

Meeting No. 1,128

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

Pages 1 - 147

November 5-6, 2014

El Paso, Texas

TABLE OF CONTENTS
 THE MINUTES OF THE BOARD OF REGENTS
 OF
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 NOVEMBER 5-6, 2014
 AUSTIN, TEXAS

MEETING NO. 1,128

	<u>Page No.</u>
<u>November 5, 2014</u>	
I. ATTENDANCE	1
 <u>November 6, 2014</u>	
II. ATTENDANCE	1
III. AGENDA ITEMS	2
1. U. T. El Paso: Overview of the institution, including Centennial Celebration	2
2. U. T. System Board of Regents: Annual Meeting with Officers of the U. T. System Employee Advisory Council	2
3. U. T. System Board of Regents: Approval of Consent Agenda items	3
4. U. T. System Board of Regents: Amendment of the Regents' <i>Rules and Regulations</i> , Rule 10402, Section 1.7 (Duties of the Academic Affairs Committee) and Section 1.8 (Duties of the Health Affairs Committee) related to review and approval of mission statements	4
5. U. T. System Board of Regents: Amendment of the Regents' <i>Rules and Regulations</i> , Rule 10501 (Delegation to Act on Behalf of the Board), Section 2.2.13 (Athletic Games) to expand the delegation of authority to U. T. System institutions to negotiate and execute agreements related to athletic games	5
6. U. T. System Board of Regents: Amendment of the Regents' <i>Rules and Regulations</i> , Rule 20201, Presidents, to add a new Section 5 on evaluations	5

7.	U. T. System Board of Regents: Amendment of the Regents' <i>Rules and Regulations</i> , Rule 20601, regarding Aircraft Use, to revise reporting requirements to incorporate former University of Texas Systemwide Policy UTS179, Donor Aircraft Policy, with revisions, and to require additional review for potential conflicts of interest	6
8.	U. T. System: Presentation on seekUT	15
9.	U. T. System: Report on the use of group purchasing contracts through the Texas Department of Information Resources and other sources and issues related to competitive bidding, justification for exclusive acquisitions, and requirements for Board approval	15
10.	U. T. System Board of Regents: Certificate of appreciation to Chancellor Cigarroa and recognition of his service	21
IV.	STANDING COMMITTEE REPORTS TO THE BOARD	29
A.	REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE	30
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	30
2.	U. T. System: Report on special review of U. T. Austin's procurement of consulting services from Accenture, LLP (Committee Meeting Only)	30
3.	U. T. System: Report on the results of the Systemwide External Quality Assessment of internal audit activities (Committee Meeting Only)	30
4.	U. T. System: Report on Systemwide audit activities, including an update on the Cancer Prevention Research Institute of Texas Grant Audits, Proportionality of Higher Education Benefits Audits, Physician Quality Reporting System Consulting Engagements, and Presidential and Executive Travel and Entertainment Audits (Committee Meeting Only)	30
5.	U. T. System: Annual Report on the Information Security Compliance Program (Committee Meeting Only)	30

B.	REPORT OF THE FINANCE AND PLANNING COMMITTEE	31
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	31
2.	U. T. System: Key Financial Indicators Report (Committee Meeting Only)	31
3.	U. T. System Board of Regents: Update on activities of the University Lands Advisory Board (Committee Meeting Only)	31
4.	U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the year and quarter ended August 31, 2014	31
C.	REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE	38
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	38
2.	U. T. System Board of Regents: Amendment of the Regents' <i>Rules and Regulations</i> , Rule 40601, Section 1.3(c) to reflect the reorganization and change the name of the College of Education and Health Professions at U. T. Arlington to the College of Education and Section 1.3(h) to reflect the reorganization and change the name of the College of Nursing to the College of Nursing and Health Innovation	38
3.	U. T. System Board of Regents: Approval to a) create an Honors College at U. T. Dallas and amendment of the Regents' <i>Rules and Regulations</i> , Rule 40601, Section 1.6 to add new Subsection (f) to include the Honors College; and b) rename the School of General Studies to the School of Interdisciplinary Studies and the School of Social Sciences to the School of Economic, Political and Policy Sciences and revise Rule 40601 accordingly	39

4.	U. T. System: Discussion regarding student learning assessment and outcomes (Committee Meeting Only)	41
5.	U. T. Rio Grande Valley: Approval of Vaqueros as athletics nickname, colors, and mascot pursuant to Regents' <i>Rules and Regulations</i> , Rule 40801, and authorization for the NCAA Division I athletics program at U. T. Pan American to be converted to the athletics program at U. T. Rio Grande Valley with continued membership in the Western Athletic Conference (WAC)	41
6.	U. T. Austin: Approval to establish a Doctor of Nursing Practice degree program	42
7.	U. T. System: Discussion of support programs for Veteran students (Committee Meeting Only)	46
D.	REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE	47
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	47
2.	U. T. System: Approval of \$5 million from the Available University Fund to support Phase 1 of the U. T. Systemwide Diabetes Obesity Control Initiative and delegation to the Office of Health Affairs and the Office of General Counsel the authority to contract with selected entities to create a Technology Core	47
3.	U. T. Southwestern Medical Center: Approval of honorific naming of the Biomedical Research Building on the North Campus as the C. Kern Wildenthal Research Building in honor of C. Kern Wildenthal, M.D., Ph.D.	49
4.	U. T. System: Report on activities and accomplishments of the institutional Clinical and Translational Science Institutes at U. T. System (Committee Meeting Only)	50
5.	U. T. Southwestern Medical Center: Report on the William P. Clements, Jr. University Hospital (Committee Meeting Only)	50

6.	U. T. Health Science Center - San Antonio: Authorization to purchase 2.841 acres of land and improvements at 8431 Fredericksburg Road, San Antonio, Bexar County, Texas, from WNLV, LTD., H5 Properties, L.P., and EZJ Management, LLC for future campus expansion; and resolution regarding parity debt (Deferred)	50
7.	U. T. System: Update on infectious diseases, including provision of specialized health care and current state of preparedness (Committee Meeting Only)	50
E.	REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE	51
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	51
2.	U. T. System: Report of the Task Force on Facility Planning for the 21st Century (Committee Meeting Only)	51
3.	U. T. Austin: High-Density Storage Addition - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)	51
4.	U. T. Southwestern Medical Center: Transplant Services Building Renovation and Expansion - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)	52
5.	U. T. Health Science Center - San Antonio: Clinical Transformation, Phase I - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)	53

6.	U. T. Health Science Center - San Antonio: Renovations to Strengthen Research and Salvage Infrastructure - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)	54
7.	U. T. Austin: Texas Advanced Computing Center Office Building - Approval of design development; and appropriation and authorization of expenditure of funds (Final Board approval)	55
8.	U. T. Dallas: Student Services Building Addition - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	56
9.	U. T. Tyler: Music Building Addition - Amendment of the FY 2015-2020 Capital Improvement Program to revise funding sources; and appropriation of funds and authorization of expenditure (Final Board approval)	58
F.	REPORT AND RECOMMENDATION OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE	60
1.	U. T. System: Report and discussion on the Institute for Transformational Learning's vision, mission, and status of current projects (Committee Meeting Only)	60
2.	U. T. System: Update on the U. T. Horizon Fund portfolio (Committee Meeting Only)	60
3.	U. T. System: Allocation of \$12.5 million of Available University Funds for the U. T. Horizon Fund and for associated administrative activities of the Office of Technology Commercialization	60
4.	U. T. System: Report on Aeglea BioTherapeutics, a commercialization success story (Committee Meeting Only)	61
V.	APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS	62

VI.	RECESS TO EXECUTIVE SESSION	62
VII.	RECONVENE IN OPEN SESSION AND REMARKS BY CHAIRMAN FOSTER RELATED TO GROUP PURCHASING PROCEDURES	62
1a.	U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees	62
1b.	U. T. Austin: Discussion and appropriate action, if any, of individual personnel matters related to presidential search	62
1c.	U. T. System: Discussion and appropriate action related to the hiring of a Chief Executive Officer for University Lands (Regents' <i>Rules and Regulations</i> , Rule 20204, regarding compensation for highly compensated employees)	62
1d.	U. T. Pan American: Termination of Bimal K. Banik, Ph.D., a tenured faculty member	63
2a.	U. T. System Board of Regents: Discussion with Counsel on pending legal issues	64
2b.	U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning settlement of claims and litigation	64
2c.	U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to ongoing independent investigation of admissions practices at U. T. Austin by Kroll Associates	64
2d.	U. T. M. D. Anderson Cancer Center: Approval to retain Locke Lord LLP as outside legal counsel on a contingent fee basis to provide representation associated with a patent license dispute	64

