.11%	-0.34%	0.18%	-0.16%
Natural Resources	11.82%	2.78%	0.12%	0.61%	0.73%
Developed Country	7.53%	1.54%	-0.19%	0.81%	0.62%
Emerging Markets	19.58%	18.02%	0.00%	0.10%	0.10%
<b>Total More Correlated and Constrained</b>	<b>10.81%</b>	<b>7.42%</b>	<b>-0.29%</b>	<b>2.65%</b>	<b>2.36%</b>
<b>Less Correlated and Constrained</b>					
Private Investments	11.89%	2.89%	0.25%	2.38%	2.63%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>11.04%</b>	<b>6.05%</b>	<b>-0.04%</b>	<b>5.03%</b>	<b>4.99%</b>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at August 31, 2010**  
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (SHORT TERM FUND)		TOTAL	
<b>Cash &amp; Equivalents:</b>																
Beginning value 05/31/10	-	1,658	1,658	95,463	95,463	1,311	1,311	4,787	4,787	103,219	103,219	1,770,640	1,770,640	1,873,859	1,873,859	
Increase/(Decrease)	-	120	120	(52,551)	(52,551)	(191)	(191)	271,814	271,814	219,192	219,192	(103,258)	(103,258)	115,934	115,934	
Ending value 08/31/10	-	1,778	1,778	42,912	42,912	1,120	1,120	276,601	276,601	322,411	322,411	1,667,382	1,667,382	1,989,793	1,989,793	
<b>Debt Securities:</b>																
Beginning value 05/31/10	-	301	300	11,716	12,831	10,555	11,116	-	-	22,572	24,247	-	-	22,572	24,247	
Increase/(Decrease)	-	5	6	(784)	(756)	(225)	157	-	-	(1,004)	(593)	-	-	(1,004)	(593)	
Ending value 08/31/10	-	306	306	10,932	12,075	10,330	11,273	-	-	21,568	23,654	-	-	21,568	23,654	
<b>Equity Securities:</b>																
Beginning value 05/31/10	17	3,952	3,87	29,344	27,729	12,908	10,881	-	-	42,656	42,907	-	-	42,656	42,907	
Increase/(Decrease)	130	(178)	101	774	327	(94)	263	-	-	911	519	-	-	911	519	
Ending value 08/31/10	147	3,774	488	30,118	28,056	12,814	11,144	-	-	43,567	43,426	-	-	43,567	43,426	
<b>Other:</b>																
Beginning value 05/31/10	-	393	393	2	2	370	137	1,640	1,640	2,405	2,172	-	-	2,405	2,172	
Increase/(Decrease)	-	4,450	4,450	(2)	(2)	16	-	206	206	4,670	4,654	-	-	4,670	4,654	
Ending value 08/31/10	-	4,843	4,843	-	-	386	137	1,846	1,846	7,075	6,826	-	-	7,075	6,826	
<b>Total Assets:</b>																
Beginning value 05/31/10	17	3,952	2,739	136,525	136,025	25,144	23,445	6,427	6,427	170,852	172,545	1,770,640	1,770,640	1,941,492	1,943,165	
Increase/(Decrease)	130	(178)	4,676	(52,563)	(52,982)	(494)	229	272,020	272,020	223,769	223,772	(103,258)	(103,258)	120,511	120,514	
Ending value 08/31/10	147	3,774	7,415	83,962	83,043	24,650	23,674	278,447	278,447	394,621	396,317	1,667,382	1,667,382	2,062,003	2,063,699	

Details of individual assets by account furnished upon request.

5. U. T. System Board of Regents: Approval to conclude negotiations with the HSBC Bank USA and/or The Bank of Nova Scotia, acting through its ScotiaMocatta division, for custodian bank services as deemed necessary by The University of Texas Investment Management Company (UTIMCO) to perform investment management services for The University of Texas System

The Board authorized Mr. Bruce Zimmerman, Chief Executive Officer and Chief Investment Officer of The University of Texas Investment Management Company (UTIMCO), to conclude negotiations with the HSBC Bank USA and/or The Bank of Nova Scotia, acting through its ScotiaMocatta division, for custodian bank services as deemed necessary by UTIMCO to perform investment management services for The University of Texas System.

The Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and the UTIMCO Board of Directors requires U. T. System Board approval of custodian banks and related custodian agreements. UTIMCO is in discussions with the HSBC Bank USA and The Bank of Nova Scotia to determine if these banks can provide UTIMCO with additional custodian services. Should these discussions result in new agreements, such agreements will be included in the Docket for U. T. System Board approval.

6. U. T. System Board of Regents: Approval of the Annual Budget, including the capital expenditures budget and Annual Fee and Allocation Schedule for The University of Texas Investment Management Company (UTIMCO)

Upon recommendation of The University of Texas Investment Management Company (UTIMCO) Board of Directors, the Board of Regents approved the Annual Budget as revised and as set forth on Page 29, which includes the capital expenditures budget and the Annual Fee and Allocation Schedule for the fiscal year ending August 31, 2011, as set forth on Page 30.

The Total Budgeted Costs of \$66.3 million for Fiscal Year 2011 were approved by the UTIMCO Board on August 6, 2010. The Total Budgeted Costs were revised to \$66.9 million for Fiscal Year 2011 and approved by the UTIMCO Board on November 10, 2010. The revised Total Budgeted Costs consist of \$17.2 million for UTIMCO services, \$5.5 million for non-investment manager services such as custodial, legal, audit, and consulting services, and \$44.2 million for invoiced external investment manager and performance fees charged directly to the UTIMCO Managed Funds.

The Annual Fee and Allocation Schedule shows the allocation of the budgeted expenses among University of Texas System funds. The fees are to be paid quarterly. The capital expenditures budget totaling \$215 thousand is included in the total Annual Budget.

UTIMCO staff projected UTIMCO's available cash reserves to be approximately \$800 thousand and recommended that no cash reserves be distributed back to the U. T. System funds per the Master Investment Management Services Agreement (IMSA) between the U. T. System Board of Regents and UTIMCO.

UTIMCO (in thousands)	FY 2010 Budget	FY 2010 Forecast	FY 2011 Budget	FY11 Budget v FY10 Forecast	
				\$	%
<b>SUMMARY</b>					
UTIMCO Personnel	\$11,908	\$11,911	\$13,139	\$1,228	10%
UTIMCO Other	4,069	3,979	4,092	113	3%
Total UTIMCO	15,977	15,890	17,231	1,341	8%
Other, Non-Investment Manager	5,437	5,652	5,505	(147)	-3%
Total Non-Investment Manager	\$21,414	\$21,542	\$22,736	\$1,194	6%
Investment Manager - Invoiced	28,747	41,195	44,158	2,963	7%
Total	\$50,161	\$62,737	\$66,894	\$4,157	7%
<b>DETAIL</b>					
<b>UTIMCO Personnel</b>					
Salaries & Accrued Vacation	\$6,723	\$6,518	\$6,724	\$206	3%
Performance Compensation	3,482	3,727	4,672	945	25%
Benefits	1,166	1,145	1,196	51	4%
Taxes	470	472	488	16	3%
Hiring	20	1	8	7	700%
Education, Dues, Memberships	47	48	51	3	6%
Total	\$11,908	\$11,911	\$13,139	\$1,228	10%
<b>UTIMCO Other</b>					
Travel & Meetings	\$622	\$545	\$705	160	29%
Online, Data, Contract Services & Subscriptions	1,010	986	993	7	1%
Lease	979	999	1,019	20	2%
Depreciation	574	582	531	(51)	-9%
Insurance	250	248	248	0	0%
Office Expenses	334	333	314	(19)	-6%
Professional Services	300	286	282	(4)	-1%
Total	\$4,069	\$3,979	\$4,092	\$113	3%
<b>Other, Non-Investment Manager</b>					
Custodian	\$2,009	\$2,187	\$2,445	258	12%
Measurement & Analytics	1,210	1,175	1,058	(117)	-10%
Consultants	745	517	490	(27)	-5%
Investment-related Legal	725	1,044	811	(233)	-22%
Audit	735	719	691	(28)	-4%
Other	13	10	10	0	0%
Total	\$5,437	\$5,652	\$5,505	(\$147)	-3%
<b>Investment Manager - Invoiced</b>					
Management Fees	\$18,695	\$24,331	\$35,861	11,530	47%
Performance Fees	10,052	16,864	8,297	(8,567)	-51%
Total	\$28,747	\$41,195	\$44,158	\$2,963	7%

Prepared by: UTIMCO  
Date: November 2010

**UTIMCO Management Fee and Direct Budgeted Investment Expenses**  
 Annual Fee and Allocation Schedule  
 For the fiscal year ending August 31, 2011

Proposed Budget	Fund Name						Separate Funds	Total
	PUF	PHF	LTF	GEF	ITF	STF		
<b>Market Value 2/28/10 (\$ millions)</b>	10,470	900	4,894	5,794 (2)	4,028	1,703	200	22,195
<b>UTIMCO Management Fee</b>								
Dollars (thousands)	8,471	874	4,821	0	3,065	0	0	17,231
Basis Points	8.1	9.7	9.9	0	7.6	0	0	7.8
<b>Direct Expenses to the Fund, excluding UT System Direct Expenses to the Fund</b>								
Dollars (thousands)								
Other Direct Costs	2,488	30	36	1,677	1,274		0	5,505
External Management Fees - AUM	17,239	0	0	9,631	8,991	N/A (1)	0	35,861
External Management Fees - Performance	4,128	0	0	2,283	1,886		0	8,297
<b>Total Dollars</b>	<b>23,855</b>	<b>30</b>	<b>36</b>	<b>13,591</b>	<b>12,151</b>		<b>0</b>	<b>49,663</b>

Basis Points	
Other Direct Costs	2.4
External Management Fees - AUM	16.5
External Management Fees - Performance	3.9
<b>Total Basis Points</b>	<b>22.8</b>

UT System Compliance & Administration Fees	0	0	0	0	0	0	0	12,242
UT System Oversight Fees	262	23	122	0	93	0	0	500
UT System PUF Lands	9,014	0	0	0	0	0	0	9,014
<b>Total Dollars</b>	<b>9,276</b>	<b>23</b>	<b>12,364</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>21,756</b>

<b>Total Basis Points</b>	<b>8.9</b>	<b>0.3</b>	<b>25.3</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>9.8</b>
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**UT System Direct Expenses to the Fund**

Basis Points	
Other Direct Costs	2.4
External Management Fees - AUM	16.5
External Management Fees - Performance	3.9
<b>Total Basis Points</b>	<b>22.8</b>

UT System Compliance & Administration Fees	0	0	0	0	0	0	0	12,242
UT System Oversight Fees	262	23	122	0	93	0	0	500
UT System PUF Lands	9,014	0	0	0	0	0	0	9,014
<b>Total Dollars</b>	<b>9,276</b>	<b>23</b>	<b>12,364</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>21,756</b>

<b>Total Basis Points</b>	<b>8.9</b>	<b>0.3</b>	<b>25.3</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>9.8</b>
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(1) Income is net of fees

(2) Pooled Fund for the collective investment of the PHF and LTF

Prepared by: UTIMCO  
 Date: November 2010



7. U. T. System Board of Regents: Approval of revisions to the amended and restated University of Texas Investment Management Company (UTIMCO) Compensation Program

Upon recommendation of The University of Texas Investment Management Company Board of Directors (UTIMCO Board), The University of Texas System Board of Regents (U. T. System Board) approved the following revisions to the amended and restated UTIMCO Compensation Program (Plan) to be effective for the Plan Year beginning July 1, 2010:

- a. Appendix C, Table 1 (Pages 32 - 33) sets forth the Eligible Positions, Weightings, Incentive Award Opportunities, and Percentage of Award Deferred for each Eligible Position. Four new Eligible Positions were approved as were increases to the Maximum Incentive Award Opportunity for certain Eligible Positions.
- b. Appendix D, Table 2 (Pages 34 - 35) sets forth two of the Performance Goals categories referenced in the Plan for the Plan Participants: the Entity Performance and the Asset Class/Investment Type Performance Goals, including the benchmarks for Asset Class/Investment Type and the Threshold, Target, and Maximum Performance Standards for the Total Endowment Funds, Intermediate Term Fund, and the Asset Class/Investment Types. Changes were made to the Policy Portfolio Weights for the Total Endowment Funds consistent with changes to the Investment Policy Statements previously approved by the U. T. System Board on August 12, 2010.
- c. Appendix E, Table 3 (Pages 36 - 37) sets forth the Eligible Positions of Affected Participants. Table 3 is required to be revised each Performance Period to identify the Eligible Positions for which Performance Incentive Awards are subject to automatic adjustment as to timing and amount pursuant to the Plan. The UTIMCO Board recommended changes to the Eligible Positions in Table 3.

