

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

February 6-7, 2008

Edinburg, Texas

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/s/ Francie A. Frederick
General Counsel to the Board of Regents
March 19, 2008

MINUTES
U. T. System Board of Regents
Audit, Compliance, and Management Review Committee
February 7, 2008

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 9:05 a.m. on Thursday, February 7, 2008, in Executive Room 1.214, International Trade and Technology Building, The University of Texas – Pan American, 1201 West University Drive, Edinburg, Texas, with the following participation:

Attendance

Regent Foster, presiding
Vice Chairman Rowling
Regent Longoria
Regent McHugh

Also present was Executive Director Martinez.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Audit, Compliance, and Management Review Committee Chairman Foster called the meeting to order.

1. **U. T. System: Report on the Fiscal Year 2007 Annual Financial Report, including the report on the U. T. System Financial Statement audit work performed by institutional and U. T. System Administration internal audit**

See the Minutes of the joint meeting of the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee for discussion of this item.

2. **U. T. System Board of Regents: Approval to renew the contract with Deloitte & Touche, LLP, as the external auditor for the Fiscal Year 2008 audit of funds managed by The University of Texas Investment Management Company (UTIMCO)**

Committee Meeting Information

Presenter(s): Committee Chairman Foster

Status: Approved

Motion: Made by Regent McHugh with provision that staff will come back to Committee Chairman Foster and Vice Chairman Rowling with the negotiated cost for approval, seconded by Regent Longoria, and carried unanimously

Future Action: Get approval from Committee Chairman Foster and Vice Chairman Rowling of the negotiated cost for the one-year renewal of the Deloitte & Touche audit of funds managed by UTIMCO.

Discussion at meeting:

Following discussion about the cost of the audit, the fact that Deloitte & Touche was the only bidder in the last Request for Qualifications (RFQ) for this contract, the way Ernst & Young, LLP, left the previous contract, the possibility of reopening the contract for bids, and timing concerns, Committee members approved renewal of the contract with Deloitte & Touche with the provision that staff get approval from Committee Chairman Foster and Vice Chairman Rowling of the negotiated cost for the one-year renewal. Mr. Charles Chaffin, Chief Audit Executive, and Mr. Randy Wallace, Associate Vice Chancellor, Chief Budget Officer and Controller, provided additional information to the Committee. Vice Chairman Rowling asked what Mr. Erle Nye, Chairman of The University of Texas Investment Management Company (UTIMCO) Audit and Ethics Committee, would recommend and Mr. Chaffin replied that Mr. Nye fully supports a reengagement of Deloitte for the audit but would also want to know the cost.

3. U. T. System Board of Regents: Approval of proposed appointment of members to the Audit and Ethics Committee of The University of Texas Investment Management Company (UTIMCO)

Committee Meeting Information

Presenter(s): Committee Chairman Foster

Status: Approved

Motion: Made by Regent Longoria, seconded by Vice Chairman Rowling, and carried with Regent Foster abstaining from voting for himself and McHugh abstaining from voting for herself.

4. U. T. Brownsville: Report on the Internal Audit Department, including the Student Health Services Audit

Committee Meeting Information

Presenter(s): Ms. Norma Ramos, Director of Internal Audits, U. T. Brownsville

Status: Reported

Discussion at meeting:

Ms. Ramos reported significant compliance issues with several regulations pertaining to student health services and significant internal control deficiencies over the financial, operational, and administrative functions. She reported on the resulting reorganization and follow-up audit. Mr. Charles Chaffin, Chief Audit Executive, commented on the value of being a part of a system in that subject matter experts from the offices of General Counsel, Audit, and Academic Affairs, plus a physician from U. T. Health Science Center – Houston were involved. Committee Chairman Foster asked who was involved in U. T. Brownsville's peer review and Ms. Ramos responded external audit directors at The Texas A&M University System, U. T. El Paso, and Midwestern State University were part of this review.

5. U. T. System: Report on the System-wide internal audit activities, including the Presidential Travel, Entertainment, and Housing Expense Audits

Committee Meeting Information

Presenter(s): Mr. Charles Chaffin, Chief Audit Executive

Status: Reported

Future Action: Regent Longoria asked for reconsideration of the approval process of presidents' expenses at the institutional level.

Mr. Chaffin reported there were no significant findings identified from the presidential expense audits and that presidents' expenditures were found to be appropriate. He explained the process for implementing and tracking audit findings.

Vice Chairman Rowling asked who received the audit report for presidential expenses and Mr. Chaffin described the reporting process and added that a quarterly report is prepared for the Office of Academic or Health Affairs to review for reasonableness.

Executive Director Martinez noted that the Board will receive certification letters from Executive Vice Chancellor David B. Prior or Executive Vice Chancellor Kenneth I. Shine attesting to their review of presidents' expenses for appropriateness. Regent Longoria asked if the expenses are reimbursements or direct payments and Mr. Chaffin responded they are both. In response to her further question about the review and approval process, Mr. Chaffin explained the procedure.

Executive Vice Chancellor Kelley explained that meetings are held with the institutional Vice Presidents for Business Affairs to help them understand the process for approving presidents' expenditures and Regent Longoria expressed concern about, and asked for rethinking of, that approval process.

6. U. T. System: Report on System-wide institutional compliance activities, including the Institutional Compliance Advisory Council, and Institutional Compliance Program report for U. T. Pan American

Committee Meeting Information

Presenter(s): Mr. James Langabeer, Vice President for Business Affairs and Institutional Compliance Officer, U. T. Pan American; Ms. Karen Parsons, Director, Institutional Compliance, U. T. Health Science Center – Houston; and Mr. Charles Chaffin, Chief Audit Executive

Status: Reported

Future Action: Outline federal government's current expectations related to export controls.

Discussion at meeting:

There was discussion about the federal government's expectations in export controls and Mr. Chaffin responded there are experts in the U. T. System and work needs to be done on this new federal mandate.

Regent Foster asked if U. T. Pan American has a whistleblower policy and Mr. Langabeer answered affirmatively.

Vice Chairman Rowling asked if time and effort reporting was being implemented on the campuses and Mr. Richard St. Onge, Assistant Vice Chancellor for Health Affairs, responded affirmatively and explained the time and effort certification reporting tool and the contract with Huron Consulting Group. He spoke about shared services to reduce the costs of implementation and upgrades to financial systems. Committee Chairman Foster asked about the Institutional Compliance Advisory Council and Ms. Parsons explained the rotation of members.

7. U. T. System: Report on Conflicts of Interest Policy

Committee Meeting Information

Presenter(s): Mr. Barry Burgdorf, Vice Chancellor and General Counsel
Status: Reported

Discussion at meeting:

Mr. Burgdorf said the U. T. System Conflicts of Interest Task Force developed a model conflicts of interest policy (The University of Texas System Administration Policy INT160), and a template was sent to the campuses for adoption by January 1, 2008. He reported U. T. System Administration and the campuses are in compliance with House Bill 590, Standards of Conduct for State Officers and Employees (codified as Texas Government Code 572.051). He said the Task Force will continue to work on ethics issues and will report back to the Committee in Fall 2008.

