

Meeting No. 1,029

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

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May 14-15, 2008

Tyler, Texas

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MEETING NO. 1,029

WEDNESDAY, MAY 14, 2008.--The members of the Board of Regents of The University of Texas System convened at 12:15 p.m. on Wednesday, May 14, 2008, in Room 140 of the Ornelas Activity Center, The University of Texas at Tyler, 3402 Old Omen Road, Tyler, Texas, with the following participation:

ATTENDANCE.--

Present

Vice Chairman Huffines, presiding
Vice Chairman Rowling
Regent Camarillo
Regent Dannenbaum
Regent Foster
Regent Gary
Regent Longoria
Regent McHugh

Absent

Chairman Caven
Regent Barnhill

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

RECESS TO EXECUTIVE SESSION.--At 12:15 p.m., Acting Chairman Huffines announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 1:43 p.m., the Board reconvened in open session in the Ballroom of the Ornelas Activity Center at The University of Texas at Tyler and took the following actions on matters discussed in Executive Session.

1a. U. T. Health Science Center – Houston: Selection of Larry R. Kaiser, M.D., as President-Designate

Regent McHugh moved that Larry R. Kaiser, M.D., currently Chairman of the Department of Surgery at the University of Pennsylvania, be selected President-Designate of The University of Texas Health Science Center at Houston and become President effective August 1, 2008, at a compensation commensurate with the responsibilities of the office, to be negotiated in accordance with University of Texas System policies by Chancellor ad interim Shine and submitted to the Board for approval via the usual budgetary procedures.

She further recommended that should an opportunity arise for Dr. Kaiser to begin work earlier, the Board authorizes his employment as President-Designate at a time prior to August 1, 2008, to be negotiated by Chancellor ad interim Shine.

Additionally, Regent McHugh moved that the Minutes reflect that, by approval of this motion, the Board has made a finding that, as required by State law, this appointment is in the best interest of U. T. Health Science Center - Houston.

The motion was seconded by Regent Longoria and carried by acclamation.

1b. U. T. Southwestern Medical Center – Dallas: Discussion regarding individual personnel matters related to presidential search

No discussion was held on this item.

1c. 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 ad interim, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

- 2a. U. T. M. D. Anderson Cancer Center: Authorization to negotiate a ground lease of approximately three acres of unimproved land located in The University of Texas Research Park, Houston, Harris County, Texas, at either the southeast corner of Fannin Street and Old Spanish Trail, or the northeast corner of Bertner Road and East Road, to a ground tenant selected through a request for proposals process for the development of a biomedical research building containing approximately 300,000 square feet of rentable area to include research, conference, and commercial space, with approximately 150,000 square feet of research space to be subleased by U. T. M. D. Anderson Cancer Center and the remainder of the space to be subleased by third party tenants for research use and ancillary services

Upon motion by Vice Chairman Rowling, seconded by Regent Dannenbaum, the Board, on behalf of The University of Texas M. D. Anderson Cancer Center

- a. authorized the Executive Director of Real Estate to negotiate a ground lease, in accordance with the parameters outlined in Executive Session and subject to the approval of President Mendelsohn or his designee, for the development, construction, financing and operation of a multi-tenant biomedical research and development facility on approximately three acres of unimproved land located in The University of Texas Research Park, Houston, Harris County, Texas, at the northeast corner of Bertner Road and East Road, to Alexandria Real Estate Equities, Inc., a Maryland corporation and the ground tenant selected through a request for proposals (RFP) process;
- b. authorized the Executive Director of Real Estate to execute the ground lease and all related documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action within the parameters outlined in Executive Session;
- c. authorized the Chief Business Officer of U. T. M. D. Anderson Cancer Center to negotiate a space lease, in accordance with the parameters outlined in Executive Session and subject to the approval of the Office of Health Affairs, for the lease of space by the institution as tenant of a portion of the biomedical research and development facility; and
- d. authorized the Chief Business Officer of U. T. M. D. Anderson Cancer Center to execute the space lease, subject to approval of the lease as to legal form by the Office of General Counsel.

The motion carried by acclamation.

2b. U. T. System: Issues related to West Texas Lands

No action was taken on this item.

3a. U. T. Medical Branch – Galveston: Conditional acceptance of a proposed negotiated gift

Regent Dannenbaum moved that the Board of Regents authorize the conditional acceptance of a gift to benefit The University of Texas Medical Branch at Galveston consistent with the parameters discussed in Executive Session.

The motion was duly seconded and carried unanimously.

3b. U. T. M. D. Anderson Cancer Center: Approval of a proposed negotiated gift with potential naming feature for the Institute for Cancer Prevention and Risk Assessment

Upon motion by Regent Longoria, seconded by Regent Gary, the Board authorized President Mendelsohn and Vice Chancellor Safady to conclude negotiations and to execute documents related to the acceptance of a gift to benefit The University of Texas M. D. Anderson Cancer Center, with a related naming feature for the Institute for Cancer Prevention and Risk Assessment, consistent with the parameters discussed in Executive Session.

The motion carried by acclamation.

Note from the Assistant Secretary to the Board: Following the meeting, the announcement of the naming of the Dan Duncan Family Institute for Cancer Prevention and Risk Assessment for the Dan L. Duncan Family was made public.

4a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

4b. U. T. System Board of Regents: Discussion of legal issues related to standards of conduct and ethics

No action was taken on this item.

4c. U. T. System: Legal briefing on *Fisher v. Texas*

No action was taken on this item.

4d. U. T. System: Legal issues related to West Texas Lands

See Item 2b.

RECESS.--At 1:49 p.m., Acting Chairman Huffines announced the Board would recess for committee meetings for the remainder of the afternoon and first thing on the morning of May 15.

THURSDAY, MAY 15, 2008.--The members of the Board of Regents of The University of Texas System reconvened at 10:25 a.m. on Thursday, May 15, 2008, in the Ballroom of the Ornelas Activity Center, The University of Texas at Tyler, 3402 Old Omen Road, Tyler, Texas, with the following participation:

ATTENDANCE.--

Present

Vice Chairman Rowling, presiding
Regent Camarillo
Regent Dannenbaum
Regent Foster
Regent Gary
Regent Longoria
Regent McHugh

Absent

Chairman Caven
Vice Chairman Huffines
Regent Barnhill

Acting Chairman Rowling announced a quorum present and called the meeting to order. He thanked President Mabry for his hospitality in hosting this meeting on the campus of The University of Texas at Tyler.

CERTIFICATE OF APPRECIATION TO STUDENT REGENT RANDAL MATTHEW CAMARILLO.--Acting Chairman Rowling provided the following remarks about Student Regent Randal Matthew Camarillo whose term of service on the Board of Regents will end on May 31, 2008.

Remarks by Acting Chairman Rowling

Since today is the last regularly scheduled public meeting for Regent Camarillo, I want to take this opportunity to express our appreciation and admiration for his contributions to The University of Texas System during the last 15 months. Matt brought a unique perspective to the Board and we have benefited greatly from his thoughtful approach to various issues. In between his surgical rounds at The University of Texas Health Science Center at Houston, Matt has made time to visit each University of Texas System campus. He heard from faculty members and students to learn more about their needs and he brought those recommendations to the attention of the Board.

In recognition of Regent Camarillo's service, each member of the Board has signed a formal certificate of appreciation. We hope this document will remind you of your time on the Board and of our appreciation for your vision, dedication, and energy.

Vice Chairman Rowling then presented a framed certificate of appreciation to Regent Camarillo who received a round of applause.

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 February 6-7, 2008, in Austin, Texas, were approved as prepared by the Assistant Secretary to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LV, Pages 320 – 504.

The Minutes of the special meetings of the Board of Regents of the U. T. System held on March 26, April 14, and April 28 in Austin, Texas, were approved as prepared by the Assistant Secretary to the Board of Regents. The official copy is recorded in the *Permanent Minutes*, Volume LV, Pages 505 – 532.

AGENDA ITEMS

1. U. T. Tyler: Overview of the institution

President Mabry presented an overview of The University of Texas at Tyler.

2. U. T. System: Remarks by Chancellor ad interim Shine related to transitional issues

Chancellor ad interim Shine reported on transitional issues at The University of Texas System to protect, preserve, and expand the legacy of former Chancellor Mark G. Yudof. Dr. Shine said these efforts are in tuition deregulation and accountability and in a movement towards a more cost-efficient, cost-effective university system through initiatives such as the Supply Chain Alliance Strategic Initiative, acquisition of an Oracle Corporation site license (see Item 9 on Page 40 of the Finance and Planning Committee), audits of practice plans, and time and effort reporting. Dr. Shine said he continues Chancellor Yudof's historic commitment to the U. T. System's responsibility to provide added value through such initiatives as the Science and Technology Acquisition and Retention (STARs) program, public health and nursing, and technology transfer. He committed to strengthen and improve on Chancellor Yudof's \$2.6 billion Competitiveness Initiative where major resources are committed to science, technology, engineering, mathematics, and medicine.

Chancellor ad interim Shine said the U. T. System's principal product is a well prepared mind that can think creatively and contribute to society.

He also spoke about the need to continue to construct facilities to accommodate increasing student enrollment. He spoke of the need to increase tuition revenue bonds and the restoration of levels of formula funding to maintain the U. T. System's competitive position. He said the challenge will be to do what is expected with available resources.

Lastly, Chancellor ad interim Shine mentioned exploring transformative ways for faculty to teach.

Dr. Shine said this substantial agenda will require partnerships within the U. T. System and among the campuses, as well as with the media, alumni, communities, and legislature.

3. U. T. System: Presentation of the Accountability and Performance Report for 2007-2008 and acceptance of Report

Dr. Geri H. Malandra, Vice Chancellor for Strategic Management, presented The University of Texas System Board of Regents' Accountability and Performance Report for 2007-2008. Following the presentation, the Board accepted the Report.

4. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (Deferred)

The report on The University of Texas System Endowment Compliance Program by Dr. Randa Safady, Vice Chancellor for External Relations, was deferred due to time constraints.

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

Dr. Keith McDowell, Vice Chancellor for Research and Technology Transfer, presented the annual report on research and technology transfer trends for The University of Texas System.

6. U. T. System: Approval to fund the Biodefense Postdoctoral Fellowship Program in partnership with Sandia National Laboratories

The Board approved \$625,000 of Intermediate Term Fund (ITF) proceeds to be distributed to The University of Texas Medical Branch at Galveston in Fiscal Years 2008 and 2009. The funds will support eight joint postdoctoral fellows in the Biodefense Postdoctoral Fellowship Program and will provide

support for a collaborative "grand challenge" project to be completed jointly by mentors at the U. T. Medical Branch – Galveston and Sandia National Laboratories (SNL).

In 2005, The University of Texas System (UTS) and SNL entered into a joint Memorandum of Understanding (MOU) to "provide the basis for implementing (1) an expanded and formalized relationship between Sandia and UTS that will assess and enhance performance excellence at Sandia National Laboratories, and (2) increased interactions and collaborations between individual staff, faculty, and students at Sandia and the institutions comprising UTS." U. T. System and SNL jointly created a roadmap for implementation of the MOU in December 2006 titled "Strategic Partnership Plan: Creating a National Agenda Together." The intent of the strategic plan is "to strengthen and deepen the relationship in the areas covered by the MOU" with an overarching goal "to achieve a greater mutual impact on national security issues." The strategic plan documents the joint plan with respect to Research Program Interfaces and Collaborations, Peer Review and Scientific Accountability, and Education and Transformation.

The total cost to seed the collaboration programs is \$1,875,000 of which \$625,000 will be funded from ITF proceeds. The remaining \$1,250,000 is being funded from the Regents' Research Scholars Program previously approved by the Board on November 16, 2006. Earnings on U. T. System Administration's operating cash invested in the ITF are pooled and any realized gains on these investments are centrally controlled. The Board of Regents has broad statutory authority and discretion to control, invest, and budget institutional funds including earnings from those funds for any purpose that furthers the mission of the U. T. System Administration or the institutions.

7. U. T. System Board of Regents: Approval to amend Regents' Rules and Regulations, Rule 10501, regarding Delegation to Act on Behalf of the Board, to add Section 4.16 to increase the Board's contract approval threshold

The Board amended the Regents' *Rules and Regulations*, Rule 10501, to add Section 4.16 regarding an increase in the Board's contract approval threshold to read as set forth below:

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

3.1 Contracts Exceeding \$1 Million. All contracts or agreements, with a cost or monetary value to the U. T. System or any of its institutions of more than \$1 million, unless exempted in Section 4 below.

...

Sec. 4 Contracts Not Requiring Board Approval. The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents regardless of the contract amount.

...

4.16 Increase in Board Approval Threshold. An institution's dollar threshold specified in Section 3.1 may be increased to up to \$5 million by the Vice Chancellor and General Counsel, after consultation with the General Counsel to the Board of Regents, if it is determined that the institution has the expertise to negotiate, review, and administer such contracts. Unless approved in advance by the Vice Chancellor and General Counsel, any increase will not apply to contracts or agreements designated as Special Procedure Contracts by the Vice Chancellor and General Counsel.

The University of Texas System Administration Policy UTS145, *Processing of Contracts*, currently sets U. T. System Office of General Counsel contract review thresholds for U. T. System institutions based on each institution's size, complexity, and legal staffing. Section 4.16 extends the same philosophy to Board contract approval thresholds and adds needed flexibility to Rule 10501.

Section 4.16 accommodates The University of Texas M. D. Anderson Cancer Center's pending request for an increase in its contract approval threshold from \$1 million to \$2.5 million.

8. U. T. System Board of Regents: Approval to amend Regents' Rules and Regulations, Rule 80103, regarding solicitation, to allow the marketing of products or services at specified events

The Regents' *Rules and Regulations*, Rule 80103, regarding solicitation, was amended to allow the marketing of products or services at specified events to read as set forth below:

2.21 Athletic Events, Professional Entertainment Touring Events, or Cultural or Historical Festivals or Exhibitions.

(a) Delegation. A president may designate a reasonable number of areas in a reasonable proximity to the exterior of a facility used for intercollegiate athletic events, professional entertainment touring

events, or occasional cultural or historical festivals or exhibitions, and may authorize such areas to be used for the display of motor-propelled vehicles and for the location of booths, tables, or kiosks to be used for the display of merchandise, the distribution of free samples of merchandise, and the display and distribution of printed material related to merchandise, products, or services. Such activities may be authorized only on the day before and the day or days of an intercollegiate athletic event, a professional entertainment touring event, a cultural or historical festival or exhibition, or an event that is related to athletics that takes place in the facility. The president may designate a reasonable number of areas inside a facility to be used for intercollegiate athletic events, professional entertainment touring events, or cultural or historical festivals or exhibitions for such activities if the safety officer of the institution approves the designation and use of the area. All persons engaged in or associated with such displays and distributions must conduct those activities in compliance with State law, the Regents' *Rules and Regulations*, and with other guidelines specified by the institution. Such persons may not make sales of or take orders for such vehicles, merchandise, products, or services. The institution shall charge an appropriate fee for the privilege of using such areas. Persons or entities that violate State law, the Regents' *Rules and Regulations*, or the applicable guidelines of the institution while using designated areas under this provision shall not be permitted to engage in activities under this provision for a period of one (1) year from the date of the violation.

In general, "solicitation" is prohibited on or in any university property, including prohibiting the sale of merchandise or the display of merchandise designed to encourage its purchase or use. There are a number of exceptions to the general rule, including an exception for athletic events that allows an institutional president to designate a reasonable number of areas near and inside a facility used for intercollegiate athletic events to be used to display motor-propelled vehicles and to locate booths to display merchandise, distribute free samples of merchandise, and display printed material related to merchandise or services. These activities may occur only on the day before and the day of the event. The amendment to Section 2.21 adds language that provides the same exception for professional entertainment touring events and cultural or historical festivals or exhibitions.

9. U. T. System Board of Regents: Adoption of Regents' Rules and Regulations, Rule 80112, regarding Residential Conference Centers

The Board adopted new Regents' *Rules and Regulations*, Rule 80112, regarding Residential Conference Centers to read as follows:

1. Title

Residential Conference Centers

2. Rule and Regulation

Sec. 1 Designation. The president of an institution may designate rules for a Residential Conference Center that includes rooms for overnight residential guests, rooms for conferences, banquets, and meetings, catering services, and conference and related programming services. The president shall cause to be prepared and submitted for approval, as a part of the *Handbook of Operating Procedures* of the institution, appropriate rules and regulations for the reservation and use of a Residential Conference Center.

Sec. 2 Rules for Use. The rules and regulations must restrict the reservation and use of such facilities in accordance with the following:

2.1 Designation. Designation as a Residential Conference Center shall not constitute the facility as a public facility or forum that is open to use by individuals, groups, associations, or corporations on a first-come, first-served basis.

2.2 Reservations. Priority in the reservation and use of facilities within a Residential Conference Center shall be given to programs and activities of the U. T. System or any of its institutions that are in furtherance of and related to the academic, educational, cultural, outreach, recreational, and athletic programs of the U. T. System or any of its institutions.

2.3 Use of Facilities. As a lower priority, the rules and regulations may provide for reservation and use of facilities within a Residential Conference Center by individuals, groups, associations, or corporations without the necessity of joint sponsorship by the U. T. System or any of its institutions and within accepted industry standards and the needs of the institution. Subject to all constitutional and statutory provisions relating to the use of State property or funds for religious or political purposes, facilities within a Residential Conference Center may be made available for religious and

political conferences, debates, or conventions. A Residential Conference Center may be used for purposes such as banquets or conferences by entities that use annual conferences or other similar activities to acquire operational funds for the entities. Rates for such use must be charged that, at a minimum, ensure recovery of that part of the operating cost of the Center attributable directly or indirectly to such use; provided, however, that the manager of the facility may grant complimentary rooms or food as is ordinary and customary in the operation of similar facilities for promotional or customer-relations purposes if it is reasonably necessary for the operation of the facility.

- 2.4 Rental. The rules and regulations applicable to a Residential Conference Center may provide for the rental of space for display of advertising and the display of samples of merchandise in designated areas inside the Residential Conference Center that have been approved by the president of the institution or his or her delegate, and for advertising by displays on a message center inside the Center or on the Center's outdoor electronic marquee, message center, or other signage. A Conference Center retail store operation for goods related to conferences or guest services as well as sales of books, other educational products, software, or related products within the Conference Center shall be allowed and considered within Section 2.5 of Rule 80103 on Solicitation.

U. T. Austin is expected to open the AT&T Executive Education and Conference Center in August 2008. The Center will have 297 overnight residential rooms, one ballroom, 22 meeting rooms, 11 classrooms, and one auditorium and will be used extensively by the University, especially the McCombs School of Business. There will be occasions when the Center will be available for conferences and meetings by other groups that have an association with the University and/or higher education, the greater Austin community, and others, as appropriate. This new Rule authorizes The University of Texas at Austin (and any other University of Texas System institution that may establish a residential conference center in the future) to promulgate rules for such uses. This Rule specifies parameters for use that are similar to those for Special Use Facilities (Rule 80106) but eliminates some of the restrictions on certain philanthropic activities and on professional educational, research, or related organizations that use annual conferences or other similar activities to acquire operational funds.

10. U. T. System Board of Regents: Discussion of The University of Texas Investment Management Company (UTIMCO) Code of Ethics

Mr. Bruce Zimmerman, CEO and CIO of The University of Texas Investment Management Company (UTIMCO), led a discussion of proposed changes to the UTIMCO Code of Ethics as discussed at UTIMCO's Audit and Ethics Committee meeting on April 15, 2008, and at the UTIMCO Board of Directors meeting on April 25, 2008. Action on revisions to the Code are expected to come before the Board at a future meeting.

Mr. Zimmerman said the most significant potential change relates to a common investment rule to revise the Code of Ethics to permit UTIMCO Directors to invest in the same Private Investments as UTIMCO. Pecuniary interest prohibitions would remain in place and Directors' investments would be disclosed. No favorable terms would be available to Directors. In the event an investment came to the UTIMCO Board of Directors for approval, the co-invested Directors would recuse themselves from discussion and vote on the investment decision. Mr. Zimmerman said the rule does not exist in other state institutions and could discourage an outstanding director from serving.

Discussion followed Regent Longoria's expressed concern about how to manage the perception to make clear that Directors would not benefit from UTIMCO investments. Vice Chairman Rowling said such a rule is not normal and, for background, he explained that UTIMCO did not have open meetings in the past. Regent Foster said the rule was probably set to avoid a conflict of interest but actually sets up such a conflict. He suggested that amending the Code would make the rule more flexible. Regent Gary and Regent McHugh both said they support the change.

The current Code of Ethics was reviewed by the UTIMCO Board in May 2006 and approved by the U. T. System Board of Regents on July 13, 2006.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 12:00 p.m., the Board recessed for meetings of the Standing Committees, and Acting Chairman Rowling announced the Board would reconvene to approve the report and recommendations of the committees.

The meetings of the Standing Committees were conducted in open session, and the reports and recommendations thereof are set forth on Pages 15 - 101.

REPORT AND RECOMMENDATIONS OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Page 15).--Committee Chairman Foster reported the Audit, Compliance, and Management Review Committee had no matters to consider on its agenda.

1. U. T. System: Discussion of Governmental Accounting Standards Board 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions

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

2. U. T. System: Report on the System-wide internal audit activities and Internal Audit Department report for U. T. Tyler

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

3. U. T. Tyler: Report on the institutional compliance program

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

4. U. T. Dallas: Report on the institutional compliance program

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

5. U. T. System: Report on System-wide institutional compliance activities, including System-wide information security

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 16 – 42).--Committee Chairman Rowling reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Approval of Docket No. 134

The Board approved *Docket No. 134* in the form distributed by the General Counsel to the Board of Regents. It is attached following Page 102 in the official copy of the *Minutes* and is made a part of the record of this meeting.

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

Appointment of Kenneth I. Shine, Executive Vice Chancellor for Health Affairs, as Chancellor ad interim on Page Docket – 2 was approved. Notice of the docket action related to approval of the letter agreement with Chancellor Mark G. Yudof as Advisor to the Chancellor (also on Page Docket – 2) has been provided to the Legislative Budget Board.

As required by *Texas Government Code* Section 669.003 concerning contracts with an entity employing a former president, the Legislative Budget Board has also been advised of the agreement related to a gift from the Houston Endowment received by The University of Texas Health Science Center at Houston on Page Docket – 37. Former University of Texas at Austin President Larry Faulkner is President of Houston Endowment, Inc., and serves on the Board of Directors.

To avoid any appearance of a possible conflict of interest, Regent Foster abstained from voting on the contract between The University of Texas at Dallas and Time Warner Cable on Page Docket – 20 because of stockholdings. Regent Barnhill, who was absent, also has Time Warner holdings.

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

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

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

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

4. U. T. System: Results of standardization of banking services for U. T. System institutions

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

5. U. T. System: Discussion concerning new Capital Expenditure Policy and authorization to make conforming changes to the Regents' *Rules and Regulations*, Rules 80301, 80303, 80402, and 80404 effective July 1, 2008

The Board reviewed the proposed new University of Texas System Capital Expenditure Policy and authorized conforming changes to the Regents' *Rules and Regulations*, Rules 80301, 80303, 80402, and 80404 as set out on Pages 19 – 29 to effect the Policy changes. The Capital Expenditure Policy and Regents' *Rules* changes are to be effective July 1, 2008. (See the Agenda materials for a copy of the Capital Expenditure Policy.)

The Capital Expenditure Policy proposes to consolidate various capital review and approval processes and procedures into one U. T. System-wide policy. In addition, the new policy would streamline the capital process, make it more understandable, and would implement certain recommendations from the Board of Regents.