2e.	U. T. Brownsville: Discussion and appropriate action regarding legal issues related to authorization to acquire by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2-acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion; leaseback of said land to the City of Brownsville; resolution regarding parity debt; and finding pursuant to Chapter 26 of the <i>Texas Parks and Wildlife Code</i>	66
3a.	U. T. Austin: Approval of proposed negotiated gifts with potential naming features	66
3b.	U. T. San Antonio: Approval of proposed negotiated gifts with potential naming features	66
3c.	U. T. Medical Branch - Galveston: Approval of proposed negotiated gifts with potential naming features	66
3d.	U. T. Health Science Center - Houston: Approval of proposed negotiated gifts with potential naming features	66
3e.	U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features	67
4.	U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices	67
5a.	U. T. Brownsville: Authorization to purchase approximately 8.438 acres of vacant and submerged land at the southeast corner of Monroe Street and Marina Drive, Port Isabel, Cameron County, Texas, for a price not to exceed fair market value as established by an independent appraisal, for coastal research and future programmed campus expansion; and resolution regarding parity debt	67

5b.	U. T. El Paso: Discussion and appropriate action regarding the purchase of approximately 443 acres of land out of the J. Baker Survey #10 and the I. F. Harrison Survey #54 located on Paisano Drive and Interstate Highway 10 in El Paso, El Paso County, Texas, commonly known as the former ASARCO smelter site, from ASARCO Texas Custodial Trust for future programmed campus expansion	69
5c.	U. T. Brownsville: Authorization to acquire by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2-acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion; leaseback of said land to the City of Brownsville; resolution regarding parity debt; and finding pursuant to Chapter 26 of the <i>Texas Parks and Wildlife Code</i>	69
VIII.	AGENDA ITEMS	72
11.	U. T. El Paso: Discussion and appropriate action regarding the purchase of approximately 443 acres of land out of the J. Baker Survey #10 and the I. F. Harrison Survey #54 located on Paisano Drive and Interstate Highway 10 in El Paso, El Paso County, Texas, commonly known as the former ASARCO smelter site, from ASARCO Texas Custodial Trust for future programmed campus expansion	72
12.	U. T. System: Report on U. T. System legislative priorities for the 84th Regular Session	72
IX.	SCHEDULED MEETING	74
X.	ADJOURNMENT	74

MEETING NO. 1,128

WEDNESDAY, November 5, 2014.--The members of the Board of Regents of The University of Texas System convened in Standing Committee meetings on Wednesday, November 5, 2014, from 10:30 a.m. - 5:00 p.m. in the Templeton Suite (Executive Session of the Audit, Compliance, and Management Review Committee) and in the Thomás Rivera Conference Center (Open Sessions), Third Floor, Union Building East, The University of Texas at El Paso, 500 West University Avenue, El Paso, Texas, with the following participation as more specifically referenced in the Committee Minutes:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Powell
Vice Chairman Hicks
Regent Aliseda
Regent Cranberg
Regent Hall
Regent Hildebrand
Regent Pejovich
Regent Stillwell
Regent Richards, Student Regent, nonvoting

* * * * *

THURSDAY, November 6, 2014.--The members of the Board of Regents of The University of Texas System convened at 8:38 a.m. on Thursday, November 6, 2014, in the Templeton Suite (Executive Session) and in the Thomás Rivera Conference Center (Open Sessions), Third Floor, Union Building East, The University of Texas at El Paso, 500 West University Avenue, El Paso, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Powell
Vice Chairman Hicks
Regent Aliseda
Regent Cranberg
Regent Hall
Regent Hildebrand
Regent Pejovich
Regent Stillwell

Absent

Regent Richards, Student Regent, nonvoting

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

AGENDA ITEMS

1. U. T. El Paso: Overview of the institution, including Centennial Celebration

Chairman Foster said the Board was delighted to be at The University of Texas at El Paso for this meeting, and, on behalf of the members of the Board, he congratulated U. T. El Paso on its 100th year anniversary and President Natalicio on her 26th year as President of the institution.

President Natalicio then provided an overview of U. T. El Paso, which is celebrating its centennial anniversary, 1914-2014. (Her [presentation](#) is on file in the Office of the Board of Regents.) Later during the meeting, Dr. Natalicio led members of the Board on a brief walking tour to the future site of the Centennial Garden, which will be located at the center of the transformed pedestrian-friendly campus.

The institution opened its doors in 1914 as the Texas School of Mines and Metallurgy and became a part of The University of Texas System in 1919. In 1949, the name of the institution was changed to Texas Western College, which remained until 1967 when its name was changed to The University of Texas at El Paso.

2. U. T. System Board of Regents: Annual Meeting with Officers of the U. T. System Employee Advisory Council

Mr. Daniel Stewart, Associate Vice Chancellor for Employee Benefits and Services, called on Ms. JoAnn Rios, Chair of The University of Texas System Employee Advisory Council (EAC), to introduce the following officers who were in attendance:

- Vice Chair: Mr. Gerald Cleveland
- Secretary: Mrs. Tara Andrews
- Historian: Mr. Ronnie Garcia
- Incoming Chair: Ms. Kimberly Coleman

Ms. Rios discussed the work of the Council over the past year to achieve excellence through the establishment of a culture of engagement, accountability, and collaboration among the committee membership and throughout the U. T. System institutions. Mr. Garcia spoke about the upcoming celebration of the U. T. System Founders Day, approved by the Board and first launched on November 8, 2013, to promote the message of unity of OneUT. The EAC will continue supporting the U. T. System Founders Day to be held the second Friday of November of each year.

Regent Cranberg spoke of the important development of 70,000 staff members Systemwide, noting those staff serve 200,000 students in a constant learning environment. Chancellor Cigarroa spoke of the value of this human capital.

With regard to employee training, Regent Hildebrand suggested taking the best career development plans from each institution to create a model for use Systemwide. He also encouraged the use of internal resources, rather than external consultants, to help develop such a plan as needed.

3. U. T. System Board of Regents: Approval of Consent Agenda items

Chairman Foster noted the following related to the Consent Agenda:

- Item 12 concerned an intra-agency agreement with The University of Texas Health Science Center at San Antonio for the services of Chancellor Cigarroa as Regents' Special Liaison effective January 5, 2015, related to the new university and medical school in the Rio Grande Valley.
- Item 21 detailed the employment agreement with Admiral William H. McRaven as Chancellor, effective January 5, 2015, documenting the terms of employment approved in August 2014.

The Board was also asked to make findings, as required by State law, that these agreements are in the best interest of U. T. Health Science Center - San Antonio and The University of Texas System. Appropriate notice was provided to the Legislative Budget Board for these agreements.

- Items 17-19 requested an allocation of Permanent University Funds (PUF) to fund start-up costs for The University of Texas Rio Grande Valley Medical School, modular buildings for The University of Texas at Dallas, and demolition of two underutilized campus buildings at The University of Texas at El Paso for future growth space.
- Item 24 related to the Management Agreement with the National Archives and Records Administration for provision of services for the Lyndon B. Johnson Presidential Library and Museum at The University of Texas at Austin.
- Item 44, related to the proposed acquisition of Lincoln Park for The University of Texas at Brownsville, was deferred for consideration later in the meeting and was approved at that time (see Page 69). Related legal and real estate captions posted with the Secretary of State permitted discussion in Executive Session under Items 2e and 5c.

- Regent Hildebrand abstained from vote on Item 88, regarding a contract between The University of Texas M. D. Anderson Cancer Center and Marriott Hotel Services, because of financial interests.

The Board then approved the Consent Agenda, with the exception of Item 44 that was approved later in the meeting (see Page 69). The Consent Agenda is set forth on Pages 75 - 147.

In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective U. T. System institution involved.

4. U. T. System Board of Regents: Amendment of the Regents' Rules and Regulations, Rule 10402, Section 1.7 (Duties of the Academic Affairs Committee) and Section 1.8 (Duties of the Health Affairs Committee) related to review and approval of mission statements

The Board approved amendment of the Regents' *Rules and Regulations*, Rule 10402, Section 1.7 (Duties of the Academic Affairs Committee) and Section 1.8 (Duties of the Health Affairs Committee) to read as set forth below:

1.7 Duties of Academic Affairs Committee. The Academic Affairs Committee shall:

...

- (i) Review proposed changes to academic institution mission statements and make recommendations to the Board for approval.

1.8 Duties of the Health Affairs Committee. The Health Affairs Committee shall:

...

- (i) Review proposed changes to health institution mission statements and make recommendations to the Board for approval.

These revisions to Rule 10402 clarify the requirement that The University of Texas System institutions will submit changes to institutional mission statements to the Board of Regents for approval via either the Academic Affairs Committee or Health Affairs Committee, as appropriate.

In 2013, the Texas Legislature repealed *Texas Education Code* Section 61.051(e), which directed the Texas Higher Education Coordinating Board to review the mission statements of public institutions, typically, every four years. However, each institution is still required to have a mission statement under *Texas Education Code* Section 51.359. Additionally, Section 51.352 of the *Texas Education Code*,

regarding the Responsibility of Governing Boards, requires governing boards to “insist on clarity of focus and mission of each institution under its governance.”

5. U. T. System Board of Regents: Amendment of the Regents' Rules and Regulations, Rule 10501 (Delegation to Act on Behalf of the Board), Section 2.2.13 (Athletic Games) to expand the delegation of authority to U. T. System institutions to negotiate and execute agreements related to athletic games

The Board approved amendment of the Regents' *Rules and Regulations*, Rule 10501 (Delegation to Act on Behalf of the Board), Section 2.2.13 (Athletic Games) to expand the delegation of authority to The University of Texas System institutions to negotiate and execute agreements related to athletic games. The revised Section is set forth below:

2.2 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.