Regent Foster asked what feedback has been received from the campuses and Mr. Burgdorf responded there is general acceptance, given the press coverage on the recent student loan scandal. However, he said there is also sensitivity to the pendulum swinging the other way and he had worked hard to keep U. T. out from under a mandate that gifts received in any capacity from financial institutions could not be accepted. Vice Chairman Rowling pointed out the difference between an institution benefiting from gifts and an individual benefiting and, while acknowledging politics is involved, he said the University needs the money provided by the sponsorships. Executive Vice Chancellor Scott C. Kelley said that the Office of General Counsel has provided training on conflicts of interest to supervisors in the Office of Business Affairs.

RECESS TO EXECUTIVE SESSION

At 9:02 a.m., the Committee recessed to Executive Session pursuant to *Texas Government Code* Section 551.074 to consider the matter listed on the Executive Session agenda as follows:

1. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – *Texas Government Code* Section 551.074

U. T. System: Discussion with institutional auditors and compliance officers concerning evaluation and duties of individual System and institutional employees involved in internal audit and compliance functions

RECONVENE IN OPEN SESSION

The Executive Session ended at 10:12 a.m., and the Committee reconvened in Open Session to adjourn. No action was taken on items discussed in Executive Session.

ADJOURNMENT

Committee Chairman Foster adjourned the meeting at 10:12 a.m.

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
February 6, 2008

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 5:38 p.m. on Wednesday, February 6, 2008, in the International Room 1.102, International Trade and Technology Building, The University of Texas – Pan American, 1201 West University Drive, Edinburg, Texas, with the following participation:

Attendance

Vice Chairman Rowling, presiding
Regent Barnhill
Regent Foster
Regent Longoria

Also present were Chairman Caven, Regent Camarillo, Regent Dannenbaum, Regent Gary, Regent McHugh, and General Counsel to the Board Frederick.

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

1. **U. T. System: Discussion and appropriate action related to approval of Docket No. 133**

Committee Meeting Information

Presenter(s): Committee Chairman Rowling
Status: Discussed

Discussion at meeting:

Committee Chairman Rowling encouraged Committee members to review changes to admissions criteria contained in the Docket and he said several disclosure announcements would be made at tomorrow's (February 7, 2008) Board meeting.

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

Committee Meeting Information

Presenter(s): Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs
Status: Reported

3. U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2007

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor, Controller and Chief Budget Officer
Status: Reported

Discussion at meeting:

Committee Chairman Rowling asked how much the Upper Payment Limit was in 2007 and Mr. Wallace responded it was \$180 million. Regent Rowling noted that all the ratios looked better than normal because of this one-time, catch-up reimbursement. Executive Vice Chancellor for Health Affairs Kenneth I. Shine remarked that an estimated \$40-44 million is expected this year for the U. T. System but the program is in jeopardy and Congress could institute a moratorium. Institutions have been advised not to use the funds for operating budgets but these funds may be used for special programs.

4. U. T. System: Approval of the Fiscal Year 2009 Operating Budget Preparation Policies and Calendar

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor, Controller and Chief Budget Officer
Status: Approved
Motion: Made, seconded, and carried unanimously

5. U. T. System: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended November 30, 2007

Committee Meeting Information

Presenter(s): Mr. Bruce Zimmerman, Chief Executive Officer, UTIMCO
Status: Reported

Discussion at meeting:

Mr. Zimmerman provided an update on December figures, saying it was a break-even month with endowments down 10-17 basis points and the Intermediate Term Fund (ITF) down about 10 basis points. Indications for January are that numbers will also be low with endowments down 3-3.4 percent and the ITF losing about 1.5 percent. For perspective, he said the public equity markets were down 6-12.5 percent for December and 9 percent for January. Mr. Zimmerman reported the hedge fund portfolio (approximately 27 percent of portfolio) was down about 3 percent but the fixed income (13 percent of portfolio) was up about 2.5 percent and commodities were up about 1 percent.

Despite slowing of U.S. growth and growth elsewhere in the world such as China, Mr. Zimmerman thinks that overall there will be positive growth. He said UTIMCO is abiding by its strategic plan. He said the credit markets “have seized” and there may be more dislocation there, and there are worries about inflation and the value of the dollar. With a slight underweight in U.S. public equity and a slight overweight in emerging market equity, there are good investment opportunities. He believes UTIMCO’s hedge fund portfolio is strong and they are ramping up the real estate and natural resources programs.

Committee Chairman Rowling speculated investments are in the top quartile of U. T. System’s peers.

6. U. T. System Board of Regents: Approval of amendments to The University of Texas Investment Management Company (UTIMCO) Bylaws

Committee Meeting Information

Presenter(s): Mr. Bruce Zimmerman, Chief Executive Officer, UTIMCO

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

Mr. Zimmerman and Committee Chairman Rowling agreed the revisions to the bylaws are minor.

7. U. T. System Board of Regents: Approval of revised Master Investment Management Services Agreement with The University of Texas Investment Management Company (UTIMCO)

Committee Meeting Information

Presenter(s): Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

Committee Chairman Rowling said the revisions to the agreement are minor.

8. **U. T. System Board of Regents: Adoption of Nineteenth Supplemental Resolution authorizing Revenue Financing System Bonds in an amount not to exceed \$950,000,000; authorization to complete all related transactions; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Philip R. Aldridge, Associate Vice Chancellor for Finance

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

For the benefit of the newer members of the Board and in response to questions from Regents Foster and Longoria, Committee Chairman Rowling and Mr. Aldridge explained the financing and authorization processes.

9. **U. T. System: Adoption of Resolution to Zurich American Insurance Company and affiliates, Schaumburg, Illinois, to guarantee payments under Phase V of The University of Texas System's Rolling Owner Controlled Insurance Program (ROCIP)**

Committee Meeting Information

Presenter(s): Mr. Philip Dendy, Director of Risk Management

Status: Approved

Motion: Made, seconded, and carried with Regent Foster abstaining from vote

Discussion at meeting:

Committee Chairman Rowling asked for clarification that cost savings were being realized because the contractor does not have to buy the insurance and Mr. Dendy responded affirmatively. Regent Foster was recorded as abstaining from discussion and vote on this item because of stockholdings.

10. U. T. System: Report on the Supply Chain Alliance Strategic Initiative

Committee Meeting Information

Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs; Mr. Richard St. Onge, Assistant Vice Chancellor for Health Affairs*
Status: *Reported*

Discussion at meeting:

Dr. Kelley said this initiative has the potential to save \$30 million or more annually to the campuses and Executive Vice Chancellor for Health Affairs Kenneth I. Shine said this could become a System-wide program. Committee Chairman Rowling commented on the value added of the U. T. System in this initiative.

11. U. T. System: Report on the Fiscal Year 2007 Annual Financial Report, including the report on the U. T. System Financial Statement audit work performed by institutional and U. T. System Administration internal audit

Note: See Minutes of the joint meeting of the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee for discussion of this item.

ADJOURNMENT

Committee Chairman Rowling adjourned the Finance and Planning Committee meeting at 6:25 p.m.