The major effects of the policy are as follows:

- a. Consolidate various capital-related processes and procedures into one policy.
- b. Eliminate the biennial Capital Improvement Program (CIP) adoption process. In reality, the CIP is a dynamic program that is updated at least quarterly as new projects are approved, amended, or deleted. The Board of Regents would receive formal updates annually on the status of the CIP rather than biennially.
- c. Create a more concise Project Planning Form that incorporates project metrics.
- d. Require that Permanent University Fund (PUF) debt funding lapse if construction has not commenced on a project within 36 months of approval by the Board of Regents, unless extended for one year by the Chancellor.

- e. Require that unexpended PUF Library, Equipment, Repair and Rehabilitation (LERR) debt funding lapse six months after the fiscal year in which it is approved, unless extended for one year by the Controller.
- f. Expand the scope of the CIP to include Repair and Rehabilitation projects funded with PUF LERR debt, regardless of the amount.
- g. Implement a formal gift funding procedure that requires the use of Revenue Financing System (RFS) debt capacity to "backstop" gift funding that has not been received or committed (as evidenced by a signed gift instrument) at the time of final Board of Regents' approval.
- h. Expand the authority of institutions to expend institutional funds on preliminary (i.e., design and development) project costs from 3% to 5% of total project costs.

1. Title

Capital Improvement Program

2. Rule and Regulation

- Sec. 1 Annual Status Report. The University of Texas System Administration will maintain a Capital Improvement Program (CIP) on an ongoing basis. Although the CIP is a dynamic document subject to change throughout the year, a report detailing the current status of the CIP will be formally presented to the Board of Regents annually.
- Sec. 2 Contents of Program. The CIP will consist of a six-year projection of major new construction and repair and rehabilitation projects (Major Projects) to be implemented and funded from institution and System-wide revenue sources. The CIP should be a current reflection of the institutions' continuous processes of strategic planning and master planning for institutional programs, as well as for the future development and preservation of the physical plant of the campuses.
- Sec. 3 Modifications to the CIP. The CIP is subject to modification at any Board of Regents' meeting. Candidate projects will routinely be added to the CIP, and project information such as funding sources, project cost, and delivery dates will routinely be revised. For Major Projects seeking Board action, the institutional president may submit a request for inclusion on the Board of Regents' agenda, accompanied by a Project Planning Form. Requests to add to or modify the CIP will be reviewed in accordance with the processes adopted in the CIP.
- Sec. 4 Preliminary Cost Expenditures for Major Projects. Addition of a project to the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds up to 5% of the anticipated total project cost to develop the formal Facility Program document, select the project architect, and develop preliminary project plans. Requests to expend funds in excess of the amount equal to 5% but not more than 10% of the anticipated total project cost shall be reviewed and approved by the Executive Vice Chancellor for Business Affairs. These funds will be provided by the institution initially but will be

reimbursed to the institution from applicable project funds upon design development approval or upon Texas Higher Education Coordinating Board approval (if applicable), whichever is later.

Sec. 5 Institutional Management of a Major Project. Addition of a project to the CIP includes authorization of institutional management of Major Projects so designated in the CIP. Requests for institutional management shall be reviewed and approved by the Associate Vice Chancellor for Facilities Planning and Construction. Projects approved for institutional management will be included in the CIP. Projects designated for institutional management shall follow the process, authority, and approvals as outlined in Rule 80404 of the Regents' *Rules and Regulations* for the full amount stipulated in the CIP.

Sec. 6 Feasibility and Planning Studies. For projects included in the CIP and identified as feasibility studies or planning studies, adoption of the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds for the full amount stipulated in the CIP. These funds will be provided by the institution initially but will be reimbursed to the institution from future CIP funds allocated for projects related to the studies after design development approval and appropriation of project funds by the Board of Regents.

3. Definitions

Major Project – Any project that meets one or more of the following criteria: 1) new building construction with a value of more than \$1 million, 2) road, paving, and repair and rehabilitation projects with a value of more than \$2 million, 3) any project determined by the Board to be architecturally or historically significant, 4) any project that is debt financed [Revenue Financing System (RFS), Tuition Revenue Bond (TRB), Permanent University Fund (PUF)] regardless of dollar value, and 5) any campus planning efforts that are intended to result in a capital project meeting one or more of these criteria.

1. Title

Use of the Available University Fund

2. Rule and Regulation

Sec. 1 Impact of Spending. Any staff recommendation to appropriate funds from the Available University Fund (AUF), or from Permanent University Fund (PUF) Bond Proceeds, will be presented in the context of that appropriation's impact on: (a) AUF funding for the support and maintenance of U. T. Austin, (b) bond ratings, and (c) projected AUF balances. These impacts will be considered to provide a consistent and dependable level of funding and to maintain the highest possible credit ratings.

Sec. 2 Required Reports. To determine the appropriate level of spending of the AUF, the following reports will be provided to the Board of Regents:

- 2.1 A forecast of at least six years of the income and expenditures of the AUF will be presented at each meeting of the Board of Regents' Finance and Planning Committee by the Office of Finance. Quarterly, The University of Texas Investment Management Company (UTIMCO) shall provide to the Office of Finance a forecast of the PUF distributions to the AUF that will be the basis of the AUF forecast. Included as part of the AUF forecast will be the projected amount of remaining PUF debt capacity calculated in accordance with this policy.
- 2.2 In conjunction with the annual U. T. System budget process, UTIMCO shall recommend to the Board of Regents in May of each year an amount to be distributed to the AUF during the next fiscal year. UTIMCO's recommendation on the annual distribution shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each year.
- 2.3 The CIP will include an estimated start date for each project that will be based on the criteria set forth in Section 3.2 below, project readiness, projected fund availability, and relative urgency of need for the completed project.

- Sec. 3 Individual Projects. The following items will be done when preparing requests of AUF expenditures:
- 3.1 As a part of each agenda item requesting approval of AUF expenditures or PUF funded projects, a statement indicating compliance with this policy based on the most recent forecast shall be included.
 - 3.2 In preparing recommendations for projects to be approved, staff will be guided by the following justification criteria:
 - (a) consistency with institution's mission;
 - (b) project need;
 - (c) unique opportunity;
 - (d) matching funds/leverage;
 - (e) cost effectiveness;
 - (f) state of existing facility condition; and
 - (g) other available funding sources.
 - 3.3 No project will be recommended for approval, if in any of the forecasted years the required appropriations from the AUF or PUF bond proceeds would cause:
 - (a) the forecasted AUF expenditures for program enrichment at U. T. Austin to fall below 45% of the sum of the projected U. T. System share of the net divisible AUF annual income and interest income on AUF balances [subject to the limits imposed by (b) and (c) below];
 - (b) debt service coverage to be less than 1.50:1.00; and
 - (c) the forecasted end of year AUF balance to be less than \$30 million.

- Sec. 4 System Administration Budget. Operating expenditures of the U. T. System Administration will be carefully controlled to maximize the opportunity to meet the capital needs of the institutions of the U. T. System and the operating budget needs of U. T. Austin. Wherever possible, alternate funding from institutions, State funds, or other sources will be sought. Programs for which alternative funding cannot be obtained will be evaluated for possible reductions or phase-out.

1. Title

Major Construction and Repair and Rehabilitation Projects

2. Rule and Regulation

Sec. 1 Contract Authorization - Architects. Subject to Regents' *Rules and Regulations*, Rule 80301 and Rule 10501, and Sections 2, 3, 4, and 5 below, and except as otherwise specified in these *Rules and Regulations*, the Executive Vice Chancellor for Business Affairs, with the advice of the Associate Vice Chancellor for Facilities Planning and Construction and the institutional president, is authorized to appoint architects and execute contracts for professional services.

Sec. 2 Contract Authorization - Construction. The Executive Vice Chancellor for Business Affairs is authorized to execute construction and related contracts for all new construction projects and for all major repair and rehabilitation projects that have previously been approved or authorized by the Board of Regents in the Capital Improvement Program (CIP).

Sec. 3 Authorization to Expend Funds Appropriated in the CIP.

3.1 The Chancellor will approve the Design Development Plans for all major repair and rehabilitation projects that are not architecturally or historically significant and authorize expenditure of appropriated funds. The executive officers and institution presidents shall be responsible for identifying special interest projects to the Facilities Planning and Construction Committee.

3.2 The Board of Regents will approve the Design Development Plans for all Major Projects other than repair and rehabilitation projects that are not architecturally or historically significant and authorize expenditure of appropriated funds. The executive officers and institution presidents shall be responsible for identifying special interest projects to the Facilities Planning and Construction Committee.

Sec. 4 Approval for Excess Costs. Project costs that exceed 10% of the Total Project Cost approved by the Board of Regents or \$500,000, whichever is greater, must be approved by the Board.

- Sec. 5 Standardized Contracts. Construction contracts executed and delivered on behalf of the Board of Regents for Major Projects shall comply with guidelines issued by the U. T. System Administration's Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.
- Sec. 6 Contract Management. The Associate Vice Chancellor for Facilities Planning and Construction shall approve the construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; sign change orders; and provide general supervision of all Major Projects.
- Sec. 7 Authority to Increase Project Cost. The Chancellor, with the advice of the appropriate Executive Vice Chancellor, Office of Finance, and institution president, is authorized to increase the approved Total Project Cost not more than 10%. To provide funding for the increase, the Chancellor may reallocate funding between or among approved projects at a single institution if funding for such projects has previously been authorized or approved funding from some other source available to the institution.
- Sec. 8 Facility Program. A facility program shall be prepared for all Major Projects in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction. The facility program must be approved by the president of the institution.
- Sec. 9 Adherence with Campus Master Plan. Requests for Qualifications (RFQs) issued to solicit responses from interested architects will include a requirement that the architect evidence agreement to adhere to the approved Campus Master Plan and a set of criteria applicable to the facility program and the needs of the institution.
- Sec. 10 Preparation of Design Development Plans. After approval of the facility program, the Associate Vice Chancellor for Facilities Planning and Construction is authorized to give the project

architect, engineer, or design-build contractor the facility program and the Campus Master Plan and to direct the preparation of schematic plans, exterior design, site plans, cost estimates, and other necessary and appropriate documents ("Schematic Plans") and Design Development Plans, elevations, and sections, outline specifications, cost estimates, and other related work to establish the scope, design, dimensions, and materials of the project in greater detail ("Design Development Plans"). Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board. The project architect, engineer, or design-build contractor shall work with the Ad Hoc Project Building Committee, if any, and the Office of Facilities Planning and Construction, with regard to architectural design and construction projects.

Sec. 11 Construction Documents. After approval of the Design Development Plans, the Associate Vice Chancellor for Facilities Planning and Construction is authorized to direct the preparation of the working drawings and specifications ("Construction Documents").

3. Definitions

Facility Program – A project planning document that organizes and summarizes client needs and programmatic information needed to design a capital project. It is generated through a process of collecting, analyzing, synthesizing, and documenting significant requirements for a Project prior to proceeding into the Design Phase.

Major Project – Any project that meets one or more of the following criteria: 1) new building construction with a value of more than \$1 million, 2) road, paving, and repair and rehabilitation projects with a value of more than \$2 million, 3) any project determined by the Board to be architecturally or historically significant, 4) any project that is debt financed [Revenue Financing System (RFS), Tuition Revenue Bond (TRB), Permanent University Fund (PUF)] regardless of dollar value, and 5) any campus planning efforts that are intended to result in a capital project meeting one or more of these criteria.

1. Title

Institutional Management of Major Construction and Repair and Rehabilitation Projects

2. Rule and Regulation

Sec. 1 Contract Authorization - Architects. Subject to Regents' *Rules and Regulations*, Rule 80301 and Rule 10501, and Sections 2, 3, 4, and 5 below, and except as otherwise specified in these *Rules and Regulations*, the institutional president, with the advice of the appropriate Executive Vice Chancellor, is authorized to appoint architects and execute contracts for professional services.

Sec. 2 Contract Authorization - Construction. The institutional president is authorized to execute construction and related contracts for all new construction projects and for all major repair and rehabilitation projects that have previously been approved or authorized for institutional management by the Board of Regents in the Capital Improvement Program (CIP).

Sec. 3 Standardized Contracts. Construction contracts executed and delivered on behalf of the Board of Regents for Major Projects shall comply with guidelines issued by the U. T. System Administration Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.

Sec. 4 Authorization to Expend Funds Appropriated in the CIP.

4.1 The institution president will approve the Design Development Plans for all major repair and rehabilitation projects that are not architecturally or historically significant and authorize expenditure of appropriated funds. The executive officers and institution presidents shall be responsible for identifying special interest projects to the Facilities Planning and Construction Committee.

- 4.2 The Board of Regents will approve the Design Development Plans for all Major Projects other than repair and rehabilitation projects that are not architecturally or historically significant and authorize expenditure of appropriated funds. The executive officers and institution presidents shall be responsible for identifying special interest projects to the Facilities Planning and Construction Committee.
- Sec. 5 Approval for Excess Costs or Material Change. Project costs that exceed 10% of the Total Project Cost approved by the Board of Regents or \$500,000, whichever is greater, must be approved by the Board.
- Sec. 6 Contract Management. The institutional president shall approve the construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; sign change orders; and provide general supervision of all Major Projects.
- Sec. 7 Authority to Increase Project Cost. The institutional president with the advice of the appropriate Executive Vice Chancellor, is authorized to increase the approved Total Project Cost not more than 10%. To provide funding for the increase, the institutional president may reallocate funding between or among approved projects at the institution if funding for such projects has previously been authorized or is from some other source of approved funds available to the institution.
- Sec. 8 Facility Program. A facility program shall be prepared in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction. The facility program must be approved by the president of the institution.
- Sec. 9 Adherence with Campus Master Plan. Requests for Qualifications (RFQs) issued to solicit responses from interested architects will include a requirement that the architect evidence agreement to adhere to the approved Campus Master Plan and a set of criteria applicable to the facility program and the needs of the institution.

- Sec. 10 Preparation of Design Development Plans. After approval of the facility program, the institutional president is authorized to give the project architect, engineer, or design-build contractor the facility program and the Campus Master Plan and to direct the preparation of schematic plans, exterior design, site plans, cost estimates, and other necessary and appropriate documents ("Schematic Plans") and Design Development Plans, elevations, and sections, outline specifications, cost estimates, and other related work to establish the scope, design, dimensions, and materials of the project in greater detail ("Design Development Plans"). Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board. The project architect, engineer, or design-build contractor shall work with the Ad Hoc Project Building Committee, if any, and the institutional president with regard to architectural design and construction projects.
- Sec. 11 Construction Documents. After approval of the Design Development Plans, the institution president is authorized to direct the preparation of the working drawings and specifications ("Construction Documents").

3. Definitions

Facility Program – A project planning document that organizes and summarizes client needs and programmatic information needed to design a capital project. It is generated through a process of collecting, analyzing, synthesizing and documenting significant requirements for a Project prior to proceeding into the Design Phase.

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6. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 29, 2008

The February 29, 2008, UTIMCO Performance Summary Report is set forth on Page 31.

The Investment Reports for the fiscal quarter ended February 29, 2008, are set forth on Pages 32 – 35.

Item I on Page 32 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was (1.98%) and 1.81% for the first half of the fiscal year versus its composite benchmark returns of (2.37%) and 1.17%, respectively. The PUF's net asset value decreased by \$255 million since the beginning of the quarter to \$11,906 million. This change in net asset value includes contributions from PUF land receipts and negative net investment returns, and the second payment of the annual distribution to the Available University Fund (AUF) for \$112 million.

Item II on Page 33 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was (1.89%) and 2.00% for the first half of the fiscal year versus its composite benchmark returns of (2.37%) and 1.17%, respectively. The GEF's net asset value decreased during the quarter to \$6,599 million.

Item III on Page 34 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was (.64%) and 3.60% for the first half of the fiscal year versus its composite benchmark returns of (1.6%) and 1.69%, respectively. The net asset value has increased to \$3,937 million due to net contribution of \$151 million less net investment return of (\$23 million) and distributions of \$29 million.

Item IV on Page 35 presents book and market value of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, decreased by \$20 million to \$1,495 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$28 million versus \$28 million at the beginning of the period; equities: \$58 million versus \$65 million at the beginning of the period; and other investments: \$.05 million versus \$.04 million at the beginning of the period.

UTIMCO Performance Summary

February 29, 2008

	Net Asset Value 2/29/2008 (in Millions)	Periods Ended February 29, 2008 (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
ENDOWMENT FUNDS									
Permanent University Fund	\$ 11,906	1.64	(1.98)	1.81	(1.82)	8.86	11.32	15.21	8.17
General Endowment Fund		1.58	(1.89)	2.00	(1.79)	9.26	11.51	15.48	N/A
Permanent Health Fund	1,101	1.61	(1.85)	2.01	(1.74)	9.14	11.42	15.37	N/A
Long Term Fund	5,497	1.61	(1.85)	2.02	(1.74)	9.15	11.43	15.39	8.69
Separately Invested Funds	192	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	18,696								
OPERATING FUNDS									
Short Term Fund	1,390	0.31	1.14	2.45	0.71	5.20	4.66	3.30	3.92
Intermediate Term Fund	3,937	1.21	(0.64)	3.60	(0.54)	7.42	N/A	N/A	N/A
Total Operating Funds	5,327								
Total Investments	\$ 24,023								
VALUE ADDED									
Permanent University Fund		0.81	0.39	0.64	0.36	2.14	0.25	2.22	0.05
General Endowment Fund		0.75	0.48	0.83	0.39	2.54	0.44	2.49	N/A
Short Term Fund		0.16	0.20	0.35	0.06	0.34	0.25	0.14	0.17
Intermediate Term Fund		0.59	0.96	1.91	0.62	4.08	N/A	N/A	N/A

Footnotes available upon request.

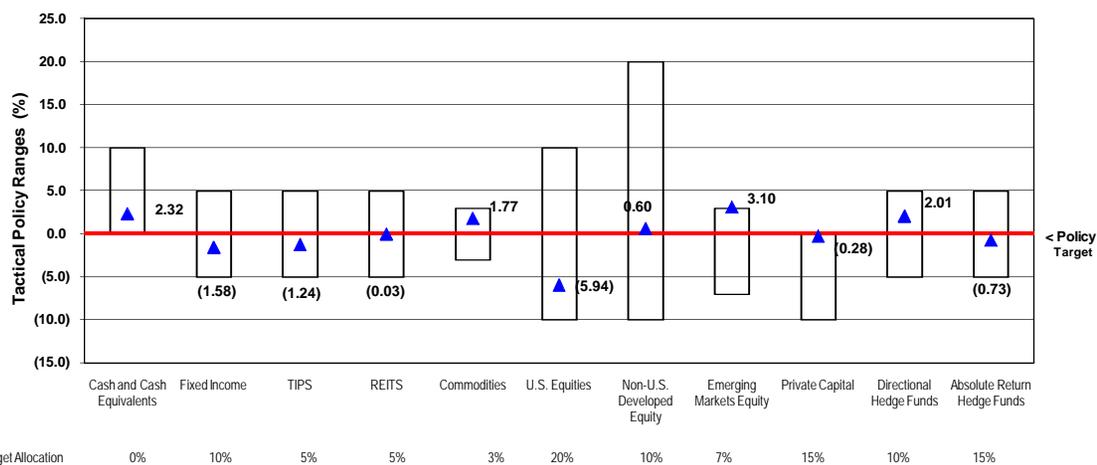
I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended February 29, 2008

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

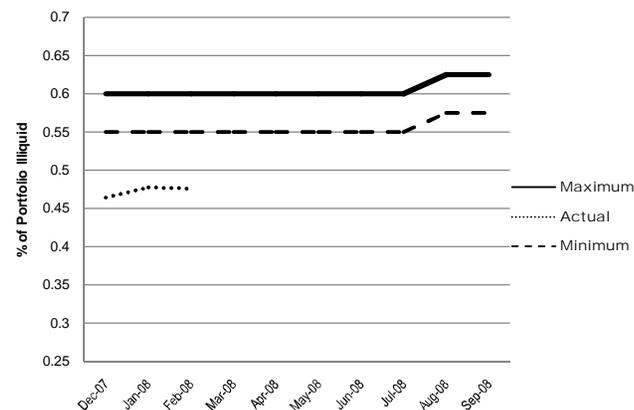
<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2007	Quarter Ended February 29, 2008	Fiscal Year to Date Ended February 29, 2008
Beginning Net Assets	\$ 10,313.4	\$ 12,160.7	\$ 11,742.8
PUF Lands Receipts	272.8	89.4	170.7
Investment Return	1,639.8	(227.1)	242.5
Expenses	(82.5)	(4.9)	(25.7)
Distributions to AUF	(400.7)	(112.3)	(224.5)
Ending Net Assets	<u>\$ 11,742.8</u>	<u>\$ 11,905.8</u>	<u>\$ 11,905.8</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	2.45%	2.10%	-0.11%	0.00%	-0.11%
Fixed Income	7.91%	5.67%	-0.12%	0.22%	0.10%
TIPS	11.76%	11.94%	-0.14%	-0.01%	-0.15%
REITS	-11.72%	-14.03%	0.01%	0.13%	0.14%
Commodities	36.40%	35.23%	0.35%	0.03%	0.38%
U.S. Equities	-10.61%	-8.81%	0.25%	-0.41%	-0.16%
Non-U.S. Developed Equity	-4.53%	-4.71%	-0.03%	0.02%	-0.01%
Emerging Markets Equity	9.90%	8.15%	0.09%	0.07%	0.16%
Private Capital	2.72%	8.99%	0.03%	-0.91%	-0.88%
Directional Hedge Funds	9.24%	0.31%	0.08%	0.87%	0.95%
Absolute Return Hedge Funds	1.89%	0.31%	-0.02%	0.24%	0.22%
Total	1.81%	1.17%	0.39%	0.25%	0.64%

**Deviations From Policy Targets Within Tactical Policy Ranges
As of February 29, 2008**



**Permanent University Fund
Actual Illiquidity vs. Trigger Zones**



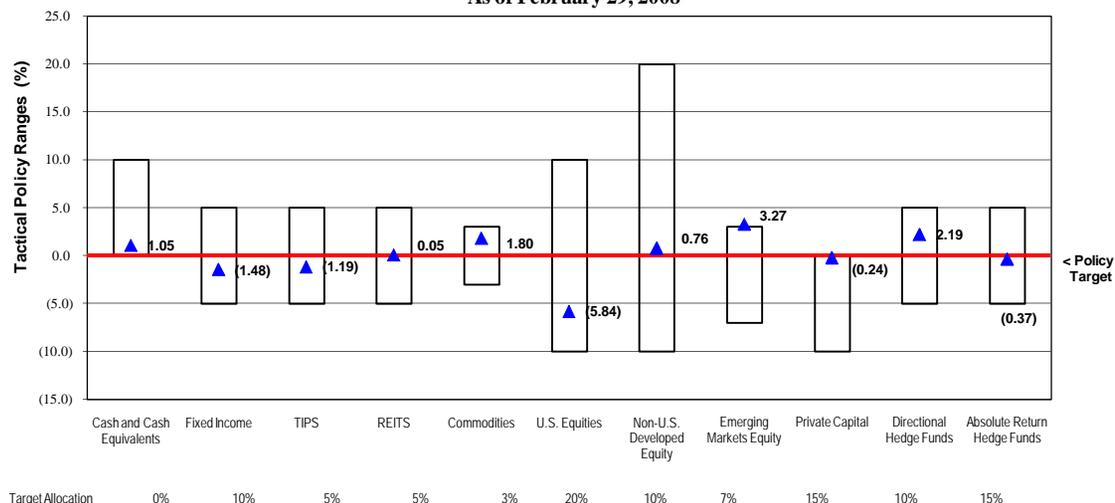
II. GENERAL ENDOWMENT FUND Investment Reports for Periods Ended February 29, 2008