...

2.2.13 Athletic Games. Contracts or agreements related to athletic games, including postseason bowl games. If the contract or agreement exceeds \$1 million in value, the contract or agreement must be approved by the Executive Vice Chancellor for Academic Affairs and be in a form acceptable to the Vice Chancellor and General Counsel.

This revision to Section 2.2.13 of Rule 10501 provides greater latitude to U. T. System academic institutions to negotiate and execute contracts related to athletic games. Previously, the Rule only delegated the authority to execute contracts related to postseason bowl games, subject to review and approval by the Executive Vice Chancellor for Academic Affairs. This change expands the authority to other contracts for athletic games that would otherwise require Board approval. This delegation also allows greater flexibility in negotiation and timing.

6. U. T. System Board of Regents: Amendment of the Regents' Rules and Regulations, Rule 20201, Presidents, to add a new Section 5 on evaluations

The Board approved amendment of the Regents' *Rules and Regulations*, Rule 20201 to include a new Section 5 to read as set forth on the next page, which sets out a process for annual and comprehensive periodic performance reviews of The University of Texas System institutional presidents.

Sec. 5 Evaluation

- 5.1 Within 12 months of beginning service as president, the new president will provide the Board with a statement outlining a vision and plans for the future of the institution. The presentation may be deferred for six months, if deemed appropriate by the Chancellor and the appropriate Executive Vice Chancellor after consultation with the Chairman of the Board.
- 5.2 Each president will have an annual performance evaluation, conducted by the Chancellor and the appropriate Executive Vice Chancellor, and presented to the Board for discussion.
- 5.3 Each president will receive a comprehensive performance review by the appropriate Executive Vice Chancellor, the Chancellor, and the Board at the conclusion of each five-year period, beginning after the first year of service as president. The review will include an interview with the Board in Executive Session during which the president will outline his or her renewed vision and plans for the future of the institution.

[Secretary's Note: The language above includes editorial, clarifying amendments made following the Board meeting.]

This additional language in Rule 20201 outlines the process for a new president's initial presentation of vision and goals to the Board within 12 months of becoming president. The new language also outlines the annual evaluation process and provides for a new comprehensive review of all presidents involving a strategic discussion of each president's goals and vision every five years.

7. U. T. System Board of Regents: Amendment of the Regents' Rules and Regulations, Rule 20601, regarding Aircraft Use, to revise reporting requirements to incorporate former University of Texas Systemwide Policy UTS179, Donor Aircraft Policy, with revisions, and to require additional review for potential conflicts of interest

The Board approved amendment of the Regents' *Rules and Regulations*, Rule 20601, regarding aircraft use, to read as set forth on the following pages. Following a concern expressed by Regent Hall at the meeting that the proposed revisions might not address the scenario where a donor gifts the use of a passenger seat on a noncommercial flight, General Counsel Frederick was authorized to add new language amending the definition of what is covered by the Rule. Those editorial amendments, shown in congressional style, are reflected in the revised Rule on the following pages.

The changes to Regents' Rule 20601 clarify and consolidate existing policies and procedures related to State and private aircraft use for University purposes. These changes make the language consistent with current statutory language and incorporate the provisions of University of Texas Systemwide Policy UTS179, regarding Donor Aircraft, which has been deleted.

Changes include eliminating the requirement of an annual report on operating costs to the Legislative Budget Board, consistent with a change in State law. The Board of Regents' Finance and Planning Committee will continue to receive a report on flights twice a year. New language requires an assurance that the use of a donor aircraft is in furtherance of University business, will not create a conflict of interest, and is subject to appropriate levels of review. Institutional Presidents, or their designees, will review donor plane use for institutional employees, and the Chancellor, or designee, will review such use by Presidents and System Administration employees. Finally, the Rule provides a uniform standard for review of the proposed travel.

Vice Chairman Powell moved approval of the item, and Regent Cranberg seconded the motion.

The motion carried unanimously.

1. Title

Aircraft Use

2. Rule and Regulation

Sec. 1 Official Use. The U. T. System aircraft or any leased or chartered aircraft will be used only in the scope and conduct or furtherance of official State business and only in compliance with the travel regulations contained in *Texas Government Code* Section 2205.001 et seq. and any other laws applicable to the use of State-owned or leased aircraft. Donor Aircraft, including the gifted use of a passenger seat on a noncommercial flight, used in the scope and conduct or furtherance of official University business is also covered by this Rule.

Sec. 2 Passengers. In accordance with Texas Attorney General Opinion H-1089, the Board of Regents finds that attendance of the spouses of members of the Board of Regents and officials of the Office of the Board of Regents; spouses of the Executive Officers and the Administrative Officers of the U. T. System; and spouses of the presidents of the institutions of the U. T. System at official functions may be in furtherance of official State business. Whether the spouse's attendance is in furtherance of official State business is dependent in part on the nature of the employee's office, the spouse's role, the purpose of the particular trip, and the spouse's connection with that purpose. Examples of instances in which the spouse's attendance is in furtherance of official State business include, but are not limited to, attendance at U. T. System Board of Regents' meetings when there is an official function hosted by an institution and retirement functions honoring long-time key employees of the U. T. System or the institutions.

Sec. 3 Justification for Passenger Use.

3.1 Consistent with State law, U. T. System aircraft or leased or chartered aircraft will be used to carry passengers only when the destination is not served by commercial carriers, the time required to use such a carrier interferes with other obligations, or the number of authorized passengers traveling makes the use of State aircraft cost effective.

3.2 Use of a leased or chartered aircraft, including Texas Department of Transportation (TxDOT) aircraft, will be approved only when the U. T. System aircraft is unavailable.

Sec. 4 Priority for Use. Requests by the U. T. System Board of Regents shall be arranged through the General Counsel to the Board. All other flights of U. T. System aircraft or requests for leased or chartered aircraft, including TxDOT aircraft, will be requested from and approved in advance by the Chancellor or designee. Up until 24 hours before a flight is scheduled to begin, requests for the use of U. T. System aircraft will be approved upon the following order of priority:

1. Chairman of the U. T. System Board of Regents
2. A Vice Chairman of the U. T. System Board of Regents (in order of request)
3. Members of the U. T. System Board of Regents (in order of request)
4. Chancellor and Executive Vice Chancellors (in order of request)
5. Vice Chancellors and other System officers (in order of request)
6. Institutional Presidents (in order of request)
7. Other staff of the U. T. System Administration (in order of request)
8. Other faculty and staff personnel of the institutions of the U. T. System (in order of request)

Sec. 5 Assignment of Aircraft by Chancellor.

- 5.1 During the 24-hour period prior to the beginning of a flight, if the U. T. System aircraft has not been previously scheduled, the Chancellor may assign the U. T. System aircraft to any person on the priority list on a first-come first-served basis without regard to the order of priority.
- 5.2 If a U. T. System aircraft flight that is scheduled before the beginning of the 24-hour period is cancelled, the Chancellor may assign, as practicable, the aircraft to the person requesting the aircraft that is next in order of priority. If a U. T. System aircraft flight scheduled during the 24-hour period is cancelled, the Chancellor or designee may assign the aircraft to the next person requesting it on a first-come first-served basis without regard to the order of priority.

Sec. 6 Use by Other State Agencies. In accordance with the expressed intent of the Legislature that State-owned aircraft be utilized by all agencies of the State, use of U. T. System aircraft by other State officials and personnel on official State business is encouraged and will be authorized by the Chancellor on a space available and first-come first-served basis after the individuals on the priority list indicated in Section 4 above.

- Sec. 7 Direction of Pilots. The pilots of U. T. System aircraft will report to and act under the direction of the Office of the Controller. Regents may direct an itinerary or passenger change to an approved flight, provided that the purpose of the flight and the passengers on the flight are in accordance with Section 2205.036 of the *Texas Government Code*. The Chancellor or designee must approve all other requests that would substantially change an approved itinerary or passengers. Notwithstanding the foregoing sentence, the pilot may authorize a change of itinerary or passengers in the event of an emergency.
- Sec. 8 Rates Charged. Excluding compensation for contract pilot services, charges to applicable U. T. System departments and the institutions for use of the U. T. System aircraft shall be equal to the rate approved by TxDOT for comparable interagency aircraft services.
- Sec. 9 Flight Regulations. The U. T. System aircraft shall be operated at all times in accordance with the provisions of the Federal Aviation Administration and U. T. System Flight Operations Procedures, which are in accordance with the Federal Aviation Act (as amended) and Civil Air Regulations. *Texas Government Code*, Chapter 2205 gives TxDOT oversight of specific aspects of maintenance and operations for U. T. System aircraft.
- Sec. 10 Control of Aircraft in Flight. Under Federal Regulations, the pilot of any aircraft is responsible for and is the final authority as to the flight operation of that aircraft. All decisions concerning the flight itself will rest solely with the pilot. However, the pilot should keep the priority person informed.
- Sec. 11 Minimum Number of Pilots. Two pilots are required for all flights used in conjunction with official University business. This Section is applicable to U. T. System aircraft, leased aircraft, chartered flights, privately owned aircraft, and donor aircraft.
- Sec. 12 Flight Reservations. All flight reservations for the U. T. System aircraft shall be entered into the U. T. System Aircraft Reservation System. Information must include, but is not necessarily limited to, the following:
1. departure/estimated arrival, date, time, and place,
 2. name of each passenger,
 3. destination(s) including intermediate stops and return information with date and time,
 4. purpose of trip for each passenger, and
 5. benefit to the State and university.