MINUTES
U. T. System Board of Regents
Joint Meeting of the Audit, Compliance, and Management Review Committee
and the Finance and Planning Committee
February 6, 2008

The members of the Audit, Compliance, and Management Review Committee and the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 6:26 p.m. on Wednesday, February 6, 2008, in International Room 1.102, International Trade and Technology Building, The University of Texas – Pan American, 1201 West University Drive, Edinburg, Texas, with the following participation:

Attendance

Vice Chairman Rowling, presiding
Regent Foster
Regent Barnhill
Regent Longoria
Regent McHugh

Also present were Chairman Caven, Regent Camarillo, Regent Dannenbaum, Regent Gary, and General Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Finance and Planning Committee Chairman Rowling called the joint meeting to order.

U. T. System: Report on the Fiscal Year 2007 Annual Financial Report, including the report on the U. T. System Financial Statement audit work performed by institutional and U. T. System Administration internal audit

Joint Committee Meeting Information

Presenter(s): *Mr. Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget Officer; Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer*

Status: *Reported*

Future Actions:

1. *Report further to the Board in May on Governmental Accounting Standards Board (GASB) Statement No. 45 regarding post-employment retirement benefits.*
2. *Consider breaking down “Other Liabilities” in the Annual Financial Report.*

Discussion at meeting:

Mr. Wallace said in 2008, U. T. System is required to comply with Governmental Accounting Standards Board (GASB) Statement No. 45 regarding post-employment retirement benefits and he will report further to the Board in May. Regent Longoria asked what effect the requirement will have on the balance sheet and both

Mr. Wallace and Finance and Planning Committee Chairman Rowling said the impact will be substantial. Executive Vice Chancellor Scott C. Kelley elaborated by saying the markets have valued the impact and are anxious to have the reporting done and he said the liability has always been there and it is really just a change in the reporting piece. Finance Committee Chairman Rowling asked if the State reimbursed the retiree's portion and Mr. Wallace said yes.

Chancellor Yudof said the State has no formal obligation to continue these programs that are handled by biannual appropriations. He said appreciation on the Permanent University Fund (PUF), for instance, is treated like unrestricted money even though the Texas Constitution absolutely restricts types of spending. He said the rainy day clause permits use of the principle to pay debt obligations. Chancellor Yudof commented that the building programs have increased the depreciation even though the buildings are new.

Audit, Compliance, and Management Review Committee Chairman Foster commented that the largest liability on the balance sheet is Other Liabilities and asked if this should be broken down. Finance Committee Chairman Rowling and Mr. Wallace explained this line item includes securities lending, accounts payable, trades payable, and a liability to The Texas A&M University System for payable PUF bonds. Mr. Wallace agreed to review the matter in light of Comptroller guidelines.

Regent Rowling commended Mr. Chaffin for his work, commenting on the clean audits done by outside auditors. Mr. Chaffin said the cooperation between the finance departments and internal auditors makes the difference.

ADJOURNMENT

Finance Committee Chairman Rowling adjourned the meeting at 6:45 p.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
February 6, 2008

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 4:40 p.m. on Wednesday, February 6, 2008, in International Room 1.102, International Trade and Technology Building, The University of Texas – Pan American, 1201 West University Drive, Edinburg, Texas, with the following participation:

Attendance

Chairman Barnhill, presiding
Regent Foster
Regent Gary
Regent McHugh

Also present were Chairman Caven, Regent Camarillo, Regent Dannenbaum, Regent Rowling (for Item 4), and General Counsel to the Board Frederick.

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

1. U. T. System: Approval of expansion of degree planning authority at U. T. Brownsville, U. T. Dallas, and U. T. Pan American

Committee Meeting Information

Presenter(s): Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

While not directly related to this agenda item, Dr. Prior said the Texas Higher Education Coordinating Board (CB) has a proposal to delay the consideration of proposals for new degree programs and he asked U. T. Dallas President David E. Daniel to explain the moratorium on all doctoral programs. Dr. Prior stated he will meet with the CB on the matter.

2. U. T. El Paso: Approval of acceptance of gift of outdoor art

Committee Meeting Information

Presenter(s): *President Diana S. Natalicio, U. T. El Paso; Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs*

Status: *Approved*

Motion: *Made, seconded, and carried unanimously*

3. U. T. Permian Basin: Approval of acceptance of gift of outdoor art

Committee Meeting Information

Presenter(s): *President W. David Watts, U. T. Permian Basin*

Status: *Approved*

Motion: *Made, seconded by Regent McHugh, and carried unanimously*

4. U. T. System: Report on enrollment management plans

Committee Meeting Information

Presenter(s): *Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs*

Status: *Reported*

Future Action: *Continue discussion of enrollment management at future meeting.*

Discussion at meeting:

Regent McHugh asked about the impact of enrollment growth on campus facilities and Dr. Prior assured her the matter will be discussed with Associate Vice Chancellor for Facilities Planning and Construction O'Donnell in terms of planning for financing and tuition in the longer term. Committee Chairman Barnhill noted the different time frames in the presentation and Dr. Prior answered the time frames were established by each president. Regent Rowling likes the approach that each campus should have a few lines of business that they are good at, so he suggested that if a proposal relates to business that another campus is already doing well, Dr. Prior could turn down the request. Dr. Prior said he has done this and noted this is a fundamental debate.

U. T. Tyler President Rodney H. Mabry addressed the matter from a philosophical perspective, proposing there could be more institutions within closer distances of each other (maybe two hours) to develop less populated areas of the state instead of ceding research programs and other large operations to other states. President Mabry spoke of the Trane headquarters being in Tyler and while U. T. Tyler has a strong undergraduate mechanical engineering program, he would like the institution to have a doctoral program in mechanical engineering.

President Ricardo Romo, U. T. San Antonio, said a demographic change is happening in the state with the highest number of undergraduates yet expected at U. T. San Antonio. He said there are record applications at many colleges and universities nationwide.

Chancellor Yudof commented that he wished the State legislature would go through this process and he noted that some universities are being penalized for the number of students they enroll. He agrees that enrollment management has to start with the campuses and to be a planning process, answering such questions as “how large do we want to be?” and “what will be the composition of the student body?”

Having served on the Texas Higher Education Coordinating Board, Regent Foster said there is angst regarding the efficiency of the degree planning process and closing the gaps. He said the need is to focus on how to educate the rapidly growing population in the state. He noted the Coordinating Board is more focused on educating more people than on higher education. Dr. Prior commented that the targets of closing the gaps, such as diversity, increased participation, and research excellence, are an underlying theme at U. T. System institutions whereas the Coordinating Board is more focused on access to education. Dr. Prior reiterated that he will request a meeting with the Commissioner to debate some of these issues.

Referencing the chart on Page 45 of Volume 2 of the Agenda Book, Regent Gary expressed concern that enrollment of the African-American population is, and has been, low. Chancellor Yudof speculated on the reasons, saying that, to some extent, the cause is regional, and some of the cause is related to the pipeline, but the U. T. System Community College Initiative is intended to increase African-American participation.

Regent Barnhill suggested that, in the interest of time, the discussion continue at another time, and he committed to promoting discussion of such topics at future meetings.

ADJOURNMENT

Committee Chairman Barnhill adjourned the meeting at 5:35 p.m.