The UTIMCO Board engaged Mercer as its compensation consultant to review the design of the Plan and to provide advice and counsel to the UTIMCO Board and the UTIMCO Compensation Committee. On August 6, 2010, the UTIMCO Board considered the recommendations from Mercer, UTIMCO's performance, and other relevant factors and approved certain changes to Appendices C, D, and E of the Plan. The Plan was last approved by the U. T. System Board on August 20, 2009.

Revisions to Appendices C and D were discussed by the UTIMCO Compensation Committee on November 4, 2010, and were approved by the UTIMCO Board on November 9, 2010.

**Appendix C**

**Eligible Positions  
Weightings  
Incentive Award Opportunities for each Eligible Position  
Percentage of Award Deferred**

**TABLE 1 (For the Performance Periods beginning after June 30, 2010)**

Eligible Position	Weighting			Incentive Award Opportunity (% of Salary)				Percentage of Award
	Entity	Asset Class/ Investment Type	Qualitative (Individual)	< Threshold	Threshold	Target	Maximum	Deferred
<i>Investment Professionals</i>								
CEO & Chief Investment Officer	60%	0%	40%	0%	0%	100%	300%	50%
President & Deputy CIO	40%	40%	20%	0%	0%	95%	250%	50%
Managing Director - Investments	30%	40%	30%	0%	0%	85%	215%	40%
Managing Director - Private Investments	30%	30%	40%	0%	0%	85%	215%	40%
Senior Director - Investments	25%	35%	40%	0%	0%	60%	150%	35%
Senior Portfolio Manager	20%	40%	40%	0%	0%	60%	150%	35%
Senior Director - Risk Management	30%	0%	70%	0%	0%	50%	135%	35%
Portfolio Manager	20%	40%	40%	0%	0%	50%	130%	30%
Director - Investments	20%	40%	40%	0%	0%	50%	130%	30%
Director - Private Investments	20%	30%	50%	0%	0%	50%	130%	30%
Director - Risk Management	30%	0%	70%	0%	0%	40%	90%	30%
Senior Associate - Investments	15%	35%	50%	0%	0%	40%	90%	20%
Senior Associate - Private Investments	15%	25%	60%	0%	0%	40%	90%	20%
Senior Associate - Risk Management	30%	0%	70%	0%	0%	40%	80%	20%
Associate - Investments	15%	30%	55%	0%	0%	35%	85%	15%
Associate - Private Investments	15%	20%	65%	0%	0%	35%	85%	15%
Associate - Risk Management	30%	0%	70%	0%	0%	35%	70%	15%
Senior Analyst - Investments	10%	20%	70%	0%	0%	30%	60%	0%
Analyst - Investments	10%	20%	70%	0%	0%	25%	50%	0%
Analyst - Risk Management	30%	0%	70%	0%	0%	25%	50%	0%
<i>Operations/Support Professionals</i>								
Senior Managing Director	20%	0%	80%	0%	0%	60%	120%	40%
Managing Director	20%	0%	80%	0%	0%	50%	100%	30%
General Counsel & Chief Compliance Officer	0%	0%	100%	0%	0%	50%	100%	30%
Senior Manager	20%	0%	80%	0%	0%	40%	90%	25%
Manager	20%	0%	80%	0%	0%	40%	80%	25%
Senior Financial Analyst	20%	0%	80%	0%	0%	30%	60%	20%

## **Appendix D**

### **Benchmarks for Asset Class/Investment Type Threshold, Target, and Maximum Performance Standards**

#### **Performance Standards for Intermediate Term Fund**

**UPDATED TABLE 2 (7/1/08 through 6/30/11)**

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment Assets	IIF	Threshold	Target	Maximum
		(% of Portfolio)	(% of Portfolio)			
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+75 bps	+225 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.5%	30.0%	+0 bps	+25 bps	+62.5 bps
Real Estate	FTSE EPRA/NAREIT Developed Index	2.5%	5.0%	+0 bps	+62.5 bps	+150 bps
Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	6.5%	7.5%	+0 bps	+62.5 bps	+150 bps
Developed Country Equity	MSCI World Index with net dividends	19.5%	15.0%	+0 bps	+62.5 bps	+150 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	12.0%	7.5%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index*	30.0%	35.0%	+0 bps	+75 bps	+250 bps
Private Investments (excludes Real Estate)	Venture Economics Custom Index	20.0%	0%	+0 bps	+100 bps	+350 bps
Private Investments Real Estate	NACREIF Custom Index	2.0%	0%	+0 bps	+100 bps	+325 bps
Specific asset class benchmarks:						
Credit-Related Fixed Income	Barclays Capital Global High Yield Index			+0 bps	+37.5 bps	+100 bps
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+25 bps	+50 bps

\* For the Performance Period beginning 7/01/2008 through 12/31/2008, the benchmark is MSCI Investable Hedge Fund Index

## **Appendix E**

### **Eligible Positions of Affected Participants**

**TABLE 3 (7/1/10 through 6/30/11)**

<b>Eligible Position</b>
<i>Investment Professionals</i>
CEO & Chief Investment Officer
President & Deputy CIO
Managing Director
Managing Director - Private Investments
Senior Director, Investment
Senior Portfolio Manager
Senior Director, Risk Management
Portfolio Manager
Director, Investment
Director - Private Investments
Director, Risk Management
<i>Operations/Support Professionals</i>
Senior Managing Director
Managing Director
General Counsel & Chief Compliance Officer
Senior Manager
Manager

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 38 - 43).--Committee Chairman Stillwell 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: Honorific naming of a group of 17 legal clinics in the School of Law as the Jamail Center for Clinical Education and Justice under Law

In accordance with the Regents' *Rules and Regulations*, Rule 80307, the Board approved the honorific naming of a group of 17 legal clinics in the School of Law at The University of Texas at Austin as the Jamail Center for Clinical Education and Justice under Law in recognition of Mr. Joseph D. Jamail's long and impressive history of support to the School of Law.

The U. T. Austin School of Law established its first clinic in 1974 and is now recognized as one of the largest and most vibrant clinical programs in the country. Students gain experiential learning in 17 critical legal areas, including Human Rights, National Security, Immigration, and Supreme Court law.

Mr. Joe Jamail is widely regarded as one of the most influential attorneys and leading trial lawyers in the country. As a 1953 U. T. Austin Law graduate, he and his late wife, Lee Hage Jamail, have a long involvement and history of philanthropy at U. T. Austin. Mr. Jamail has been a major benefactor of the Law School, having contributed more than \$16 million to create four endowed chairs, an endowed library, and several endowed excellence funds. Previous namings at U. T. Austin to recognize the philanthropy of Mr. and Mrs. Jamail include the Joseph D. Jamail Pavilion in the John B. Connally Center for the Administration of Justice, the Lee Hage Jamail Academic Room in the Main Building, The Joseph D. and Lee Jamail Suite in the Sarah M. and Charles E. Seay Building, the Joseph D. Jamail Center for Legal Research in the Law School Academic Center, the Joe Jamail Field at Darrell K Royal - Texas Memorial Stadium, and the Lee and Joe Jamail Texas Swimming Center.

2. U. T. Dallas: Honorific naming of the Conference Center building as the Alexander Clark Center

Pursuant to the Regents' *Rules and Regulations*, Rule 80307, the Board approved the honorific naming of the Conference Center building at The University of Texas at Dallas as the Alexander Clark Center to recognize former Vice President for Academic Affairs Alexander L. Clark, Ph.D., for his academic guidance during the formative years of U. T. Dallas.



The 34,500 square-foot Conference Center was completed in Fall 1978 and houses the Office of Student Success and Assessment and the Office of Educational Enhancement. The building has a large auditorium with a seating capacity of 500 and two classrooms, seating 145 students each.

Dr. Alexander Clark joined U. T. Dallas in 1974 under the administration of President Emeritus Bryce Jordan. He served as the first Vice President for Academic Affairs, a position he held for 17 years, and he presided over academic development during a period of rapid growth for the University and its faculty. He was responsible for the recruitment of more than 130 faculty. Dr. Clark briefly served as Acting President of U. T. Dallas from September 1981 to May 1982.

3. U. T. San Antonio: Honoring the Naming of the Humanities and Social Sciences Building as the McKinney Humanities Building

In accordance with the Regents' *Rules and Regulations*, Rule 80307, the Board approved the honoring naming of the Humanities and Social Sciences Building at The University of Texas at San Antonio as the McKinney Humanities Building to recognize the contributions of Miss Mary E. McKinney during her lifetime and to acknowledge her recent testamentary gift to the institution.

The Humanities and Social Sciences Building is a 180,855 square foot building, built in 1974, with a total replacement cost of \$25 million. The four-story building is one of five buildings that comprise the original campus and define the main civic space of the campus, Sombrilla Plaza. The building provides space for large lecture halls, classrooms, faculty offices, a multistory skylit galleria, and places for students to gather.

Miss Mary McKinney was born in 1930 to Felix and Elizabeth McKinney and was their only child. Miss McKinney received a B.A. degree in 1950 from Trinity University and an M.A. degree from U. T. Austin in 1952. She completed postgraduate courses at U. T. San Antonio in languages, philosophy, and classical literature. As a result of those classes and the students she met while enrolled, she established the Felix and Elizabeth McKinney Memorial Scholarship Fund in 1994 in honor of her parents.

Miss McKinney died on November 16, 2009, with U. T. San Antonio as the beneficiary of the Estate, thereby providing the University with the largest estate gift in its history. To date, the institution has received \$8.5 million in cash and additional distributions of approximately \$13 million are expected, consisting of cash and real estate, including both surface and mineral estates. In accordance with the terms of Miss McKinney's Last Will and Testament, her bequest is to be added to the endowment created in honor of her parents. Final distribution from the Estate is expected by the end of 2011.