- Sec. 13 Passenger Manifests. For each flight, the pilot will complete a Passenger Manifest showing the following:
1. flight number and duration,
 2. date,
 3. aircraft number,
 4. flight plan,
 5. destination and intermediate stops of flight,
 6. names of pilot and copilot, and
 7. passenger information
 - name of each passenger
 - department or institution
 - signature of each passenger.
- Sec. 14 Record Keeping and Reports. The approved reservation requests forms and post-flight passenger manifests will serve as the official record of flights.
- 14.1 The U. T. System Office of the Controller shall prepare and submit the following reports:
- (a) Travel Log. In accordance with *Texas Government Code* Section 2205.039, the passenger manifests for the month will be sent to TxDOT each month following the month in which travel occurred.
 - (b) Reports to the Board. Passenger manifests for U. T. System aircraft, TxDOT aircraft flown on behalf of U. T. System, privately owned aircraft, and leased and charter aircraft, including donor or chartered aircraft paid for by outside entities on behalf of the University, will be sent to the General Counsel to the Board twice a year in April and October for distribution to the Board's Finance and Planning Committee for review. For donor aircraft, passenger and donor names may be omitted consistent with State law, but will be provided, upon request, to the Board, to the Chancellor, the appropriate Executive Vice Chancellor, the Vice Chancellor for External Relations, the Vice Chancellor and General Counsel, and/or the General Counsel to the Board.
- Sec. 15 Leased and Privately Owned Aircraft. No U. T. System employee may operate leased or privately owned aircraft in conjunction with official University business unless authorized in writing by the Chancellor or designee.

- Sec. 16 Chartered Aircraft. The following steps will be taken when securing charter aircraft.
- 16.1 Section 2205.035 of the *Texas Government Code* requires advance approval by the State Aircraft Pooling Board for the expenditure of appropriated funds for the rental or lease of an aircraft.
 - 16.2 Charter operators must meet U. T. System insurance and operator requirements.
 - 16.3 If more than one of the priority persons listed in Section 4 requests the use of the U. T. System aircraft more than 24 hours before the flight is scheduled to begin, the Chancellor will assign the U. T. System aircraft to the person with the highest priority, and will provide leased aircraft or a chartered flight for the use of the person or persons with the lower priority if necessary and feasible.
 - 16.4 During the 24-hour period prior to the beginning of a flight, if the U. T. System aircraft has been previously scheduled and an additional request for its use is made by a person on the priority list, the Chancellor will, insofar as necessary and practicable, provide a leased aircraft or a chartered flight for the use of the person making the subsequent request.
- Sec. 17 Donor Aircraft.
- 17.1 Usage. Approval to use Donor Aircraft, including the acceptance of a gift of the use of a passenger seat on a noncommercial flight within the definition of Donor Aircraft, in the scope and conduct or furtherance of official University business is conditioned upon the confirmation of the following requirements prior to the acceptance of flight:
 - (a) Use of Donor Aircraft must be approved in writing and in advance by the Chancellor or designee following submission of a request using a Donor Aircraft Request for Approval form. In evaluating whether to allow the use of a Donor Aircraft, an individual should first assure that such use does not create a conflict of interest under Regents' Rule 30104. For such travel by U. T. System Administration employees, officers, and institutional presidents, any potential conflict of interest shall be evaluated by the U. T. System Vice Chancellor and General Counsel or designee prior to approval of the use. For other

institution employees, the conflict of interest analysis may be performed by the institution's legal counsel and/or ethics advisor.

In addition to the conflict of interest review, the Chancellor or designee shall review and approve such proposed travel by U. T. System institutional Presidents and System Administration employees. Presidents shall review and approve such proposed travel of their employees. In every instance, the decision to approve shall be based upon the totality of the circumstances. The reviewing parties may request additional information to assist them in review.

- (b) U. T. System insurance requirements must be met with a minimum of \$1,000,000 per seat/passenger.
- (c) Donor Aircraft must be multiengine turboprop or jet.
- (d) Each flight must have 2 current and qualified pilots.
- (e) The aircraft owner may not serve as pilot or copilot.
- (f) No passenger may enter the cockpit or distract pilots during flight, takeoff, or landing.
- (g) Students must be accompanied by a University staff member for the duration of any flight.
- (h) Donor is not a registered lobbyist.
- (i) Donor flight information (date of flight, aircraft tail number, origin/destination) along with a passenger list and emergency contact for each must be maintained by a responsible University individual on the ground.

17.2 Reporting. For each donor flight, the following will be provided:

- (a) Donor Aircraft Request for Approval form will be forwarded to U. T. System Aircraft Operations prior to departure.
- (b) Detailed flight information will be reported as required by Section 17.1 of this Rule.

3. Definitions

Donor Aircraft – aircraft and crew, or individual passenger seat on aircraft, provided at reduced or no cost to transport passengers or cargo to/from a predetermined departure location to a specific destination. Donor Aircraft does not include a reduced or no cost airline ticket on a noncharter commercial airline flight.

4. Relevant Federal and State Statutes

Texas Government Code, Chapter 2205 – Aircraft Pooling

5. Relevant System Policies, Procedures, and Forms

Aircraft Reservation System: <https://www.utsystem.edu/air/>

Donor Aircraft Acceptance Checklist

6. Who Should Know

All employees

7. System Administration Office(s) Responsible for Rule

Controller's Office

8. Dates Approved or Amended

November 6, 2014

December 12, 2013

July 11, 2012

May 12, 2011

Editorial amendments to Sec. 6 and new Sec. 16 made April 27, 2011

Editorial amendment to Sec. 15.1(b) made September 17, 2010

Editorial amendment to Sec. 15.1 made September 1, 2010

December 10, 2004

8. U. T. System: Presentation on seekUT

Vice Chancellor for Strategic Initiatives Huie reported on seekUT, a first-of-its-kind website, interactive data tool, and app that provides salary and debt statistics of University of Texas System graduates working in Texas one year, five years, and, ten years after receiving their degrees. The tool presents data by major for bachelor's, master's, doctoral, and professional degrees and provides important data on industries where graduates are working and future job projections for Texas by region.

The seekUT project evolved from recommendations by the U. T. System Student Debt Reduction Task Force, with the express purpose of helping prospective students and their families make informed decisions about their academic careers. Data for seekUT is obtained through partnerships with the Texas Workforce Commission, the Texas Higher Education Coordinating Board, the National Student Clearinghouse, and the Employment Projections program at the U.S. Bureau of Labor Statistics.

In response to questions from Regent Cranberg, Dr. Huie discussed details of prospective job information available for graduate students and marketing of the seekUT product. Regent Hildebrand asked about the availability of employment data regarding getting and retaining a job, and Dr. Huie explained the efforts underway. Regent Hildebrand also suggested a quality of life or job satisfaction survey for graduates, and Dr. Huie described the data that is currently available and said she will consider this suggestion.

9. U. T. System: Report on the use of group purchasing contracts through the Texas Department of Information Resources and other sources and issues related to competitive bidding, justification for exclusive acquisitions, and requirements for Board approval

Chancellor Cigarroa introduced Executive Vice Chancellor Kelley for a discussion regarding the use of group purchasing contracts through the Texas Department of Information Resources (DIR) and other sources and issues related to competitive bidding, justification for exclusive acquisitions, and requirements for Board approval.

Remarks by Dr. Kelley
(essentially as delivered)

Thank you Chancellor, Members of the Board. I want to make a few points and then I would be happy to answer questions, and I certainly look forward to the discussion and direction. This is a growing complex topic as it continues to expand in a variety of areas as we consider group purchasing, group purchases made by the U. T. System, and purchases generally, both types and process. I am looking forward to the discussion and would also indicate that we are in need of additional information as we consider the best course of action moving forward.

To start, and this is a little bit ancillary to the point, but I just want to at least put my opinion on the table. I am grateful to be participating and living in a state, such as Texas, with the opportunity for a best value award system. How we manage that and work through it is clearly under discussion, and we want to make sure that the Board is comfortable with how we do that. Having worked in states where that was not a possibility, where we were required as a state entity or state university to respond only to the lowest responsive offers, I can tell you that that particular methodology in my opinion does not serve the best interest of the State or the university. So at least having the freedom and flexibility that has been given to us by the Legislature is critical and important.

I want to also acknowledge, as I think we are growingly more aware, that we use GPOs (Group Purchasing Organizations) extensively throughout the System. We have circulated some data to you that is incomplete, but informative. At the request of both the Chancellor and the Regents, we reached out to some of our institutions just to get an idea of the volume of both individual contracts and dollars that have been expended using DIR contracts over the last five years, and it is in the tens of millions of dollars for a large institution. We have held off requesting more specific data, although we have a couple of requests ready to go pending this discussion. We want to make sure that we gather the data in the appropriate and complete way. We do not have showing on the handout (see Page 20), although I think the campuses have the data in what has been collected, the types of contracts; whether those are consulting contracts, the amounts, etc. I think at least in some cases, they have already collected the data, contract by contract. For other campuses, that may not be the case. But again, this is an area where additional data will be helpful. But again we do use group purchasing, and so it is an important discussion for the Board and for us to understand how to move forward.