MINUTES
U. T. System Board of Regents
Health Affairs Committee
February 6, 2008

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 3:35 p.m. on Wednesday, February 6, 2008, in International Room 1.102, International Trade and Technology Building, The University of Texas – Pan American, 1201 West University Drive, Edinburg, Texas, with the following participation:

Attendance

Chairman McHugh, presiding
Vice Chairman Rowling
Regent Dannenbaum

Absent

Vice Chairman Huffines

Also present were Chairman Caven, Regent Barnhill, Regent Camarillo, Regent Foster, Regent Gary, and General Counsel to the Board Frederick.

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

1. **U. T. M. D. Anderson Cancer Center: Authorization to effectuate the following land exchanges: (a) purchase approximately 26 square feet of unimproved land adjacent to the north right-of-way of Old Spanish Trail, Houston, Harris County, Texas, from the Texas Medical Center (TMC), a Texas nonprofit corporation, for fair market value as established by independent appraisals; (b) acquire approximately 3.55 acres of unimproved land consisting of several streets and alleys between Braeswood Boulevard to the north, Cecil Street to the west, and the boundaries of the Institute Addition to the south and east, all within the Institute Addition, Houston, Harris County, Texas, from the City of Houston, a municipal corporation, and from TMC to be used for future programmed development of campus expansion; and (c) convey to the City of Houston approximately 2.28 acres of unimproved land consisting of parcels located in Blocks 14, 18, 21, 22, and 23 of the Institute Addition, Houston, Harris County, Texas, and a portion of Tract 21 as described in a deed recorded in the Real Property Records of Harris County, Texas, under Clerk's File No. M546653, and the TMC Tract, and pay to the City of Houston an amount to constitute an even exchange of values**

Committee Meeting Information

Presenter(s): Ms. Florence Mayne, Executive Director of Real Estate; John Mendelsohn, M.D., President, U. T. M. D. Anderson Cancer Center

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent Rowling, and carried unanimously

2. **U. T. System: Approval of the Amended and Restated Model Bylaws of the Medical Service, Research and Development Plan/Physicians Referral Service (MSRDP/PRS) Faculty Practice Plan; authorization for the Executive Vice Chancellor for Health Affairs to approve implementation of MSRDP/PRS Faculty Practice Plan Bylaws at U. T. System health institutions; and authorization for the Executive Vice Chancellor for Health Affairs to approve nonsubstantive revisions to the Amended and Restated Model Bylaws of the MSRDP/PRS Faculty Practice Plan**

Committee Meeting Information

Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; Ms. Amy Shaw Thomas, Associate Vice Chancellor for Health Affairs; Dr. Ted Pate, Chair, Faculty Advisory Council (FAC)

Status: Approved

Motion: Made by Regent Rowling, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Dr. Shine emphasized a) there is significant flexibility in application of the template for the individual institutional plans, and b) it is proposed the Executive Vice Chancellor for Health Affairs be authorized to approve implementation of, and nonsubstantive revisions to, the plans. While tenure or what a faculty member is entitled to is not defined in the plan, Dr. Shine briefly discussed the issue of base salary, supplemental compensation, incentive pay, and tenure in relation to the practice plan.

Dr. Pate said the Faculty Advisory Council (FAC) has been involved in revising the practice plan and the FAC supports approval of the revised plan.

In response to a request from Committee Chairman McHugh, Dr. Shine reviewed the auditing functions of the plan. He said in the past, Vice Chairman Huffines expressed concern about the organization of the Board's committees in relation to the plan. Dr. Shine explained that some of the campus audit committees have been auditing the campus practice plans and that is fine according to the revised bylaws but the audit results would have to be made directly available to certain officers of the plan. Vice Chairman Huffines and the FAC had also expressed concern about accountability of the use of the funds. Dr. Shine discussed the implementation proposal that addresses these concerns and he requested the attachment on Pages 4 - 6 be included for the record in the Minutes.

Regent Rowling asked if the revenue from the clinical practice of a faculty member who was also involved in sponsored research would go into the practice plan as well as general revenue from the State for teaching. Dr. Shine replied no, and he explained that, in general, the salary portion of grants would go into the plan and he

explained the process of negotiating salaries, including supplemental compensation for such duties as administrative responsibilities or an extraordinary teaching load. Dr. Shine said these components are made as clear as possible in the proposal and agreed with Regent Rowling that a faculty member's salary can be paid partly from the practice plan and partly from other sources.

Regent Rowling also asked if stand-alone financial statements are performed annually on practice plans and Dr. Shine responded affirmatively, that Associate Vice Chancellor, Controller and Chief Budget Officer Randy Wallace reports quarterly on each plan. Dr. Shine reiterated that the model bylaws call for a regular audit to verify data but more transparency is being requested.

Regent Dannenbaum then asked if there is a requirement that a faculty member who develops intellectual property put earnings into the practice plan and Dr. Shine said the bylaws require that each campus stipulate the path those monies should take. Dr. Shine further reviewed language in the plan related to professional income such as honoraria and royalties; disclosures and conflicts of interest; and benefits for faculty developing intellectual property on their own time.

Regent Dannenbaum inquired if language in Section 9.1.3 on Agenda Book Page 68 regarding incentive compensation was controversial and Dr. Shine responded that funding agencies do not have a problem with the institution paying a stellar researcher additional compensation but it cannot be set on a grant-by-grant basis.

INTRO

- **OGC/HAO undertook a review** of the Model Faculty PP Bylaws (last reviewed & adopted in 1998) to assure effective governance, management and oversight
- **Significant input** – institutions, U. T. System FAC and interested faculty

BRIEF SUMMARY OF CHANGES

- Clarify and make consistent **elements of faculty compensation** (Art. 9)
- **Enhance faculty participation**
 - (1) Add Faculty Compensation Advisory Committee (6.1.6)
 - (2) Require faculty member on Budget & Finance Committee (6.1.2)
 - (3) Require Pres. To consult w/ Faculty Comp. Advisory Committee and repress. Faculty org. on compensation determinations (5.2)
- Clearly define **authority of the President** to direct & manage the practice plan (Art. 5)
- Clarify sources of **professional income** that must be deposited in the plan; require a **conflict of interest policy** re: receipt of outside professional income (Art. 8)

- Require the Board and Executive Director to implement **the spirit of Sarbanes-Oxley** (Art. 5.2)

IN THE APPLICATION OF THE MODEL FACULTY PRACTICE PLAN BYLAWS:

- (1) U. T. System will undertake a program of **regular audits** of the faculty practice plans by System and/or external auditors;
- (2) The health institutions have developed or will develop a **schedule of base salaries** associated with a faculty member's academic rank, in accordance with the faculty compensation plan of the institution;
- (3) If a health institution **modifies its HOP** to include a provision or issue addressed in the faculty practice plan bylaws, the modification will be in accordance with Regents Rules Series 20201, Section 4.9, which requires input from the faculty, staff, and student governance bodies for all significant changes to an institution's HOP;
- (4) Institutional faculty practice plan bylaws will retain the current requirement of a **2/3rd's vote** of a quorum of members to recommend substantive amendments to the practice plan; and

- (5) Emphasize the importance of faculty involvement in the practice plan to assure **accountability and transparency** to the members of the plan.

NEXT STEPS

- Each institution will conform its Practice Plan Bylaws to the Model Bylaws
- Opportunities for additional practice plans in other disciplines or specialties (allied health, nursing, etc.)