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

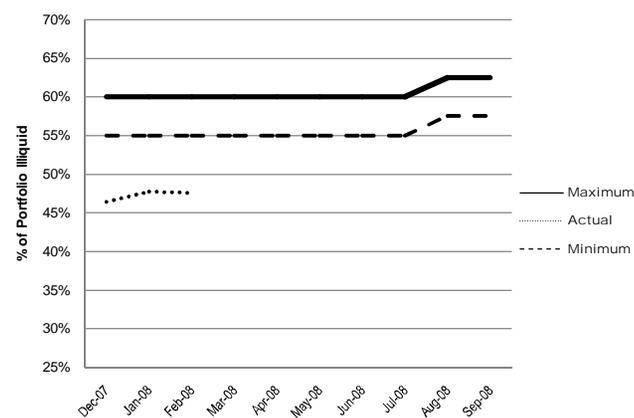
<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2007	Quarter Ended February 29, 2008	Fiscal Year to Date Ended February 29, 2008
Beginning Net Assets	\$ 5,427.8	\$ 6,717.7	\$ 6,433.1
Contributions	360.7	70.0	160.4
Withdrawals	(6.2)	(0.4)	(0.7)
Distributions	(239.6)	(64.2)	(127.7)
Investment Return	928.5	(122.5)	144.4
Expenses	(38.1)	(1.7)	(10.6)
Ending Net Assets	<u>\$ 6,433.1</u>	<u>\$ 6,598.9</u>	<u>\$ 6,598.9</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	2.45%	2.10%	-0.12%	0.00%	-0.12%
Fixed Income	7.93%	5.67%	-0.11%	0.22%	0.11%
TIPS	11.78%	11.94%	-0.16%	-0.01%	-0.17%
REITS	-11.56%	-14.03%	0.02%	0.14%	0.16%
Commodities	35.96%	35.23%	0.36%	0.03%	0.39%
U.S. Equities	-10.60%	-8.81%	0.15%	-0.40%	-0.25%
Non-U.S. Developed Equity	-4.44%	-4.71%	0.02%	0.03%	0.05%
Emerging Markets Equity	9.75%	8.15%	0.13%	0.07%	0.20%
Private Capital	3.71%	8.99%	0.00%	-0.76%	-0.76%
Directional Hedge Funds	9.25%	0.31%	0.10%	0.88%	0.98%
Absolute Return Hedge Funds	1.89%	0.31%	0.00%	0.24%	0.24%
Total	2.00%	1.17%	0.39%	0.44%	0.83%

**Deviations From Policy Targets Within Tactical Policy Ranges
As of February 29, 2008**



**General Endowment Fund
Actual Illiquidity vs. Trigger Zones**



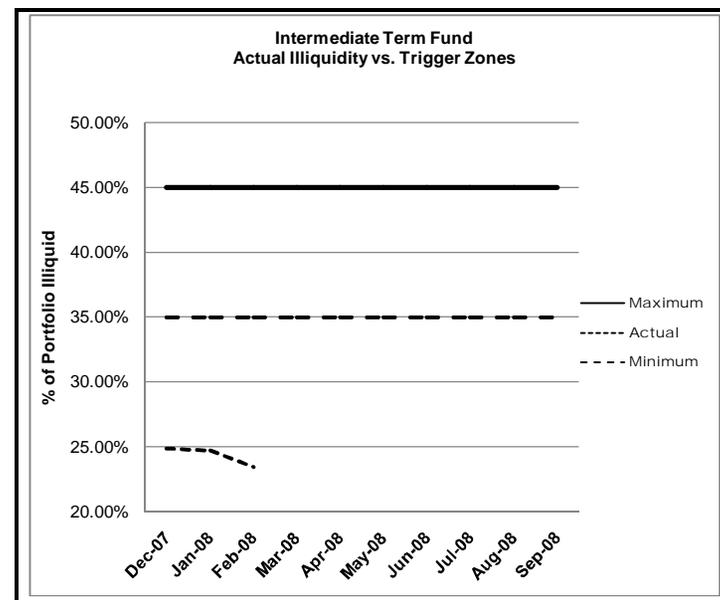
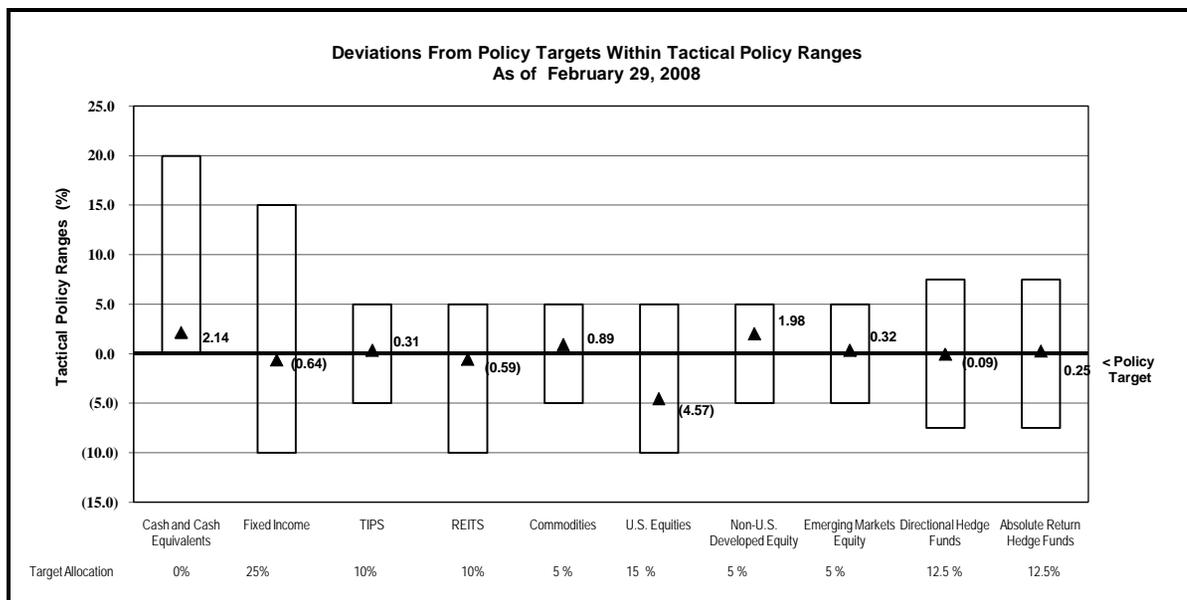
III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 29, 2008

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

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2007	Quarter Ended February 29, 2008	Fiscal Year to Date Ended February 29, 2008
Beginning Net Assets	\$ 3,048.8	\$ 3,837.5	\$ 3,720.6
Contributions	664.6	220.5	1,235.9
Withdrawals	(228.6)	(69.5)	(1,101.8)
Distributions	\$ (104.0)	\$ (29.0)	\$ (58.1)
Investment Return	377.4	(18.9)	152.6
Expenses	(37.6)	(3.7)	(12.3)
Ending Net Assets	<u>\$ 3,720.6</u>	<u>\$ 3,936.9</u>	<u>\$ 3,936.9</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Value Added Total
Cash and Cash Equivalents	2.45%	2.10%	-0.03%	0.00%	-0.03%
Fixed Income	6.99%	5.67%	-0.03%	0.32%	0.29%
TIPS	11.78%	11.94%	-0.01%	-0.02%	-0.03%
REITS	-11.93%	-14.03%	-0.03%	0.24%	0.21%
Commodities	35.70%	35.23%	0.06%	0.02%	0.08%
U.S. Equities	-8.99%	-8.81%	0.21%	-0.03%	0.18%
Non-U.S. Developed Equity	-4.42%	-4.71%	0.00%	0.01%	0.01%
Emerging Markets Equity	7.72%	8.15%	-0.04%	-0.04%	-0.08%
Directional Hedge Funds	9.26%	0.31%	-0.04%	1.11%	1.07%
Absolute Return Hedge Funds	2.00%	0.31%	0.00%	0.21%	0.21%
Total	3.60%	1.69%	0.09%	1.82%	1.91%

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IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at February 29, 2008
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	CURRENT PURPOSE		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (SHORT TERM FUND)		TOTAL	
	DESIGNATED															
Cash & Equivalents:	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>
Beginning value 11/30/07	2,033	2,033	2,950	2,950	39,946	39,946	7,274	7,274	4,186	4,186	56,389	56,389	1,458,678	1,458,678	1,515,067	1,515,067
Increase/(Decrease)	(55)	(55)	(242)	(242)	47,839	47,839	(462)	(462)	1,673	1,673	48,753	48,753	(68,933)	(68,933)	(20,180)	(20,180)
Ending value 02/29/08	1,978	1,978	2,708	2,708	87,785	87,785	6,812	6,812	5,859	5,859	105,142	105,142	1,389,745	1,389,745	1,494,887	1,494,887
Debt Securities:																
Beginning value 11/30/07	-	-	264	239	12,976	13,727	13,807	14,254	-	-	27,047	28,220	-	-	27,047	28,220
Increase/(Decrease)	-	-	-	10	(308)	(157)	(9)	260	-	-	(317)	113	-	-	(317)	113
Ending value 02/29/08	-	-	264	249	12,668	13,570	13,798	14,514	-	-	26,730	28,333	-	-	26,730	28,333
Equity Securities:																
Beginning value 11/30/07	24	3,900	571	619	33,079	39,267	15,745	21,241	-	-	49,419	65,027	-	-	49,419	65,027
Increase/(Decrease)	-	(1,295)	(128)	(202)	445	(3,626)	2,737	(1,776)	-	-	3,054	(6,899)	-	-	3,054	(6,899)
Ending value 02/29/08	24	2,605	443	417	33,524	35,641	18,482	19,465	-	-	52,473	58,128	-	-	52,473	58,128
Other:																
Beginning value 11/30/07	-	-	146	146	1	1	300	116	130	130	577	393	-	-	577	393
Increase/(Decrease)	-	-	134	134	7	7	5	13	(40)	(40)	106	114	-	-	106	114
Ending value 02/29/08	-	-	280	280	8	8	305	129	90	90	683	507	-	-	683	507
Total Assets:																
Beginning value 11/30/07	2,057	5,933	3,931	3,954	86,002	92,941	37,126	42,885	4,316	4,316	133,432	150,029	1,458,678	1,458,678	1,592,110	1,608,707
Increase/(Decrease)	(55)	(1,350)	(236)	(300)	47,983	44,063	2,271	(1,965)	1,633	1,633	51,596	42,081	(68,933)	(68,933)	(17,337)	(26,852)
Ending value 02/29/08	2,002	4,583	3,695	3,654	133,985	137,004	39,397	40,920	5,949	5,949	185,028	192,110	1,389,745	1,389,745	1,574,773	1,581,855

Details of individual assets by account furnished upon request.

7. U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund

The Board concurred in the recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO) that

- a. the fiscal year distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be increased by 18.3% from \$448,942,761 to \$530,932,622 effective September 1, 2008. The distribution is an amount equal to 5.0% of the trailing 12-quarter average of the net asset value of the PUF. The increase in the distribution is a direct result of the increase in the market value of the PUF, as reflected in the trailing 12-quarter average ending February 29, 2008;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0511 per unit to \$0.0528 per unit for Fiscal Year 2009 (effective with November 30, 2008 distribution);
- c. the distribution rate for The University of Texas System Long Term Fund (LTF) be increased from \$0.2929 per unit to \$0.3024 per unit for Fiscal Year 2009 (effective with November 30, 2008 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2009.

The PUF Investment Policy states that the annual distribution from the PUF to the AUF shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each fiscal year. A change to the PUF Investment Policy approved by the U. T. System Board of Regents on February 7, 2008, allows the distribution rate to be 5% of the trailing 12-quarter average if the average annual rate of return of the PUF investments over the trailing 12 quarters exceeds the Expected Return by 25 basis points or more. "Expected Return" is the Expected Annual Return or Benchmarks set out in Exhibit A to the PUF Investment Policy Statement.

As shown in the table on the following page, the average annual return of the PUF investments for the trailing 12 quarters ending February 29, 2008, has exceeded the Expected Return by 25 basis points or more (.25%) as set out in Exhibit A to the PUF Investment Policy Statement.

	<u>Trailing 12 Quarters Ending February 29, 2008</u>	<u>Expected Return</u>	<u>Excess Return</u>
Average Annual Rate of Return	11.32%	8.34%	2.98%

Therefore, as outlined in the PUF Investment Policy, the amount to be distributed from the PUF for Fiscal Year 2008-2009 is \$530,932,622 as calculated below:

<u>Quarter Ended</u>	<u>Net Asset Value</u>
5/31/2005	\$ 8,899,839,516
8/31/2005	9,426,742,792
11/30/2005	9,564,640,080
2/28/2006	9,798,633,228
5/31/2006	10,028,861,545
8/31/2006	10,313,393,571
11/30/2006	10,760,220,191
2/28/2007	11,058,603,363
5/31/2007	11,763,605,335
8/31/2007	11,742,780,402
11/30/2007	12,160,738,716
2/29/2008	11,905,770,605
	<u>\$ 127,423,829,344</u>
Number of quarters	<u>12</u>
Average Net Asset Value	\$ 10,618,652,445
Distribution Percentage	<u>5.00%</u>
FY 2008-09 Distribution	<u>\$ 530,932,622</u>

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the U. T. System Board of Regents in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the U. T. System Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The distribution of \$530,932,622 is substantially greater than PUF Bonds Debt Service of \$189,364,986 projected for FY 2008-2009.

<u>System</u>	<u>Debt Service</u>
U. T.	\$ 110,464,986
TAMU	<u>78,900,000</u>
Total	\$ 189,364,986

Sources: U. T. System Office of Finance
Texas A&M University System
Office of Treasury Services

2. The U. T. System Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 29, 2008, was 2.81%, which indicates that the purchasing power test was met.

<u>Average Annual</u>	<u>Percent</u>
Rate of Total Return	8.37%
Mineral Interest Receipts	1.67%
Expense Rate	(0.25)% (1)
Inflation Rate	(2.72)%
Distribution Rate	<u>(4.26)%</u>
Net Real Return	2.81%

(1) The expense rate as shown is a 10-year annualized average and includes all PUF Investment and PUF Land expenses, including the UTIMCO management fee, paid directly by the PUF. Prior to November 29, 1999, expenses related to PUF Investments and PUF Lands were paid from the AUF. Management fees that are netted from asset valuations and are not paid directly by the PUF are not included, as they are a reduction to the Rate of Total Return.

3. The annual distribution from the PUF to the AUF during any fiscal year made by the U. T. System Board of Regents may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the U. T. System Board of Regents (except as necessary to pay PUF bonds debt service). The annual distribution rate calculated using the trailing 12-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

<u>Value of PUF</u>	<u>Distribution</u>	<u>Distribution</u>	<u>Maximum</u>
<u>Investments (1)</u>		<u>as a % of</u>	<u>Allowed</u>
		<u>Value of PUF</u>	<u>Rate</u>
		<u>Investments</u>	
\$10,618,652,445	\$530,932,622	5.00%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to

- a. provide a predictable stable stream of distributions over time;
- b. ensure that the inflation-adjusted value of the distributions is maintained over the long term; and
- c. ensure that the inflation-adjusted value of the assets of the PHF and the LTF, as appropriate after distributions, is maintained over the long term.

The spending formula under the PHF Investment Policy Statement and the LTF Investment Policy Statement increases distributions at the rate of inflation subject to a distribution range of 3.5% to 5.5% of the average market value of the PHF assets and LTF assets for each fund's respective trailing 12 fiscal quarters. The U. T. System Board of Regents has full authority to alter distribution rates at its sole discretion.

The recommended 3.2% increase in the PHF distribution rate of \$0.0511 to \$0.0528 per unit was based on the PHF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.3%, within the range of 3.5% to 5.5% set forth in the PHF Investment Policy Statement. The recommended distribution rate of \$0.0528 per unit was approved by the UTIMCO Board at its April 25, 2008 meeting.

The recommended 3.2% increase in the LTF distribution rate from \$0.2929 to \$0.3024 per unit was based on the LTF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The LTF's distribution rate calculated using the prior 12-quarter average value of the LTF is 4.4%, within the range of 3.5% to 5.5% set forth in the LTF Investment Policy Statement. The increase in the consumer price index for the prior three years as of November 30, 2007, was 3.2%. The recommended distribution rate of \$0.3024 per unit was approved by the UTIMCO Board at its April 25, 2008 meeting.

The distribution rate for the ITF was set at 3.0% per annum for Fiscal Year 2007 by the UTIMCO Board and the U. T. System Board of Regents on March 30, 2006 and May 11, 2006, respectively. The recommendation for the rate to remain at 3.0% for Fiscal Year 2009 was approved by the UTIMCO Board at its April 25, 2008 meeting.

8. U. T. System: Approval to negotiate a contract for the Delivery Phase of the Common Chart of Accounts Initiative

The Board approved proceeding with the Delivery Phase of The University of Texas System Common Chart of Accounts Initiative and authorized the Associate Vice Chancellor - Controller and Chief Budget Officer to negotiate a reasonable price for services with Alvarez & Marsal or an alternative firm selected through the U. T. System procurement process, with final approval of the firm and terms of the contract to be made by Chancellor ad interim Shine and Vice Chairman Rowling, Chairman of the Finance and Planning Committee.

The U. T. System-wide Common Chart of Accounts Initiative was discussed with the Finance and Planning Committee on August 22, 2007. There are two phases for this initiative: the Planning Phase and the Delivery Phase.

Alvarez & Marsal was selected through a competitive bid process to provide consulting services for The University of Texas M. D. Anderson Cancer Center for a similar project involving an accounting key design. After discussing the credentials of Alvarez & Marsal and an overview of their strategy and approach for the U. T. System Initiative, they were engaged to perform the Planning Phase of the Initiative through an interagency contract with U. T. M. D. Anderson Cancer Center. Expected completion date of the Planning Phase is May 2008.

At the Finance and Planning Committee meeting on May 14, 2008, Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, discussed the status of the U. T. System-wide Common Chart of Accounts Initiative, including engaging a firm to assist in the Delivery Phase of the financial consolidation and reporting software. The Delivery Phase includes designing, building, testing, and deploying the financial consolidation and reporting software. To achieve full implementation by August 2009, this phase will begin at the conclusion of the Planning Phase.

The preliminary estimate for the entire project was reported to the Committee on August 22, 2007, at approximately \$3.5 million. Current estimates for software licensing, maintenance, and training; hardware requirements; and consulting for the Planning and Delivery Phases, including reimbursement for travel, continue to remain at the same total project cost.

9. U. T. System: Approval to acquire Oracle Corporation site license

The Board authorized the Executive Vice Chancellor for Business Affairs to complete negotiations and to execute documents as needed to acquire an Oracle Corporation site license that would make available the higher

education line of Oracle/PeopleSoft products (Human Resources, Financial, and Student Information Systems) for all University of Texas System institutions in place of individual licenses currently required.

Further, funding for the site license will be from Available University Funds (AUF) in the amount of \$11.6 million and institutional funds in amounts determined by the Executive Vice Chancellor for Business Affairs, as appropriate.

Regent Foster was recorded as abstaining from vote on the Oracle site license item because of stockholdings. Regent Barnhill, who was absent, also holds Oracle stock.

A mix of Oracle/PeopleSoft products (Human Resources, Financial, and Student Information Systems) are in use or in the implementation stages at nine University of Texas System campuses.

- The University of Texas at Arlington, The University of Texas at Dallas, and The University of Texas at Tyler are implementing the PeopleSoft Student Information System.
- U. T. Tyler, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, and The University of Texas Health Science Center at San Antonio all utilize the PeopleSoft Finance and Human Resource (HR) Systems.
- The University of Texas M. D. Anderson Cancer Center utilizes the PeopleSoft HR System.
- The University of Texas Southwestern Medical Center at Dallas just purchased the PeopleSoft Finance and HR Systems.
- The University of Texas – Pan American utilizes the Oracle Finance and HR Systems.

In addition, six U. T. System institutions are considering other Oracle/PeopleSoft purchases.

- U. T. M. D. Anderson Cancer Center has been evaluating Enterprise Resource Planning (ERP) solutions and, in the near future, possibly the Student Information System modules.
- U. T. Dallas is in need of a new financial application system and is evaluating PeopleSoft versus an implementation of Define.
- U. T. Health Science Center – San Antonio is planning on purchasing additional financial modules from Oracle.

- U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. Southwestern Medical Center – Dallas are all considering the purchase of the PeopleSoft Student Information System.

Collectively, these software licenses will cost the campuses nearly \$7 million if purchased separately, even at the deeply discounted rates previously negotiated with PeopleSoft. Finally, the U. T. System institutions and the U. T. System, collectively, pay Oracle approximately \$6 million a year in maintenance and support of application and database products that are currently in use; the site license will control these costs over 10 years.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 43 – 45).--In the absence of Committee Chairman Barnhill, Regent Gary 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: Honoring naming of the Center for African and African American Studies as the Dr. John L. Warfield Center for African and African American Studies

The Board approved the honorific naming of the Center for African and African American Studies at The University of Texas at Austin as the Dr. John L. Warfield Center for African and African American Studies to recognize Dr. Warfield's significant contributions to the Center as its founder and long-time director.

Upon his death on October 25, 2007, Dr. Warfield left a significant legacy of service to U. T. Austin. He had served as a faculty member in the College of Liberal Arts for 26 years. Coming to The University of Texas in 1973, he combined the Afro-American Studies and the African and African American Research Centers into one center and became the first director, a position he held until 1986.

2. U. T. Tyler: Authorization to accept a gift of the surface interest in approximately 46.386 acres of unimproved land from the Texas Area Fund Foundation and a gift of approximately 3.844 acres of unimproved land from the City of Palestine, both of which tracts are located near the intersection of Loop 256 and U.S. Highway 287, Palestine, Anderson County, Texas, for the purpose of expanding the U. T. Tyler Palestine Campus

On behalf of The University of Texas at Tyler, the Board accepted the following gifts of unimproved land, both in Palestine, Anderson County, Texas, for the purpose of expanding the U. T. Tyler Palestine Campus:

- a. the surface interest in approximately 46.386 acres located near the intersection of Loop 256 and U.S. Highway 287 (also known as State Highway 19 and West Spring Street) from the Texas Area Fund Foundation; and
- b. approximately 3.844 acres located adjacent to the western border of the 46.386-acre tract of land from the City of Palestine.

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

The U. T. Tyler Palestine Campus officially opened in 1995 with 20 students enrolled in the undergraduate nursing program, which was located in borrowed space in the Trinity Valley Medical Center and the Trinity Valley Community College. In Fall 1996, the U. T. Tyler Palestine Campus relocated to its present site at 1820 West Spring Street, which it leased from Kay Lynn Sportswear, Inc. On February 12, 1998, the U. T. System Board of Regents approved the purchase of the Spring Street site consisting of approximately 2.536 acres with 16,556 square feet of improvements located at the intersection of Loop 256 and U.S. Highway 287. The U. T. Tyler Palestine Campus offers courses in nursing, business, education, health and kinesiology, and history. The two gift tracts are located south of the existing U. T. Tyler Palestine Campus.

It is anticipated that U. T. Tyler will receive, at a future date, a donation of additional land from the City of Palestine to connect the existing campus with the new gift tracts and provide access to U.S. Highway 287. U. T. Tyler is working with the City of Palestine to determine the size and exact location of the additional land gift.

The gift tracts will provide U. T. Tyler with additional land to expand programs, particularly nursing, where critical shortages exist throughout the state. Additionally, it is U. T. Tyler's position that acquisition of the gift tracts will help fulfill two goals in the institution's Strategic Plan - New Millennium Vision: a) a greater sense of togetherness in an attractive campus, and b) increasing meaningful community service and promoting the economic development of Tyler, Longview, Palestine, and all of East Texas through the creation of centers of excellence that connect the academic, research, and service resources of U. T. Tyler to the business and public needs of East Texas by working closely with area economic development organizations.