First, I want to point out that there are benefits; there are certain reasons why the institutions are utilizing these contracts. One is speed. Clearly, expediency by having these contracts, if done appropriately in a way that allows for those to be competitively bid in advance and for us to access those. One anecdote from the campus, would suggest that we would be able to turn around contracts in as little as 5 to 10 days as opposed to waiting for 100 to 150 days for a formal bid process. And so this is and can be both critically important to the campuses and is representative of our desire, and I think the Board's desire, to be continually more efficient and effective in how we move forward.

Secondly, by using group purchasing appropriately, there is purchasing power and real dollar savings that can be gained. We will mention later about different types, but certainly we are an advocate of that in the Supply Chain Alliance, our strategic sourcing initiative, which has saved our institutions tens of millions of dollars per year over the last number of

years. It comes in large part by our ability, not only to generate group purchasing but in that case also to deliver a specific sourcing, a specific sort of guarantee. There is not entire exclusivity, but at least a commitment for us to deliver a certain spend to a vendor.

Likewise, there are other premiere, other group purchasing organizations, direct contracts, etc., that we can talk about where purchasing power and literally tens of millions of dollars of savings versus average market price and versus some of the other things that we might be able to gain ourselves benefit us. And, again, if you are at M. D. Anderson (U. T. M. D. Anderson Cancer Center) perhaps and are large enough, some of those savings might be generated because your spend is of such a significant degree but if you are a Tyler (U. T. Tyler) or a Permian Basin (U. T. Permian Basin), clearly being a part of a group purchase organization, or at least accessing one, that has some advantage.

Third, there are labor savings by using this, and there is expediency that can be documented probably over our System of tens of millions of dollars of savings of not having to go through the bid process or that formal process in every case; being able to do that collectively. So there are some reasons and some benefits, and clearly as well, there are some concerns, but I would argue and hope that we will be able to manage it in a way that maintains some of those benefits.

Fourth, there are different types of GPOs and this is where it gets complex. I mentioned the Supply Chain Alliance, which is competitively bid and structured, and a single vendor is selected. We try to deliver or estimate a spend, and if we reach those targets, our benefit grows but it also provides administrative fees back to the participating organizations. Similarly, there are GPO organizations like Premier, which I have mentioned. There are pharmacy and drug contracts, which are managed under Group Purchasing Organizations. Again, sometimes they go through a process, and they put a single vendor in place. In other cases, they go through a process, even Premier, in which they have negotiated deals for several vendors. This is the case for DIR and some other government agency contracts, which again have been, can be, and I think are advantageous. In fact, I noted that even the State of Oklahoma selected DIR (the State of Texas) as their preferred technology service vendor for the State of Oklahoma. So there are clearly advantages that can be recognized.

Then we also have Group Purchasing Organizations, which are less controlled. We are aware of those where if you sign up and pay a fee, as a vendor, you are part of that GPO. And again, that competitive process or any type of favorable treatment may be lost in those softer organizations. But again, there are different types.

Similarly, there are job order contracts, which we have engaged, and we use those for our search firms. The Board approved at this meeting in the Consent Agenda a number of those related to some of our facility services, commissioning services, etc., in which we will go out collectively, try to sign up, prequalify, and negotiate competitive prices for a number of firms, search firms for example, and then when a search is needed and a firm is selected, again based on the type of position being recruited, etc., the campus or the System can avail themselves of that particular search firm without having to go through the formal competitive process and a delay potentially of several months.

There are also different types of contracts within that. We have talked a lot about DIR, we have seen tens of millions of dollars (in savings); the deliverable base and Information Technology Services is a large piece of that. We have talked about firms like Accenture and Deloitte and others, which would provide consulting services for implementations. They also have software in there, and there are a variety of other contracts, so again, we have had this discussion starting to and recognizing the need to understand our consulting spend and perhaps manage that better. But not all of the GPO contracts fall into that category, but certainly some do.

So, the bottom line is there is confusion related to how these are to be managed and administered, both in terms of perhaps the information in training we have provided here at System to our campuses, but also what you can find. Clearly reading some of the information that is out there, on the DIR website and others, could lead some people to make certain assumptions which may or may not be completely accurate depending on the context.

I look forward again to the discussion and the direction. I will say it would be helpful to collect additional information to try to understand how to determine what would be the best policy and practice moving forward. I think there are benefits, I think there are risks, and I think there is confusion, and because of its size, it merits some attention. I am grateful again for the discussion and direction.

Regent Hildebrand agreed with Dr. Kelley's position on the ability to have flexibility, with safeguards, to make procurement decisions based on best value and not necessarily on the low bid. Regent Cranberg also agreed and added that in cases where a noncompetitive bid is being procured and/or where the magnitudes are not sufficiently large to require Board approval (\$1 million threshold), special processes need to be in place to be sure that the flexibility opportunity is not being abused. He suggested bolstering procedures to preserve needed flexibility while maintaining appropriate oversight. Chairman Foster agreed with this suggestion to tighten procedures and processes.

Regent Hall commented on vendors' interest in procurement information, such as who got the bid and how, or how a sole source justification was made. He said it is the private sector with whom the U. T System is conducting business that will hold the System accountable for best value or pricing. Noting the information is public upon request, he questioned if information on contracts could be posted online. Dr. Kelley acknowledged the need to document and justify the best value award, and he said he would like to gather more information on the matter prior to responding.

Vice Chairman Powell commented on the significant number of contracts Systemwide and the need for vendors to provide the best service and price every day. Concerning the responsibility of the procurement approval and delegation process, Regent Hall suggested appropriate involvement and oversight, such as through the Board's Audit, Compliance, and Management Review Committee if needed for quick action.

Regent Hildebrand said he is reluctant to centralize procurement, but he agrees with Vice Chairman Powell to keep the bidding process competitive instead of a sole source contract that can create inefficiencies in the market. He supported a competitive process that provides the U. T. System institutions a level of independence and autonomy to make their own decisions. He noted that a solution could be a hybrid between competitive and sole source bidding.

Noting the magnitude of the DIR contracts and GPOs and the guidance received from the Board, Chancellor Cigarroa asked Executive Vice Chancellor Kelley to gather a working group of internal experts to recommend improvements on these procurement policies and to report at the next Board meeting. Chairman Foster agreed, noting a desire for best practices.

Handout referenced in Dr. Kelley's remarks on Page 16

DIR Contracts over Five Years

Institution	Number of PO/Contracts FY2010-14	Dollar value	Number of vendors
UT Austin	1,686	\$121,815,202.88	136
UTMB	1,111	\$53,393,474.84	
UTMDACC	1,349	\$188,197,445.00	
UT Southwestern	1,238	\$32,124,863.00*	
*UT Southwestern	2014 -- 874	2014-\$14,443,945.00	

*We were able to extract the requested information out of the PeopleSoft system from November 2011 (go live) till current. You will see a substantial jump in the volume for calendar 2014. This is due to training our buyers on how to more accurately capture the use of DIR contracts. We believe that usage prior to 2014 is understated and 2014 would be representative for all previous years. *(2014 spend x 5 = \$72,219,725.00)* Prior to the implementation of PeopleSoft we did not capture this information in the legacy OAS system.

10. U. T. System Board of Regents: Certificate of appreciation to Chancellor Cigarroa and recognition of his service

Chairman Foster provided the following remarks about Chancellor Cigarroa, who became Chancellor of The University of Texas System in February 2009, after serving as President of The University of Texas Health Science Center at San Antonio. Dr. Cigarroa is retiring from the Chancellorship on January 4, 2015, and will become the Regents' Special Liaison related to the new university and medical school in the Rio Grande Valley.

Remarks by Chairman Foster

Today is bittersweet for me personally, and I know for my fellow Regents. This is the last formal Board of Regents' meeting for our Chancellor, Dr. Francisco Cigarroa, who has served The University of Texas System as its leader with the utmost integrity, honesty, vision, and dedication for the past six years.

It is almost impossible to contemplate all that Chancellor Cigarroa has accomplished during his time leading the System. I have said it before and I stand by the statement: No Chancellor in the history of The University of Texas System has set such aspirational goals and then realized those goals in record time.

It was here at U. T. El Paso, that Chancellor Cigarroa wrote his vision statement for the U. T. System. And from that vision, came his groundbreaking Framework for Advancing Excellence. This audacious plan that drew national attention – in fact, Chancellor Cigarroa was invited to the White House to talk about it – this plan provided a blueprint for sweeping advancement across The University of Texas System.

The Framework set lofty goals, but it also provided a plan to achieve those goals

- from decreasing the time to degree for medical students to improving student access and success by focusing on advising, degree planning, and decreasing student debt;
- from finding new, innovative ways to recruit and retain STAR (Science and Technology Acquisition and Retention) faculty to promoting research collaboration and finding new revenue streams to support research; and
- from developing creative approaches to increase philanthropic success to setting a laser focus on improving the health of Texas;

Chancellor Cigarroa gave himself – and his officers and presidents quite a to-do list – and the fact that he has been able to check off most of the goals on that list, is nothing short of amazing.