3. **U. T. Health Science Center - Houston: Approval of a naming opportunity for the water feature and patio location in the Fayez S. Sarofim Research Building as the Dan L. Duncan Family Water Feature and Patio**

Committee Meeting Information

Presenter(s): Dr. Randa S. Safady, Vice Chancellor for External Relations; James T. Willerson, M.D., President, U. T. Health Science Center – Houston

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent Rowling, and carried unanimously

4. **U. T. Health Science Center - Houston: Approval of a naming opportunity for the Executive Office Wing in the Fayez S. Sarofim Research Building as the Memorial Hermann Hospital System Executive Office Wing**

Committee Meeting Information

Presenter(s): Dr. Randa S. Safady, Vice Chancellor for External Relations; James T. Willerson, M.D., President, U. T. Health Science Center – Houston

Status: Approved

Motion: Made by Regent Rowling, seconded by Regent Dannenbaum, and carried unanimously

5. **U. T. Southwestern Medical Center - Dallas: Approval to name the Harold and Annette Simmons Comprehensive Center for Research and Treatment of Brain and Neurological Disorders**

Committee Meeting Information

Presenter(s): Dr. Randa S. Safady, Vice Chancellor for External Relations; Kern Wildenthal, M.D., President, U. T. Southwestern Medical Center – Dallas;

Status: Approved

Motion: Made by Regent Rowling, seconded by Regent Dannenbaum, and carried unanimously

6. **U. T. System: Preliminary report on initiatives in health professional education**

Committee Meeting Information

Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; Dr. John D. Stobo, Executive Director for Academic Programs

Status: Reported

Discussion at meeting:

Dr. Stobo is the John P. McGovern Distinguished Chair in Oslerian Medicine and he provided a brief introduction of Sir William Osler, first chairman of medicine of the School of Medicine at Johns Hopkins and first physician-in-chief at Johns Hopkins Hospital who is credited with revolutionizing medical education in the U.S. by moving education from the classroom into the clinic, by emphasizing the scientific basis of medicine, and, perhaps most importantly, by emphasizing the importance of compassion and humanism in medicine.

Regent Dannenbaum asked if the U. T. System animal research institutions have a da Vinci machine for teaching and President John Mendelsohn said U. T. M. D. Anderson Cancer Center has such a machine.

Chancellor Yudof remarked that the economics of medical education (costs to students, student:faculty ratios) are not good and he asked if economies of scale or new teaching devices can be explored to reduce the cost to the enterprise. Dr. Stobo replied affirmatively, especially if teams of professionals and mannequins are used. Dr. Shine commented he is already looking for economies of scale such as those related to efficiencies in faculty time but remarked that teaching people to take care of patients requires interacting with them and that is expensive.

7. U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine

Committee Meeting Information

Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs

Status: Reported

Discussion at meeting:

Dr. Shine spoke about acquisition of the Cancer Therapy and Research Center (CTRC) at U. T. Health Science Center – San Antonio on December 17, 2007. Regent Rowling asked if there were any surprises related to the acquisition and President Cigarroa said no, although there are insurance and corpus distribution matters to be handled.

ADJOURNMENT

Committee Chairman McHugh adjourned the meeting at 4:32 p.m.

MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
February 6, 2008

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 2:37 p.m. on Wednesday, February 6, 2008, in the International Room 1.102, International Trade and Technology Building, The University of Texas – Pan American, 1201 West University Drive, Edinburg, Texas, with the following participation. Chairman Caven asked that newly-appointed Regent Longoria serve on the same committees as had Regent Estrada, which included the Facilities Planning and Construction Committee. Chairman Caven also asked Regent Barnhill to chair the committee meeting in the absence of Committee Chairman Huffines.

Attendance

Acting Committee Chairman Barnhill, presiding
Regent Dannenbaum
Regent Gary
Regent Longoria

Absent

Vice Chairman Huffines

Also present were Chairman Caven, Vice Chairman Rowling, Regent Camarillo, Regent Foster, Regent McHugh, and General Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Regent Barnhill called the meeting to order. Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, then presented a PowerPoint presentation for Items 1 - 18 as set forth on Pages 9 - 24.

As a general inquiry, Regent Gary asked how project delivery methods are determined. Associate Vice Chancellor O'Donnell explained the determination is made by his office working with the respective institution but it depends on the state of design development and the schedule of a project.

1. U. T. System: Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include four projects with funding from Permanent University Fund Bond Proceeds:

- **U. T. Austin Fire and Life Safety Projects**
- **U. T. Dallas Arts and Technology Facility**
- **U. T. El Paso Fire and Life Safety Projects**
- **U. T. Medical Branch - Galveston Administration Building Life Safety Renovations**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

2. **U. T. Arlington: Yates and First Street Improvements - 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**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

3. **U. T. Austin: Data Center at the Central Receiving Building - 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**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

Regent Rowling asked if this project meets the requirements of the Shared Services Initiative for a data center in Austin and suggested it should be included in the regional project. Mr. O'Donnell explained this is not the regional data center that is still being studied but will serve the institution in the interim as the facility is needed now because the servers are working at capacity and a consolidation is needed. President William C. Powers, Jr., explained that if the regional center goes forward, this data center would serve as a redundancy (backup) and, thus, would probably be part of the Shared Services Initiative.

4. **U. T. Austin: Darrell K Royal - Texas Memorial Stadium - Maintenance and Renovation Project - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

Discussion at meeting:

In response to Regent Barnhill's question about location of the coaches' offices, Mr. O'Donnell explained that the unrenovated coaches' offices on the fifth floor will be located on the second floor.

Note: The project name was changed after the Agenda Books were mailed, but prior to the meeting, to the Darrell K Royal - Texas Memorial Stadium - Maintenance and Renovation project.

5. **U. T. Austin: Jester East Residence Hall Fifth Floor Finishes - Pilot Project - 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**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

6. **U. T. Austin: Phase II - Liberal Arts Building - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

7. **U. T. Austin: Marine Science Institute - Natural Estuarine Research Reserve Headquarters and Laboratory Expansion - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

8. **U. T. San Antonio: John Peace Library Building Renovation - Phase I - 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**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made, seconded, and carried unanimously

9. **U. T. Medical Branch - Galveston: University Boulevard Research Building - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved with revised funding per below

Motion: Made by Regent Gary, seconded by Regent Dannenbaum, and carried unanimously

Discussion at meeting:

Mr. O'Donnell explained the revised project funding as set forth on the following page, clarifying that no new Permanent University Funds (PUF) were being requested and that additional funds would come from Revenue Financing System Bond Proceeds.

<u>Source</u>	<u>Revised</u>
Gifts	\$30,000,000
Revenue Financing System Bond Proceeds	29,500,000
Permanent University Fund Bond Proceeds --	<u>30,500,000</u>
transferred from Specialty Care Center at Victory Lakes project	\$90,000,000

10. U. T. Austin: Experimental Science Building/Vivarium/Phase I – Robert A. Welch Hall - Request for approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Gary, seconded, and carried unanimously

Discussion at meeting:

In response to Regent Barnhill's question as to why the Experimental Science Building needed to be torn down, Mr. O'Donnell explained that was necessary to build a modern science and research building within costs. Regent Dannenbaum asked if the vivarium would be built well above flood levels and Mr. O'Donnell replied affirmatively.