The Palestine Campus Expansion project is included in the Fiscal Year 2008-2013 Capital Improvement Program at a total project cost of \$8,000,000 (see Item 10 on Page 87 of the Facilities Planning and Construction Committee regarding this construction project).

3. U. T. Dallas: Report on Project Emmitt

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

4. U. T. System: Discussions on academic leadership matters - differentiated institutional missions

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 46 – 71).--Committee Chairman McHugh reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. Southwestern Medical Center – Dallas: Approval of acceptance of gift of outdoor art

In accordance with Regents' *Rules and Regulations*, Rule 60101, Section 3.1, regarding gifts of outdoor art, the Board approved the acceptance of an abstract sculpture from Austin Industries, Inc., to be placed in the courtyard of the T. Boone Pickens Biomedical Building on the north campus of The University of Texas Southwestern Medical Center at Dallas.

The sculpture by Texas artist Mr. Jesús Moroles titled *Sun Disc Triptych* will be three pieces of granite approximately six feet in diameter and one foot deep. Each piece will sit on a cylindrical granite pedestal two feet high and one foot in diameter.

Austin Industries, Inc., is commissioning the sculpture to honor Mr. William T. Solomon's contributions to the company founded by his grandfather, as well as to recognize the Solomon family's contributions to U. T. Southwestern Medical Center – Dallas. Mr. Solomon is retiring as Chairman and CEO of Austin Industries. He has chaired Southwestern Medical Center's Innovations in Medicine Capital Campaign, raising over \$740 million since 2002. Mr. and Mrs. Solomon have donated over \$10 million to the institution.

Austin Industries, Inc., will pay the cost of installing the sculpture, and routine maintenance will be paid from non-State funds allocated for outdoor groundskeeping.

2. U. T. Southwestern Medical Center – Dallas: Approval of an M.S. and a Ph.D. degree program in Cancer Biology

The Board

- a. established an M.S. and a Ph.D. degree program in Cancer Biology in The University of Texas Southwestern Graduate School of Biomedical Sciences at Dallas; and
- b. authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The graduate study program is an outgrowth of a Cancer Biology Training Track that grew rapidly in students and faculty. The long-term goal of the Cancer Biology Graduate Program is to provide in-depth training and practical experience for independent investigators committed to careers in cancer research.

Although only students intending to achieve the Ph.D. degree would be admitted to the program, the M.S. degree could be awarded on an individual basis to a student acting in good faith who may not have completed the Ph.D. degree requirements. Admission standards will be the same as for all graduate students in areas of basic biomedical research at U. T. Southwestern Medical Center – Dallas.

The Cancer Biology Graduate Program is a new and improved mechanism for organizing instruction, but it is not a new initiative requiring additional faculty hires or additional resources. All costs are currently being covered by existing resources within the Harold C. Simmons Comprehensive Cancer Center, The University of Texas Southwestern Medical School at Dallas, and the Graduate School.

3. U. T. Medical Branch – Galveston: Approval of after-tax retirement plan pursuant to Section 457(f) of the *Internal Revenue Code of 1986*, as amended

Pursuant to Section 457(f) of the *Internal Revenue Code of 1986*, as amended, the Board authorized establishment and implementation of an after-tax retirement plan for certain key employees of The University of Texas Medical Branch at Galveston, subject to review and approval by the Vice Chancellor and General Counsel.

The after-tax executive retirement benefit plan (the "Plan") will be established for a select group of management or highly compensated employees as identified by the President of the institution with approval of the Executive Vice Chancellor for Health Affairs. The purposes of this plan are to improve the institution's competitiveness in recruiting highly-qualified candidates to enhance its mission of teaching, research, and patient care and to enhance its ability to retain highly-qualified employees because of the long-term retirement enhancements offered by this Plan.

The Plan is an excess benefit plan involving employee deferrals with employer matches, considerably different from the discretionary deferred compensation plan for the Medical Branch approved by The University of Texas System Board of Regents on November 9, 2007. Excess benefit plans are common tools used for recruiting and retention throughout the healthcare industry.

The details of the Plan are as follows:

- a. The Plan will allow Eligible Employees participating in the Optional Retirement Program (ORP) or the Teacher Retirement System (TRS) to make contributions, above the compensation limits of Section 401(a)(17) and the contribution limits of Section 415(c) of the *Internal Revenue Code*, which apply to ORP and TRS, to a Section 457(f) account authorized by the *Internal Revenue Code* and *Texas Revised Civil Statutes Annotated* Article 6228a-5, Section 3(a). The 2008 compensation limit is \$230,000 and the 2008 contribution limit is \$46,000.
- b. Eligible Employees will be designated by the President with the approval of the Executive Vice Chancellor for Health Affairs. Employees who are participating in The University of Texas System Governmental Retirement Arrangement (UTGRA) will not be eligible to participate in the Plan since they are already receiving excess benefit deferrals under UTGRA. The Plan will reduce the benefit disparity with UTGRA participants for individuals hired on or after September 1, 1996, and who are not eligible for UTGRA.
- c. During the period the person is an Eligible Employee, U. T. Medical Branch – Galveston will make monthly contributions of employee deferrals and institutional matching funds (based on the fixed percentages of contributions under the ORP or TRS plans), to the extent they exceed the limits of Section 401(a)(17) and Section 415(c), *Internal Revenue Code*, to a separate bookkeeping account in the name of the Eligible Employee. The Eligible Employee will be immediately vested in the contributions that will be included in his or her taxable income. The employer match, even though taxable, is an advantage for Eligible Employees under the Plan.
- d. Eligible Employees also will be immediately vested in the earnings and appreciation of their accounts, but the tax on such earnings and appreciation will be deferred until distribution of the account. This tax deferral is another advantage to the Eligible Employee under the Plan.
- e. The Eligible Employee must be employed by U. T. Medical Branch – Galveston to continue to receive contributions to the Plan.
- f. Upon separation from service, disability, or death, the Eligible Employee (or designated beneficiary) will receive a distribution of account balance, subject to required tax or other deductions, within 30 days of the event.

4. U. T. Southwestern Medical Center – Dallas: Approval of the Amended and Restated Certificate of Formation and Third Amended and Restated Bylaws of UT Southwestern Moncrief Cancer Center

On behalf of The University of Texas Southwestern Medical Center at Dallas, the Board approved the Amended and Restated Certificate of Formation and Third Amended and Restated Bylaws of UT Southwestern Moncrief Cancer Center. The Certificate of Formation is set forth on Pages 50 – 55 and the Bylaws are on Pages 56 – 68.

UT Southwestern Moncrief Cancer Center (Cancer Center), d/b/a Moncrief Cancer Resources, is a nonprofit corporation organized under the laws of the State of Texas and is operated within the meaning of Section 501(c)(3) of the *Internal Revenue Code of 1986*, as amended. The Cancer Center was made possible by a gift from former Regent W. A. "Tex" Moncrief, Jr., to The University of Texas M. D. Anderson Cancer Center. Originally called M. D. Anderson Cancer Network - Tarrant County, the entity changed its name effective August 31, 1999, when The University of Texas System Board of Regents authorized transfer of a multimillion dollar gift from M. D. Anderson to U. T. Southwestern Medical Center – Dallas and established the Cancer Center as a separate nonprofit corporate entity.

The purpose of the nonprofit entity changed as a result of the sale of the Cancer Center's radiation treatment and medical equipment on April 1, 2006. The Cancer Center will now focus on the prevention and detection of cancer. The Cancer Center's programs will be expanded to provide a wide range of support services for cancer patients and their families, including social services, nutritional services, medical billing advocate services, genetic counseling, psychological counseling, referral services, transportation, mobile mammography screening, and educational programs.

In consultation with the donor and to reflect the new purpose and business model of Moncrief Cancer Resources, the Amended and Restated Certificate of Formation changes the purpose of the entity (Article IV) and amends reference to "Articles of Incorporation" to read "Restated Certificate." The Amended and Restated Bylaws: (1) change the purpose of Moncrief Cancer Resources (Article I), (2) change the principal place of business (Article III), (3) change the powers of the Board of Directors to be consistent with the amended purpose (Article IV, Section 4.1), (4) establish an audit committee under the direction of the Board of Directors (Article V, Section 5.1), and (5) require confidentiality of peer review documents (Article VII, Section 7.3). Other technical, nonsubstantive amendments to the documents were also made.

**AMENDED AND RESTATED
CERTIFICATE OF FORMATION OF
UT SOUTHWESTERN MONCRIEF CANCER CENTER**

Pursuant to the provisions of Section 22.105 of the *Texas Business Organizations Code* (the “TBOC”), the undersigned corporation hereby adopts its Amended and Restated Certificate of Formation.

**ARTICLE I
NAME**

The name of the Corporation is UT SOUTHWESTERN MONCRIEF CANCER CENTER.

**ARTICLE II
TYPE OF CORPORATION**

The Corporation is a nonprofit corporation.

**ARTICLE III
DURATION**

The period of the Corporation’s duration is perpetual.

**ARTICLE IV
PURPOSES**

The purposes for which the Corporation is organized and to be operated are exclusively charitable, educational, and scientific, within the meaning of Section 501(c)(3) of the *Internal Revenue Code of 1986*, as amended (the “Code”) In accomplishment of such purposes, the Corporation is to be administered solely for the benefit of The University of Texas Southwestern Medical Center at Dallas (the “Beneficiary”), by providing, directly or indirectly, assistance and benefit, financial or otherwise, to the Beneficiary through whatever means are determined by the Corporation’s Board of Directors (the “Board of Directors”), including, but not limited to, making distributions or contributions to the Beneficiary or providing services to the Beneficiary More specifically, the Corporation will emphasize clinical, educational, and scientific aspects of cancer care in Tarrant County, Texas and throughout the State of Texas. In accomplishment of its purposes, the Corporation may:

- (1) Establish, own, and operate one or more centers (the “Centers”) for the prevention and detection of cancer, to assist in the establishment of a comprehensive, multi-disciplinary cancer treatment program in Tarrant County, Texas, and to provide support services to cancer patients and their families in Tarrant County, Texas, and surrounding communities;

- (2) Enter into arrangements with other providers of cancer care, pursuant to which the cancer programs of all participants may be offered to the public in a coordinated manner;
- (3) Engage in the functions of the carrying out of scientific research and research projects in the public interest in the fields of medical sciences, medical economics, public health, sociology, and related areas, particularly in conjunction with the Beneficiary's research programs;
- (4) Enter into arrangements with other healthcare providers for the provision of ancillary services for the Centers;
- (5) Enter into educational arrangements with local medical centers or other healthcare providers for programs to advance the training of physicians, technicians, and allied health professionals in the care of cancer patients;
- (6) Establish and maintain programs, including educational programs and services for physicians, educational programs for the public, and marketing programs, with respect to cancer and the services and facilities offered by the Corporation for the diagnosis and treatment of cancer; and
- (7) Perform such other activities or functions that the Board of Directors deems appropriate or necessary for the accomplishment of the purposes of the Corporation.

If (i) the Beneficiary ceases to be an organization described in Sections 509(a)(1) or 509(a)(2) of the Code or (ii) the Beneficiary is dissolved or otherwise ceases to exist, the Board of Directors shall by written notice (evidencing at least a majority determination of the Board of Directors) administer the Corporation for the sole benefit of The University of Texas System (the "First Substitute Beneficiary"). If (a) the First Substitute Beneficiary is not or thereafter ceases to be an organization described in Section 509(a)(1) or 509(a)(2) of the Code or (b) the First Substitute Beneficiary is dissolved or otherwise ceases to exist, the Board of Directors shall by written notice (evidencing at least a majority determination of the Board of Directors) administer the Corporation for the sole benefit of the State of Texas (the "Second Substitute Beneficiary").

Notwithstanding any other provisions of this Amended and Restated Certificate of Formation (the "Restated Certificate") to the contrary, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization which is exempt from tax under Section 501(c)(3) of the Code, or its Regulations, or by an organization, donations to which are deductible from taxable income under Section 170(c)(2) of the Code, or its Regulations. The corporation shall be organized and at all times operated for the benefit of the Beneficiary and shall be operated, supervised, or controlled by the Beneficiary.

ARTICLE V MEMBER

The sole member (the "Member") of the corporation shall be the President of the Beneficiary, acting in his or her official capacity as such.

**ARTICLE VI
PROHIBITIONS**

Regardless of any other provisions of this Restated Certificate or the laws of the State of Texas, the Corporation shall not:

- (1) Permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation effecting one or more of its purposes);
- (2) Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; or
- (3) Participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

**ARTICLE VII
DISSOLUTION AND DISTRIBUTIONS**

Upon the dissolution of the Corporation, after payment or provision for payment of the Corporation's liabilities has been made, the Corporation's remaining assets shall be distributed exclusively to the Beneficiary or to such other organization as is selected pursuant to the provisions of Article IV. The amount of any distribution made under this Article VII shall be determined by the Board of Directors.

**ARTICLE VIII
BOARD OF DIRECTORS**

The direction and management of the affairs of the Corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors. The number, terms of office, manner of election of appointment and qualifications of the directors shall be fully set forth in the Bylaws of the Corporation, subject, however, to the following requirements and limitations:

- (1) The number of directors shall be as specified in the bylaws, and such number may from time to time be increased or decreased under the bylaws, or any amendment or change to the bylaws, except that the number of directors shall not be less than the minimum number of directors required by the TBOC. Each director shall be appointed by the corporation's sole member, subject to the following requirements and limitations
 - (a) One director must be a person who is nominated by the affirmative vote of a majority of the Program Directors of Moncrief Radiation Center, a Texas nonprofit corporation (as defined in the governing documents for Moncrief Radiation Center).

(b) Any vacancy resulting from the expiration of a director's term or any vacancy occurring in a director's position prior to the expiration of such director's term shall be filled by the Member, subject to the conditions described in subsection (a) of this Section in the case of a director nominated by the Program Directors of Moncrief Radiation Center.

(2) The names and addresses of the current directors are as follows:

Name	Address
Willis C. Maddrey, M.D.	5323 Harry Hines Blvd. Dallas, Texas 75390-8570
John D. McConnell, M.D.	5323 Harry Hines Blvd Dallas, Texas 75390-8570
John W. Freese, M.D.	1701 River Run, Suite 500 Fort Worth, Texas 76107
James K. Willson, Jr., M.D.	5323 Harry Hines Blvd. Dallas, Texas 75390-8570
John A. Roan	5323 Harry Hines Blvd. Dallas, Texas 75390-8570

ARTICLE IX ADOPTION OF BYLAWS; AMENDMENT OF ARTICLES

The right, power, and authority to amend the Restated Certificate or the Bylaws of the Corporation shall be reserved to the Member.

ARTICLE X ACTION WITHOUT A MEETING BY THE MEMBER, DIRECTORS, OR COMMITTEE

Any action required or allowed by the Corporation's Restated Certificate or Bylaws or by the TBOC to be taken at a meeting of the Member, the Directors, or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by the Member or by a sufficient number of Directors or committee members as would be necessary to take that action at a meeting at which the Directors or members of the committee were present and voted. Such action must comply with the applicable provisions of the TBOC.

ARTICLE XI INDEMNIFICATION

The Corporation shall indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) any person who is or was a Director, officer,

employee, or agent of the Corporation (or any person who is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise) to the fullest extent required or permitted by applicable law. However, no indemnification shall be made (i) in an action or suit involving the alleged professional malpractice of such director or officer or (ii) in any proceeding involving other acts or omissions of such director or officer in such person's personal capacity. In addition, the Corporation shall have the power to indemnify (which indemnification shall include, without limitation, advancing reasonable expenses including but not limited to legal fees) to the fullest extent permitted by law such other persons as the Board of Directors may determine from time to time. The Corporation shall have the power to purchase and maintain at its expense insurance on behalf of such persons to the fullest extent permitted by applicable law, whether or not the Corporation would have the power to indemnify such persons under the foregoing provisions.

ARTICLE XII LIMITATION OF LIABILITY

A Director of the Corporation shall not be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as a Director, except that this Article XII does not eliminate or limit the liability of a Director of the Corporation to the extent that the Director is found liable for (i) a breach of the Director's duty of loyalty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of the duty of the Director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which the Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office; or (iv) an act or omission for which the liability of a Director is expressly provided by an applicable statute. If the Texas Miscellaneous Corporation Laws Act or any other statute of the State of Texas hereafter is amended to authorize the further elimination or limitation of the liability of the Directors of the Corporation, then the liability of a Director of the Corporation shall be limited to the fullest extent permitted by the statutes of the State of Texas, as so amended, and such elimination or limitation or liability of a Director of the Corporation provided by the foregoing provisions of this Article. Any repeal of or amendment to this Article shall be prospective only and shall not adversely affect any limitation on the liability of a Director of the Corporation existing at the time of such repeal or amendment.

ARTICLE XIII PRIVATE FOUNDATION RESTRICTIONS

If the Corporation ever is determined to be a private foundation for federal income tax purposes, then:

- (1) The Corporation will distribute its income for each tax year at such time and in such manner so as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code.
- (2) The Corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Code.

- (3) The Corporation will not retain any excess business holdings as defined in Section 4943(c) of the Code.
- (4) The Corporation will not make any investments in such a manner so as to subject it to tax under Section 4944 of the Code.
- (5) The Corporation will not make any taxable expenditures as defined in Section 4945(d) of the Code.

**ARTICLE XIV
REGISTERED AGENT**

The street address of the registered office of the Corporation is 5323 Harry Hines Blvd., Dallas, Texas 75390-8570, and the name of its registered agent at such address is Willis C. Maddrey, M.D.

IN WITNESS WHEREOF, I have hereunto set my hand as of the _____ day of _____, 2008.

UT SOUTHWESTERN MONCRIEF
CANCER CENTER

By: _____
Name: _____
Title: _____

**THIRD AMENDED AND RESTATED BYLAWS
OF
UT SOUTHWESTERN MONCRIEF CANCER CENTER**

**ARTICLE I
STRUCTURE, PURPOSES AND REPORTING**

Section 1.1 **Structure.** UT SOUTHWESTERN MONCRIEF CANCER CENTER (the “**Corporation**”) is a nonprofit corporation organized under the laws of the State of Texas, which has one (1) Member within the meaning of the Texas Non-Profit Corporation Law, Title 1 and Chapters 20 and 22 of the *Texas Business Organizations Code* (the “**Law**”). The Certificate of Formation (formerly known as the Articles of Incorporation) of the Corporation (as amended and restated from time to time, the “**Certificate of Formation**”) was filed in the office of the Secretary of the State of Texas on June 6, 1996.

Section 1.2 **Purposes.** The purposes for which the Corporation is organized and to be operated are exclusively charitable, educational, and scientific, within the meaning of Section 501(c)(3) of the *Internal Revenue Code of 1986*, as amended (the “**Code**”). In accomplishment of such purposes, the Corporation is to be administered solely for the benefit of The University of Texas Southwestern Medical Center at Dallas (the “**Beneficiary**”), by providing, directly or indirectly, assistance and benefit, financial or otherwise, to the Beneficiary through whatever means are determined by the Corporation’s Board of Directors (the “**Board of Directors**”), including, but not limited to, making distributions or contributions to the Beneficiary or providing services to the Beneficiary. More specifically, the Corporation will emphasize clinical, educational, and scientific aspects of cancer care in Tarrant County, Texas, and throughout the State of Texas. In accomplishment of its purposes, the Corporation may:

(1) Establish, own, and operate one or more centers (the “**Centers**”) for the prevention and detection of cancer, to assist in the establishment of a comprehensive, multidisciplinary cancer treatment program in Tarrant County, Texas, and to provide support services to cancer patients and their families in Tarrant County, Texas, and surrounding communities;

(2) Enter into arrangements with other providers of cancer care, pursuant to which the cancer programs of all participants may be offered to the public in a coordinated manner;

(3) Engage in the functions of the carrying out of scientific research and research projects in the public interest in the fields of medical sciences, medical economics, public health, sociology, and related areas, particularly in conjunction with the Beneficiary’s research programs;

(4) Enter into arrangements with other healthcare providers for the provision of ancillary services for the Centers;

(5) Enter into educational arrangements with local medical centers or other healthcare providers for programs to advance the training of physicians, technicians, and allied health professionals in the care of cancer patients;

(6) Establish and maintain programs, including educational programs and services for physicians, educational programs for the public, and marketing programs, with respect to cancer and the services and facilities offered by the Corporation for the diagnosis and treatment of cancer; and

(7) Perform such other activities or functions that the Board of Directors deems appropriate or necessary for the accomplishment of the purposes of the Corporation.

Section 1.3 **Reporting.** In furtherance of the Corporation's purposes of supporting the Beneficiary, the Corporation will provide at least quarterly periodic financial reports, including without limitation a balance sheet and statement of revenues and expenses, to Moncrief Radiation Center (the "**Moncrief Radiation Center**"), a Texas nonprofit corporation that is also a supporting organization of the Beneficiary as described in Code Section 509(a)(3), to whom Beneficiary has delegated financial oversight of the Corporation's financial activities. The Moncrief Radiation Center will review these financial reports and make recommendations to the Beneficiary regarding the Corporation's operations and activities.

ARTICLE II MEMBER

Section 2.1 **Member.** The sole member (the "**Member**") of the Corporation shall be the President of the Beneficiary, acting in his or her official capacity as such.

Section 2.2 **Powers and Duties.** The Member shall exercise such rights and perform such duties as may be provided by law, the Corporation's Certificate of Formation, or these Bylaws (as may be amended from time to time). The Member shall appoint and remove Directors of the Corporation ("**Directors**") in accordance with the provisions of Article IV of these Bylaws.

Section 2.3 **Annual Meeting of Member.** The annual meeting of the Member shall be held at such time and place as shall be designated by resolution of the Board of Directors, or, if not so designated, on the Second Monday of the month of September of each year at the Corporation's registered office for the purpose of appointing Directors for the ensuing year, and transacting such other business as may be properly brought before such annual meeting. No notice of such annual meetings shall be required.

Section 2.4 **Special Meetings of Member.** Special meetings of the Member shall be held whenever called by the Chairman of the Board, the Board of Directors, or the Member. Notice of special meetings shall be required. The Secretary of the Corporation shall give notice of each special meeting to the Member by delivering written notice to the Member, either personally, by facsimile transmission, by electronic mail or by mail stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, not less than ten (10) days nor more than sixty (60) days before the date of the meeting.

Section 2.5 **Non-Liability of Member**. The Member shall not be liable for the debts, liabilities, or obligations of the Corporation.

ARTICLE III OFFICES

Section 3.1 **Principal Place of Business**. The principal place of business of the Corporation shall be located at 1701 River Run, Suite 500, Fort Worth, Texas 76107. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Section 3.2 **Registered Office and Registered Agent**. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Corporation's registered office, as required by the Law. The registered office may but need not be identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors in accordance with applicable law.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 **Powers**. The property, business, and affairs of the Corporation shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, the Certificate of Formation, and these Bylaws, the Board of Directors shall exercise all of the powers of the Corporation, including, but not limited to, the power to:

- (1) establish goals and objectives for the Corporation and define the role the Corporation shall play in meeting the healthcare needs of the community the Corporation was organized to serve;
- (2) ensure that the quality of health care services furnished or sponsored by the Corporation and the qualifications and professional conduct of health care practitioners contracting with the Corporation are appropriately evaluated and monitored by qualified persons or entities,
- (3) receive periodic reports regarding the evaluation of health care services sponsored by the Corporation, taking appropriate action when necessary and maintaining the confidentiality of such activities; and
- (4) do all such other acts and things that are reasonably related to the charitable purposes for which the Corporation was organized.

This list is not all-inclusive and is not intended to limit the authority of the Board of Directors to the foregoing.