There is no other university system in the nation doing what we are doing. We are establishing a new university in the Rio Grande Valley and, at the same time, building two new medical schools – one in South Texas and one in Austin.

These transformational initiatives will have a lasting impact on the State of Texas for generations to come. I truly believe Texans will be healthier and live longer lives due to the work of Dr. Cigarroa.

Chancellor Cigarroa cares about the people of the U. T. System. That is obvious when you see him interact with students, faculty, and his U. T. System staff. Respect and loyalty are not things that you can demand and expect to receive – they have to be earned. And Chancellor Cigarroa has earned them from his team.

He has been an excellent leader to the U. T. presidents and to his executive team at U. T. System. He sets the bar high and leads by example. And he has also served our institutions by helping to recruit exceptional presidents to lead our universities and health institutions into the future.

We are going to miss him. But it makes it easier knowing that we are not saying goodbye. Dr. Cigarroa will continue serving The University of Texas System at U. T. Health Science Center - San Antonio. He is returning full-time to his first love – transplant surgery. He never really left it. He has been the hardest working Chancellor in America over the last six years, leading the U. T. System and performing surgery a few times a month. And we are honored that he will continue to serve in a liaison role to ensure the accelerated pace of all that we are doing in the Rio Grande Valley.

And so, as Chancellor Cigarroa would say, we say “Abrazos” to you. We cannot adequately thank you for all that you have done, but know that you have our gratitude for the work you have accomplished, and the work you will continue to do.

Thank you, Francisco. It has been an honor.

Chancellor Cigarroa received a standing ovation and a framed certificate of appreciation. He was also presented a resolution of appreciation from The University of Texas at Austin Student Government.

Chancellor Cigarroa then provided remarks as set forth on the following pages.

Remarks by Chancellor Cigarroa
(essentially as delivered)

Chairman Foster, Members of the Board of Regents, colleagues and friends:

It has been my great honor to serve as Chancellor of The University of Texas System for the past six years. I set out on this remarkable journey with the trust and support of the Board of Regents, and for that I am exceedingly grateful. It has been an extraordinary collaboration, and together we have created and implemented many important initiatives that have strengthened University of Texas institutions. And we have made higher education in Texas more accessible and affordable to the hundreds of thousands of students who seek a better future.

I was fortunate to have served under five outstanding chairs of the Board of Regents – Scott Caven, James Huffines, Colleen McHugh, Gene Powell, and now, Paul Foster. In fact, it was Scott Caven who asked me to apply for the Chancellorship when I was planning to step down in 2008 as President of The University of Texas Health Science Center at San Antonio and return full-time to transplant surgery. I am deeply grateful to Scott and to the other Chairs for their leadership, their friendships, and the partnerships we formed in our mutual pursuit of making The University of Texas System the best public system of higher education in the country.

The reason I pursued this administrative position is that education saves lives.

Members of the Board and past Members of the Board – you have encouraged and inspired me. You have introduced me to new ideas and new initiatives that have improved the educational experiences at our 15 institutions. And you have patiently listened to my recommendations and worked closely with me as we sought progress and advancement. I regard you all with the highest admiration and respect.

Now that I am preparing to step down as Chancellor and return to transplant surgery, people ask me what motivated me most as Chancellor. It is a very easy question to answer. What still gives me an adrenaline rush is my interaction with extraordinary people every day, and the knowledge that, while the daily work is challenging, the end result is entirely worth it. On this journey, my days were enriched by getting to know and working with the presidents, faculty and staff members, students, donors, and alumni at U. T. institutions spread across this great state. And I was fortunate to befriend and work with a number of Texas Legislators and policymakers who value and support higher education in Texas, and who champion our institutions at the State Capitol. It has been an amazing experience meeting thousands of people whose lives have been impacted profoundly by our collective efforts. I cherish those many interactions, and I will carry their memory with me for the rest of my life.

At this moment, I would like to thank two special groups publicly for their friendship and support over so many years. Will the Presidents of U. T. institutions and my Executive Officers, please stand and let us acknowledge you for your tremendous leadership and wise counsel.

At the beginning of my tenure as Chancellor, I wrote my vision statement in the library here at U. T. El Paso, looking out at the magnificent mountains and enjoying the clarity of light in the Paso del Norte. In my statement, I wrote that “what we need most is clear vision, coupled with the power of imagination, to find amazing solutions aimed at benefiting mankind and preparing our students to become the global leaders of tomorrow.” And with that in mind, I asked, “What is ours to do?”

After consultation with all of our University of Texas presidents, we developed **five strategic initiatives** that I would strive to address and implement as Chancellor. I am happy to report that six years later – with the help and support of our Presidents, Regents, and the entire University of Texas family – we have implemented those strategic initiatives – and accomplished much more.

The first initiative was to advance excellence at our flagship university, **The University of Texas at Austin**, in its quest to become the best public university in the nation. Consider how we have supported U. T. Austin in recent years:

- We rewarded great teaching by giving the very generous Regents’ Outstanding Teaching Awards to **184** U. T. Austin faculty members from 2009 to 2014.
- We supported a flurry of new state-of-the-art centers and complexes that are indicative of U. T. Austin’s growth and national stature in a wide range of fields, including the Belo Center for New Media in the Moody College of Communication, the Bill and Melinda Gates Computer Science Complex and Dell Computer Science Hall, and the Liberal Arts Building.
- We have supported other major initiatives that are underway – the new Engineering Education and Research Center and the new graduate business school building for the McCombs School, named in honor of Former Regent Bob Rowling.
- And of course we have broken ground for the new Dell Medical School, the first medical school to be built at a major Tier One public research institution in over 65 years.
- In addition, the Regents deserve credit for making a crucially important decision that greatly benefits U. T. Austin students – the decision to control in-state tuition increases, so that U. T. Austin is affordable to a larger number of Texans. The Regents were wise to approve an unprecedented plan that will provide more support to U. T. Austin than it would have received through requested tuition increases. It is a truly inspired plan that will send **\$23.2 million** in additional recurring annual funding to U. T. Austin and shift audit functions and other measures to free up **more than \$31 million** for our U. T. institutions to use. This is a major victory for in-state students and their families.

My second strategic initiative was to expand our medical and health profession programs to ensure that Texans have access to the best and most comprehensive care.

- We should all be very proud that U. T. M. D. Anderson Cancer Center has consistently rated among the best cancer hospitals in the world. That is a monumental achievement, and it requires phenomenal leadership to maintain that ranking from year to year.
- The Regents showed foresight and superb planning when they allocated **\$20 million** to establish the new U. T. **Neuroscience and Neurotechnology Institute**, which will give U. T. scientists and their graduate students an edge in the intense competition for federal research dollars in brain research. Through this Institute, we will be able to recruit the very best researchers on the front lines to eliminate dementia, Alzheimer's, autism, and other neurodegenerative diseases, including Post Traumatic Stress Disorder in our service men and women returning from combat.
- As a physician concerned about **the physician shortage** in Texas and nationwide, I am enormously pleased that we are building **two** new medical schools, one at U. T. Austin and one at U. T. Rio Grande Valley. This is unprecedented support for medical and health professional education in Texas. These medical schools will produce doctors, nurses, and scientists who will save lives, especially in the medically underserved Rio Grande Valley.
- In addition to the two medical schools, we are completing the construction of two new hospitals in other parts of Texas – the **Jennie Sealy Hospital** at U. T. Medical Branch in Galveston and the **William P. Clements, Jr. University Hospital** at U. T. Southwestern Medical Center in Dallas.
 - I had been serving as Chancellor for only a few days when Hurricane Ike destroyed Galveston and caused massive damage to UTMB, requiring **\$1.2 billion** in campus renovations. There was fear that we were going to close the Medical Branch. The Regents and Texas Legislature stepped up to support that historically significant medical branch, the first in Texas. Constructing the new Jennie Sealy Hospital is a tangible sign that UTMB is back on its feet and flourishing.
 - Last week, I was in Dallas for the dedication of the Clements University Hospital, a beautiful state-of-the-art facility that will serve as a model for academic medical centers across the country. I am very proud of my alma mater, U. T. Southwestern, for building a hospital that will train the next generation of doctors, nurses, and health professionals.
- And I am enormously gratified that our initiative called **TIME** – Transformation in Medical Education – has become a national model for producing better physicians in an interdisciplinary model.

The third initiative in my vision statement was to enhance outstanding educational opportunities in South Texas and along the Texas-Mexico border.

- We are certainly doing that by establishing the new U. T. Rio Grande Valley. When the doors open in 2015, UTRGV will be the second largest Hispanic-serving university in America.
- Guy Bailey is hard at work as the new President of UTRGV, and Francisco Fernandez is charming everyone in the Valley as the founding Dean of the UTRGV School of Medicine.
- And recently we launched the **South Texas Diabetes and Obesity Institute** at UTRGV, under the leadership of Dr. Sarah Williams-Blangero and her team of 21 researchers from San Antonio, who will bring to the Valley substantial federally-funded research in the genetics of many disorders, not only diabetes, but also heart disease and infectious diseases.
- Another Border success story is U. T. El Paso, which has four new doctoral programs, produces the most women Ph.D.s in engineering in the nation, and is rated the Number One College of Business Administration for Hispanics.
 - I congratulate **President Diana Natalicio** for serving as President of UTEP for more than 25 years – our longest serving president – and for advancing this university in national rankings and recognition.
 - Also, I thank UTEP for being our host today, and I congratulate the entire U. T. El Paso family for celebrating 100 years of success. I was pleased to participate in the Centennial Celebration last evening.