11. U. T. Dallas: Math, Science and Engineering Teaching-Learning Center - 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; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Gary, seconded, and carried unanimously

Discussion at meeting:

Mr. O'Donnell explained the blue elements shown in Slide 23 on Page 20 of these Minutes will be glass or a porcelain tile and the writing on the surface is representative of the Human Genome Mapping Project.

Regent Dannenbaum asked if the building is designed with expansion in mind considering enrollment growth and President Daniel said yes, it is designed with expansion in mind.

12. U. T. Austin: Biomedical Engineering Building - 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 appropriation of funds and authorization of expenditure

Committee Meeting Information

Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*

Status: *Approved*

Motion: *Made, seconded by Regent Longoria, and carried unanimously*

Discussion at meeting:

Regent Rowling asked about the financing of the project, specifically why the recommendation was to use cash that is making 8-10% from the Intermediate Term Fund (ITF) instead of bonding at 3.5% and President William C. Powers, Jr., said this is consistent with the ITF strategy. Executive Vice Chancellor Scott C. Kelley further explained the campus could go either way but the institution planned to use its debt capacity for other projects. Associate Vice Chancellor for Finance Philip R. Aldridge said debt interest is 4% and suggested the campus can best determine when to use balances and when to use debt.

13. U. T. Austin: College of Communications - New - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost

Committee Meeting Information

Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*

Status: *Approved*

Motion: *Made by Regent Dannenbaum, seconded by Regent Longoria, and carried unanimously*

14. **U. T. Austin: School of Nursing Addition - 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 appropriation of funds and authorization of expenditure**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent Longoria, and carried unanimously

Discussion at meeting:

Regent Dannenbaum asked about the previous contract and Mr. O'Donnell explained that an unsuccessful National Institutes of Health (NIH) grant to fund the original scope of work caused the project to be put on hold. Approval of this item will start the project with an expanded scope to include code requirements.

15. **U. T. Dallas: Campus Landscape Enhancement Project - 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; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent Longoria, and carried unanimously

Discussion at meeting:

Upon request by Acting Committee Chairman Barnhill, Mr. O'Donnell explained the Peter Walker and Partners' Campus Landscape Master Plan.

16. U. T. El Paso: Physical Sciences/Engineering Core Facility - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to increase the total project cost and approval to reallocate Permanent University Fund Bond Proceeds

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent Longoria, and carried unanimously

17. 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 increase the total project cost of the Biomedical Research and Education Facility/Neuroscience Building portion of the project and appropriation of additional funds and authorization of expenditure

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent Longoria, and carried unanimously

Discussion at meeting:

President James T. Willerson pointed out the collaborative nature of this project with U. T. M. D. Anderson Cancer Center.

18. U. T. M. D. Anderson Cancer Center: Center for Advanced Biomedical Imaging Research - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to combine the project with the Center for Advanced Biomedical Imaging Research Build-Out project and approval of the total project cost

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Regent Dannenbaum, seconded by Regent Longoria, and carried unanimously

ADJOURNMENT

Regent Barnhill adjourned the meeting at 3:30 p.m.

Agenda Items Included in FPCC February 2008



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Office of Facilities
Planning and
Construction

1



THE UNIVERSITY of TEXAS SYSTEM
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Consideration of Project Additions to the FY 2008-2013 Capital Improvement Program

2



THE UNIVERSITY of TEXAS SYSTEM
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Four Projects with Funding from Permanent University Fund Bond Proceeds

- One new construction project
 - U. T. Dallas Arts and Technology Facility
- Three fire and life safety projects with institutional management and appropriate and authorize expenditure of funds
 - U. T. Austin
 - U. T. El Paso
 - U. T. Medical Branch - Galveston
- Total Project Cost is \$90,200,000 with \$51,200,000 allocated from PUF

Amendment to FY 2008-2013 CIP

3



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Dallas Arts and Technology Facility

- 140,000 gross square feet of new space for research & instruction in emerging media technology; fastest growing program on campus; matching gift funds for infrastructure improvement
- Total Project Cost is \$81,000,000 with funding from \$45,000,000 PUF and \$36,000,000 in RFS to be repaid from Gifts
- Investment Metrics:
 - Increased enrollment and number of graduates; undergraduate currently 600 to 1,400 and graduate majors currently 120 to 250 by year 2015
 - Increase research funding to \$1,700,000 from \$450,000 by 2015
 - Raise national program ranking to top 10 nationally by 2015

Amendment of FY 2008-2013 CIP

4



THE UNIVERSITY of TEXAS SYSTEM
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Four Projects with Funding from Permanent University Fund Bond Proceeds

- One new construction project
 - U. T. Dallas Arts and Technology Facility \$81,000,000
- Three fire and life safety projects with institutional management and to appropriate and authorize expenditure of funds
 - U. T. Austin \$2,600,000
 - U. T. El Paso \$600,000
 - U. T. Medical Branch – Galveston \$6,000,000
- Total Project Cost is \$90,200,000 with \$51,200,000 allocated from PUF

Amendment to FY 2008-2013 CIP

5



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Arlington Yates and First Street Improvements

- Road work will include the removal of Yates Street from UTA Boulevard to First Street and the removal of First Street from Yates Street to College Street
- Design will include a pedestrian mall
- Project includes underground utility upgrades
- Total Project Cost is \$7,500,000 with funding from Revenue Financing System Bond Proceeds

Amendment to FY 2008-2013 CIP

6



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Data Center at the Central Receiving Building

- Renovates 12,000 gross square feet of the Central Receiving Building to construct a state-of-the-art data center
- Total Project Cost is \$25,000,000 with funding from Revenue Financing System Bond Proceeds
- Investment Metrics:
 - Move critical IT services that support administrative, academic and research computing to a reliable data center facility that supports concurrent maintainability of facility by 2009
 - Provide large, reliable, highly efficient, centralized data center to reduce the proliferation of small data centers by 2009
 - Eliminate single point-of-failure in the data center facility infrastructure by 2009
 - Meet current demand for space, power, and cooling for IT services by 2009
 - Make better use of underutilized space in the Central Receiving Building by 2009

Amendment to FY 2008-2013 CIP

7



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Darrell K Royal – Texas Memorial Stadium – Maintenance & Renovation Project

- Project includes removal and replacement of the existing tent structure, modifications to existing life safety systems, renovations to the Academic Center and Coaches offices and adds grandstand seating in the south end zone area
- Total Project Cost is \$25,000,000 with funding of \$21,000,000 from Revenue Financing System Bond Proceeds and \$4,000,000 from Gifts
- Investment Metrics:
 - Increase Moncrief-Neuhaus by 8,000 assignable square feet
 - Add 4,000 grandstand seats in the south end zone
 - Increase revenue from seats and licensing by \$2M annually

Amendment to FY 2008-2013 CIP

8



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Jester East Residence Hall Fifth Floor Finishes – Pilot Project

- Project updates the finishes in the corridors, student rooms, supplemental rooms and restrooms
- Project is a prototype that will set the standard for updating the finishes on the remaining floors in both the east and west wings of the Jester Dormitory Complex
- Requesting institutional management
- Total Project Cost is \$3,000,000 with funding from Auxiliary Enterprise Balances

Amendment to FY 2008-2013 CIP

9



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Phase II – Liberal Arts Building

- New six to seven level building of approximately 200,000 gross square feet
- Total Project Cost is \$100,000,000 with funding of \$60,000,000 from Revenue Financing System Bond Proceeds and \$40,000,000 from Gifts
- Investment Metrics:
 - Provide an interdisciplinary center for several social sciences and area studies departments and research centers by 2012
 - Add approximately 235 faculty offices and 300 graduate student offices. There will also be 12 laboratories of various functions and 12 collaborative research suites by 2012.
 - Add 23 general purpose classrooms holding 1,450 students and approximately 20 departmental classrooms. Study and lounge space will also be provided by 2012.