Section 4.2 **Number and Tenure**. The number of Directors shall be determined from time to time by the Member, but shall not be less than three (3) nor more than fifteen (15). The

term for each position shall be three (3) years. Each Director shall hold office until the expiration of his or her term or such time as he is removed in accordance with the provisions of these Bylaws or the Certificate of Formation, he resigns or he becomes unable to serve as a Director because of death or disability.

Section 4.3 **Appointment.** The Member shall appoint the Directors, subject to the following restrictions and limitations:

(1) One Director must be a person who is nominated by the affirmative vote of a majority of the Program Directors of Moncrief Radiation Center.

(2) Any vacancy resulting from the expiration of a Director's term or any vacancy occurring in a Director's position prior to the expiration of such Director's term shall be filled by the Member, subject to the conditions described in Section 4.3(1) above in case of a Director nominated by the Program Directors of Moncrief Radiation Center.

Section 4.4 **Removal.** Any Director appointed by the Member may be removed from office at any time, with or without cause, by the Member; provided, however, that a Director described in Section 4.3(1) above may be removed only upon the affirmative vote of a majority of the Program Directors of Moncrief Radiation Center.

Section 4.5 **Vacancies.** A Director elected to fill an unexpired vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.6 **Meetings of Directors.** The Directors may hold meetings, maintain offices, and keep the Corporation's books and records at such place or places within or without the State of Texas as the Board of Directors may from time to time determine; provided, however, that in the absence of any such determination, such place shall be the Corporation's principal office in the State of Texas.

Section 4.7 **Annual Meetings.** The annual meeting of the Board of Directors ("**Annual Meeting**") shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors, or, if not so designated, on the second Monday of the month of September of each year at the Corporation's principal office for the purpose of (a) electing officers for the ensuing year, and (b) transacting such other business as may be properly brought before such Annual Meeting. Notice of Annual Meetings shall not be required.

Section 4.8 **Regular Meetings.** Regular meetings of the Board of Directors ("**Regular Meetings**") shall be held quarterly at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of Regular Meetings shall not be required.

Section 4.9 **Special Meetings.** Special meetings of the Board of Directors ("**Special Meetings**") shall be held at such times and places as shall be designated from time to time by the Chairman of the Board or, on the written request of any Director, by the Secretary or on the written request of the Member. Notice of Special Meetings shall be required.

Section 4.10 **Notice of Special Meetings.** The Secretary shall give notice of the time and place of Special Meetings to each Director in person, or by mail, electronic mail, facsimile transmission, or telephone, at least five (5) days before such meeting. Unless otherwise indicated in such notice, any and all matters pertaining to the Corporation's purposes may be considered and acted upon at such meeting. At any such meeting at which every Director shall be present even though without notice, any matter pertaining to the Corporation's purposes may be considered and acted upon.

Section 4.11 **Quorum.** A majority of the then acting Directors shall constitute a quorum for the consideration of any matters pertaining to the Corporation's purposes. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Certificate of Formation, or these Bylaws.

Section 4.12 **Voting.** A Director may vote in person or by proxy executed in writing by the Director and given to another member of the Board of Directors who is qualified to vote, or by a consent in writing in accordance with the terms and conditions of Section 7.6 below, or by a consent in writing in accordance with the terms and conditions of Article X of the Certificate of Formation. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 4.13 **Conduct of Business.** Matters pertaining to the Corporation's purposes shall be considered at meetings of the Board of Directors. At all meetings of the Board of Directors, the Chairman of the Board shall preside, and in the absence of the Chairman of the Board, a chairman shall be chosen by the Board of Directors from among the Directors present.

The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the chairman may appoint any person to act as secretary of the meeting. The chairman of any meeting of the Board of Directors shall determine the order of business and the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business.

Section 4.14 **Compensation of Directors; Expenses.** Persons serving as Directors shall not receive any salary or compensation for their services as Directors; provided, however, that nothing contained herein shall be construed as precluding any Director from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a Director) that are reasonable and necessary in carrying out the Corporation's purposes as the Board of Directors may from time to time determine. A Director shall be entitled to reimbursement for reasonable expenses incurred by him in carrying out his duties as a Director.

ARTICLE V COMMITTEES

Section 5.1 **Board Committees.** The Board of Directors may from time to time create one or more committees for such purposes as the Board of Directors may determine in the resolution creating the committee; provided that any such committee shall not have or exercise any of the powers of the Board of Directors and provided further that any such committee may include persons not on the Board of Directors. Such committees shall be organized under these Bylaws, and, if performing medical peer review activities, the communications of such committees shall be privileged and confidential under *Texas Health & Safety Code* Sections 161.031, 161.032 and Texas Revised Civil Statutes Annotated Article 4495b, Section 5.06. Without limiting the generality of the foregoing, the Board of Directors may create an audit committee having such duties and responsibilities as the Board of Directors may from time to time determine.

Section 5.2 **Procedures; Meetings; Quorum.** Any committee created by the Board of Directors or these Bylaws, unless otherwise expressly provided herein, shall (a) have a chairman designated by the Board of Directors, (b) fix its own rules or procedures, (c) meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board of Directors, and (d) keep regular minutes of its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation, and report the same to the Board of Directors at its next succeeding meeting. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum, and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any action, unless otherwise expressly provided in the committee's rules or procedures, these Bylaws or by the Board of Directors.

ARTICLE VI OFFICERS

Section 6.1 **Number, Titles, and Term of Office.** The officers of the Corporation shall consist of a Chairman of the Board, a President, a Secretary, a Treasurer, and such other officers and assistant officers as the Board of Directors may from time to time elect or appoint. Such other officers and assistant officers shall have such authority and responsibility as may be assigned to them by the Board of Directors. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary. The term of office for each officer shall be until the next succeeding Annual Meeting at which officers are elected. In any event, a duly-elected officer shall serve in the office to which he or she is elected until his or her successor has been duly elected and qualified.

Section 6.2 **Removal.** Any officer or agent or member of a committee elected or appointed by the Board of Directors may be removed by the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Election or appointment of an officer, agent or member of a committee shall not of itself create contract rights.

Section 6.3 **Vacancies.** Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 6.4 **Powers and Duties of the Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors. The Chairman of the Board shall be appointed by the Board of Directors from among the members of the Board of Directors. In the absence of the President, the Chairman of the Board can exercise the power of the President.

Section 6.5 **Powers and Duties of the President.** The President shall be the chief executive officer of the Corporation. Subject to the control of the Board of Directors, the President shall have general executive charge, management, and control of the properties, business, and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness, and other obligations in the name of the Corporation, subject to the approval of the Board of Directors; and shall have such other powers and duties as may be designated in these Bylaws and as may be assigned to such officer from time to time by the Board of Directors.

Section 6.6 **Powers and Duties of the Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; shall attend to the giving and serving of all notices; in furtherance of the Corporation's purposes and subject to the limitations contained in the Certificate of Formation, may sign with the President in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; shall have charge of the Corporation's books, records, documents, and instruments, and such other books and papers as the Board of Directors may direct, all of which shall be open at reasonable times to the inspection of any Director upon application at the Corporation's office during business hours; and shall, in general, perform all duties incident to the office of Secretary subject to the control of the Board of Directors.

Section 6.7 **Powers and Duties of the Treasurer.** The Treasurer shall have custody of all the funds and securities of the Corporation. When necessary or proper, he or she may endorse, on behalf of the Corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board of Directors, and he or she may sign all receipts and vouchers for payments made to the Corporation, either alone or jointly with such other officer as is designated by the Board of Directors. The Treasurer shall make such transfers and alterations in the securities of the Corporation as may be ordered by the Board of Directors. The Treasurer shall keep proper books of account and other books showing at all times the amount of funds and other property belonging to the Corporation, all of which books shall be open at all times to the inspection of the Board of Directors. The Treasurer shall, under the direction of the Board of Directors, disburse all moneys. The Treasurer shall also submit a report of the accounts and financial condition of the Corporation at each annual meeting of the Board of Directors if so requested by the Board of Directors. In general, the Treasurer shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors, and

shall perform such other duties as may be prescribed from time to time by the Board of Directors or the President. The Treasurer shall, if required by the Board of Directors, give such bond for the faithful discharge of his or her duties in such form as the Board of Directors may require. In the case of the absence or disability of the Treasurer, the Board of Directors may appoint one or more Assistant Treasurers to perform the duties of the Treasurer during such absence or disability.

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 7.1 **Fiscal Year**. The Corporation's fiscal year shall be September 1 through August 31.

Section 7.2 **Seal**. The Corporation's seal, if any, shall be such as may be approved from time to time by the Board of Directors.

Section 7.3 **Confidentiality**. All reports received by the Board of Directors from another medical peer review committee, and any reports made by the Board of Directors to another medical peer review committee, as well as all of the proceedings and records of, and communications to, the Board of Directors, that are made for the purpose of providing, achieving or maintaining quality patient care, are confidential and privileged and protected from discovery and subpoena in accordance with the Texas Medical Practice Act, set forth at *Texas Occupations Code* Section 160.007, and Section 161.032 of the *Texas Health & Safety Code*.

Section 7.4 **Notice and Waiver of Notice**. Whenever any notice is required to be given by mail under the provisions of these Bylaws, such notice shall be deemed to be delivered (a) when deposited in the United States mail in a sealed postpaid wrapper addressed to the person or Member entitled thereto at such person's post office address, as such appears in the records of the Corporation, and such notice shall be deemed to have been given on the date of such mailing, or (b) on receipt if delivered personally, by electronic mail or by facsimile. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 7.5 **Resignations**. Any Director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 7.6 **Action Without a Meeting by Member, Directors, or Committees; Telephone Meetings**. Any action required or allowed by the Corporation's Certificate of Formation, these Bylaws or by the Law to be taken at a meeting of the Member, the Directors, or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by the Member or by a sufficient number of Directors or committee members as would be necessary to take that action at a meeting at which all of the Directors or members of the committee were present and voted. Such action must comply with the applicable provisions of the Law. Subject to the requirements of law for notice of meetings, unless

otherwise restricted by the Certificate of Formation or these Bylaws, the Member, members of the Board of Directors, or members of any committee may participate in and hold a meeting of such Member, Board of Directors, or committee, as the case may be, by means of a conference telephone, or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Further, with respect to meetings of the Board of Directors, if any two Directors request in writing or by telephone at least 24 hours prior to a scheduled meeting of the Board of Directors that the meeting be held by means of a conference telephone or similar communications equipment, a telephone meeting shall be held in lieu of meeting in person.

ARTICLE VIII INDEMNIFICATION

The Corporation shall indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) any person who is or was a Director, officer, employee, or agent of the Corporation (or any person who is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise) to the fullest extent required or permitted by applicable law. However, no indemnification shall be made (a) in an action or suit involving the alleged professional malpractice of such Director or officer, or (b) in any proceeding involving other acts or omissions of such Director or officer in such person's personal capacity. In addition, the Corporation shall have the power to indemnify (which indemnification shall include, without limitation, advancing reasonable expenses including but not limited to legal fees), to the fullest extent permitted by law, such other persons as the Board of Directors may determine from time to time. The Corporation shall have the power to purchase and maintain, at its expense, insurance on behalf of such persons to the fullest extent permitted by applicable law, whether or not the Corporation would have the power to indemnify such person under the foregoing provisions.

ARTICLE IX AMENDMENTS

The power to amend the Certificate of Formation or to alter, amend or repeal the Corporation's Bylaws is reserved exclusively to the Corporation's sole Member.

ARTICLE X CONFLICTS OF INTEREST

Section 10.1 **Duality of Interest.**

(1) **Duty of Loyalty.** Directors and officers of the Corporation have a duty of undivided loyalty to the Corporation in all matters affecting the Corporation's interests.

(2) **Director Relationship Interest.** If the Board considers entering into any transaction or arrangement ("**Transaction**") with a corporation, entity or individual in

which a Director has any interest (“**Relationship Interest**”), the following procedures must be followed for approval:

(A) The interested Director must disclose the potential conflict of interest to the Board of Directors;

(B) The Board of Directors may ask the interested Director to leave the meeting during discussion of the matter that gives rise to the potential conflict;

(C) The interested Director may not vote on the matter that gives rise to the potential conflict; and

(D) The Board of Directors must approve the Transaction by a majority vote of the Directors present at a meeting at which a quorum is present, not including the presence or vote of the interested Director.

(3) Director Economic Interest. Moreover, if a Director has any interest in a Transaction that might involve personal financial gain or loss for such Director (“**Economic Interest**”), in addition to the provisions required by Section 10.1(2)(A) above, the below procedures must also be followed:

(A) If appropriate, the Board of Directors may appoint a noninterested person or committee to investigate alternatives to the proposed Transaction;

(B) In order to approve the Transaction, the Board of Directors must first find, by a majority vote of the Directors then in office, without counting the vote of the interested Director,

(i) that the proposed Transaction is in the Corporation’s best interests and for its own benefit, and

(ii) that, after reasonable investigation, the Board of Directors has determined that the Corporation cannot obtain a more advantageous Transaction with reasonable efforts under the circumstances.

(C) The interested Director must not be present for the discussion or vote regarding the Transaction;

(D) The Transaction must be approved by a majority vote of the Directors, not including the interested Director; and

(E) The Transaction must be approved by the Member.

(4) Minutes of Meeting. In all cases involving the approval of a Transaction involving an interested Director, the Board of Directors meeting minutes must set forth which Directors were present for the discussion and vote, compliance with each of the foregoing applicable requirements, the content of the discussion, and any roll call of the vote.

(5) Voidability of Transaction. Any transaction in which a Director has an interest that is not approved consistent with this Article X may be voided by action of the Member.

(6) Adoption of Duality of Interest Policies. Duality of interest policies may be adopted by the Member, including, without limitation, requirements and procedures with respect to: (a) regular annual statements and periodic supplements thereto by Directors, officers, professional advisors and employees and retained physicians disclosing any existing and potential dualities of interest, (b) limitations on permitted external positions and interests, and (c) corrective action with respect to transgressions of such policies.

SECRETARY'S CERTIFICATE

THIS IS TO CERTIFY that the foregoing Third Amended and Restated Bylaws of UT SOUTHWESTERN MONCRIEF CANCER CENTER have been duly adopted by action of the Member, effective as of _____, 2008, pursuant to written approval of the President of the Beneficiary effective as of _____, 2008.

IN WITNESS WHEREOF, the undersigned, duly elected and acting Secretary of the Corporation, has signed this Secretary's Certificate this ____ day of _____, 2008.

_____, Secretary

The initial Bylaws of M. D. ANDERSON CANCER NETWORK - TARRANT COUNTY were first adopted as of the 10th of June 1996.

Amendments made subsequent to December 31, 1998 should be listed below:

AMENDMENTS

<u>CHANGE NUMBER</u>	<u>DATE OF ADOPTION</u>	<u>AMENDED</u>
1	August 31, 1999	(a) amended the name of the Corporation; (b) amended the Beneficiary of the Corporation to The University of Texas Southwestern Medical Center at Dallas; and (c) changed the sole member of the Corporation to the President of the Beneficiary.
2	December 17, 2003	(a) technical amendments; (b) amended notice provisions to allow notices to be given via electronic mail; (c) added conflict of interest policy; and (d) add provisions relating to the Treasurer of the Corporation.
3	_____, 2008	(a) changed the purpose of the Corporation; (b) changed the principal place of business (c) amendments relating to the powers of the Board of Directors; (d) added reference to an audit committee; (e) eliminated provisions relating to medical staff; (f) added a confidentiality requirement as relates to medical peer review; and (g) technical amendments.

5. U. T. Southwestern Medical Center – Dallas: Authorization to purchase three tracts of land and improvements located at 6222, 6303, 6333, 6363, and 6500 Forest Park Road, Dallas, Dallas County, Texas, consisting of a total of approximately 24.0665 acres from LUI Dallas Exchange Park, L. P., a Texas limited partnership, for a purchase price not to exceed fair market value as established by independent appraisals to be used for the administrative, educational, and medical programs; and resolution regarding parity debt

On behalf of The University of Texas Southwestern Medical Center at Dallas, the Board

- a. authorized the purchase of approximately 24.0665 acres with improvements located at 6222, 6303, 6333, 6363, and 6500 Forest Park Road, Dallas, Dallas County, Texas, from LUI Dallas Exchange Park, L. P., a Texas limited partnership, 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 use for the administrative, educational, and medical programs of U. T. Southwestern Medical Center – Dallas;
- b. authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action; and
- c. resolved in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the RFS Master Resolution) that
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues (as defined in the RFS Master Resolution) to satisfy the Annual Debt Service Requirements of the Financing System (as defined in the RFS Master Resolution), and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
 - U. T. Southwestern Medical Center – Dallas, which is a "Member" as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation (as defined in the RFS Master Resolution) relating to the issuance by the U. T. System Board of Regents of parity RFS debt in the aggregate amount not to exceed the purchase price of the subject property; and

- this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

LUI Dallas Exchange Park, L. P., owns the subject property at 6222, 6303, 6333, 6363, and 6500 Forest Park Road, Dallas, Dallas County, Texas. The subject property consists of three tracts of land. The first tract, located at 6303-6333-6363 Forest Park Road, contains approximately 17.739 acres improved with two multistory buildings, a parking garage, surface parking, and related facilities and infrastructure. The second and third tracts consist of two contiguous parcels located at 6222 and 6500 Forest Park Road that contain approximately 1.8948 acres and 4.4327 acres, respectively. A thermal energy plant, surface parking, and related facilities and infrastructure are located on these two contiguous parcels.

The property lies within the Campus Master Plan approved by the Board of Regents on August 10, 2000. The 17.739-acre site is contiguous to the institution's North Campus and the other two parcels are contiguous to U. T. Southwestern's property on which the institution's Southwestern Medical Park Apartments are located.

Acquisition of the subject property addresses U. T. Southwestern's need for administrative, educational, and medical space. For over 20 years, U. T. Southwestern has leased space in the office buildings located on the tracts. This leased space has grown to approximately 180,000 square feet that is used for administrative purposes, delivery of psychiatric services, and educational conference rooms. The institution also leases approximately 61,001 square feet of space in nearby buildings (not included in this purchase), and those uses will be relocated to the subject property as leases expire.

The institution expects to realize approximately \$3.3 million in annual rental savings from the termination of those lease obligations. In addition, U. T. Southwestern plans to consolidate approximately 191,000 square feet of space from two owned buildings that are approximately one to two miles from the campus, thus presenting an opportunity to sell or lease those buildings as surplus property.

A parking garage with 1,941 spaces and two surface parking lots on the subject property will provide surplus parking for the North Campus as it expands. The institution continues to experience annual growth in its administrative space needs of approximately 15,000 square feet. The acquisition will accommodate this growth and provide opportunities for use by other nearby University of Texas System institutions.

To fund the purchase, U. T. Southwestern Medical Center – Dallas will use U. T. System Revenue Financing System (RFS) debt. The RFS debt, not to exceed the purchase price, will be repaid from institutional funds.

At the Health Affairs Committee meeting on May 14, 2008, Ms. Florence Mayne, Executive Director of Real Estate, reported on receipt of appraisals of \$39 million and \$30.7 million and on the negotiated purchase price of \$38 million.

6. U. T. System: Code Red Report, 2008 Recommendations of the statewide Task Force on Access to Health Care in Texas

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

7. U. T. System: Quarterly report on health matters, including a statewide conference on physician workforce issues, by Executive Vice Chancellor Shine

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 72 - 101).--In the absence of Committee Chairman Huffines, Regent Longoria 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. Southwestern Medical Center - Dallas: Intraoperative Magnetic Resonance Imaging Facility - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; appropriation of funds and authorization of expenditure; and authorization of institutional management

The Board amended the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Intraoperative Magnetic Resonance Imaging Facility project at The University of Texas Southwestern Medical Center at Dallas as follows:

Project Delivery Method: Construction Manager at Risk

Institutional Managed: Yes No

Substantial Completion Date: August 2009

Total Project Cost:	<u>Source</u> Medical Services, Research and Development/Professional Fees (MSRDP)	<u>Current</u> \$4,900,000
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- a. approve a total project cost of \$4,900,000 with funding from MSRDP;
- b. appropriate funds and authorize expenditure; and
- c. authorize U. T. Southwestern Medical Center - Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

Project Description

The project will remodel 3,200 gross square feet in the surgery suite at Zale Lipshy University Hospital to accommodate new Intraoperative Magnetic Resonance Imaging (IMRI) equipment. Two existing surgery rooms will be affected. One room will be used for the imaging equipment, and one will be used for the surgery navigation system. The IMRI room will require both magnetic and radio frequency shielding. There will be major reconfigurations of the heating, air conditioning, and electrical systems, and significant structural modifications. The exterior precast wall will be removed and reinstalled to accommodate placement of the IMRI equipment.

The IMRI equipment is needed to provide the highest quality of service and the latest technology for diagnostic and interventional imaging. The IMRI equipment will be used by faculty recognized for their expertise in neurological surgery and for outpatient and inpatient diagnostic and interventional imaging.

This off-cycle repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. It has been determined that the project would best be managed by the U. T. Southwestern Medical Center - Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

2. U. T. Health Science Center - Houston: Build Out of Floor 6 for Biomedical Engineering - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Build Out of Floor 6 for Biomedical Engineering project at The University of Texas Health Science Center at Houston as follows:

Project No.:	701-401	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	November 2009	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$14,000,000

- Investment Metrics:**
- Researchers undergoing training within the Center for Advanced Biomedical Imaging Research (CABIR) - postdoctoral and junior faculty - 12 per year by the 4th quarter 2011 and predoctoral - 13 per year by the 4th quarter 2011
 - Number of researchers (faculty, staff, and trainees housed) within the CABIR - 100 by the 4th quarter 2011
 - Research expenditures per net assignable square foot within CABIR - \$350 by the 4th quarter 2011

- a. approve a total project cost of \$14,000,000 with funding from Revenue Financing System Bond Proceeds;
- b. appropriate funds and authorize expenditure; and

- c. 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. Health Science Center - Houston, 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 \$14,000,000.

Debt Service

The \$14,000,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$14,000,000 Revenue Financing System debt is expected to be \$1,000,000. The institution's debt service coverage is expected to average 2.0 times over FY 2008-2013.

Project Description

The CABIR is a jointly owned facility between U. T. Health Science Center - Houston and The University of Texas M. D. Anderson Cancer Center. The University of Texas Interinstitutional Biomedical Engineering Department is a collaborative venture of The University of Texas at Austin, U. T. Health Science Center - Houston, and U. T. M. D. Anderson Cancer Center.

The build-out of the sixth floor of the CABIR will contain approximately 33,500 gross square feet to support education and research for the Department of Biomedical Engineering. The research facilities will include specialized laboratories to support nanotechnology research, research on the development of advanced imaging technologies, facilities for the design, development, and evaluation of robotic devices with application as assistive technologies for persons with disabilities, and neuroengineering. The educational facilities will include laboratory and office space for graduate and postgraduate trainees as well as conference areas and administrative support facilities.

This off-cycle repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP.

3. U. T. Health Science Center - San Antonio: Recreation and Wellness Center - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; and authorization of institutional management

The Board amended the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Recreation and Wellness Center project at The University of Texas Health Science Center at San Antonio as follows:

Project No.: 402-403
Institutional Managed: Yes No
Project Delivery Method: Design/Build
Substantial Completion Date: January 2009
Total Project Cost:

<u>Source</u>	<u>Current</u>
Revenue Financing System Bond Proceeds	\$5,500,000

Investment Metrics:

- Project will increase exercise space for students by more than 29,000 square feet by 2009.
- Project will provide exercise space for approximately 2,800 students and additional 1,200 faculty and staff in the Medical Center by 2009.