The fourth initiative is appropriate for our meeting here in El Paso. It is to support our emerging research institutions – U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio – as they strive for Tier One status.

- There are 12 indicators that define Tier One research universities, and the U. T. System Office of Strategic Initiatives has built internal dashboards to track progress on all 12 indicators for the four campuses. I hope you share my pride and enthusiasm for these universities, which are making tremendous strides toward Tier One status.

And the fifth initiative: To position U. T. institutions as global leaders in energy and increasing our engineering capacity.

- Because of the statewide shortage of engineers, I am pleased that each academic institution in the U. T. System has developed a plan for expansion of their engineering programs, with the goal to graduate at least 50% more engineering students per year over the next decade. U. T. Dallas has already reached that goal.

- U. T. System has also planted a larger flag in Houston - the nation's energy capital – with the creation of the **U. T. Energy Research, Engineering and Education Institute**, which will provide opportunities for faculty and students to collaborate directly with industry engineers and scientists.
- And I commend the Regents for their innovations in how we manage our precious West Texas resources. The Regents and our advisors have wisely used our oil and gas reserves to give U. T. System a competitive edge in investments that expand and improve the physical infrastructures at U. T. institutions.

There are a number of initiatives that do not fit neatly into these five strategic areas, but they were important accomplishments during my tenure:

- I applaud the Board of Regents for unanimously supporting the **Framework for Advancing Excellence throughout The University of Texas System**. With nine areas of focus, the Framework has received an unbelievable positive response from educators and policymakers across the nation. I was invited to the White House to discuss the Framework and other educational issues with the President, the Secretary of Education, and a distinguished group of national leaders in higher education. They conveyed to me that our Framework Action Plan is successfully addressing the challenges and opportunities of higher education in the 21st century.
- To support great teaching at our universities and health centers, we have rewarded faculty members and scientists who have distinguished themselves at their institutions:
 - First there was the U. T. System **Kenneth I. Shine Academy of Health Science Education**, which fosters excellence by recognizing outstanding educators in the sciences. And in 2012, we created the U. T. System **Academy of Distinguished Teachers** to acknowledge exceptional educators at our academic institutions, with an emphasis on undergraduate teaching.
- To ensure fairness in the **promotion and tenure process**, we established a faculty task force to develop guidelines on **peer observation and evaluation** of faculty teaching. Faculty peers are often the best evaluators of teaching quality, and now all of our campuses have developed policies requiring peer observation of teaching as part of that incredibly important process.
- To improve **student advising**, each U. T. academic campus has developed a stronger advising plan in consultation with external consultants who specialize in advising.
 - Most of our institutions have created centralized advising centers and have implemented software to help advisors take detailed notes and schedule follow-ups. Technology has also enabled advisors to communicate with students.

- We have also improved advising for graduate students. The U. T. System has developed milestone agreement forms to manage the expectations of graduate students, academic advisors, and supervising professors. Every Ph.D. program within the U. T. System has implemented the Milestones Agreement Form for new doctoral students.
- The Board of Regents should be applauded for funding the **Institute for Transformational Learning**, which is working with all U. T. institutions to develop and implement best-in-class online learning and expand access to online educational programs.
 - We were the first public university system to join Harvard, MIT (Massachusetts Institute of Technology), and the University of California-Berkeley in **edX**, a technology platform that provides students with a wealth of innovative online resources, including interactive laboratories and access to online tutors.
 - U. T. System is also the first system of higher education in the nation to launch a portfolio of competency-based programs that are accessible to anyone, anywhere, at any time. The program is called **UTx**, and it will be offered online to help U. T. students earn credit for prior learning and move at their own speed.
- We should be proud that U. T. System is the first system of higher education in the nation to create an interactive website – called **seekUT** – that provides data about employment earnings for the first 10 years after graduation, as well as data on average student loan debt listed by degree majors. This applies to both undergraduate and graduate studies. SeekUT is accessed on the **U. T. System Productivity Dashboard**, and it will help students and their families plan their futures based on potential student loan debt and postgraduation earnings.
- With an increasing national emphasis on campus safety, behavioral intervention, and the growing need for counseling at U. T. institutions, we have taken decisive steps to improve mental health among students Systemwide. As a physician, this is an issue that deeply resonates with me.
 - To address alcohol and drug abuse on campuses, we have established **Collegiate Recovery Centers** at eight of the System’s nine academic institutions. U. T. Austin is already home to the **Center for Students in Recovery**, a national leader in the collegiate recovery movement, so U. T. Austin is leading the implementation of the new campus centers.
 - Our “**bystander program**” will train students and faculty how to spot potential crimes, such as sexual assault.
 - And we are developing a **24/7 hotline program** for students to call in case of depression, stress, or other psychological issues.

- With regard to **hazing**, the U. T. System and Board of Regents expect our institutions to maintain a culture of zero tolerance toward hazing. The Office of Academic Affairs and the U. T. System **Hazing and Alcohol Task Force** are developing a website to facilitate resource sharing, best practices, honor codes, training modules, hazing prevention efforts, and binge-drinking awareness programs.
- And finally, I want to thank the **U. T. System Police Department** and its director, Mike Heidingsfield, for the experience and dedication they bring to ensuring everyone's safety at this large, Texas-sized system of higher education. They understand that U. T. campuses are special places with special people. We are all enormously grateful that we have the right chiefs and police officers who are willing to put their lives at risk to ensure the safety of these special places.

As I leave the Chancellor's Office and return to transplant surgery in San Antonio, I see a very bright future ahead for the U. T. System and its 15 institutions. My optimism comes in large part because of stellar leadership from our Board of Regents and from the faculty and administrative leaders at our institutions. And I am optimistic because of the large and growing family of loyal alumni and donors who support our U. T. institutions. This collective support – this collective leadership – will ensure greater educational opportunities for future generations of Texans. It will ensure that University of Texas institutions continue to serve as a compass for our state, our nation, and our world.

I applaud the Regents for selecting Retired Admiral Bill McRaven as the next Chancellor of The University of Texas System. He is an experienced and effective leader with impeccable integrity and a long and distinguished career of service to our nation. You have chosen well, Members of the Board. Bill McRaven has my full support. The System will be in excellent hands. He will lead U. T. institutions on their next great journey toward greatness.

Chancellor Cigarroa received a second standing ovation.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 11:03 a.m., Chairman Foster announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 30 - 61.

REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE
(Page 30).--Committee Chairman Pejovich stated there were no items from the Audit, Compliance, and Management Review Committee to report in open session.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. System: Report on special review of U. T. Austin's procurement of consulting services from Accenture, LLP

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

3. U. T. System: Report on the results of the Systemwide External Quality Assessment of internal audit activities

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

4. U. T. System: Report on Systemwide audit activities, including an update on the Cancer Prevention Research Institute of Texas Grant Audits, Proportionality of Higher Education Benefits Audits, Physician Quality Reporting System Consulting Engagements, and Presidential and Executive Travel and Entertainment Audits

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

5. U. T. System: Annual Report on the Information Security Compliance Program

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

REPORT OF THE FINANCE AND PLANNING COMMITTEE (Pages 31 - 37).--Committee Chairman Hildebrand reported that the Finance and Planning Committee met in open session to consider the matters on its agenda. There were no action items for consideration and the report set forth in the Minute Order that follows was presented by the Finance and Planning Committee in open session to The University of Texas System Board of Regents.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration

There were no items referred from the Consent Agenda.

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

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

3. U. T. System Board of Regents: Update on activities of the University Lands Advisory Board

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

This item was revised prior to the meeting and was distributed to members of the Board. The revised item is included in the Committee Minutes of the Finance and Planning Committee.

4. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the year and quarter ended August 31, 2014

This item was revised and was distributed to members of the Board prior to the meeting.

The August 31, 2014 UTIMCO Performance Summary Report is attached on Page 33.

The Investment Reports for the fiscal year and quarter ended August 31, 2014, are set forth on Pages 34 - 37.

Item I on Page 34 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was 15.11% versus its composite benchmark return of 14.19%. The PUF's net asset value increased by

\$2,512 million since the beginning of the year to \$17,365 million. The increase was due to \$1,129 million PUF Lands receipts, plus a net investment return of \$2,260 million, less the annual distribution to the Available University Fund (AUF) of \$877 million.

Item II on Page 35 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was 14.73% versus its composite benchmark return of 14.19%. The GEF's net asset value increased by \$929 million during the fiscal year to \$8,325 million.

Item III on Page 36 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the fiscal year was 10.45% versus its composite benchmark return of 9.79%. The net asset value increased during the fiscal year to \$6,665 million due to net investment return of \$610 million, plus net contributions of \$721 million, less distributions of \$186 million.