Amendment to FY 2008-2013 CIP

[link](#)

10



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Marine Science Institute – Natural Estuarine Research Reserve Headquarters and Laboratory Expansion

- Construct new headquarters building and research building to be located at the Marine Science Institute in Port Aransas
- Total Project Cost is \$19,200,000 with funding of \$2,500,000 from Gifts, \$10,200,000 from Grants, and \$6,500,000 from Designated Funds
- Investment Metrics:
 - Enable NERR program to work with regional groups and local communities on natural resource management issues, and to develop strategies that successfully address them for issues such as pollution, invasive species, and habitat restoration by 2010.
 - Development of programs to work with K-12 will be enhanced allowing actual field research exercises and assisting grade school teachers in establishing marine science programs within their education system through professional development programs by 2010.
 - Will include new offices and laboratories to accommodate expansion of faculty at MSI by 2010.

Amendment to FY 2008-2013 CIP

11



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at San Antonio John Peace Library Building Renovation – Phase I

- Project will renovate approximately 57,000 gross square feet within the library
- Multi-phase project – two additional phases of renovation work will be submitted at a future date
- Requesting institutional management
- Total Project Cost is \$2,805,000 with funding from Unexpended Plant Funds

Amendment to FY 2008-2013 CIP

12



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas Medical Branch – Galveston – University Boulevard Research Building

- Project adds 140,000 gross square feet to house biomedical laboratory with an emphasis on translation research, and provide laboratory, vivarium, office, and support space
- Total Project Cost is \$90,000,000 with funding of \$30,500,000 from Permanent University Fund Bond Proceeds, \$29,500,000 from Revenue Financing System Bond Proceeds and \$30,000,000 from Gifts
- Investment Metrics:
 - Increase research and research support space available to the campus by 83,000 net square feet by 2012
 - Increase external funding by 20% by 2014

Amendment to FY 2008-2013 CIP

13



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CIP Additions

- | | |
|---------------------------------|----------------------|
| • Ten Academic projects | \$266,705,000 |
| • Two Health projects | <u>\$ 96,000,000</u> |
| • Total Change in CIP Additions | \$362,705,000 |

14



THE UNIVERSITY of TEXAS SYSTEM
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Consideration of Design Development

- The University of Texas at Austin Experimental Science Building/Vivarium/Phase I – Robert A. Welch Hall
- The University of Texas at Dallas Math, Science and Engineering Teaching-Learning Center

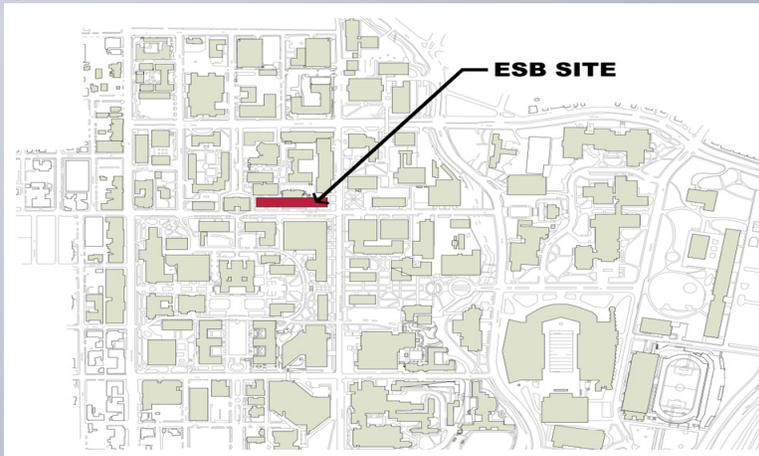
15



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Experimental Science Building / Vivarium / Phase I – Robert A. Welch Hall

Campus Plan



16



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Experimental Science Building / Vivarium / Phase I – Robert A. Welch Hall

Site Plan



17



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Experimental Science Building / Vivarium / Phase I – Robert A. Welch Hall

Southeast View



18



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Austin Experimental Science Building/ Vivarium/Phase I – Robert A. Welch Hall

Total Project Cost: \$175,000,000

Investment Metrics:

- House up to 13 faculty laboratories in fume hood intensive chemistry research, 14 laboratories in neuroscience, and the entire Center for Learning and Memory with up to 15 faculty research laboratories by 2010/11
- Provide more than 13,000 square feet of organic chemistry undergraduate instructional laboratories by 2010/11
- Will include large vivarium as well as advanced imaging facilities (NMR, MRI, electron microscopy) by 2010/11
- Will house the administrative suite for the School of Biological Sciences by 2010/11

Design Development Approval

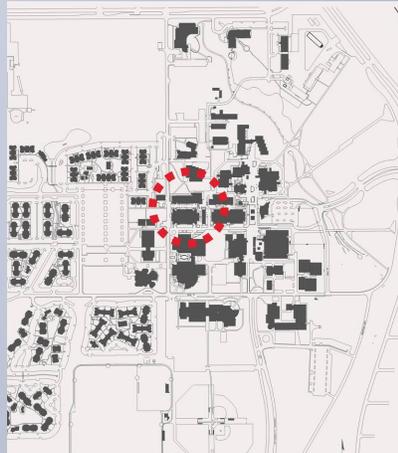
19



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Dallas Math, Science, and Engineering Teaching – Learning Center

Campus Plan



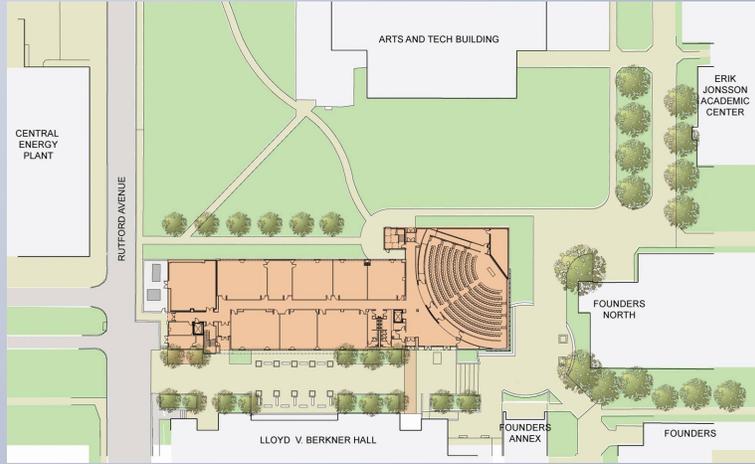
20



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Dallas Math, Science, and Engineering Teaching – Learning Center