- a. approve a total project cost of \$5,500,000 with funding from Revenue Financing System Bond Proceeds; and
- b. authorize U. T. Health Science Center - San Antonio to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

The project will house a new recreation and wellness facility of approximately 37,000 gross square feet located on the main campus. The center will include space for workout rooms, cardiovascular and weight training, an outdoor pool, and gymnasium. The facility will be open 24 hours a day, seven days a week to accommodate the various schedules of students, faculty, and staff. This project will build the shell and finish out the gymnasium. The facility operator will complete the interior finish-out and construct an outdoor pool.

U. T. Health Science Center - San Antonio students are in need of adequate exercise or recreation facilities. This project will construct a center to accommodate the students providing space for fitness classes and intramurals, and a casual gathering space for the students.

This off-cycle project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. 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.

4. U. T. M. D. Anderson Cancer Center: Kirby Facility Build Out - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project; approval of total project cost; and appropriation of funds and authorization of expenditure

The Board amended the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to include the Kirby Facility Build Out at The University of Texas M. D. Anderson Cancer Center as follows:

Project Delivery Method: Competitive Sealed Proposals
Institutional Managed: Yes No
Substantial Completion Date: December 2008
Total Project Cost:

<u>Source</u>	<u>Current</u>
Hospital Revenues	\$4,700,000

Investment Metrics:

- Relocate the remaining administrative offices within the Houston Main Building to the Kirby Facility by December 2008
- Relocate Medical Records offices from the main campus complex to the Kirby Facility by December 2008
- Provide temporary space at a lower cost compared to other available facilities until space becomes available in the new Administrative Support Building currently estimated to be 2012

- a. approve a total project cost of \$4,700,000 with funding from Hospital Revenues; and
- b. appropriate funds and authorize expenditure of funds.

Project Description

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development. U. T. M. D. Anderson Cancer Center requires temporary space for employees as plans continue for the demolition of the Houston Main

Building to make way for new clinical facilities and the construction of the Administrative Support Building. To meet this need, U. T. M. D. Anderson Cancer Center plans to build out the tenant space leased on Kirby Drive to serve as interim offices and swing space as the Mid-Campus area is developed.

This off-cycle repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP.

5. U. T. Arlington: Engineering Research Complex - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Engineering Research Complex project at The University of Texas at Arlington as follows:

Project No.: 301-258
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: January 2011

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Unexpended Plant Funds		\$ 12,780,000
	Permanent University Fund Bond Proceeds	\$ 37,000,000	\$ 37,000,000
	Revenue Financing System Bond Proceeds	\$ 18,000,000	\$ 18,000,000
	Tuition Revenue Bond Proceeds	<u>\$ 70,430,000</u>	<u>\$ 70,430,000</u>
		\$125,430,000	\$138,210,000

- Investment Metrics:**
- Increase office, teaching, and research space by over 40% for the College of Engineering (COE)
 - Increase enrollments to more than 4,000 within five years for the COE
 - Add 25 faculty members within five years and increase research funding to \$50M within 10 years
 - Reach the top 50 in national rankings and have at least two programs in the top 25
 - Provide research labs and offices for researchers involved in 18 laboratories in biology, chemistry and biochemistry, physics, neuroscience, and computational mathematics who would be hired over a period of five years
 - Accommodate expansion and interact more effectively with engineering researchers
 - Triple level of external funding in 10 years to \$30M in annual expenditures

- a. amend the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to increase the total project cost from \$125,430,000 to \$138,210,000;
- b. revise the funding sources to include \$12,780,000 from Unexpended Plant Funds;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of funds;
- e. approve the evaluation of alternative energy economic feasibility; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$88,430,000.

Debt Service

The 79th Legislature authorized \$70,430,000 of Tuition Revenue Bonds for an engineering research building. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations. The \$18,000,000 in Revenue Financing System debt will be repaid from revenues generated by indirect cost recovery. Average annual debt service on the project is estimated at approximately \$1,300,000. Debt service coverage is expected to be at least 1.8 times and average 2.5 times over FY 2009 - FY 2014.

Previous Board Actions

Engineering Lab Building Addition - On February 8, 2007, the project was included in the CIP with a total project cost of \$10,450,000 with funding from Revenue Financing System Bond Proceeds.

Engineering Research Building - On June 20, 2006, the project was included in the CIP with a total project cost of \$80,430,000 with funding of \$70,430,000 from Tuition Revenue Bond Proceeds and \$10,000,000 from Revenue Financing System Bond Proceeds. On August 10, 2006, the Board revised the funding to \$70,430,000 from Tuition Revenue Bond Proceeds and \$10,000,000 from Permanent University Fund (PUF) Bond Proceeds.

Expansion of Engineering Research Building - On August 10, 2006, the repair and rehabilitation project was included in the CIP with a total project cost of \$30,000,000 with funding appropriated in the amount of \$27,000,000 from PUF Bond Proceeds and \$3,000,000 from Revenue Financing System Bond Proceeds.

Engineering Research Complex - With the adoption of the FY 2008-2013 CIP on August 23, 2007, the projects were combined and redesignated as the Engineering Research Complex with a total project cost of \$125,430,000 with funding of \$70,430,000 from Tuition Revenue Bond Proceeds, \$37,000,000 from PUF Bond Proceeds, and \$18,000,000 from Revenue Financing System Bond Proceeds.

Project Description

The project includes a third floor addition of approximately 27,330 gross square feet (GSF) to the existing Engineering Lab Building and minor renovations to the first and second floors. The new construction for the Engineering Research Building will contain approximately 230,000 GSF to provide state-of-the-art multidisciplinary teaching and research laboratories, laboratory support spaces, and faculty and student offices. The increase in total project cost is due to an increase in the number of fume hoods in the Engineering Lab Building as well as more complex lab designs having significant impacts on the mechanical and electrical systems and an increase in the construction estimate for the shell space for the Engineering Research Building.

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.

6. U. T. Austin: Student Activity Center/Phase I - Liberal Arts - Approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Student Activity Center/ Phase I - Liberal Arts project at The University of Texas at Austin as follows:

Project No.: 102-248
Architecturally or Historically Significant: Yes No
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: September 2010
Total Project Cost:

<u>Source</u>	<u>Current</u>
Revenue Financing System Bond Proceeds	\$69,400,000

Investment Metrics:

- Increase study and lounge space for students in the core of campus by January 2011
- Add much needed meeting rooms of various sizes primarily reserved for student groups by January 2011
- Add 40,000 square feet for a Liberal Arts component that will vacate a nearby building for other uses by January 2011
- Provide space for Liberal Arts to accommodate 20 research laboratories, 50 faculty offices, and 40 graduate student spaces

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of funds;
- c. approve the evaluation of alternative energy economic feasibility; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt

- Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. 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 \$69,400,000.

Debt Service

The \$69,400,000 in Revenue Financing System debt will be repaid by Designated Tuition and interest on local funds. Average annual debt service on the project is estimated at approximately \$5,000,000. Debt service coverage is expected to be at least 1.8 times and average 2.1 times over Fiscal Year 2008 – Fiscal Year 2013.

Previous Board Actions

On May 11, 2006, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$44,000,000 with funding from Revenue Financing System Bond Proceeds and designated as architecturally significant. On November 9, 2007, the Board approved including the Phase I - Liberal Arts project and the total project cost was increased to \$69,400,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The new building will contain approximately 148,000 gross square feet to house various student activities including study areas, lounges, food service, meeting rooms, classrooms, a blackbox theater, and student government offices. The campus has long needed more space of this nature as the original Texas Student Union built in the 1930s can no longer accommodate all the needs of a student body that has more than doubled since then. A feasibility study was undertaken in 2005, and a student referendum was passed in Spring 2006 to fund this project through student fees. Additionally, the two upper floors will house a Liberal Arts component, which will be funded independently from the John A. and Katherine G. Jackson School of Geosciences.

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.

7. U. T. Brownsville: Science and Technology Learning Center - Approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Science and Technology Learning Center project at The University of Texas at Brownsville as follows:

Project No.:	902-271	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	April 2011	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$33,800,000

- Investment Metrics:**
- Department of Biological Sciences:
 - 12 research laboratories for principal investigators
 - Support areas such as cold and warm rooms, equipment rooms, and wash areas
 - An animal care facility including procedure rooms, feed storage, and staff areas
 - Offices for principal investigators as well as administrative support
 - A community outreach program including offices for coordinators and an education area
 - Allied Health Program:
 - Provide faculty offices, EMT and storage, sonography, and polysomnography
 - Emergency Operations Center:
 - Provide backup data servers
 - Emergency control room and spaces for operation and control of the campus in the event of an emergency
 - General Purpose Classrooms:
 - Classrooms ranging from 30 seats to 130 seats in size

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of funds;
- c. approve the evaluation of alternative energy economic feasibility; and

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Brownsville, 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 \$33,800,000.

Debt Service

The 79th Legislature authorized \$33,800,000 of Tuition Revenue Bonds for a science and technology learning center. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations.

Previous Board Action

On August 10, 2000, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$33,800,000 with funding from Tuition Revenue Bond Proceeds.

Project Description

The project consists of 60,000 gross square feet to provide laboratory and teaching space for the biomedical program, an emergency response center, and expansion for the nursing department along with classrooms and seminar rooms and faculty and departmental offices. The building would incorporate general purpose administrative and student support office space.

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.

8. U. T. Dallas: Campus Landscape Enhancement Project - Approval of design development

The Board approved the design development for the Campus Landscape Enhancement Project at The University of Texas at Dallas as follows:

Project No.:	302-244	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	July 2009	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Gifts	\$25,000,000
	Revenue Financing System Bond Proceeds	\$ 5,000,000
		<u>\$30,000,000</u>

Previous Board Actions

On May 10, 2006, the repair and rehabilitation project was included in the Capital Improvement Program (CIP) with a total project cost of \$10,000,000 and funding was appropriated from Gifts. On February 7, 2008, the Board approved the increase of the total project cost from \$10,000,000 to \$30,000,000 with revised funding sources of \$25,000,000 from Gifts and \$5,000,000 from Revenue Financing System Bond Proceeds, and appropriated funding.

Project Description

The enhancement of the U. T. Dallas campus landscape master plan is intended to create a visually attractive perimeter to the campus and central plaza and other areas. This project will provide green spaces, water features, and a significant central plaza where students, faculty, and staff can congregate.

The landscape master plan has identified two areas to be addressed for the Peter Walker and Partners (PWP) design - the Mall and University Parkway including the entry circle at the School of Management. Each of these areas will assist with both the activation of social space on the campus as well as the overall creation of a new identity for U. T. Dallas. The Mall will provide a fabric of open space that links the existing Eugene McDermott Library and Student Union Building and extends to the south to link the School of Management and the Student Activity Center. The forestation of University Parkway will enhance the front door vehicular entrance to the campus.

The project will be split into four distinct areas to include the forestation of University Parkway with new densely planted vegetation to resemble the forested creeks on the east and west edges of campus; construction, landscaping, and roadwork for a new traffic circle at the northern end of University Parkway and the southern termination of the new campus mall; construction of a new landscaped mall with water feature, landscaping, and covered pedestrian walkways; and construction of a high canopy trellis above the library plaza with flowering plants and a water feature at the northern end of the new campus mall.

9. U. T. Tyler: Art Studio Addition portion of the Completion/Renovation/Expansion of the Engineering, Science and Technology Building project - Approval of design development and authorization of institutional management

The Board approved the recommendations for the Art Studio Addition portion of the Completion/Renovation/Expansion of the Engineering, Science and Technology Building project at The University of Texas at Tyler as follows:

Project No.:	802-265	
Institutional Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2009	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$43,200,000
	Permanent University Fund Bond Proceeds	\$ 4,800,000
	Gifts	<u>\$ 1,300,000</u>
		\$49,300,000

Total Project Cost for Art Studio Addition:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$ 5,727,000
	Permanent University Fund Bond Proceeds	\$ 73,000
	Gifts	<u>\$ 1,300,000</u>
		\$ 7,100,000

- Investment Metrics:**
- Increase capacity for art studio class sections and subsequent increase in art majors; the number of art majors is projected to increase by 15% per year from 100 to 200 students by 2013
 - Facilitate substantial growth in student credit hours; art student credit hours are projected to increase by 10% per year to an estimated 5224 hours by 2013

- a. approve design development plans; and
- b. authorize U. T. Tyler to institutionally manage the project.

Previous Board Actions

On August 11, 2006, the project was included in the Capital Improvement Program (CIP) as a part of a collection of projects titled Completion/Renovation/Expansion of Engineering, Science and Technology Building with a preliminary project cost of \$48,000,000 with funding of \$43,200,000 from Tuition Revenue Bond Proceeds and \$4,800,000 from Permanent University Fund (PUF) Bond Proceeds. On February 8, 2007, the Board appropriated funding for the total project cost in the amount of \$48,000,000 with funding of \$43,200,000 from Tuition Revenue Bond Proceeds and \$4,800,000 from PUF Bond Proceeds. On April 13, 2007, the Chancellor approved the increase in total project cost for the Art Studio portion of the project from \$5,800,000 to \$7,100,000 and authorized the additional appropriation of the funding of \$1,300,000 from Gifts, thereby increasing the total project cost of the collection of projects from \$48,000,000 to \$49,300,000.

Project Description

The Art Studio Addition project is one stage of the Completion/Renovation/Expansion of the Engineering, Science and Technology Building project.

The project consists of the addition of five metal buildings totaling approximately 29,000 gross square feet that will house teaching studios, departmental offices, and a lecture hall. It has been determined that this project would best be managed by the U. T. Tyler Facility Management personnel who have the experience and capability to manage all aspects of the work.

The Completion/Renovation/Expansion of the Engineering, Science and Technology Building project involves five other repair and rehabilitation projects. The University Center/Student Services project will renovate existing space to include a food court, bookstore, career/advising center, student program office space, meeting rooms, and faculty offices. The Science/Math/Hudnall Pirtle Roosth (HPR) Renovation will include improved teaching space and classrooms.

Three other institutionally managed projects include the Renovation of the Interim Old Engineering Building, First Floor; Completion of Engineering, Science and Technology Building North; and Campus Access and Safety Improvements.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an

addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

10. U. T. Tyler: Palestine Campus Expansion - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost; approval of design development; approval to revise funding sources; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Palestine Campus Expansion project at The University of Texas at Tyler as follows:

Project No.:	802-266		
Project Delivery Method:	Competitive Sealed Proposals		
Substantial Completion Date:	April 2010		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$6,300,000	\$6,300,000
	Permanent University Fund Bond Proceeds	\$ 700,000	\$ 700,000
	Gifts		\$ 308,900
	Designated Funds		\$ 691,100
		\$7,000,000	\$8,000,000

- Investment Metrics:**
- One of the goals for 2010 is to become the University of choice for 7,000 high-ability students. Palestine Campus is expected to contribute to this growth through the space and facilities in the new building.
 - The project will provide approximately 18,000 gross square feet (GSF) of additional modern space for clinical and general classrooms, laboratories, and office space for faculty and will accommodate rapid enrollment growth at the U. T. Tyler Palestine Campus.
 - Support increased local enrollments in Palestine area, especially in nursing. The expansion of the Palestine Campus will enable U. T. Tyler to close the gaps by increasing student access and participation in an underserved region of East Texas. Additional space will enable the University to expand programs, particularly nursing, where critical shortages exist throughout the State.
 - U. T. Tyler's Enrollment Management Plan will provide guidelines for using current space, additional space in the new building, adding appropriate number of faculty, increasing access to other majors such as management, education, criminal justice and working with Trinity Valley Community College's campus at Palestine to further increase access to students in the region.

- a. amend the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to increase the total project cost from \$7,000,000 to \$8,000,000;
- b. approve design development plans;
- c. revise funding sources from \$6,300,000 from Tuition Revenue Bond Proceeds and \$700,000 from Permanent University Fund (PUF) Bond Proceeds to \$6,300,000 from Tuition Revenue Bond Proceeds, \$700,000 from PUF Bond Proceeds, \$308,900 from Gifts, and \$691,100 from Designated Funds;
- d. appropriate funds and authorize expenditure of funds;
- e. approve the evaluation of alternative energy economic feasibility; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Tyler, 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 \$6,300,000.

Debt Service

The 79th Legislature authorized \$6,300,000 of Tuition Revenue Bonds for campus expansion. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations.

Previous Board Actions

On June 20, 2006, the project was included in the CIP with a total project cost of \$7,000,000 with funding of \$6,300,000 from Tuition Revenue Bond Proceeds and \$700,000 from Revenue Financing System Bond Proceeds. On August 10, 2006, the Board approved revising the funding for the project to \$6,300,000 from Tuition Revenue Bond Proceeds and \$700,000 from PUF Bond Proceeds.

Project Description

The project will involve the construction of a new building of approximately 18,000 GSF for clinical and general classrooms, laboratories, and general office space for faculty. The additional space will enable U. T. Tyler to expand programs, particularly nursing, where critical shortages exist throughout the state and to accommodate rapid enrollment growth at the Palestine Campus. The increase in total project cost is to complete the approved facility program requirements. (See Item 2 on Page 43 in the Academic Affairs Committee regarding gifts of land for the purpose of expanding the U. T. Tyler Palestine Campus.)

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.

11. U. T. Medical Branch - Galveston: Specialty Care Center at Victory Lakes - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to reapprove adding the project back onto the Capital Improvement Program; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Specialty Care Center at Victory Lakes project at The University of Texas Medical Branch at Galveston as set forth on the following page.

Project No.:	601-241	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	October 2009	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$51,000,000
	Hospital Revenues	<u>\$10,000,000</u>
		\$61,000,000

Investment Metrics:

- The admissions/visits to the UTMB specialty and sub-specialty practices generated will be 463 within 24 months of occupancy
- The monthly imaging procedures will reach 1,250 within 24 months of occupancy

- a. amend the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to reapprove adding the project back onto the CIP;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of funds; and
- d. approve the evaluation of alternative energy economic feasibility;
- e. 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. Medical Branch - Galveston, 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 \$51,000,000.

Debt Service

The \$51,000,000 in Revenue Financing System debt will be repaid from revenues generated from clinic operations. Average annual debt service on the project is estimated at \$3,700,000. The project's debt service coverage is expected to average 3.1 times over FY 2010 - FY 2015.

Previous Board Actions

On August 11, 2005, the project was included in the CIP as the Clinic Facility - League City with a preliminary project cost of \$30,000,000 with funding from Revenue Financing System Bond Proceeds.

On June 27, 2006, the project was redesignated as the Specialty Care Center at Victory Lakes. On August 6, 2006, the Board approved increasing the total project cost to \$35,000,000 and revised the funding to \$30,500,000 from Permanent University Fund (PUF) Bond Proceeds and \$4,500,000 from Revenue Financing System Bond Proceeds. With the adoption of the CIP on August 23, 2007, the project was deleted from the CIP until a new comprehensive plan was in place at U. T. Medical Branch - Galveston. On February 7, 2008, the Board approved the transfer of the allocated \$30,500,000 from PUF for the Specialty Care Center project to the University Boulevard Research Building project.

Project Description

The project consists of approximately 110,000 gross square feet of outpatient clinic space located on property in North Galveston County east of Interstate 45 and north of Highway 646 that leads into the Victory Lakes residential area in League City, Texas. The clinic will be a two-story structure to include clinic space, operating rooms, an imaging department, and other required support areas.

This project was previously approved in the CIP and progressed to the completion of design development prior to being removed for further study.

This property is in a growing area and is bounded by upscale residential property, secondary schools, and commercial property soon to be developed into senior care and housing facilities. The development of this outpatient, specialty clinic is critical to initiatives that support the business plan of U. T. Medical Branch - Galveston and the clinical enterprise. Projections for the service market in the project area in North Galveston County indicate that by 2011 there will be over two million insured patients in need of healthcare services. The project will support the vision of the Faculty Group Practice at the School of Medicine and has involved leadership from all facets of U. T. Medical Branch - Galveston healthcare delivery programs. This project will

serve one of the fastest growing areas in the State of Texas and will serve the short stay and ambulatory care needs of U. T. Medical Branch - Galveston employees, families, and residents of the region.

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

12. U. T. Health Science Center - Houston: U. T. Research Park Complex - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to reduce the total project cost; delete the Parking Garage portion of the project; approval of design development of the Dental Branch Replacement Building portion of the project; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for The University of Texas Research Park Complex project at The University of Texas Health Science Center at Houston as set forth below:

Project No.:	701-320		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	September 2010		
Total Project Cost for the U. T. Research Park Complex:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Unexpended Plant Funds	\$ 36,180,739	\$ 36,840,739
	Permanent University Fund Bond Proceeds	\$ 59,100,000	\$ 59,100,000
	Tuition Revenue Bond Proceeds	\$ 60,000,000	\$ 60,000,000
	Gifts	\$ 2,000,000	\$ 2,000,000
	Revenue Financing System Bond Proceeds	<u>\$ 17,500,000</u>	<u>\$ 10,000,000</u>
		\$174,780,739	\$167,940,739
Total Project Cost for the Stage 1 (BREF) of the U. T. Research Park Complex:	<u>Source</u>	<u>Current</u>	
	Unexpended Plant Funds	\$ 36,180,739	
	Permanent University Fund Bond Proceeds	<u>\$ 41,100,000</u>	
		\$ 77,280,739	
Total Project Cost for the Stage 2 (DBRB) of the U. T. Research Park Complex:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Unexpended Plant Funds		\$ 660,000
	Permanent University Fund Bond Proceeds	\$ 18,000,000	\$18,000,000
	Tuition Revenue Bond Proceeds	\$ 60,000,000	\$60,000,000
	Gifts	\$ 2,000,000	\$ 2,000,000
	Revenue Financing System Bond Proceeds	<u>\$ 17,500,000</u>	<u>\$10,000,000</u>
		\$ 97,500,000	\$90,660,000

Investment Metrics:

- Increase the number of students who graduate as oral healthcare professionals by 2016
 - Increase semester classroom hours delivered per assignable square feet (ASF) of classroom and pre-clinical lab space by 2012
 - Increase patient visits/treatments provided per ASF of clinical space by 2016
- a. amend the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to reduce the total project cost from \$174,780,739 to \$167,940,739;
 - b. delete the Parking Garage portion of the project with funding of \$7,500,000 from Revenue Financing System Bond Proceeds;
 - c. approve design development plans for the Dental Branch Replacement Building (DBRB) portion of the project;
 - d. appropriate funds and authorize expenditure of funds in the amount of \$90,660,000 with funding of \$60,000,000 from Tuition Revenue Bond Proceeds, \$18,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$10,000,000 from Revenue Financing System Bond Proceeds, \$2,000,000 from Gifts; and \$660,000 from Unexpended Plant Funds;
 - e. approve the evaluation of alternative energy economic feasibility; and
 - f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Health Science Center - Houston, 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 \$70,000,000.

Debt Service

The 79th Legislature authorized \$60,000,000 of Tuition Revenue Bonds for a dental branch replacement building. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations. The \$10,000,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$10,000,000 Revenue Financing System debt is expected to be approximately \$726,000. The institution's debt service coverage is expected to be at least 1.5 times and average 2.0 times over FY 2008-2013.

Previous Board Actions

Biomedical Research and Education Facility (BREF) - On August 10, 2006, the project was included in the CIP with a preliminary project cost of \$62,000,000 with funding of \$41,100,000 from PUF Bond Proceeds and \$20,900,000 from Gifts.

Dental Branch Replacement Building (DBRB) - On August 10, 2006, the project was included in the CIP with a preliminary project cost of \$80,000,000 with funding of \$18,000,000 from PUF Bond Proceeds, \$60,000,000 from Tuition Revenue Bond Proceeds, and \$2,000,000 from Gifts.

Mental Sciences Institute Replacement Facility - On November 11, 1999, the project was included in the CIP with a preliminary project cost of \$20,700,000 with funding from Unexpended Plant Funds. On August 9, 2001, the Board approved reducing the total project cost to \$16,500,000 with funding from Unexpended Plant Funds. On August 8, 2002, the Board approved increasing the total project cost to \$22,500,000 with funding of \$16,500,000 from Unexpended Plant Funds and \$6,000,000 from Hospital Revenues.