4. U. T. San Antonio: Approval to name a campus roadway as West Campus Road

Pursuant to the Regents' *Rules and Regulations*, Rule 80307, Section 4, the Board approved the naming of a roadway on The University of Texas at San Antonio campus as West Campus Road. The road leads to the service facilities on the western portion of the campus.

5. U. T. Austin: Approval to select a business entity or entities for the creation of a cable and satellite television network and execution of related agreements and/or licenses

Following a presentation by President Powers during the Academic Affairs Committee meeting on November 10, 2010, Regent Stillwell had moved that President Powers, in consultation with the Chairman of the Board of Regents, the Chairman of the Academic Affairs Committee, and the Board's Athletics Liaison and subject to review and approval by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel, be authorized to

- a. select a business entity or entities with which to work and contract for the creation of a cable and satellite television network at The University of Texas at Austin for the distribution of University of Texas video and audio content and programming;
- b. negotiate and finalize the organizational and operational structure of the network and the terms and conditions of any agreement with a business entity or entities;
- c. work with appropriate offices at U. T. Austin and The University of Texas System to expedite construction and finish out of studio space for network operations in the North End Zone of the Darrell K Royal - Texas Memorial Stadium and to address related network space requirements; and
- d. execute all documents, instruments, or other agreements, and to take all further actions deemed necessary or advisable to create and operate the cable and satellite television network via television, Internet, and any other means of digital and/or online distribution.

This motion was seconded and unanimously approved by the Committee on November 10, 2010, and further approved by the Board on November 11, 2010.

6. U. T. San Antonio: Authorization to establish a Ph.D. in Mechanical Engineering

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

- a. establish a Ph.D. degree in Mechanical Engineering at The University of Texas at San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The College of Engineering at U. T. San Antonio will offer the Ph.D. degree program in Mechanical Engineering. The degree program will be a collaborative educational and research effort between U. T. San Antonio and the Southwest Research Institute. The program is designed to prepare students to be leading professionals in the field of Mechanical Engineering and to produce graduates with expertise in areas that are vital to the interests of San Antonio, the state, and the nation, such as Thermal and Fluid Systems, Mechanical Systems and Design, and Mechanics and Materials. The program aims to strengthen the educational and research environment in San Antonio and to create multiple opportunities for research through existing collaborations with educational and research institutions and industrial organizations.

The Southwest Research Institute, headquartered in San Antonio, is one of the oldest and largest independent, nonprofit, applied research and development organizations in the United States. Founded in 1947, it provides contract research and development services to industrial and government clients. The Institute is governed by a board of directors, which is advised by approximately 100 trustees. The Institute consists of 12 technical divisions that offer multidisciplinary, problem-solving services in a variety of areas in engineering and physical sciences.

Students admitted to the program will take 60 semester hours of post-master's course work. The program requires 24 hours of organized course work beyond the master's degree distributed as follows: 12 hours of core courses, six hours of prescribed electives, three hours of electives that students may freely select with advisor's approval, which may include courses outside the discipline of Mechanical Engineering, such as Computer Science and Math, and three hours of Research Seminar. The program also requires 18 hours of supervised research and 18 hours of dissertation.

The Department of Mechanical Engineering has 18 tenured and tenure-track faculty members who will comprise the core faculty. All are active, publishing researchers who currently have over \$10 million in external research funding over the next five years. The Southwest Research

Institute has 15 researchers who will be affiliated with the program as course instructors, research supervisors, and dissertation committee members. The Department of Mechanical Engineering received over \$450,000 between 1999-2004 to purchase and update equipment, and currently has state-of-the-art equipment, which is sufficient but which will need to be updated on a regular basis. The opening of the Biotechnology, Sciences and Engineering (BSE) I Building in 2006 allowed the Department of Mechanical Engineering to acquire 8,200 square feet, most of which is used as laboratory space. The opening of the BSE II Building in 2008 provided the department with an additional 11,928 square feet of space.

The cost of operating the program over five years is approximately \$3,078,115. This includes \$1,783,115 in new and reallocated faculty salaries, \$155,000 to compensate a faculty member for program administration, \$90,000 for administrative support, \$1,000,000 for graduate student support, \$25,000 for supplies and materials, and \$25,000 for library and information technology resources. Revenues of \$1,992,454 from formula funding, \$10,635,000 from external funding, and \$2,418,500 in reallocation of existing resources are expected to be sufficient to fully fund the program.

7. U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Rule 40601, Section 1.5 to reflect the reorganization and name change of the School of Health Sciences at U. T. Brownsville to the College of Biomedical Sciences and Health Professions and to create a College of Nursing

The Board approved amendments to the Regents' *Rules and Regulations*, Rule 40601, Section 1.5, concerning institutions comprising The University of Texas System, to read as set forth below. The remaining existing section will be renumbered accordingly.

Sec. 1 Official Titles. The U. T. System is composed of the institutions and entities set forth below. To ensure uniformity and consistence of usage throughout the U. T. System, the institutions and their respective entities shall be listed in the following order and the following titles (short form of title follows) shall be used:

...

1.5 The University of Texas at Brownsville (U. T. Brownsville)

...

(d) The University of Texas at Brownsville College of Biomedical Sciences and Health Professions

. . .

(f) The University of Texas at Brownsville College of Nursing

These amendments reflect the reorganization and official name change of the U. T. Brownsville School of Health Sciences to the College of Biomedical Sciences and Health Professions and the creation of a College of Nursing, which were previously approved by the Executive Vice Chancellor for Academic Affairs.

*Texas Education Code* Section 65.11 authorizes the Board of Regents to provide for the "names of the institutions and entities in The University of Texas System in such a way as will achieve the maximum operating efficiency of such institutions and entities[.]"

8. U. T. System: Update on the Graduation Rates Initiative Progress Report 2010

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

9. U. T. System: Discussions on academic leadership matters related to student success

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 44 - 57).--Committee Chairman Longoria 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: Amendment to the Regents' Rules and Regulations, Rule 40601, Section 1.14(a), concerning name change of The University of Texas Dental Branch at Houston to The University of Texas School of Dentistry at Houston

The Board approved amendments to the Regents' *Rules and Regulations*, Rule 40601, Section 1.14(a), concerning institutions comprising The University of Texas System, to read as set forth below:

Sec. 1 Official Titles. The U. T. System is composed of the institutions and entities set forth below. To ensure uniformity and consistence of usage throughout the U. T. System, the institutions and their respective entities shall be listed in the following order and the following titles (short form of title follows) shall be used:

...

1.14 The University of Texas Health Science Center at Houston  
(U. T. Health Science Center – Houston)

(a) The University of Texas School of Dentistry at Houston  
(U. T. School of Dentistry – Houston)

....

This amendment reflects the official name change of The University of Texas Dental Branch at Houston to The University of Texas School of Dentistry at Houston consistent with standard naming conventions and more clearly identifies the school.

*Texas Education Code* Section 65.11 authorizes the Board of Regents to provide for the "names of the institutions and entities in The University of Texas System in such a way as will achieve the maximum operating efficiency of such institutions and entities[.]"

2. U. T. Health Science Center – Houston: Authorization to ground lease approximately 2.9 acres of unimproved land located near the northwest corner of Cambridge and El Paseo Streets, Houston, Harris County, Texas, to KIPP, Inc., a Delaware nonprofit corporation doing business as Knowledge is Power Program, Inc. (KIPP), for the construction and operation of a KIPP charter school; and finding of public purpose

On behalf of The University of Texas Health Science Center at Houston, the Board

- a. authorized a ground lease of approximately 2.9 acres of unimproved land located near the northwest corner of Cambridge and El Paseo Streets, Houston, Harris County, Texas, to KIPP, Inc., a Delaware nonprofit corporation doing business as Knowledge is Power Program, Inc. (KIPP), for the construction and operation of a KIPP charter school;
- b. determined that the lease of the land to KIPP for the stated reason serves a public purpose appropriate to the function of U. T. Health Science Center – Houston and that the consideration to The University of Texas System and U. T. Health Science Center – Houston 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, or other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions.

Through the ground lease to KIPP, U. T. Health Science Center – Houston desires to further its collaborative venture between the institution's Children's Learning Institute (CLI) and the nationally recognized Knowledge is Power Program. The collaboration is a natural progression of the existing relationship between CLI and KIPP that began in 2003 when KIPP enlisted CLI's assistance with the development of its early childhood curriculum.

The next step in this collaborative venture is the proposed establishment of a KIPP charter school on the approximately 2.9 acres ground lease site. The ground lease tract is part of an approximately 5.12-acre tract. The institution envisions a future facility housing a consolidated CLI program on the remainder of the tract. The property is south of The University of Texas Research Park and immediately south of the institution's current student apartments.

CLI was formed in 2003 to build upon the success of the institution's Center for Academic and Reading Skills and the Center for Improving the Readiness of Children for Learning and Education. In that same year, Governor Perry named CLI the Texas State Center for Early Childhood Development with the

objective of developing training for early childhood providers in Texas and enhancing preliteracy skills development for young children. In Fiscal Year 2010, CLI secured more than \$46 million in federal, State, and private grants and philanthropic support.

KIPP was founded in Houston in 1994 and has grown into a national network of open-enrollment, college preparatory schools with a track record of preparing students in underserved communities for success in college and beyond. There are currently 99 KIPP schools in 20 states and the District of Columbia serving over 26,000 students. KIPP's funding has come from some of the nation's foremost donors, including the Gates Foundation.

The proposed KIPP charter school would provide model classrooms for observation and assessment, clinical rooms to treat and serve students, and a practical testing and training ground for CLI's educational theories. The nonbinding letter of intent signed by the parties calls for KIPP and CLI to create a comprehensive memorandum of understanding outlining the principal terms and conditions of the collaborative relationship. It is anticipated that the memorandum of understanding will be signed contemporaneously with the ground lease.

The permitted use under the lease is limited solely to the construction and operation of a KIPP open-enrollment charter school for prekindergarten (Pre-K) through fourth grade. The lease includes an initial one-year feasibility period to enable KIPP to assess the feasibility of funding and constructing the school. At KIPP's request and subject to the institution's approval, the feasibility period may be extended for one additional year.

The lease allows approximately two and two-third years for design and construction. The initial 20-year term begins on the completion of construction. KIPP has two 10-year contingent options to renew the lease, but KIPP is not permitted to exercise the extension option(s) if it is in default or if it has previously been in default and the lease has converted to a market rental lease.

In lieu of cash rent, the consideration for the lease is a set of obligations on the part of KIPP that are designed to establish and further the collaborative venture. The obligations are summarized in the transaction summary that begins on the next page.

If KIPP fails to meet its obligations under the lease, U. T. Health Science Center – Houston may terminate the lease, with or without requiring KIPP to demolish improvements, or may convert the lease to a fair market rental rate based on the then fair market value of the land. Additionally, should the institution at a future date end the programmatic collaboration, KIPP would be required to either elect to terminate the lease (and be paid the fair market



value of the improvements based on their value for use as a private elementary school) or to commence paying to the institution fair market rental based on the then fair market value of the land. If the lease converts to a market rental lease, rent will increase 3% per year, plus adjustments to then current market rents at the commencement of each extension term, if applicable.

Because of the unique programmatic connection, the lease prohibits KIPP from assigning or mortgaging its leasehold interest or granting a lien on the facility. Additionally, and as is standard practice with ground leases in which the Board of Regents is the lessor, the lease expressly stipulates that the lessor's fee interest in the land will not be subordinated.