Site plan



21



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

The University of Texas at Dallas Math, Science, and Engineering Teaching – Learning Center

Southeast Aerial View



22



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Dallas Math, Science, and Engineering Teaching – Learning Center

Southeast View



23



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at Dallas Math, Science and Engineering Teaching-Learning Center

Total Project Cost: \$29,700,000

Investment Metrics:

- Increase undergraduate majors from 800 to 1500 by 2015
- Increase graduate majors from 400 to 1000 by 2015
- Increase research assistants from 50 to 20 by 2015
- Increase tenure track faculty from 80 to 120 by 2015
- Increase part-time faculty from 15 to 30 by 2015
- Increase research dollars (teaching) from \$250,000 to \$2,000,000 by 2015
- Increase degree programs from 24 to 33 by 2015
- Increase ranking (teaching) to top 25 by 2015

Design Development Approval

24



The University of Texas at Austin Biomedical Engineering Building

- Scope – To increase project scope for additional space for Pharmacy labs, faculty offices, and grad student spaces
- Notice to Proceed – August 24, 2004
- Substantial Completion – April 16, 2008



- Action – Increase total project cost from \$57,100,000 to \$77,100,000 with funding of \$20,000,000 from Interest on Local Funds, \$8,000,000 from Gifts, \$8,600,000 from Unexpended Plant Funds, and \$40,500,000 from Revenue Financing System Bond Proceeds
- Justification – Scope changes

Increase Total Project Cost

25



The University of Texas at Austin College of Communication Building- New

- Scope – To increase project scope to allow for KUT radio station expanded services
- Notice to Proceed – December 12, 2010
- Substantial Completion – March 16, 2012



- Action – Increase total project cost from \$45,000,000 to \$54,000,000 with funding from Gifts
- Justification – Scope changes

Increase Total Project Cost

26



The University of Texas at Austin School of Nursing Addition

- Scope – To increase project scope to include fire and life safety and revise funding
- Notice to Proceed – April 2, 2008
- Substantial Completion – January 30, 2009



- Action – Increase total project cost from \$4,000,000 to \$6,650,000 with funding of \$1,425,000 from Designated Funds, \$2,425,000 from Unexpended Plant Funds, and \$2,800,000 from previously allocated Permanent University Fund Bond Proceeds
- Justification – Scope changes and escalation

Increase Total Project Cost

27



The University of Texas at Dallas Campus Landscape Enhancement Project

- Scope – To increase total project cost to complete Phase I scope
- Notice to Proceed – August 30, 2008
- Substantial Completion – October 15, 2009



- Action – Increase total project cost from \$10,000,000 to \$30,000,000 with funding of \$25,000,000 from Gifts and \$5,000,000 from Revenue Financing System Bond Proceeds
- Justification – Scope change

Increase Total Project Cost

28



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas at El Paso Physical Sciences/Engineering Core Facility

- Scope – To increase total project cost with \$1.2M from previously allocated PUF
- Notice to Proceed – December 14, 2007
- Substantial Completion – December 15, 2011



- Action – Increase total project cost from \$83,800,000 to \$85,000,000 with funding of \$8,500,000 from Permanent University Fund Bond Proceeds and \$76,500,000 from Tuition Revenue Bond Proceeds
- Justification – Return PUF to original project

Increase Total Project Cost

29



THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

U. T. Health Science Center – Houston – Biomedical Research and Education Facility/ Neuroscience Building portion of the UT Research Park Complex

- Scope – To increase total project cost
- Notice to Proceed – January 15, 2008
- Substantial Completion – September 21, 2009



- Action – Increase total project cost from \$64,000,000 to \$77,280,739 with funding of \$36,180,739 from Unexpended Plant Funds and \$41,100,000 from Permanent University Fund Bond Proceeds
- Justification – Build out shell space

Increase Total Project Cost

30



THE UNIVERSITY of TEXAS SYSTEM
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The University of Texas M. D. Anderson Cancer Center - Center for Advanced Biomedical Imaging Research

- Scope – To combine Build Out project and increase total project cost
- Notice to Proceed – February 22, 2007
- Substantial Completion – September 18, 2010



- Action – Combine two projects for a new total project cost of \$132,060,000 with funding of \$30,000,000 from Grants, \$45,690,000 from Gifts, and \$56,370,000 from Hospital Revenues
- Justification – Build out shell space

Increase Total Project Cost

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THE UNIVERSITY of TEXAS SYSTEM
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CIP Changes

- | | |
|---------------------------------|----------------------|
| • CIP Additions | \$362,705,000 |
| • CIP Changes | <u>\$ 68,830,739</u> |
| • Total change in CIP Additions | \$431,535,739 |

- This represents a 5.4% increase for a total of \$8.42 billion

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MINUTES
U. T. System Board of Regents
Student, Faculty, and Staff Campus Life Committee
February 7, 2008

The members of the Student, Faculty, and Staff Campus Life Committee of the Board of Regents of The University of Texas System convened at 9:15 a.m. on Thursday, February 7, 2008, in the International Room 1.102, International Trade and Technology Building, The University of Texas – Pan American, 1201 West University Drive, Edinburg, Texas, with the following participation:

Attendance

Regent Dannenbaum, presiding
Regent Barnhill
Regent Gary

Absent

Vice Chairman Huffines

Also present were Chairman Caven, Regent Camarillo, and Dr. Ted Pate, Chair, Faculty Advisory Council (FAC).

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

1. U. T. Pan American: Overview of the Institution

Committee Meeting Information

Presenter(s): President Cárdenas, U. T. Pan American

Status: Reported

Discussion at meeting:

Committee Chairman Dannenbaum thanked President Cárdenas for hosting the Board meeting at U. T. Pan American and for the lovely social event last evening (February 6). Dr. Cárdenas said it was an honor to have the members of the Board of Regents on campus.

President Cárdenas said that in looking at the state priorities in closing the gaps and in high needs fields, U. T. Pan American is ready to serve the State of Texas in a strategic way. She explained this is largely a function of the area's population where there are large numbers of at-risk students and she said the institution is working toward excellence in several unique areas for a competitive advantage.

2. **U. T. System: National developments in accountability and accreditation**

Committee Meeting Information

Presenter(s): *Dr. Geri Malandra, Vice Chancellor for Strategic Management*

Status: *Reported*

Discussion at meeting:

Chancellor Yudof remarked that the U. T. System was a leader in the national accountability picture and began administering tests in the freshman and senior years and institutions that are not paying attention to student outcomes are running into trouble on reaccreditation matters.

3. **U. T. System: Report on the National Survey of Student Engagement (NSSE) (Deferred)**

Committee Meeting Information

Presenter(s): *Dr. Edward Baldwin, Senior Research and Policy Analyst*

Status: *Deferred*

Discussion at meeting:

Committee Chairman Dannenbaum noted Chancellor Yudof recommended deferral of this item in the interest of time.

ADJOURNMENT

Committee Chairman Dannenbaum adjourned the meeting at 10:10 a.m.