Research Park Complex - On November 16, 2006, the three projects were combined and redesignated as the U. T. Research Park Complex, and funding was revised with a total project cost of \$161,500,000 with funding of \$60,000,000 from Tuition Revenue Bond Proceeds, \$59,100,000 from PUF Bond Proceeds, \$19,500,000 from Unexpended Plant Funds, and \$22,900,000 from Gifts. With the adoption of the FY 2008-2013 CIP on August 23, 2007, the project scope was increased to include a parking garage and the funding was revised with a total project cost of \$161,500,000 with funding of \$60,000,000 from Tuition Revenue Bond Proceeds, \$59,100,000 from PUF Bond Proceeds, \$22,900,000 from Unexpended Plant Funds, \$2,000,000 from Gifts, and \$17,500,000 from Revenue Financing System Bond Proceeds. On August 23, 2007, the Board approved design development plans for the BREF portion of the project with a total project cost of \$64,000,000 with funding of \$41,100,000 from PUF Bond Proceeds and

\$22,900,000 from Unexpended Plant Funds. On February 7, 2008, the Board approved the increase in total project cost for the BREF portion of the project from \$64,000,000 to \$77,280,739 with funding of \$41,100,000 from PUF Bond Proceeds and \$36,180,739 from Unexpended Plant Funds.

Project Description

Stage 2 of the project will construct the second building in the complex consisting of a six-story structure to house approximately 197,000 gross square feet of preclinical spaces such as classrooms, an auditorium, preclinical laboratories, the Learning Resources Center, and administrative space along with build-out and additional equipment within the Central Plant to serve the Dental Branch and associated site utilities and amenities for the remainder of the project site.

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.

- 13. U. T. M. D. Anderson Cancer Center: Administrative Support Building - Phase 1, Administrative Support Building - Phase 2, Administrative Support Building - Phase 3, and Data Center Expansion - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to combine four projects and redesignate as the Administrative Support Building; approval to increase the total project cost; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Administrative Support Building - Phase 1, Administrative Support Building - Phase 2, Administrative Support Building - Phase 3, and the Data Center Expansion projects at The University of Texas M. D. Anderson Cancer Center as follows:

Project Delivery Method:	Design/Build	
Substantial Completion Date:	September 2012	
Institutional Managed:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Total Project Cost:	<u>Source</u>	<u>Current</u>
Administrative Support Building - Phase I	Hospital Revenues	\$161,695,000
	Revenue Financing System Bond Proceeds	\$ 33,000,000
		\$194,695,000

Total Project Cost:	<u>Source</u>	<u>Current</u>	
Administrative Support Building - Phase 2	Hospital Revenues	\$ 8,976,000	
	Revenue Financing System Bond Proceeds	<u>\$22,000,000</u>	
		\$30,976,000	
Total Project Cost:	<u>Source</u>	<u>Current</u>	
Administrative Support Building - Phase 3	Hospital Revenues	\$20,031,000	
Total Project Cost:	<u>Source</u>	<u>Current</u>	
Data Center Expansion	Hospital Revenues	\$20,000,000	
Total Combined Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
Administrative Support Building (Project No. 703-404)	Hospital Revenues	\$210,702,000	\$275,000,000
	Revenue Financing System Bond Proceeds	<u>\$ 55,000,000</u>	<u>\$ 75,000,000</u>
		\$265,702,000	\$350,000,000

Investment Metrics:

- Begin vacating existing leases by 2012
- Provide shell and core space by 2012 to accommodate future build-out space for the relocation of other existing leases
- Provide shell and core space by 2012 to accommodate future build-out of space for the relocation of North Campus personnel

- a. amend the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to combine the four projects and redesignate as the Administrative Support Building;
- b. approve the increase in the total project cost from \$265,702,000 to \$350,000,000;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of funds in the amount of \$75,000,000 from Revenue Financing System Bond Proceeds and \$275,000,000 from Hospital Revenues;
- e. approve the evaluation of alternative energy economic feasibility; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. M. D. Anderson Cancer Center, 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 \$75,000,000.

Debt Service

The \$75,000,000 in Revenue Financing System debt will be repaid from Hospital Revenues. Average annual debt service on the project is estimated at \$5,440,000. The institution's debt service coverage with the inclusion of this project is expected to be at least 4.7 times and average 5.1 times over FY 2008 - FY 2013.

Previous Board Actions

Administrative Support Building - Phase 1 - On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$194,695,000 with funding of \$33,000,000 from Revenue Financing System Bond Proceeds and \$161,695,000 with funding from Hospital Revenues.

Administrative Support Building - Phase 2 - On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$30,976,000 with funding of \$8,976,000 from Revenue Financing System Bond Proceeds and \$22,000,000 with funding from Hospital Revenues.

Administrative Support Building - Phase 3 - On August 22, 2007, the project was included in the CIP with a preliminary project cost of \$20,031,000 with funding from Hospital Revenues.

Data Center Expansion - On August 22, 2007, the project was included in the CIP with a preliminary project cost of \$20,000,000 with funding from Hospital Revenues.

Project Description

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional

management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development.

The project will construct a shell and core of approximately 1,353,000 gross square feet (GSF) and build out approximately 374,000 GSF. U. T. M. D. Anderson Cancer Center leases space in eight different locations in the vicinity of the Texas Medical Center. The multiple locations present a variety of issues including increased operating costs because of the need to maintain an extensive and costly shuttle system and decreased employee productivity because of time spent in transit from facility to facility. Projections indicate the need for additional support space as growth in patient care and research continues. The estimated net present value savings is \$10,200,000 to build rather than lease.

The growth rates have also resulted in the need for additional data processing infrastructure and hardware. The Administrative Support Building will include approximately 25,000 GSF for a new data center along with mechanical and electrical systems to support additional redundancy. The new data center will provide redundant capabilities for network systems and improve reliability for critical applications.

The Administrative Support Building provides the opportunity to vacate leases as they expire and consolidate departments currently separated into many disparate locations. In addition, space will be provided to meet growth projections.

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.

14. U. T. Austin: Speedway Mall North of 21st Street and East Mall/East Mall Fountain, Phase I - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost; revise the funding sources; and redesignate the project as Speedway Mall North of the Blanton Museum and South of Dean Keeton Street and East Mall/East Mall Fountain

The Board approved the recommendations for the Speedway Mall North of 21st Street and East Mall/East Mall Fountain, Phase I project at The University of Texas at Austin as follows:

Project No.:	102-219		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	August 2012		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Gifts	\$11,000,000	\$130,000,000
	Designated Tuition	<u>\$ 1,000,000</u>	
		\$12,000,000	
Investment Metrics:	<ul style="list-style-type: none"> • Provide student gathering space along former Speedway roadway by 2012 • Promote student services by 2012 • Encourage participation in student organizations by 2012 		

- a. amend the Fiscal Year (FY) 2008-2013 Capital Improvement Program (CIP) and the FY 2008-2009 Capital Budget to increase the total project cost from \$12,000,000 to \$130,000,000;
- b. revise the funding sources from \$11,000,000 from Gifts and \$1,000,000 from Designated Tuition to \$130,000,000 from Gifts; and
- c. redesignate the project as Speedway Mall North of the Blanton Museum and South of Dean Keeton Street and East Mall/East Mall Fountain.

Previous Board Actions

On November 5, 2004, the project was included in the CIP with a total project cost of \$12,000,000 with funding from Gifts. With the adoption of the FY 2008-2013 CIP on August 23, 2007, the funding was revised to \$11,000,000 from Gifts and \$1,000,000 from Designated Tuition.

Project Description

The Campus Master Plan, published in 1999, lays out a framework for enhancing the campus while maintaining a focus on reestablishing the sinews of community among students, faculty, and staff in an environment conducive

to academic life in all respects. Transforming Speedway Avenue to become the major new informal social space of the central campus is identified by the Campus Master Plan as the most important public space initiative.

Sixty years of growth separate the 1999 Campus Master Plan by Cesar Pelli & Associates, renamed Pelli Clarke Pelli Architects, from the previous campus plan by Paul Cret. During that time, U. T. Austin's infrastructure grew from 14 buildings to a sprawling 369-acre campus with 139 buildings of more than 12.5 million square feet.

Cret's Master Plan organized the original 40 acres with a strong east-west and north-south axis using carefully defined malls. The Main Building's Tower anchors the intersection of these malls. That axial plan is still the dominant organizing element for the campus even though the geographic center of campus has shifted. The current Campus Master Plan for U. T. Austin retains the ideals established by Cret but places emphasis on the new geographic center of campus, which is where the East Mall intersects Speedway Avenue.

The Speedway Mall project would be the single most significant and comprehensive step to enabling and fulfilling five of the seven objectives and organizing principles of the 1999 Campus Master Plan, which include returning the core campus to pedestrians and keeping vehicular traffic to the edges of the campus; establishing a community of landscaped open spaces, working in concert with buildings to extend and reknit the campus; establishing new centers of student activity, reinforcing housing and academic uses to enhance a full on-campus life; concentrating future construction in the core campus rather than on the fringes; and enhancing public perceptions of and access to the campus through strengthened identity and wayfinding programs.

The project will provide pedestrian traffic enhancements and landscape improvements for Speedway Avenue from the Jack S. Blanton Museum of Art to East Dean Keeton Street and the East Mall from Inner Campus Drive to San Jacinto Boulevard, including the East Mall Fountain. The project scope involves grade changes for access to the buildings along the route, extensive utility upgrades, lighting and power improvements, construction of plazas and related food service, wireless access, and landscape enhancements. The project will offer a central point of multiple activities and services, which will enrich the campus experience for students, faculty, staff, and visitors. In addition, it will ensure the survivability of the endangered mature oak trees that line Speedway. The entire project area encompasses almost 16 acres and will be divided into six stages to minimize the overall impact that construction will have on day-to-day operations at U. T. Austin. This staged project is expected to take seven to eight years to complete.

The total project cost of \$12,000,000 was an early estimate for the work to replace the East Mall Fountain only. Since their appointment in early 2006, the Project Architect, Booziotis and Company Architects with Peter Walker and Partners Landscape Architects, have developed the fountain design, in addition to a plaza adjacent to the fountain. Together with the Construction Manager at Risk, Flintco, Inc., more accurate cost estimates have been developed for the work. The total project cost estimate for all portions of the work, including the fountain, is \$130,000,000.

The project is anticipated to be completed in six stages over an anticipated eight-year period. As gift funding is identified sufficient to fund a project stage or stages, the project will be brought back to the U. T. System Board of Regents for design development approval for that stage or those stages.

RECONVENE BOARD OF REGENTS AS COMMITTEE OF THE WHOLE.--
At 12:10 p.m., the Board reconvened as a committee of the whole.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on
August 13 - 14, 2008, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned
at 12:10 p.m.

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

June 25, 2008

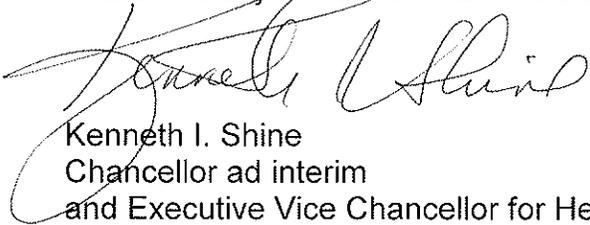
THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 134

May 1, 2008

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

The Docket for The University of Texas System Administration and the Dockets recommended by the respective presidents and prepared by the institutions listed below are submitted for discussion and appropriate action regarding approval of the Docket at the meeting of the U. T. System Board of Regents on May 15, 2008. The Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	Docket 1 - 8
The University of Texas at Arlington	Docket 9 - 11
The University of Texas at Austin	Docket 12 - 17
The University of Texas at Brownsville	Docket 18 - 19
The University of Texas at Dallas	Docket 20 - 22
The University of Texas at El Paso	Docket 23 - 24
The University of Texas - Pan American	Docket 25 - 26
The University of Texas at San Antonio	Docket 27 - 29
The University of Texas at Tyler	Docket 30
The University of Texas Southwestern Medical Center at Dallas	Docket 31 - 34
The University of Texas Medical Branch at Galveston	Docket 35 - 36
The University of Texas Health Science Center at Houston	Docket 37 - 38
The University of Texas Health Science Center at San Antonio	Docket 39
The University of Texas M. D. Anderson Cancer Center	Docket 40 - 43



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

xc: Other Members of
the Board

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U. T. SYSTEM ADMINISTRATION

AMENDMENTS TO THE 2007-08 BUDGET

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

EXECUTIVE OFFICER APPOINTMENTS

<u>Description</u>		<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
OFFICE OF EXTERNAL RELATIONS						
1.	Randa S. Safady					134
From:	Vice Chancellor for External Relations		100	12	315,000	
To:	Vice Chancellor for External Relations	4/1-8/31	100	12	400,000	

TRANSFER OF FUNDS

<u>Description</u>		<u>\$ Amount</u>	<u>RBC #</u>
INSTITUTIONAL FUNDS			
2.	Amount of Transfer:	21,000,000	135
From:	Billy Carr West Texas Lands Endowment	825,000	
	Billy Carr PUF Lands Quasi Endowment	11,900,000	
	Damage Payments on West Texas Lands	7,600,000	
	Interest on Damage Payments on West Texas Lands	688,000	
To:	Permanent University Fund (PUF)		

Historically, the surface damage fees collected on University Lands in West Texas have been viewed as institutional funds; however, the fees collected should have been considered earnings of the PUF. Expenditures of these funds were expended in accordance with the limitations on the PUF imposed by the *Texas Constitution* and statutes. This transfer is needed to move funds to the correct account.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements are recommended for approval by the U. T. System Board of Regents. Such employment under this agreement is subject to the *Rules and Regulations* of the Board of Regents and the policies of The University of Texas System Administration.

1. Item: Advisor to the Chancellor

Funds: \$500,000

Period: May 1, 2008 through June 15, 2008

Description: Mark G. Yudof will serve as Advisor to the Chancellor to provide a coordinated transition and planning period before beginning duties as President of the University of California System. He will be provided appropriate office space and clerical support and continue to reside in Bauer House during this period of service. Additional continuing benefits will be the provision of a cell phone and the cost of club memberships, provided on the same terms as currently made available. The final premium payment on the long term care insurance policy will be paid by U. T. System as soon as allowed by the insurance carrier, as was provided for in his original employment agreement. Chancellor Yudof will be paid prior to June 15, 2008, for accrued and unused vacation time as authorized by State law.
2. Item: Chancellor ad interim

Funds: \$575,000 plus \$100,000 Supplement

Period: Beginning May 1, 2008

Description: Executive Vice Chancellor Shine will serve as Chancellor ad interim while the Board conducts a search for a Chancellor. Dr. Shine will receive a \$100,000 annual salary supplement for his service during the interim period.

OTHER MATTERS

REPORT ON FISCAL YEAR 2007 POST-TENURE REVIEW

ACADEMIC INSTITUTIONS

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2007 post-tenure review for the U. T. System academic institutions is being provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2006-2007, 373 tenured faculty members at the nine academic institutions with tenured faculty were subject to post-tenure review. Of the 373 faculty members subject to review, 358 or 96.0% were evaluated as Performing Satisfactorily; 7 or 1.9% received a Needs Additional Support or Marginal evaluations; and 8 or 2.1% received Unsatisfactory evaluations. The following summary tables provide additional details of the post-tenure review results.

Summary of Post-Tenure Review Results

	Total Actually Reviewed	Total Performing Satisfactorily	Total Needs Additional Support or Marginal	Total Unsatisfactory
U. T. Arlington	41	41		
U. T. Austin	180	174		6
U. T. Brownsville	14	14		
U. T. Dallas	23	17	5	1
U. T. El Paso	39	37	2	
U. T. Pan American	21	21		
U. T. Permian Basin	1	1		
U. T. San Antonio	40	39		1
U. T. Tyler	14	14		
Total	373	358	7	8
		96.0%	1.9%	2.1%

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2007 POST-TENURE REVIEW (CONTINUED)

ACADEMIC INSTITUTIONS (CONTINUED)

Post-Tenure Review Results by Gender

	Actually Reviewed		Performing Satisfactorily		Needs Additional Support or Marginal		Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. Arlington	33	8	33	8				
U. T. Austin	153	27	148	26			5	1
U. T. Brownsville	8	6	8	6				
U. T. Dallas	20	3	15	2	4	1	1	
U. T. El Paso	33	6	31	6	2			
U. T. Pan American	16	5	16	5				
U. T. Permian Basin	0	1		1				
U. T. San Antonio	32	8	31	8			1	
U. T. Tyler	7	7	7	7				
Total	302	71	289	69	6	1	7	1

Post-Tenure Review Results by Ethnicity

	Total Actually Reviewed					Performing Satisfactorily				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	32		1	8		32		1	8	
U. T. Austin	160	4	6	10		157	3	5	9	
U. T. Brownsville	8		5		1	8		5		1
U. T. Dallas	16		1	6		13		1	3	
U. T. El Paso	30	1	5	1	2	28	1	5	1	2
U. T. Pan American	19		2			19		2		
U. T. Permian Basin	1					1				
U. T. San Antonio	27	1	7	5		27	1	6	5	
U. T. Tyler	13			1		13			1	
Total	306	6	27	31	3	298	5	25	27	3

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2007 POST-TENURE REVIEW (CONTINUED)

ACADEMIC INSTITUTIONS (CONTINUED)

	Needs Additional Support or Marginal					Unsatisfactory				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington										
U. T. Austin						3	1	1	1	
U. T. Brownsville										
U. T. Dallas	2			3		1				
U. T. El Paso	2									
U. T. Pan American										
U. T. Permian Basin										
U. T. San Antonio								1		
U. T. Tyler										
Total	4	0	0	3	0	4	1	2	1	0

PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:

U. T. Austin: The six faculty members have established a professional development plan as a result of the review process.

U. T. Dallas: The faculty member who received an unsatisfactory evaluation has had his case forwarded to the Committee on Faculty Standing and Conduct for review and to develop a remediation plan.

U. T. El Paso: Each of the faculty members who were deemed to need support will be reviewed again in yearly intervals to assess the degree of change and appropriate action will then be taken.

U. T. San Antonio: The faculty member receiving an unsatisfactory evaluation has been placed on a performance improvement plan to improve the areas of teaching and service. The committee reports that there may be outlying factors to consider.

NOTES:

U. T. Austin: In addition, six faculty members scheduled for review retired, three resigned and two died before the review process could be completed.

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2007 POST-TENURE REVIEW (CONTINUED)

HEALTH INSTITUTIONS

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2007 post-tenure review for the U. T. System health institutions is being provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2006-2007, 165 tenured faculty members at the five health institutions with tenured faculty were subject to post-tenure review. Of the 165 faculty members subject to review, 155 or 93.9% were evaluated as Performing Well; 3 or 1.8% received Needs Additional Support or Marginal evaluations; and 7 or 4.2% received Unsatisfactory evaluations. The following summary tables provide additional details of the post-tenure review results.

Summary of Post-Tenure Review Results

	Total Subject to Review	Total Performing Well	Total Needs Additional Support or Marginal	Total Unsatisfactory
U. T. SWMC - Dallas	29	28	1	0
U. T. MB - Galveston	29	26	1	2
U. T. HSC - Houston *	14	14	0	0
U. T. HSC - San Antonio	43	43	0	0
U. T. MDACC **	50	44	1	5
Total	165	155	3	7
		93.9%	1.8%	4.2%

Post-Tenure Review Results by Gender

	Subject to Review		Performing Well		Needs Additional Support or Marginal		Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. SWMC - Dallas	24	5	23	5	1			
U. T. MB - Galveston	20	9	19	7		1	1	1
U. T. HSC - Houston *	8	6	8	6				
U. T. HSC - San Antonio	36	7	36	7				
U. T. MDACC **	39	11	35	9	0	1	4	1
Total	127	38	121	34	1	2	5	2

*U. T. HSC – Houston does not include data on the Medical School

**U. T. MDACC offers "term tenure"

OTHER MATTERS (CONTINUED)

REPORT ON FISCAL YEAR 2007 POST-TENURE REVIEW (CONTINUED)

HEALTH INSTITUTIONS (CONTINUED)

Post-Tenure Review Results by Ethnicity

	Total Subject to Review					Performing Well				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC - Dallas	25	0	1	3	0	24		1	3	
U. T. MB - Galveston	21	1	0	7	0	19			7	
U. T. HSC - Houston	10	1	1	2	0	10	1	1	2	
U. T. HSC - San Antonio	34	1	1	3	4	34	1	1	3	4
U. T. MDACC	37	0	2	11	0	34		2	8	
Total	127	3	5	26	4	121	2	5	23	4

	Needs Additional Support or Marginal					Unsatisfactory				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC - Dallas	1									
U. T. MB - Galveston		1				2				
U. T. HSC - Houston										
U. T. HSC - San Antonio										
U. T. MDACC	1					2			3	
Total	2	1	0	0	0	4	0	0	3	0

REAL ESTATE REPORT

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

Summary Report at February 29, 2008

	FUND TYPE							
	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land & Buildings:								
Ending Value 11/30/07	\$ 3,665,533	\$ 29,025,158	\$ 104,924,996	\$ 282,846,649	\$ 1,159,250	\$ 1,189,766	\$ 109,749,778	\$ 313,061,573
Increase or Decrease	1	1	(218,999)	(29,364,550)	630,000	630,000	411,002	(28,734,549)
Ending Value 02/29/08	\$ 3,665,534	\$ 29,025,159	\$ 104,705,997	\$ 253,482,098	\$ 1,789,250	\$ 1,819,766	\$ 110,160,780	\$ 284,327,023
Other Real Estate:								
Ending Value 11/30/07	\$ 97,271	\$ 97,271	\$ 156,127	\$ 156,127	\$ -	\$ -	\$ 253,399	\$ 253,399
Increase or Decrease	(8,986)	(8,986)	(4,514)	(4,514)	-	-	(13,500)	(13,500)
Ending Value 02/29/08	\$ 88,285	\$ 88,285	\$ 151,613	\$ 151,613	\$ -	\$ -	\$ 239,898	\$ 239,898

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

Details of individual assets by account furnished on request.

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

U. T. ARLINGTON

AMENDMENTS TO THE 2007-08 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 Academic 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>	
OFFICE OF THE PROVOST					
Provost and Vice President for Academic Affairs College of Science Chemistry Professor					
1. Donald R. Bobbitt (T)	7/01-8/31	100	12	250,000	2484
	7/01-8/31		09	187,500	
	7/01-8/31	SUPLT	01	10,000	

CHANGES TO ADMISSIONS CRITERIA

Passed in the 80th Session of the Texas Legislature, House Bill 3826, codified as *Texas Education Code* Section 51.804, requires that, beginning in Fall 2008, U. T. Arlington admit only those students who have completed the recommended or advanced high school curriculum or who meet certain benchmarks on standardized tests. The law authorizes U. T. Arlington to admit, with permission from the governing board, up to 20% first time freshmen as an exception to this restriction for two years. This permission is to be granted by the U. T. System Board of Regents.

U. T. Arlington requests an authorized exception for two years.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Women's Volleyball Coach

From: \$48,000 annually

To: \$50,000 annually

Salary
Percent
Change: 4.17

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

Incentive
Change: Added: \$3,000 Conference Regular Season Championship (change from \$2,500 in previous contract); \$2,000 Conference Tournament Championship and automatic bid or at-large bid to NCAA Tournament; \$500 team participation in the Southland Conference Tournament Championship Game; \$1,000 achieving 20 wins in a season; \$1,000 final season Rating Percentage Index Ranking of Top 64 in Division I; \$500 final season Rating Percentage Index Ranking of Top 125 in Division I; \$2,000 Team Annual NCAA Academic Progress Rate Score of 975 or better; \$1,000 Team Annual NCAA Academic Progress Rate Score of 925 or better.