The obligations of KIPP and the rights and remedies of U. T. Health Science Center – Houston under the lease are designed to comply with the requirements enunciated by the Attorney General of the State of Texas. In Opinion No. MW-373 (1981), the Texas Attorney General stated 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. Health Science Center – Houston has concluded that a KIPP charter school in close proximity to CLI and the availability of the school for use as a lab school for CLI faculty and researchers will serve the public purpose of strengthening the quality of research and expanding the depth and breadth of knowledge being developed by CLI.

#### Transaction Summary

Institution:	U. T. Health Science Center – Houston
Type of Transaction:	Ground lease
Total Area:	Approximately 2.9 acres
Location:	Near the northwest corner of Cambridge and El Paseo Streets, Houston, Harris County, Texas
Tenant:	KIPP, Inc., a Delaware nonprofit corporation doing business as Knowledge is Power Program, Inc. (KIPP)
Lease Consideration:	In lieu of payment of cash rental, the lease will obligate KIPP to construct and continuously operate and maintain on the leased land and at KIPP's sole cost

and expense a KIPP open-enrollment charter school and to provide opportunities for collaboration with CLI faculty and researchers through the provision of, among other things:

- a venue in the facility for model classrooms that will serve as observatories for teachers and for assessment and clinical rooms to treat and serve students, all of which will be shared with the staff and faculty of CLI at no charge to the institution or CLI;
- observation classrooms for use by CLI faculty;
- assessment and clinical rooms for the institution's clinicians in training to treat and serve students;
- shared meeting space for CLI and KIPP teams to collaborate on research initiatives and teacher/ leader professional development components; and
- opportunities for CLI to design innovative, educational intervention classroom studies in collaboration with KIPP

Appraised Value: Appraisal from The Gerald A. Teel Company in March 2007 valued the entire 5.1156 acres at \$6,685,050, or \$30 per square foot; the proportional value of the 2.9 acres ground lease tract calculated at \$30 per square foot is \$3.8 million; because the structure of the lease does not call for cash rental, the appraisal has not been updated

Term: Twenty years following completion of construction of the improvements; the lease permits an approximately 220-day period for submission, review, and approval of construction plans and commencement of construction; construction must be completed no later than 24 months following commencement of construction, subject to delays for force majeure not to exceed 90 days in the aggregate; the lease provides for two 10-year contingent extension options, but KIPP is not permitted to exercise an option if KIPP is in default or if KIPP has previously defaulted under the lease and the lessor has exercised its right to require KIPP to pay market rental; the lease also includes an initial one-year feasibility period to permit KIPP to assess the

feasibility of funding and construction, with the possibility of a second year feasibility period at KIPP's request and subject to the institution's approval in its sole discretion

Permitted Use: Construction and operation of a KIPP open-enrollment charter school for Pre-K through fourth grade that will serve as a lab school for collaborative work by CLI researchers and KIPP educators

Lessor's Remedies: If KIPP defaults on its obligations that constitute consideration for the lease in lieu of cash rental, the lessor may either terminate the lease or immediately modify the lease to require KIPP to pay market rental of the land, with 3% annual increases; if the institution elects to terminate the lease, it may require KIPP to demolish the improvements at KIPP's sole cost, or it may purchase the improvements from KIPP at market value based on their use as a private elementary school reduced by the cost of renovating the improvements for use by U. T. Health Science Center – Houston.

End of Collaboration: If U. T. Health Science Center – Houston at a future date ends the collaborative work between CLI and KIPP, KIPP is put to the election of either terminating the lease or commencing to pay market rental, with 3% annual increases, and with adjustment based on a new appraisal of the land at the time of the exercise of any extension option; if KIPP elects to terminate the lease, U. T. Health Science Center – Houston must purchase the improvements at the then fair market value of the improvements based on their use as a private elementary school.

3. U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 0.363 of an acre of unimproved real property located at 7305 Fannin Street and 0 Dreyfus Street, Houston, Harris County, Texas, from Mr. Sadik M. Haddad, Ms. Elie P. Haddad, and Mr. George P. Haddad for a purchase price of \$1.6 million for future programmed development of campus expansion or other purposes related to the institution's mission

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

- a. granted authorization to purchase approximately 0.363 of an acre of unimproved real property located at 7305 Fannin Street and 0 Dreyfus Street, Houston, Harris County, Texas, from Mr. Sadik M. Haddad, Ms. Elie P. Haddad, and Mr. George P. Haddad for a purchase price of \$1.6 million, 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 future programmed development of campus expansion or other purposes related to the institution's mission; and
- b. authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

The subject property consists of two contiguous tracts totaling 0.363 acres of unimproved real property located at the southwest corner of Fannin Street and Dreyfus Street within U. T. M. D. Anderson Cancer Center's Mid-Campus. The Mid-Campus area is located between the institution's academic and clinical core facilities in the Texas Medical Center and its research facilities in the South Campus, and consists of a mix of vacant lots, older houses, small multifamily and commercial buildings, and newer, large-scale facilities associated with or supporting the Texas Medical Center. The area has long been in transition, as the expansion of the nearby Texas Medical Center has changed the type and scale of use that is economically viable.

U. T. M. D. Anderson Cancer Center owns land on the block adjacent to the subject property, and has for several years attempted to acquire the subject property. However, prior attempts to come to agreement with the owners failed. The purchase price of \$1,600,000 was negotiated with the owners. Ownership by the institution of the subject property increases the probability that U. T. M. D. Anderson Cancer Center can acquire adjacent lots with obsolete buildings and, in time, assemble a development site. The property will be held for future programmed development of campus expansion or other purposes related to the institution's mission.

Institutional funds from operations will be used to fund the purchase.

4. U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 1.045 acres and improvements located at 1841 Old Spanish Trail, Houston, Harris County, Texas, from Mr. James W. and Ms. Sandra R. Hoskin for a purchase price not to exceed fair market value as determined by independent appraisals for near term use as surge space and thereafter for future programmed development of campus expansion or other purposes related to the institution's mission

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

- a. the purchase of approximately 1.045 acres and improvements located at 1841 Old Spanish Trail, Houston, Harris County, Texas, from Mr. James W. and Ms. Sandra R. Hoskin for a purchase price not to exceed fair market value as determined by independent appraisals, 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 near term use as surge space and thereafter for future programmed development of campus expansion or other purposes related to the institution's mission; and
- b. authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

The subject property consists of approximately 1.045 acres improved with a two-story concrete office/warehouse building with approximately 30,000 square feet of office, showroom, and shell space and related surface parking for 59 vehicles. The facility, currently occupied by the owner's medical goods distribution business, is located near the northwest corner of Old Spanish Trail and the recently extended Bertner Road within U. T. M. D. Anderson Cancer Center's Mid-Campus. The institution owns property on both sides of the subject property. The assemblage provides a building site of almost three acres at the corner of Old Spanish Trail and Bertner Road and could, by further acquisition, potentially be expanded to about five acres.

The Mid-Campus area, located between the institution's academic and clinical core facilities in the Texas Medical Center and its research facilities in the South Campus, consists of a mix of vacant lots, older houses, small multifamily and commercial buildings, and newer, large-scale facilities associated with or supporting the Texas Medical Center. The area has long been in transition, as the expansion of the nearby Texas Medical Center has changed the type and scale of use that is economically viable.

The subject property lies within the acquisition zone defined in the institution's Master Plan approved by the Board on May 11, 2000, and U. T. M. D. Anderson Cancer Center has for many years attempted to acquire the subject property. However, prior attempts to come to agreement with the owners failed. The property will be used in the near term as surge space, and thereafter for future programmed development of campus expansion or other purposes related to the institution's mission.

Institutional funds from operations will be used to fund the purchase.

5. U. T. Medical Branch – Galveston: Authorization to lease approximately 45,411 rentable square feet in a commercial center at 2660 Gulf Freeway South, League City, Galveston County, Texas, from A-S 85 Victory Lakes Town Center, L.P., a Texas limited partnership, for use by the institution for medical clinics

On behalf of The University of Texas Medical Branch at Galveston, the Board

- a. authorized the lease of approximately 45,411 rentable square feet in a commercial center at 2660 Gulf Freeway South, League City, Galveston County, Texas, from A-S 85 Victory Lakes Town Center, L.P., a Texas limited partnership, for use by the institution for medical clinics; and
- b. authorized the president of U. T. Medical Branch – Galveston to execute the lease and all related documents, instruments, and other agreements on behalf of the institution, subject to approval of all such documents by The University of Texas System Real Estate Office, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

U. T. Medical Branch – Galveston seeks to develop a more strategic, long-term, and cost-effective approach to its mainland clinical operations. To that end, the Medical Branch will consolidate several existing clinics in one central facility in League City, Texas, and expand its clinical programs by opening new clinics within the facility. The Medical Branch has determined that it is critical to have these clinics operational as soon as possible.

As a result of damage resulting from Hurricane Ike to various then-existing clinics, the institution relocated the pain and neurology clinic, the geriatric clinic, and the Harborside Medical Group clinics to facilities in different locations in and around League City. The urgency of relocating the clinics after the hurricane resulted in locations for the clinics in spaces that often did not adequately meet the needs and requirements of the clinical operations and the patients. Among the inadequacies are clinic spaces in which it is

difficult to accommodate wheelchair patients and examination rooms of insufficient quantity, which results in long wait times for patients and lost opportunities to see more patients.

In addition, the business plan for U. T. Medical Branch – Galveston includes the opening of an organ transplant clinic to expand the current transplant program to the mainland, allowing the institution to serve more patients; the relocation and expansion of the Stark Diabetes Center; and the creation of an aviation medicine clinic to support a long-standing relationship with the National Aeronautics and Space Administration (NASA). The institution has determined that a relocated and expanded Stark Diabetes Center is critical to its strategic plan to develop chronic disease management programs, a hallmark of health reform and cost-effective care. In addition, this new location for the Stark Diabetes Center will permit the consolidation of medical specialties in endocrinology, cardiology, nephrology, pulmonary, ophthalmology, allergy, and rheumatology to support the diabetes program. The Center will also benefit from proximity to the institution's recently opened Victory Lakes Specialty Care Center for laboratory and radiology procedures.

The aviation medicine clinic is a new program that has the potential for supporting commercial space flight health assessments. This clinic will also focus on long-term management of astronaut health following extended periods in space, continuing the rich collaborative history between the Medical Branch and NASA.

In consolidating the existing clinics, the Medical Branch will be able to design and construct optimal up-to-date space of sufficient size and to take advantage of the efficiencies of having the clinics under one roof. As such, the institution will be able to deliver state-of-the-art preventive, diagnostic, and treatment services to patients.

The Medical Branch evaluated its Victory Lakes campus that is nearby as the location on which it could construct a facility to house the clinics. Two factors, however, made this option less viable than the lease: (1) the time required to construct the clinic facility at the Victory Lakes campus is estimated to be 18 to 24 months, in contrast to the estimated six to eight months to build out the leased facility; and (2) the master plan for the Victory Lakes campus does not contemplate a stand-alone 45,000-square foot building.

The institution engaged a broker to locate suitable lease sites available for the clinics. This subject property was chosen because it is the only facility in the area that has sufficient space to accommodate the consolidation of the existing clinics and the development of the Stark Diabetes Center and the aviation medicine clinic. It is approximately five blocks from the Victory Lakes Specialty Care Center, and the landlord can construct and complete the improvements within six to eight months.

The lease is for a term of 10 years, plus two five-year renewal options at fair market rental. U. T. Medical Branch – Galveston will have the ongoing option to terminate the lease after the end of the 60th month on payment of unamortized tenant improvements and commissions. The Medical Branch will also have a right of first refusal to purchase the leased premises at any time during the lease term.

The area of the leased premises is 45,411 rentable square feet (rsf). The annual base rent for the first year is \$544,932; in the third year, the annual base rent increases to \$681,165; in the ninth year the annual base rent increases to \$749,281; the average annual rent during the 10-year period is \$667,541, or \$14.70 per rsf. The 2011 estimated annual operating expenses payable by the institution under the lease are \$249,760 or \$5.50 per rsf.

The landlord is contributing \$1,125,000 toward construction of the tenant improvements. U. T. Medical Branch is contributing \$5,676,375 toward construction of fixed tenant improvements within the leased premises. These improvements are necessary to convert the shell space to clinic space. The Medical Branch is also contributing \$2,250,000 toward furniture, fixtures, and equipment, the majority of which the institution will be able to remove on termination of the lease.

Details of this lease, which will be funded with hospital income, are summarized in the transaction summary below. At the Health Affairs Committee meeting on November 10, 2010, Executive Director of Real Estate Florence Mayne clarified that there will not be a purchase option as included in the Agenda Book Transaction Summary.

#### Transaction Summary

Institution:	U. T. Medical Branch – Galveston
Type of Transaction:	Lease of space in a commercial center
Lessor:	A-S 85 Victory Lakes Town Center, L.P., a Texas limited partnership
Location:	2660 Gulf Freeway South, League City, Galveston County, Texas
Total Rentable Area:	Approximately 45,411 rentable square feet
Commencement Date:	Anticipated to be June 1, 2011
Lease Term:	Ten-year initial term with two five-year options to renew



Annual Rent:	The annual base rent for the first year is \$544,932; in the third year, the annual base rent increases to \$681,165; in the ninth year the annual base rent increases to \$749,281; the average annual rent during the 10-year period is \$667,541, or \$14.70 per rsf; rent during either five-year renewal term will be at market rates
Operating Expenses:	\$249,760 or \$5.50 per rsf based on 2011 estimates
Tenant Improvements:	The landlord is contributing \$1,125,000 towards construction of the tenant improvements; the Medical Branch is contributing \$5,676,375 towards construction of fixed tenant improvements within the leased premises and \$2,250,000 towards furniture, fixtures, and equipment
Termination Option:	U. T. Medical Branch has an ongoing right to terminate the lease beginning at the end of the 60th month; termination requires 12 months notice and payment to the landlord of unamortized transaction costs
Right of First Refusal:	U. T. Medical Branch will have a right of first refusal to purchase the leased premises and associated common areas if the owner receives a bona fide offer from a third party to purchase the leased premises
Intended Use:	Operation of a medical clinic, medical laboratory, and medical administrative offices
Source of Funds:	Hospital income

6. U. T. Medical Branch – Galveston: Approval of revised Mission, Vision, and Values Statement

The Board approved changes to The University of Texas Medical Branch at Galveston (UTMB) Mission, Vision, and Values Statement as set forth below and authorized forwarding the Statement to the Texas Higher Education Coordinating Board for approval. Changes to the mission statement were last approved by the U. T. System Board of Regents on August 12, 1999.

**Revised Mission, Vision, and Values Statement**

**Preamble**

The University of Texas Medical Branch at Galveston's mission is to improve health for the people of Texas and around the world. UTMB is an inclusive,

collaborative community of forward-thinking educators, scientists, clinicians, staff, and students dedicated to a single purpose - improving health. We prepare future health professionals for practice, public service, and lifelong learning through innovative curricula and individualized educational experiences. We advance understanding and treatment of illness and injury through groundbreaking research, in the lab and at the bedside, including the commercialization of such research, as appropriate. We deliver skilled and patient-centered health care, and we continue to shape the future of health sciences education, research, and clinical care by always asking, "What's next?"

### **Mission**

UTMB's mission is to improve health for the people of Texas and around the world.

### **Vision**

We work together to work wonders as we define the future of health care and strive to be the best in all of our endeavors.

### **Values**

Our values define our culture and guide our every interaction.

- We demonstrate **compassion** for all.
- We always act with **integrity**.
- We show **respect** to everyone we meet.
- We embrace **diversity** to best serve a global community.
- We promote excellence and innovation through **lifelong learning**.

Section 61.051 of the *Texas Education Code* requires the Texas Higher Education Coordinating Board to periodically review the role and mission statements of public institutions of higher education. Accordingly, the Mission Statement was recently reviewed by U. T. Medical Branch – Galveston faculty, administration, and students to ensure its accuracy and applicability to an ever-changing and growing institution. Upon review, the consensus was to restate the mission statement, vision, and values of U. T. Medical Branch – Galveston to align with the institution's new brand identity (utmb Health) and tagline (Working together to work wonders) as part of overall efforts to communicate the institution's ongoing purpose and contributions to the people of Texas.

## 7. U. T. Medical Branch – Galveston: Progress of recovery efforts following Hurricane Ike

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

8. U. T. System: Update on investment in public health

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

9. U. T. System: Quarterly report on health matters, including a follow-up on the U. T. System's Transformation in Medical Education (TIME) initiative and comments on the meaningful use of electronic health records

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

10. U. T. System: Discussion regarding health information technology

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 - 65).--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 2010 Energy Utility Task Force Report

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

2. U. T. Health Science Center – San Antonio: FY 11 Fire and Life Safety Projects - Amendment of the FY 2011-2016 Capital Improvement Program to increase the total project cost and appropriation of additional funds (Final Board approval)

The Board approved the recommendations for the FY 11 Fire and Life Safety Projects at The University of Texas Health Science Center at San Antonio as follows:

Project No.:	402-578		
Institutionally Managed:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Project Delivery Method:	Competitive Sealed Proposals		
Substantial Completion Date:	June 2012		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$1,700,000	\$3,200,000

- a. increase the total project cost from \$1,700,000 to \$3,200,000; and
- b. appropriate additional funding of \$1,500,000 from Permanent University Fund (PUF) Bond Proceeds.

Previous Board Actions

On August 14, 2008, the Board approved the allocation of \$1,700,000 from PUF Bond Proceeds for Fiscal Year 2011. On August 12, 2010, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$1,700,000 with funding from PUF Bond Proceeds and institutional management was authorized. On August 12, 2010, the Board also approved the allocation of \$1,500,000 from PUF Bond Proceeds for Fiscal Year 2011 Fire and Life Safety projects.

## Project Description

The new Fiscal Year 2011 allocation will be combined with the existing project to increase the total project cost to continue addressing high priority fire and life safety issues on campus. The project will include installation of a sprinkler system in the Cafeteria Building and in the Dental School Building. The buildings are adjacent to each other on the Joe R. and Teresa Lozano Long Campus. The project will also rectify deficiencies identified by the State Fire Marshal.

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

3. U. T. Brownsville: Biomedical Research Facility II - Amendment of the FY 2011-2016 Capital Improvement Program to include project (Preliminary Board approval) (Deferred)

This item was deferred.

4. U. T. San Antonio: East Parking Garage - Approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the East Parking Garage project at The University of Texas at San Antonio as follows:

Project No.:	401-568								
Project Delivery Method:	Construction Manager at Risk								
Substantial Completion Date:	June 2012								
Total Project Cost:	<table><thead><tr><th><u>Source</u></th><th><u>Current</u></th></tr></thead><tbody><tr><td>Revenue Financing System Bond Proceeds</td><td>\$22,000,000</td></tr><tr><td>Auxiliary Enterprise Balances</td><td><u>\$ 8,000,000</u></td></tr><tr><td></td><td>\$30,000,000</td></tr></tbody></table>	<u>Source</u>	<u>Current</u>	Revenue Financing System Bond Proceeds	\$22,000,000	Auxiliary Enterprise Balances	<u>\$ 8,000,000</u>		\$30,000,000
<u>Source</u>	<u>Current</u>								
Revenue Financing System Bond Proceeds	\$22,000,000								
Auxiliary Enterprise Balances	<u>\$ 8,000,000</u>								
	\$30,000,000								
Investment Metrics:	By 2012 <ul style="list-style-type: none"><li>• Increase number of parking spaces on the Main Campus by a net of approximately 1,200 spaces</li><li>• Increase number of parking spaces without a net increase in the land area consumed by parking, leaving land available for other uses</li></ul>								

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$30,000,000 with funding of \$22,000,000 from Revenue Financing System Bond Proceeds and \$8,000,000 from Auxiliary Enterprise Balances;
- c. approve the evaluation of alternative energy economic feasibility; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$22,000,000.

#### Debt Service

The \$22,000,000 in Revenue Financing System debt will be repaid from parking revenues. Annual debt service on the \$22,000,000 Revenue Financing System debt is expected to be approximately \$1,600,000. The institution's debt service coverage is expected to be at least 1.7 times and average 1.9 times over FY 2011-2016.

#### Previous Board Action

On February 5, 2010, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$30,000,000 with funding of \$22,000,000 from Revenue Financing System Bond Proceeds and \$8,000,000 from Auxiliary Enterprise Balances.

#### Project Description

The parking garage will consist of a new multistory facility containing approximately 1,200 parking spaces to be located on an existing parking lot.

Support space needs associated with the parking operation include offices, maintenance, a spirit shop, a coffee kiosk located within the garage, and roads and service drives associated with the facility. The garage will increase the number of parking spaces to meet the demands of growth in enrollment without a net increase in the land area consumed by parking, leaving land available for other uses including future buildings.

*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.

5. U. T. Austin: Geology Building Addition study - Amendment of the FY 2011-2016 Capital Improvement Program (CIP) to redesignate the study as the Geology Building Renovation project; approval to increase the total project cost; approval to revise funding sources; appropriation of funds; remove the Renovation of E. P. Schoch Building project from the CIP; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Geology Building Addition project at The University of Texas at Austin as follows:

Project No.:	102-364		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	June 2012		
Total Project Cost for Geology Building Renovation:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Interest on Local Funds	\$ 550,000	\$ 550,500
	Gifts		\$1,447,500
	Revenue Financing System Bond Proceeds		<u>\$6,102,000</u>
			\$8,100,000
Total Project Cost for Renovation of E. P. Schoch Building:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$10,000,000	\$ 0

- a. amend the Fiscal Year 2011-2016 Capital Improvement Program (CIP) to redesignate the study as the Geology Building Renovation project;
- b. increase the total project cost from \$550,000 to \$8,100,000;
- c. revise the funding sources from \$550,000 from Interest on Local Funds to \$550,500 from Interest on Local Funds, \$1,447,500 from Gifts, and \$6,102,000 from Revenue Financing System Bond Proceeds;

- d. appropriate additional funds of \$500 from Interest on Local Funds, \$1,447,500 from Gifts, and \$6,102,000 from Revenue Financing System Bond Proceeds;
- e. approval to remove the Renovation of E. P. Schoch Building project from the CIP; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$6,102,000.