Period: January 1, 2008 through December 31, 2010

U. T. AUSTIN

GIFTS

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

1. Donor Name: Michael & Susan Dell Foundation
College/School/ Department: College of Natural Sciences
Purpose: Buildings and capital items – Dell Computer Science Hall
Asset Type: Cash
Value: \$3,703,704

2. Donor Name: Bill & Melinda Gates Foundation
College/School/ Department: College of Natural Sciences
Purpose: Project support for The Charles A. Dana Center
Asset Type: Pledge
Value: \$1,704,871 (\$3,000,000 pledged)

3. Donor Name: John S. and James L. Knight Foundation
College/School/ Department: College of Communication
Purpose: Knight Center for Journalism in the Americas
Asset Type: Pledge
Value: \$397,500 (\$1,600,000 pledged)

4. Donor Name: The Welch Foundation
College/School/ Department: Various
Purpose: Grants for research in chemistry
Asset Type: Cash
Value: \$1,132,500

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: HiEd, Inc.
Funds: \$2,000,000 (estimated revenue)
Period: September 1, 2007 through August 31, 2010
Description: HiEd, Inc. agrees to provide management and operation services of U. T. Austin's Campus Computer Store for the sale of hardware, software, accessories, and technical services to the students, faculty, and staff.
2. Agency: Live Nation Theatrical Group, Inc.
Funds: \$2,000,000 (estimated)
Period: September 1, 2008 through August 31, 2013
Description: Live Nation Theatrical Group, Inc. agrees to provide the expertise to book, negotiate, market and sell subscription packages for the Series, "Broadway Across America - Austin," at the Performing Arts Center.
3. Agency: Sodexo Services of Texas Limited Partnership (Amended and Restated Agreement)
Funds: \$19,800,000 minimum guarantee
Period: July 1, 2007 through June 30, 2015
Description: Sodexo Services of Texas agrees to provide concession services, catering services, and other food and beverage services at various locations on campus.

FOREIGN CONTRACTS

4. Agency: Centro Galego de Arte Contemporanea
Funds: \$20,000
Period: May 8, 2008 through July 13, 2008
Description: The Jack S. Blanton Museum of Art will lend its exhibition entitled *Jorge Macchi: The Anatomy of Melancholy* to the Centro Galego de Arte Contemporanea in Spain.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT

5. Agency: Varsity Contractors, Inc.
Funds: \$3,100,000 (\$340,000 for the remainder of Fiscal Year 2008, and roughly \$680,000 per year for each optional one-year extension)
Period: March 1, 2008 through August 31, 2012
Description: Varsity Contractors, Inc. agrees to provide custodial services to 21 U. T. Austin buildings, contracting with the Department of Facilities Services.
6. Agency: The Houstonian Hotel, Club & Spa
Funds: \$1,849,548
Period: August 29, 2008 through July 25, 2009
Description: The Houstonian Hotel, Club & Spa agrees to provide accommodations in support of the McCombs School of Business, Texas MBA at Houston Program.
7. Agency: Paciolan, Inc.
Funds: \$1,640,000 (2-year term) or \$5,740,000 (7-year term)
Period: March 1, 2008 through February 28, 2010 with option for 5-year term extension.
Description: Paciolan, Inc. agrees to provide software and related services to support the Texas Box Office ticketing system for Intercollegiate Athletics for Men and Women and Frank C. Erwin, Jr. Special Events Center events.
8. Agency: VTX Communications, LP
Funds: \$2,480,440 through January 31, 2018, \$3,790,000 if extended through January 31, 2028.
Period: February 1, 2008 through January 31, 2018, with option to extend 10 additional years through January 31, 2028
Description: VTX Communications, LP will provide U. T. Austin's Office of the Vice President for Information Technology with dark fiber capability to the Rio Grande Valley, which will allow connectivity to the U. T. System Office of Technology Services networks at U. T. Pan American, U. T. System Regional Academic Health Education Centers (RAHC), and U. T. Health Science Center - San Antonio sites in Laredo and Corpus Christi.

CHANGES TO ADMISSION CRITERIA

Passed in the 80th Session of the Texas Legislature, House Bill 3826, codified as *Texas Education Code* Section 51.804, requires that, beginning in Fall 2008, U. T. Austin admit only those students who have completed the recommended or advanced high school curriculum or who meet certain benchmarks on standardized tests. The law authorizes U. T. Austin to admit, with permission from the governing board, up to 20% first time freshmen as an exception to this restriction for two years. This permission is to be granted by the U. T. System Board of Regents.

U. T. Austin requests an authorized exception for two years.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>No. Mos.</u>	<u>Full-time Salary Rate \$</u>	<u>RBC #</u>
COLLEGE OF COMMUNICATION					
Communication Sciences and Disorders					
1. Frederick N. Martin					2443
From: Lillie Hage Jamail Centennial Professorship and Professor (T)		50 SUPLT	09 09	85,070 4,950	
To: Professor Emeritus	9/1-5/31			0	
COLLEGE OF ENGINEERING					
Electrical and Computer Engineering Cockrell Family Regents Chair in Engineering No. 3 and Professor					
2. Julian Cheng (T)	1/16-5/31	100	09	180,000	2411
COLLEGE OF LIBERAL ARTS					
English					
3. Zulfikar A. Ghose					2458
From: Professor (T)		100	09	74,000	
To: Professor Emeritus	9/1-5/31			0	
Slavic Languages and Literature					
4. John S. Kolsti					
From: Professor (T)		100	09	73,500	2444
To: Professor Emeritus	1/16-5/31			0	

AMENDMENTS TO THE 2007-08 BUDGET (CONTINUED)

TENURE APPOINTMENTS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF NATURAL SCIENCES					
Chemistry and Biochemistry					
5. Raymond E. Davis					2445
From: Professor (T)		100	09	88,776	
To: Professor Emeritus	9/1-5/31			0	
SCHOOL OF NURSING					
Nursing					
6. Susan J. Grobe					2446
From: Professor (T)		100	09	101,148	
To: Professor Emeritus	9/1-5/31			0	

U. T. BROWNSVILLE

CONTRACTS

The following contract 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:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Aztec Faculty Services, Inc.
Funds: \$2,541,796
Period: January 7, 2008 through August 31, 2010
Description: Provide professional cleaning and maintenance services, including furnishing of personnel, equipment, materials, and supplies (collectively "Custodial Services").

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Women's Volleyball Coach
Funds: \$41,616 annually
Period: March 10, 2008 through December 31, 2008
Description: Initial agreement for employment of Head Women's Volleyball Coach, David Nicholson, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. DALLAS

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Time Warner Cable
Funds: \$4,000,000 over 9 years
Period: February 14, 2008 not to exceed 9 years
Description: Time Warner Cable will provide internet and video connections and service to each resident of the U. T. Dallas student housing facility known as University Village. Time Warner Cable will provide all labor, material, and equipment to establish the service.

AMENDMENTS TO THE 2007-08 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 Academic 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>	
NATURAL SCIENCES AND MATHEMATICS					
Professor and Head of Science Mathematics Education Program					
1. Robert C. Hilborn (T)	1/1-5/31	100	09	160,000	2401
	1/1-5/31	SUPPL	09	20,000	
Geosciences					
2. Richard Mitterer					2472
From: Professor (T)		50	09	80,600	
To: Professor Emeritus	6/1-8/31			0	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Men's Basketball Coach

From: \$49,324 annually

To: \$49,324 annually

Salary
Percent
Change: n/a

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

Period: April 1, 2008 through March 31, 2009

2. Item: Head Women's Basketball Coach

From: \$48,353 annually

To: \$48,353 annually

Salary
Percent
Change: n/a

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

Period: April 1, 2008 through March 31, 2009

U. T. EL PASO

AMENDMENTS TO THE 2007-08 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 Academic 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>	
POLITICAL SCIENCE					
Professor and Chair					
1. Gregory D. Schmidt (T)	1/16-5/31	100	09	90,000	2451
	1/16-5/31	SUPLT	09	2,000	

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 Dr. Natalicio with The University of Texas at El Paso. 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: | Diana Natalicio, Ph.D. |
| Title: | President |
| Position: | Appointment to the National Academy of Sciences' Committee on Underrepresented Groups and the Expansion of the Science and Engineering Workforce Pipeline |
| Period: | January 1, 2008 through June 30, 2009 |
| Compensation: | None |
| Description: | The National Academy of Science has appointed Dr. Natalicio to the Committee on Underrepresented Groups and the Expansion of the Science and Engineering Workforce Pipeline. This Committee will undertake a 12-month congressionally-mandated study to examine ways to increase the participation of underrepresented minorities in science, technology, engineering, and math education programs. |

U. T. PAN AMERICAN

CHANGES TO ADMISSIONS CRITERIA

The following changes, in congressional style, to admission criteria for first-time freshmen are proposed for inclusion in the catalog of The University of Texas - Pan American. The changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

PROPOSED ADMISSIONS STANDARDS FOR FRESHMEN ADMISSIONS EFFECTIVE FALL 2009

Freshman Admission

Applicants who have not attended a college or university after graduating from high school, or students transferring less than 30 academic college hours, may seek admission as a freshman. Freshmen will be accepted to The University of Texas - Pan American based on their high school class rank, high school curriculum, scores on the ACT or SAT exam, and GPA of all college work attempted.

1. Top 10 percent applicants from Texas high schools. Applicants who graduate from recognized public or private high schools in Texas with a class rank in the top 10 percent of their high school graduating class will be automatically admitted to The University of Texas - Pan American. *

2. International Baccalaureate Diploma Program Recipients. Applicants who receive an International Baccalaureate Diploma will be automatically admitted to The University of Texas - Pan American. *

3. Other Applicants. Entering freshmen who achieve the following standards may also be admitted to The University of Texas - Pan American. Applicants entering:

Fall 2007-Summer 2009

Minimum ACT composite of 16 (SAT of 760) and Texas distinguished or recommended diploma or equivalent. **

Fall 2009-Summer 2011 Minimum ACT composite of 17 (SAT of 810) and Texas distinguished or recommended diploma or equivalent. **

Fall 2011 and after Minimum ACT composite of 18 (SAT of 850) and Texas distinguished or recommended diploma or equivalent. **

CHANGES TO ADMISSIONS CRITERIA (CONTINUED)

Fall 2009 or later:

- a. One Point below the current requirement and they rank within the top 33% of their graduating class.
- b. Two Points below the current requirement and they rank within the top 25% of their graduating class.

Transfer Admission:

1. Never Attended UTPA

Transfer student applicants must have a cumulative GPA of 2.0 or higher on all college work attempted. Students who are currently enrolled at another institution will have their admission based on work completed at the time of application. Applicants transferring less than 30 hours must also meet Freshman Admission requirements. Applicants who do not meet the cumulative GPA requirement may appeal in writing to the Admissions and New Student Services Office. Admission to the University does not necessarily imply admission to a specific academic program.

2. Previously Attended UTPA

Transfer student applicants must have a cumulative GPA of 2.0 or higher on all college work attempted including UTPA work. Students who are currently enrolled at another institution will have their admission based on work completed at the time of application. Applicants transferring less than 30 hours must also meet Freshman Admission requirements. Applicants who do not meet the cumulative GPA requirement may appeal in writing to the Admissions and New Student Services Office. Admission to the University does not necessarily imply admission to a specific academic program.

*While top 10 percent or IB admission is automatic, the documents described above must be submitted by the admission deadline in order to take advantage of the automatic admission.

**Students graduating from a recognized high school from outside the state of Texas must have completed the following college preparatory coursework in addition to other credits required for graduation:

4 years of college preparatory English; 3 years of mathematics to include Algebra, Geometry, Algebra II, and advanced math; 3 years of science in Biology, Chemistry, or Physics; 3 1/2 years of Social Studies to include World History, World Geography, U.S. History Studies since reconstruction, and U.S. Government; 2 years of the same foreign language

Addendum to Current Admissions Policy

All students, including students with GED diplomas, home-schooled students, and adult students, must meet minimum ACT requirements.

U. T. SAN ANTONIO

CONTRACTS

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

GENERAL CONTRACTS

FUNDS COMING IN

- Agency: Aramark Educational Services of Texas LLC
Funds: \$22,357,000 plus "in-kind services" of \$3,826,408
Period: Initial term of five years with an option to renew for one additional five-year period
Description: U. T. San Antonio requests that the Board authorize, following approval of the contract by the Office of General Counsel, Vice President for Business Affairs, Kerry Kennedy to finalize and sign the food service agreement with Aramark to provide campus food services that will include cash sales, board plan sales, catering sales, retail sales, and concession sales. Aramark will provide an investment of \$4,200,000 over the term of the contract for capital funding necessary to expand and renovate food service facilities. In addition, Aramark will pay royalty payments of seven percent on cash, concession, and retail sales for years one and two. Beginning in year three, Aramark will pay royalty payments of seven and one-half percent on cash, concession, and retail sales for the remainder of the term. Over the extended term (10 years), royalty payments are estimated to exceed \$8,157,000. U. T. San Antonio will receive an override on board plan sales of 25% estimated to exceed \$10,000,000. In-kind services include equipment maintenance, presidential and student catering funds, 4 meal plan scholarships, technology and point of sale system investments, and small wares replacement.

FUNDS GOING OUT

- Agency: Barnes, Gromatsky, Kosarek Architects, Inc.
Funds: \$1,757,507
Period: January 7, 2008 through March 7, 2009
Description: Architectural services related to the development and implementation of campus master planning and associated standards and services.

CHANGES TO ADMISSION CRITERIA

Passed in the 80th Session of the Texas Legislature, House Bill 3826, codified as *Texas Education Code* Section 51.804, requires that, beginning in Fall 2008, U. T. San Antonio admit only those students who have completed the recommended or advanced high school curriculum or who meet certain benchmarks on standardized tests. The law authorizes U. T. San Antonio to admit, with permission from the governing board, up to 20% first time freshmen as an exception to this restriction for two years. This permission is to be granted by the U. T. System Board of Regents.

U. T. San Antonio requests an authorized exception for two years.

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

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

1. Item: Head Women's Soccer Coach

From: \$52,566 annually

To: \$52,566 annually

Salary
Percent
Change: None

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

Period: January 1, 2008 through December 31, 2010

2. Item: Head Women's Volleyball Coach

From: \$55,486 annually

To: \$55,486 annually

Salary
Percent
Change: None

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

Period: February 1, 2008 through January 31, 2009

U. T. TYLER

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF EDUCATION AND PSYCHOLOGY Special Services					
1. Joanna Martin					2432
From: Professor (T)		100	09	61,135	
To: Professor Emeritus	9/1-5/31			0	
COLLEGE OF BUSINESS AND TECHNOLOGY Accounting					
2. Donald E. Fischer					2433
From: Professor (T)		100	09	71,725	
To: Professor Emeritus	9/1-5/31			0	

Approval for these designations was given by the Office of Academic Affairs in 2002, but the title changes were not submitted for docket approval at that time. The honorary title designations are being submitted now for formal approval with the request that the emeritus titles be shown as effective on August 8, 2002, as intended.

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: VA North Texas Healthcare System
Funds: \$1,134,456
Period: October 1, 2007 through September 30, 2008
Description: To provide neurological surgical services.

FUNDS GOING OUT

2. Agency: Austin Commercial, L.P.
Funds: \$5,555,000
Period: February 1, 2008 through August 31, 2011
Description: To provide construction management services on the U. T. Southwestern Medical Center - Dallas campus.
3. Agency: Beach Construction, Inc.
Funds: \$3,700,000
Period: June 5, 2007 through August 31, 2011
Description: To provide temporary architectural trade labor construction on the U. T. Southwestern Medical Center - Dallas campus.
4. Agency: Beach Construction, Inc.
Funds: \$3,500,000
Period: June 5, 2007 through August 31, 2011
Description: To provide temporary electrical trade labor construction on the U. T. Southwestern Medical Center - Dallas campus.
5. Agency: CedarCrestone, Inc.
Funds: \$13,284,246
Period: September 21, 2007 through August 31, 2010
Description: To provide PeopleSoft Enterprise implementation services.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

6. Contractor: Sodexho Services of Texas Limited Partnership
Amount: \$8,300,000
Period: April 1, 2008 through March 31, 2013
Description: To provide food services to the U. T. Southwestern
Medical Center - Dallas including university hospitals.

AMENDMENTS TO THE 2007-08 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>	
SOUTHWESTERN MEDICAL SCHOOL					
Radiation Oncology					
1. Timothy D. Solberg					2430
From: Professor of Radiation Oncology		100	12	270,000	
To: Professor of Radiation Oncology (T)	2/1-8/31	100	12	270,000	

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Wildenthal with The University of Texas Southwestern Medical Center 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: | C. Kern Wildenthal, M.D., Ph.D. |
| Title: | President |
| Position: | Appointment as Presiding Officer to the Task Force on Higher Education Incentive Funding |
| Period: | January 25, 2008 through June 1, 2009 |
| Compensation: | None |
| Description: | Governor Perry has appointed Dr. Wildenthal to the Task Force on Higher Education Incentive Funding. The Task Force shall develop recommendations for an incentive funding program for all public institutions of higher education. |

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: Correctional Managed Health Care Committee
Funds: \$2,932,800
Period: February 1, 2008 through August 31, 2009
Description: Amendment to add two additional correctional facilities and to provide additional funding.

2. Agency: Texas Department of Criminal Justice
Funds: \$10,400,000
Period: January 16, 2008 through August 31, 2009
Description: U. T. Medical Branch - Galveston will provide renovations and repairs to the Galveston prison hospital.

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

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

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for 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>	
SCHOOL OF MEDICINE					
Internal Medicine					
Professor					
1. Dorothy E. Lewis (T)	2/1-8/31	100	12	140,000	2407
Microbiology and Immunology					
Professor					
2. Thomas Kley Hughes, Jr.					2425
From: Professor (T)		100	12	121,500	
To: Professor Emeritus	2/1-8/31			0	
Surgery					
Professor					
3. Luca Cicalese (T)	2/1-8/31	100	12	427,000	2406

U. T. HEALTH SCIENCE CENTER - HOUSTON

GIFTS

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

1. Donor Name: Anonymous
College/School/ Department: Institution
Purpose: Support Dr. K. Lance Gould's cardiology research
Asset Type: Pledge
Value: \$30,000,000 to be paid at \$3,000,000 each year for 10 years with payments reduced by the amount distributed from an existing endowment at approximately \$540,000 per year

2. Donor Name: Houston Endowment, Inc.
College/School/ Department: Institution
Purpose: Support the Health of Houston Initiative of the School of Public Health
Asset Type: Pledge
Value: \$2,652,000 to be paid on or before May 31, 2008 (\$942,000); May 31, 2009 (\$880,000); and May 31, 2010 (\$830,000)

AMENDMENTS TO THE 2007-08 BUDGET

TENURE APPOINTMENTS

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

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

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
DENTAL BRANCH					
Prosthodontics					
1. Sam R. Adkisson					2455
From: Professor (T)		100	12	114,057	
To: Professor Emeritus	3/1-8/31			0	
SCHOOL OF PUBLIC HEALTH					
Management, Policy and Community Health					
2. Lu Ann Aday					2456
From: Lorne Bain Distinguished Professor in Public Health and Medicine (T)		100	12	133,476	
To: Professor Emeritus	9/1-8/31			0	
MEDICAL SCHOOL					
Cardiothoracic Vascular Surgery					
Professor and Chair of the Department of Otolaryngology					
3. Martin J. Citardi (T)	3/3-8/31	100	12	337,500	2463
	3/3-8/31	SUPLT	12	220,000	

U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

AMENDMENTS TO THE 2007-08 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					
Psychiatry					
1. Donald M. Dougherty					2427
From: Assistant Professor		100	12	200,000	
To: Professor and W. and M. Wurzbach Distinguished Professorship (T)	10/1-8/31	100	12	200,000	

Title and tenure status was approved by the Promotions, Tenure, and Appointments Committee in February 2008 to become effective retroactively to October 1, 2007, which was employee's original hire date.

U. T. M. D. ANDERSON CANCER CENTER

GIFTS

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

1. Donor Name: Mays Family Foundation
College/School/ Department: Institution
Purpose: Red and Charline McCombs Institute for the Early Detection and Treatment of Cancer
Asset Type: Cash
Value: \$1,300,000

2. Donor Name: McCombs Foundation
College/School/ Department: Institution
Purpose: Red and Charline McCombs Institute for the Early Detection and Treatment of Cancer
Asset Type: Cash
Value: \$5,000,000

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Texas A&M University System Health Science Center
Funds: Approximately \$1,517,997 in base rent plus proportionate share of operating expenses calculated on a 2007 base year. Increases not to exceed three percent per year.
Period: October 1, 2007 through September 30, 2010
Agreement may be extended for an additional twelve months upon mutual agreement.
Description: A space lease agreement for U. T. M. D. Anderson Cancer Center to continue to lease approximately 17,037 square feet of rentable office and/or laboratory space for research and educational purposes in the Institute of Biosciences and Technology building located at 2121 West Holcombe Boulevard, Houston, Texas.
2. Agency: Editions Incorporated
Funds: Payments not to exceed \$8,000,000 without prior written consent. Fees are based on the type of art piece acquired at either cost plus a set percentage fee for vendor or a set discount on retail price. Consulting and installation fees will be included in the cost of each piece.
Period: May 1, 2007 through April 30, 2009
Agreement may be renewed for a 12-month term for up to three additional renewal periods.
Description: Vendor will provide artwork products and related technical services, including spacing plans, selection of art and acquisition and installation services, on a per project basis as requested by U. T. M. D. Anderson Cancer Center to support its core values by enhancing the institution's public spaces for patients, visitors, and staff.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

3. Agency: Gimmel Group, Inc.
Funds: Payments not to exceed \$999,999 without prior written consent. Fees are based on reimbursement of professional personnel time and reasonable costs of actual expenses, which are not to exceed \$450,000 of the total amount.
Period: March 12, 2008 through March 11, 2009
Agreement may be renewed for a 12-month term for up to two additional renewal periods.
Description: Vendor will provide professional project management services for standardization of an electronic document management platform.
4. Agency: Fannin Medical, L.P.
Funds: Approximately \$1,323,968 in base rent plus proportionate share of operating expenses calculated on a 2007 base year.
Period: The term of the amendment is for 60 months, commencing no later than April 1, 2008 and ending March 31, 2013
Description: An amendment to a space lease agreement for U. T. M. D. Anderson Cancer Center to lease approximately 9,291 additional square feet for use as office space on the fifth floor of 1020 Holcombe Boulevard, Houston, Texas.
5. Agency: McCoy
Funds: Payments not to exceed \$8,000,000 without prior written consent. Costs are based on the negotiated price for each item of furniture product that is approved as standard by U. T. M. D. Anderson Cancer Center and is for either routine or capital improvement project purchases.
Period: January 1, 2008 through December 31, 2009
Agreement may be renewed for up to three additional 12-month periods.
Description: Vendor will provide furniture products and related services, including purchasing and provision of furniture products, installation of furniture products, labor, surplus inventory management services, and design and consultation to U. T. M. D. Anderson Cancer Center for its routine and capital improvement projects.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT (CONTINUED)

6. Agency: Our Fine Interior Solutions, L.P.
Funds: Payments not to exceed \$20,000,000 without prior written consent. Costs are based on the negotiated price for each item of furniture product that is approved as standard by U. T. M. D. Anderson Cancer Center and is for either routine or capital improvement project purchases.
- Period: January 1, 2008 through December 31, 2009
Agreement may be renewed for up to three additional 12-month periods.
- Description: Vendor will provide furniture products and related services, including purchasing and provision of furniture products, installation of furniture products, labor, surplus inventory management services, and design and consultation to U. T. M. D. Anderson Cancer Center for its routine and capital improvement projects.