#### Debt Service

The \$6,102,000 in Revenue Financing System debt will be repaid from revenues from the John A. and Katherine G. Jackson School of Geosciences. Annual debt service on the \$6,102,000 Revenue Financing System debt is expected to be approximately \$400,000. The institution's debt service coverage is expected to be at least 1.7 times and average 1.8 times over FY 2011-2016. The gift funding authorized for expenditure is fully collected or committed at this time, and the institution possesses sufficient local funds to cover any shortfall.

#### Previous Board Actions

On August 23, 2007, the Geology Building Addition study was included in the CIP with a total project cost of \$500,000 with funding from Interest on Local Funds. On May 6, 2010, the Chancellor approved the increase in the total project cost to \$550,000 with funding from Interest on Local Funds.

**Renovation of E. P. Schoch Building** - On November 9, 2007, the project was included in the CIP with a total project cost of \$10,000,000 with funding from Revenue Financing System Bond Proceeds.



## Project Description

The Geology Building Addition study for the John A. and Katherine G. Jackson School of Geosciences was developed to provide various options for an addition to house a student center. The study is being redefined as a project to renovate a portion of the second floor of the existing building to create the new student center. The increase in the total project cost will renovate approximately 11,020 gross square feet (GSF) to include student social space with a coffee bar, student work space, career services office, a recruitment and placement office, advisors' offices, tutorial spaces, and support spaces. The scope also includes upgrading various building and life safety systems throughout the entire floor as required by the renovation. The Renovation of the E. P. Schoch Building project will be removed from the CIP to support the Revenue Financing System Bond Proceeds funding for the Geology Building Renovation.

Fundraising will begin immediately and construction will not commence prior to obtaining commitments. If sufficient funds are not raised, the remaining funding will come from the John A. and Katherine G. Jackson Endowed Fund in Geosciences.

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 Chancellor at a later date.

6. U. T. Pan American: Fine Arts Academic and Performance Complex - Amendment of the FY 2011-2016 Capital Improvement Program to revise the scope of the project and approval to redesignate as new construction (Preliminary Board approval)

The Board approved the recommendations for the Fine Arts Academic and Performance Complex at The University of Texas – Pan American as follows:

Project No.:	901-283	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	May 2013	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$39,796,000
	Revenue Financing System Bond Proceeds	\$ 7,049,000
	Higher Education Assistance Funds (HEAF)	<u>\$ 2,900,000</u>
		\$49,745,000

- a. amend the FY 2011-2016 Capital Improvement Program (CIP) to revise the scope of the project; and
- b. redesignate the project from a repair and rehabilitation project to a new construction project.

### Previous Board Actions

On August 10, 2006, the project was included in the CIP with a total project cost of \$49,745,000 with funding of \$39,796,000 from Tuition Revenue Bond Proceeds and \$9,949,000 from Revenue Financing System Bond Proceeds. On May 10, 2007, the Board designated the project as architecturally significant. On December 9, 2009, the Board revised the scope of the project; revised the funding to \$39,796,000 from Tuition Revenue Bond Proceeds, \$7,049,000 with funding from Revenue Financing System Bond Proceeds, and \$2,900,000 with funding from HEAF; removed the special interest designation; and appropriated funding.

### Project Description

The scope of the project is revised from a repair and rehabilitation project to a new construction project because the evaluation of the numerous existing building conditions of the Fine Arts Auditorium proved the planned renovation and available budget could not support the institution's program requirements and vision.

The project will include construction of a new performing arts center that will consist of a mid-sized theatre designed for approximately 1,000 audience members with accessible seating dispersed throughout, a recital hall for smaller ensembles seating approximately 180 audience members, rehearsal facilities, and performance and audience amenities supporting these programs. The lobby will accommodate seated dinners for up to 200 guests. Restrooms, food concessions, circulation, and other audience amenity areas will reflect modern audience expectations and will be sized to accommodate all theatre patrons before and after performances. Four rehearsal rooms will also be included.

The scope of work for the Fine Arts Academic and Performance Complex will include the associated demolition of existing interior space with interior renovations to meet the academic program requirements. Renovation will consist of life safety, code, and accessibility upgrades; new heating, ventilation, and air conditioning (HVAC); new interior space reconfigurations; new interior architectural finishes; and new roofing.

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. Medical Branch – Galveston: Infrastructure - Ike Recovery - Amendment of the FY 2011-2016 Capital Improvement Program to increase total project cost and appropriation of funds and authorization of expenditure (Final Board approval)

The Board approved the recommendations for the Infrastructure - Ike Recovery project at The University of Texas Medical Branch at Galveston as follows:

Project No.:	601-506		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	November 2014		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	FEMA	\$ 98,522,000	\$149,204,677
	General Revenue	\$ 32,841,000	\$ 32,841,000
	Private Insurance Claims	\$ 14,669,000	\$ 14,669,000
		\$146,032,000	\$196,714,677

- a. amend the Fiscal Year 2011-2016 Capital Improvement Program (CIP) to increase the total project cost from \$146,032,000 to \$196,714,677; and
- b. appropriate additional funds and authorize expenditure in the amount of \$50,682,677 from the Federal Emergency Management Agency (FEMA).

Previous Board Action

On August 20, 2009, the project was included in the CIP with a total project cost of \$146,032,000 with funding of \$98,522,000 from FEMA Insurance Claims, \$14,669,000 from Private Insurance Claims, and \$32,841,000 from General Revenue (Unexpended Plant Funds).

Project Description

Infrastructure repairs will involve campuswide distribution systems including: cathodic protection, storm and sanitary sewer, diesel supply loop, electrical emergency and normal power, steam transmission, chilled water systems, telecommunication systems, underground telecom and data cabling, condensate return system, shore dock, helipad, irrigation, way finding signage, clock towers, paving and erosion, blue pedestal phones, West and Central production plants, and campuswide lighting.

The revised total project cost is the result of FEMA approving the rebuild in-kind estimate and a portion of the mitigated thermal distribution system proposal. The current chilled water and steam/condensate system will be replaced with new chilled water and hot water distribution systems.

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 12:15 p.m., the Board voted and approved the Standing Committee recommendations.

RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE.--

5. U. T. System Board of Regents: Former Board Chairman James R. Huffines as recipient of the Santa Rita Award

The Board approved that former Board Chairman James R. Huffines receive the Santa Rita Award, the highest honor bestowed by The University of Texas System Board of Regents. Chairman McHugh provided the following remarks in advance of the Board's unanimous second and vote.

Remarks by Chairman McHugh

This prestigious distinction, named after the Santa Rita Number One oil well that transformed funding for The University of Texas, is reserved for select individuals who have transformed U. T. with their extraordinary vision and invaluable support. Santa Rita Award nominees show a deep and sustained commitment to higher education in the State of Texas as exemplified by a selfless spirit of public service.

Since this tradition began in 1968, only 23 individuals have received the Santa Rita Award. Today I nominate as the 24th recipient of the Santa Rita Award a visionary leader who inspires people to work together in effective teams to accomplish magnificent things, -- former Chairman of the U. T. System Board of Regents James R. Huffines.

His support of, and tremendous contributions to, higher education in the State of Texas, and to the U. T. System, merit this recognition. His singular ability to build consensus and move the U. T. System and its institutions forward in a highly productive manner led to unparalleled achievements during his Chairmanship of the Board of Regents.

Many of the initiatives conceived by James Huffines continue to inspire transformational improvements to the U. T. System. Just a few examples:

- The Competitiveness Initiative, a \$2.56 billion commitment in science and technology

- the Science and Technology Acquisition and Retention (STARs) Program that funds start-up packages for outstanding faculty in science, technology, engineering, and mathematics (STEM) fields
- the Regents' Outstanding Teaching Awards that recognize faculty who demonstrate commitment to undergraduate teaching
- the Texas Ignition Fund that helps move inventions from the laboratory to the commercial marketplace
- the successful graduation rate initiative that Executive Vice Chancellor Prior reported on yesterday (November 10) (Item 8 on the Academic Affairs Committee agenda).

It is my privilege to recommend that the Santa Rita Award be bestowed upon James Huffines at an appropriate ceremony in Austin in 2011.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on December 2-3, 2010, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 12:20 p.m.

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

December 14, 2010

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
DOCKET NO. 144**

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 11, 2010. The Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	Docket 1 - 3
The University of Texas at Arlington	Docket 4 - 6
The University of Texas at Austin	Docket 7 - 13
The University of Texas at Brownsville	Docket 14
The University of Texas at Dallas	Docket 15 - 17
The University of Texas at El Paso	Docket 18
The University of Texas – Pan American	Docket 19
The University of Texas at San Antonio	Docket 20 - 22
The University of Texas at Tyler	Docket 23
The University of Texas Southwestern Medical Center at Dallas	Docket 24 - 25
The University of Texas Medical Branch at Galveston	Docket 26 - 28
The University of Texas Health Science Center at Houston	Docket 29 - 30
The University of Texas Health Science Center at San Antonio	Docket 31 - 32
The University of Texas M. D. Anderson Cancer Center	Docket 33
The University of Texas Health Science Center at Tyler	Docket 34

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## U. T. SYSTEM ADMINISTRATION

### CONTRACTS

The following contracts have been administratively approved by the Chancellor or his delegate and 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: Spinning Star Energy LLC  
Funds: \$2,983,000 consisting of an initial payment of \$1,183,000 for on-lease transmission lines and \$1,800,000 for installation of Wind Turbine Generators  
Period: Commencing on the future effective date and ending on December 31, 2041  
Description: Ground (surface) lease for the purpose of installing and operating a minimum of 150 wind turbine generators and other related equipment and facilities located in Reagan, Crockett, and Upton Counties, Texas
2. Agency: Spinning Star Energy LLC  
Funds: \$8,859,500 total for six easements  
Period: Commencing on the effective date and continuing for the statutory period of 10 years  
Description: Easements for electric transmission located in Reagan, Upton, Crane, Loving, Ward, Winkler, Culberson, and Hudspeth Counties, Texas

##### FUNDS GOING OUT

3. Agency: Energy Testing and Balance, Inc.  
Funds: U. T. System anticipates contracting expenditures to exceed \$1,000,000 per year of the contract  
Period: September 20, 2010 through September 19, 2016 (Contract was brought forward for Board approval once it started to reach the \$1,000,000 threshold where Board approval is required.)  
Description: The firm agrees to perform testing, adjusting, and balancing services for U. T. System on a job order basis. The services were competitively procured.

## AMENDMENTS TO THE 2010-11 BUDGET

### TRANSFERS OF FUNDS

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Business Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
DESIGNATED FUNDS		
Academic Affairs Initiatives		
1. Amount of Transfer:	547,281	146
From: Income		
To: All Expenses		

This adjustment will transfer funds from existing account balances to cover payment for an annual copyright license for a digital library subscription to be used for electronic course content, research collaboration, and administrative communications.

## REAL ESTATE REPORT

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

Summary Report at August 31, 2010

	FUND TYPE							
	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
<b>Land and Buildings:</b>								
Ending Value 5/31/10	\$ 3,095,045	\$ 28,122,289	\$ 97,544,764	\$ 260,223,234	\$ 1,806,002	\$ 3,577,009	\$ 102,445,811	\$ 291,922,532
Increase or Decrease	1	1,028,801	263,527	1,564,973	(204,536)	(241,926)	58,992	2,351,848
Ending Value 8/31/10	\$ 3,095,046	\$ 29,151,090	\$ 97,808,291	\$ 261,788,207	\$ 1,601,466	\$ 3,335,083	\$ 102,504,803	\$ 294,274,380
<b>Other Real Estate:</b>								
Ending Value 5/31/10	\$ 62,308	\$ 62,308	\$ 141,759	\$ 141,789	\$ -	\$ -	\$ 204,067	\$ 204,067
Increase or Decrease	(1,502)	(1,502)	(2,519)	(2,519)	-	-	(4,021)	(4,021)
Ending Value 8/31/10	\$ 60,805	\$ 60,805	\$ 139,240	\$ 139,240	\$ -	\$ -	\$ 200,046	\$ 200,046

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. 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 2010-11 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>	
<b>COLLEGE OF EDUCATION</b>					
Curriculum and Instruction Professor					
1. Andrew J. Milson (T)	9/1-5/31	100	09	88,000	3704
<b>COLLEGE OF ENGINEERING</b>					
Civil Engineering Associate Professor					
2. Dong-Jun Seo (T)	9/1-5/31	100	09	93,500	3705
Industrial and Manufacturing Systems Engineering Professor					
3. Charalabos C. Doumanidis (T)	9/1-5/31	100	09	160,000	3707
Associate Professor					
4. Erick C. Jones (T)	1/16-5/31	100	09	115,000	3783
Mechanical and Aerospace Engineering Associate Professor					
5. Andrew V. Makeev (T)	1/16-5/31	100	09	117,000	3706
<b>SCHOOL OF SOCIAL WORK</b>					
Associate Dean for Research and Community Outreach Professor					
6. John Bricout (T)	9/1-8/31	100	12	135,000	3701
		0	09	101,250	

**AMENDMENTS TO THE 2010-11 BUDGET (CONTINUED)**

**TENURE APPOINTMENTS (CONTINUED)**

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,  
AND EMERITUS 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>	
<b>SCHOOL OF URBAN AND PUBLIC AFFAIRS</b>					
Interdisciplinary Studies					
Director and Professor					
7. Stuart D. Henry (T)	9/1-5/31	100	09	95,000	3702
		SUPLT	03	7,000	

**AMENDMENTS TO THE 2009-10 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>	
<b>COLLEGE OF SCIENCE</b>					
Earth and Environmental Sciences					
Professor					
8. Glen S. Mattioli (T)	8/1-8/31	100	09	100,000	3703

**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>	
SCHOOL OF SOCIAL WORK					
Office of the Dean					
Dean					
Professor					
9. Scott D. Ryan (T)	8/10-8/31	100	12	190,000	3635
	8/10-8/31	0	09	142,500	

Dr. Ryan was hired with tenure effective August 10, 2009; however a Request for Budget Change was not submitted for docket approval at that time. The appointment with tenure is being submitted now for formal approval effective August 10, 2009.

## 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: Baden Sports, Inc.  
Funds: \$3,095,000 in cash, plus an additional estimated \$247,500 in supplied products for University Interscholastic League (UIL) championship events and UIL-sanctioned events. Additionally, Baden will provide free balls to UIL member schools valued at \$340,000 for the first year of the agreement.  
Period: July 1, 2010 through June 30, 2015  
Description: Baden Sports, Inc. will provide cash and supplied products (footballs, volleyballs, tennis balls, basketballs, baseballs, softballs, golf balls, soccer balls, and t-shirts) in return for the designation as the "Official Ball Carrier of the University Interscholastic League" for UIL championship events and UIL sanctioned events
2. Agency: Mcliff Partners, Ltd, dba Mcliff Vending and Office Coffee Service  
Funds: \$700,000 estimated for the initial term and all renewal periods  
Period: January 1, 2011 through August 31, 2011 with option to renew for two additional two-year periods  
Description: Mcliff Vending and Office Coffee Service will provide snack vending service at approximately 140 sites located at the main campus of U. T. Austin, J. J. Pickle Research Campus, Lake Austin Center, U. T. Administration Building, Dell Pediatric Research Institute, and other locations as required by U. T. Austin. In accordance with *Texas Education Code* Section 51.945, the students were provided with an opportunity to comment prior to determination that this food service provider should be selected by the institution.



## CONTRACTS (CONTINUED)

### GENERAL CONTRACTS (CONTINUED)

#### FUNDS GOING OUT

3. Agency: Consolidated Communications Enterprise Services, Inc.  
Funds: \$3,336,000 for the initial term and renewal period  
Period: September 1, 2010 through September 30, 2020  
with option to renew for one additional 10-year period  
Description: Network services agreement between U. T. Austin, on behalf of the U. T. System Office of Telecommunication Services, and Consolidated Communications Enterprise Services, Inc. for the use, maintenance, and repair of an optical fiber system to supply U. T. Tyler and U. T. Health Science Center – Tyler with high bandwidth connections to the U. T. System backbone network. The agreement will also allow for backbone network connection to public entities in the Nacogdoches and Huntsville region, including Stephen F. Austin State University and Sam Houston State University.

#### FOREIGN CONTRACTS

4. Agency: University of Adelaide, Australia  
Funds: Approximately \$22,700  
Period: March 1, 2011 through April 30, 2011  
Description: Leadership training services to be provided by the LBJ School of Public Affairs' Governor's Center for Management Development to the University of Adelaide's Executive Education Program

**AMENDMENTS TO THE 2010-11 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>	
<b>COLLEGE OF COMMUNICATION</b>					
Journalism					
Professor and Amon G. Carter, Jr. Centennial Professorship in Communication					
1. Thomas J. Johnson (T)	9/1-5/31	100	09	105,000	3620
	9/1-5/31	SUPLT	09	10,000	
<b>SCHOOL OF LAW</b>					
Professor and Hayden W. Head Regents Chair for Faculty Excellence					
2. Matthew L. Spitzer (T)	9/1-5/31	100	09	247,500	3621
	9/1-5/31	SUPLT	09	10,000	
Professor and Joseph C. Hutcheson Professorship in Law					
3. Barbara A. Bintliff (T)	9/1-5/31	100	09	168,750	3622
	9/1-5/31	SUPLT	09	5,000	
Professor and Sylvan Lang Professorship					
4. James C. Spindler (T)	9/1-5/31	100	09	165,000	3623
	9/1-5/31	SUPLT	09	5,000	

**AMENDMENTS TO THE 2010-11 BUDGET (CONTINUED)**

**TENURE APPOINTMENTS (CONTINUED)**

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,  
AND EMERITUS 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>	
<b>COLLEGE OF NATURAL SCIENCES</b>					
<b>Mathematics</b>					
5. James W. Daniel					3626
From: Distinguished Teaching Professor and Paul V. Montgomery Centennial Memorial Professorship in Actuarial Mathematics (T)		100 SUPLT	09 09	100,500 43,500	
To: Distinguished Teaching Professor Emeritus and Paul V. Montgomery Centennial Memorial Professor Emeritus in Actuarial Mathematics	9/1-5/31			0	
<b>Nutritional Sciences</b>					
<b>Professor</b>					
6. Richard H. Finnell (T)	9/1-5/31	34.67	09	225,000	3624
<b>COLLEGE OF LIBERAL ARTS</b>					
<b>French and Italian</b>					
7. Knud P. Lambrecht					3627
From: Professor (T)		100	09	74,200	
To: Professor Emeritus	9/1-5/31			0	

**AMENDMENTS TO THE 2009-10 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 NATURAL SCIENCES Mathematics					
8. John T. Tate					3625
From: Professor and Sid W. Richardson Foundation Regents Chair in Mathematics No. 4 (T)		100	09	162,220	
		SUPLT	09	21,311	
To: Professor Emeritus and Sid W. Richardson Chair Emeritus in Mathematics	9/1-5/31				0

Dr. Tate's Emeritus appointment is retroactive to September 1, 2009. He was designated Regental Professor Emeritus by the Board at the May 2010 meeting for winning the Abel Prize, an award considered akin to a Nobel Prize for which there is no award for mathematics.

AMENDMENTS TO THE 2009-10 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
SERVICE DEPARTMENTS FUNDS		
Facilities Services		
9. Amount of Transfer:	500,000	3618
From: Central Stores Inventory Operating Income		
To: Central Stores Inventory Inventory for Resale		

Transfer will increase Central Stores Revolving account spending authorization to cover stock purchasing needs through the end of Fiscal Year 2010. This pass-through account is used for the purchase of supplies and materials for work orders and capital projects for the University community.

## OTHER MATTERS

### APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

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

- |               |   |
|---------------|---|
| Name:         | Ariel E. Dulitzky, JD, LL.M   |
| Title:        | Clinical Professor of Law<br>Director, Human Rights Clinic<br>Director, Latin America Initiative  |
| Position:     | Member, Working Group on Enforced or Involuntary Disappearances   |
| Period:       | August 1, 2010 through July 31, 2013  |
| Compensation: | Reimbursement of expenses only  |
| Description:  | The United Nations Human Rights Council nominated Mr. Dulitzky to serve on the Working Group on Enforced or Involuntary Disappearances. The group was established to assist families in determining the fate or whereabouts of their relatives who have disappeared. The members meet three times a year to privately discuss human rights with families, witnesses, government officials, and nongovernmental organizations, and then report to governments in writing about its determinations. |

## U. T. BROWNSVILLE

### OTHER MATTERS

#### APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of President García with The University of Texas at Brownsville. 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:         | Juliet V. García, Ph.D.  |
| Title:        | President  |
| Position:     | Member, The National Advisory Group for Complete to Compete  |
| Period:       | December 1, 2010 through December 31, 2011   |
| Compensation: | None   |
| Description:  | West Virginia Governor Joe Manchin, III, has appointed President García to The National Advisory Group for Complete to Compete. Complete to Compete is designed to enlist the efforts of governors and other key leaders to make the nation a global leader in college completion. In the next year, the National Advisory Group will meet twice a year to discuss strategies and best practices for promoting college completion. |

**U. T. DALLAS**

**AMENDMENTS TO THE 2010-11 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>	
<b>ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE</b>					
<b>Electrical Engineering</b>					
<b>Associate Professor</b>					
1. Yun Chiu (T)	9/1-5/31	100	09	120,000	3686
<b>Associate Professor and TxACE Analog Chair in Electrical Engineering</b>					
2. Dongsheng Ma (T)	9/1-5/31	100	09	160,000	3685
<b>Professor</b>					
3. Babak Fahimi (T)	9/1-5/31	100	09	130,000	3742
<b>Material Science and Engineering</b>					
<b>Professor and TI Distinguished Chair in Nanoelectronics</b>					
4. Massimo Fischetti (T)	9/1-5/31	100	09	180,000	3714
	9/1-5/31	SUPL	09	9,000	
<b>Professor and TI Distinguished Chair in Nanoelectronics</b>					
5. Julia Hsu (T)	9/1-5/31	100	09	153,000	3684
	9/1-5/31	SUPL	09	9,000	
<b>Associate Professor</b>					
6. Lev Gelb (T)	9/1-5/31	100	09	100,000	3683



**AMENDMENTS TO THE 2010-11 BUDGET (CONTINUED)**

**TENURE APPOINTMENTS (CONTINUED)**

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,  
AND EMERITUS 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>	
<b>SCHOOL OF NATURAL SCIENCES AND MATHEMATICS</b>					
Geosciences					
Professor					
7. John W. Geissman (T)	9/1-5/31	100	09	140,000	3720
Physics					
Professor					
8. Mark Lee (T)	9/1-5/31	100	09	130,500	3719

## OTHER MATTERS

### APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of President Daniel with The University of Texas at Dallas. 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:         | David E. Daniel, Ph.D.   |
| Title:        | President  |
| Position:     | Committee Member, National Research Council  |
| Period:       | July 1, 2010 through December 31, 2011   |
| Compensation: | None   |
| Description:  | The National Research Council is assembling an expert committee of academic and industry engineers to investigate technical aspects of the causes of the Deepwater Horizon rig explosion, fire, and oil spill to identify preventative measures. |

U. T. EL PASO

AMENDMENTS TO THE 2010-11 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 RESEARCH AND SPONSORED PROJECTS AND CHEMISTRY					
1. Luis A. Echegoyen (T) Associate Vice President for Research Professor and Robert A. Welch Endowed Chair Professorship	6/1-8/31	100	12	290,853	3692
	9/1-5/31	100	09	218,140	

AMENDMENTS TO THE 2009-10 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>	
CHEMISTRY					
Professor and Robert A. Welch Endowed Chair Professorship					
2. Luis A. Echegoyen (T)	8/16-8/31	100	09	218,140	3688

**U. T. PAN AMERICAN**  
**AMENDMENTS TO THE 2009-2010 BUDGET**

**TRANSFERS OF FUNDS**

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
DESIGNATED TUITION		
Unexpended Plant Funds		
1. Amount of Transfer:	\$7,165,075	3746
From: Designated Tuition		
To: Building Alterations and Maintenance		

Transfer of funds from Designated Tuition to Unexpended Plant Fund Building Alterations and Maintenance Account to provide funds for deployment towards capital projects.

U. T. SAN ANTONIO

AMENDMENTS TO THE 2010-11 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>
RECREATION CENTER RESERVE		
Natural Turf Replacement, Recreation Fields		
1. Amount of Transfer:	3,443,275.94	3710

From: Recreation Center Reserve  
Recreation Center Fee

To: Natural Turf Replacement, Recreation Fields

This project will replace existing recreation fields with synthetic grass and upgrade area lighting to allow for a competitive soccer field. The project cost also includes related civil engineering services.

**AMENDMENTS TO THE 2009-10 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>	
<b>COLLEGE OF BUSINESS</b>					
Information Systems and Technology Management					
Professor, Endowed Chair					
2. Frederick R. Chang (T)	8/18-8/31	100	09	192,500	3658
<b>COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT</b>					
Educational Leadership and Policy Studies					
Professor					
3. Laura I. Rendon (T)	8/18-8/31	100	09	140,000	3659
<b>COLLEGE OF LIBERAL AND FINE ARTS</b>					
Anthropology					
Associate Professor					
4. Jason R. Yaeger (T)	8/18-8/31	100	09	73,000	3660
<b>COLLEGE OF ENGINEERING</b>					
Civil and Environmental Engineering					
Professor					
5. Les E. Shephard (T)	4/15-8/31	100	09	180,000	3661
<p align="center">Dr. Shephard was hired in April 2010 and the RBC was not included on the August Docket.</p>					
<b>COLLEGE OF LIBERAL AND FINE ARTS</b>					
Sociology					
Professor					
6. Christopher G. Ellison (T)	8/18-8/31	100	09	187,000	3662

AMENDMENTS TO THE 2009-10 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
CAMPUS RESERVES		
Campus Network Infrastructure Upgrade (Phase III)		
7. Amount of Transfer:	1,215,000	3609

From: Campus Reserves

To: Renovations, Network Upgrade

Funds required for Campus Network Infrastructure Upgrade (Phase III) for equipment and related work in buildings.

FACILITIES AND ADMINISTRATION RESERVE-  
DEBT SERVICE AND CAPITAL OUTLAY

Bioscience Building Emergency Power

8. Amount of Transfer: 500,000 3653

From: Facilities and Administration Reserve-Debt Service and Capital Outlay

To: Bioscience Building Emergency Power, August 2010

Funds required for Bioscience Building emergency power cost, estimated to install a separate generator to prevent emergency power failure and to provide sufficient emergency backup for research facilities in the Bioscience Building and the Bioscience Lab-3.

**U. T. TYLER**

**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 COMING IN**

1. Agency: Barnes & Noble College Booksellers, LLC  
Funds: \$6,917,032  
Period: September 1, 2010 through September 30, 2019  
Description: Contract for operation and management of the U. T. Tyler campus bookstore, approximately 8,850 square feet, located in the University Center building at 3900 University Boulevard, Tyler, Texas, with vendor selected through a competitive process



## 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 Indigent Care  
Funds: \$158,689,564  
Period: October 1, 2010 through September 30, 2011  
Description: To provide physicians and other health care professionals to Parkland Health & Hospital System

##### FUNDS GOING OUT

2. Agency: Krause Advertising, Inc.  
Funds: \$3,590,000  
Period: September 1, 2010 through August 31, 2011  
Description: Krause Advertising will provide multimedia brand image campaign services
3. Agency: JF Filtration, Inc.  
Funds: \$2,896,617.80  
Period: September 1, 2010 through August 31, 2011  
Description: JF Filtration will supply and install heating, ventilating and air conditioning (HVAC) air filters, and clean and service coils
4. Agency: Dallas County Hospital District d/b/a Parkland Health & Hospital System  
Funds: \$1,336,905  
Period: October 1, 2010 through September 30, 2011  
Description: This agreement supplements the Dallas County Indigent Care Corporation (DCICC) contract by providing additional health care services to Parkland Health & Hospital System

**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>	
<b>SOUTHWESTERN MEDICAL SCHOOL</b>					
Neurology					
Professor and Chairman					
1. Mark Paul Goldberg (T)	6/1-8/31	100	12	340,000	3595
Internal Medicine					
Professor and Chairman					
2. David H. Johnson (T)	7/1-8/31	100	12	510,000	3605
Obstetrics and Gynecology					
Professor					
3. W. Lee Kraus (T)	7/15-8/31	100	12	200,000	3614
Plastic Surgery					
Professor					
4. Lawrence A. Lavery (T)	7/1-8/31	100	12	250,000	3607
Radiology					
Professor and Chairman					
5. Neil M. Rofsky (T)	7/14-8/31	100	12	520,000	3613

## 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: Texas Department of State Health Services  
Funds: \$1,211,303  
Period: November 1, 2009 through August 31, 2010  
Description: Amendment adding \$663,019 to agreement for U. T. Medical Branch – Galveston to provide family planning services to eligible individuals
2. Agency: Texas Department of State Health Services  
Funds: \$1,721,385  
Period: September 1, 2010 through August 31, 2011  
Description: U. T. Medical Branch – Galveston will continue to provide family planning services to Title XX eligible individuals
3. Agency: Texas Department of State Health Services  
Funds: \$1,447,437  
Period: September 1, 2010 through August 31, 2011  
Description: U. T. Medical Branch – Galveston will continue to provide comprehensive family planning services, including medical, counseling, client education, referral, community education, and outreach services for Title X eligible individuals
4. Agency: Texas Department of State Health Services  
Funds: \$5,981,923  
Period: October 1, 2010 through September 30, 2011  
Description: U. T. Medical Branch – Galveston will administer the Department of State Health Services Special Supplemental Nutrition Program for women, infants, and children

**CONTRACTS (CONTINUED)**

**GENERAL CONTRACTS (CONTINUED)**

**FUNDS COMING IN (CONTINUED)**

5. Agency: Texas Department of Assistive and Rehabilitative Services, Division of Early Childhood Intervention Services (ECI)  
Funds: \$1,405,959  
Period: September 1, 2010 through August 31, 2011  
Description: Amendment to extend the agreement for an additional year for U. T. Medical Branch – Galveston 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

**AMENDMENTS TO THE 2009-10 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>	
ACADEMIC ENTERPRISE					
Internal Medicine-Infectious Disease					
Microbiology and Immunology					
1. Norbert J. Roberts, Jr.					3616
From: Professor (T)		100	12	173,995	
To: Professor Emeritus	7/15-8/31			0	

**U. T. HEALTH SCIENCE CENTER – HOUSTON**

**AMENDMENTS TO THE 2010-11 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>	
<b>MEDICAL SCHOOL</b>					
Department of Integrative Biology and Pharmacology					
1. Stanley G. Schultz					3687
From: Professor (T) Associate Dean for Institutional Advancement		100	12	201,000	
Department of Integrative Biology and Pharmacology					
To: Professor Emeritus	9/1-8/31				0

**AMENDMENTS TO THE 2010-11 BUDGET (CONTINUED)**

**TENURE APPOINTMENTS (CONTINUED)**

**NEW APPOINTMENTS WITH TENURE, AWARD OF TENURE,  
AND EMERITUS 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>	
GRADUATE SCHOOL OF BIOMEDICAL SCIENCES					
2. Robert J. Shalek					3734
From: Professor Emeritus Department of Radiation Physics at U. T. M. D. Anderson Cancer Center					
				Salary prior to Emeritus appointment at U. T. M. D. Anderson Cancer Center not available to U. T. Health Science Center – Houston.	
To: Professor Emeritus Graduate School of Biomedical Sciences	9/1-8/31				0

Dr. Shalek was originally appointed Professor Emeritus at his home institution, U. T. M. D. Anderson Cancer Center, on his retirement in 1989. He is appointed at U. T. Health Science Center – Houston as a nontenured appointment without salary.

U. T. HEALTH SCIENCE CENTER – SAN ANTONIO

AMENDMENTS TO THE 2009-10 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					
Dean of School of Medicine					
Dean and Professor					
John P. Howe, III, M.D., Distinguished					
Chair in Health Policy					
1. Francisco Gonzalez-Scarano (T)	7/26-8/31	100	12	500,000	3646



## OTHER MATTERS

### APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

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

- |               |   |
|---------------|---|
| Name:         | Ian M. Thompson, M.D.   |
| Title:        | Professor and Chairman, Department of Urology<br>Executive Director, Cancer Therapy and Research<br>Center  |
| Position:     | Chairman, Early Detection Research Network  |
| Period:       | August 13, 2010 through August 1, 2015  |
| Compensation: | None  |
| Description:  | Dr. Thompson was appointed as Chairman of the<br>Early Detection Research Network. The Early<br>Detection Research Network is a collaborative effort<br>overseen by the National Cancer Institute's Division of<br>Cancer Prevention. It involves dozens of institutions<br>working to improve early detection of cancers using<br>the body's own biomarkers, and it coordinates validation<br>studies to determine whether a biomarker delivers as<br>early as promised. |

U. T. M. D. ANDERSON CANCER CENTER

AMENDMENTS TO THE 2010-11 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>	
MEDICAL STAFF					
Thoracic Head and Neck Medical Oncology					
1. Reuben Lotan					3610
From: Professor (T)		100	12	310,137	
To: Professor Emeritus	9/1-8/31			0	

## U. T. HEALTH SCIENCE CENTER – TYLER

### 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 GOING OUT

1. Agency: East Texas Anesthesiology Associates  
Funds: \$3,399,999  
Period: September 1, 2010 through August 31, 2011  
Description: East Texas Anesthesiology Associates agrees to provide physicians, licensed to practice medicine in this state, to provide anesthesiology services for U. T. Health Science Center – Tyler, for one year, with three one-year renewals