All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 37 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market fund, increased by \$47 million to \$2,257 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$21 million versus \$21 million at the beginning of the period; equities: \$81 million versus \$89 million at the beginning of the period; and other investments: \$10 million versus \$1 million at the beginning of the period.

UTIMCO Performance Summary

August 31, 2014

	Net Asset Value 8/31/2014 (in Millions)	Periods Ended August 31, 2014 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
		<u>1 Mo</u>	<u>3 Mos</u>	<u>Fiscal</u>	<u>Calendar</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
<u>ENDOWMENT FUNDS</u>									
Permanent University Fund	\$ 17,365	1.94%	2.86%	15.11%	8.28%	15.11%	8.93%	10.86%	7.93%
Permanent Health Fund	1,113								
Long Term Fund	<u>7,212</u>								
General Endowment Fund	<u>25,690</u>	1.86%	2.79%	14.73%	7.78%	14.73%	8.89%	10.86%	7.98%
Separately Invested Funds	170								
Total Endowment Funds	<u>25,860</u>								
<u>OPERATING FUNDS</u>									
Intermediate Term Fund	6,665	1.30%	1.69%	10.45%	5.11%	10.45%	6.07%	8.10%	N/A
Short Term Fund and Debt Proceeds Fund	<u>2,199</u>								
Total Operating Funds	<u>8,864</u>								
Total Assets Under Management	<u>\$ 34,724</u>								
<u>VALUE ADDED (1) (Percent)</u>									
Permanent University Fund		0.61%	0.29%	0.92%	0.87%	0.92%	0.71%	1.79%	1.78%
General Endowment Fund		0.53%	0.22%	0.54%	0.37%	0.54%	0.67%	1.79%	1.83%
Intermediate Term Fund		0.28%	0.21%	0.66%	0.41%	0.66%	1.64%	2.44%	N/A
<u>VALUE ADDED (\$ IN MILLIONS)</u>									
Permanent University Fund		\$105	\$49	\$139	\$141	\$139	\$334	\$1,285	\$2,535
General Endowment Fund		44	18	39	29	39	159	701	1,424
Intermediate Term Fund		<u>19</u>	<u>13</u>	<u>41</u>	<u>27</u>	<u>41</u>	<u>272</u>	<u>616</u>	-
Total Value Added		<u>\$168</u>	<u>\$80</u>	<u>\$219</u>	<u>\$197</u>	<u>\$219</u>	<u>\$765</u>	<u>\$2,602</u>	<u>\$3,959</u>

Footnote available upon request.

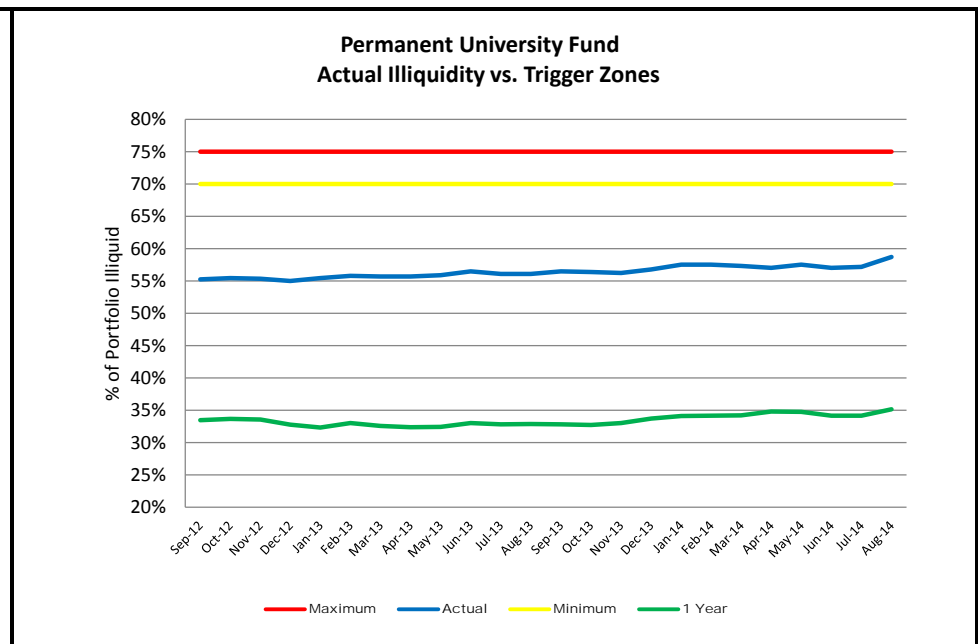
I. PERMANENT UNIVERSITY FUND
Investment Reports for Periods Ended August 31, 2014

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

	Fiscal Year to Date							
	Asset Allocation		Returns		Value Added			
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total	
More Correlated and Constrained:								
Investment Grade	6.6%	7.5%	2.69%	6.24%	-0.22%	-0.15%	-0.37%	
Credit-Related	0.1%	0.0%	18.55%	11.24%	0.01%	-0.01%	0.00%	
Real Estate	2.5%	2.5%	18.77%	19.41%	0.00%	-0.02%	-0.02%	
Natural Resources	7.9%	7.5%	2.79%	8.29%	-0.80%	0.12%	-0.68%	
Developed Country	15.2%	14.0%	21.44%	21.10%	0.04%	0.07%	0.11%	
Emerging Markets	<u>10.1%</u>	<u>10.0%</u>	<u>29.01%</u>	<u>19.98%</u>	<u>-0.03%</u>	<u>0.70%</u>	<u>0.67%</u>	
Total More Correlated and Constrained	42.4%	41.5%	15.16%	15.87%	-1.00%	0.71%	-0.29%	
Less Correlated and Constrained	29.6%	30.0%	10.61%	7.73%	-0.02%	0.94%	0.92%	
Private Investments	<u>28.0%</u>	<u>28.5%</u>	<u>20.04%</u>	<u>18.61%</u>	<u>-0.02%</u>	<u>0.31%</u>	<u>0.29%</u>	
Total	<u>100.0%</u>	<u>100.0%</u>	<u>15.11%</u>	<u>14.19%</u>	<u>-1.04%</u>	<u>1.96%</u>	<u>0.92%</u>	

34

	<u>Summary of Capital Flows</u>		
(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended August 31, 2014	Fiscal Year Ended August 31, 2014
Beginning Net Assets	\$13,470	\$16,912	\$14,853
PUF Lands Receipts	857	279	1,129
Investment Return (Net of Expenses)	1,170	483	2,260
Distributions to AUF	(644)	(309)	(877)
Ending Net Assets	<u>\$14,853</u>	<u>\$17,365</u>	<u>\$17,365</u>



II. GENERAL ENDOWMENT FUND

Investment Reports for Periods Ended August 31, 2014

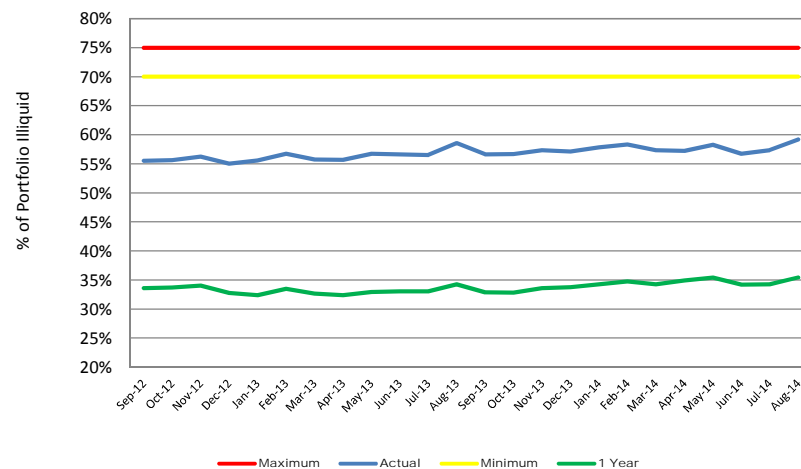
Prepared in accordance with *Texas Education Code Sec. 51.0032*

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
More Correlated and Constrained:							
Investment Grade	5.6%	7.5%	3.70%	6.24%	-0.18%	-0.03%	-0.21%
Credit-Related	0.1%	0.0%	18.55%	11.24%	0.00%	0.00%	0.00%
Real Estate	2.5%	2.5%	18.83%	19.41%	0.00%	-0.02%	-0.02%
Natural Resources	8.1%	7.5%	2.86%	8.29%	-0.84%	0.14%	-0.70%
Developed Country	15.4%	14.0%	21.44%	21.10%	0.02%	0.06%	0.08%
Emerging Markets	<u>10.3%</u>	<u>10.0%</u>	<u>22.84%</u>	<u>19.98%</u>	<u>0.05%</u>	<u>0.09%</u>	<u>0.14%</u>
Total More Correlated and Constrained	42.0%	41.5%	14.26%	15.87%	-0.95%	0.24%	-0.71%
Less Correlated and Constrained	29.8%	30.0%	10.61%	7.73%	0.02%	0.90%	0.92%
Private Investments	<u>28.2%</u>	<u>28.5%</u>	<u>20.05%</u>	<u>18.61%</u>	<u>0.02%</u>	<u>0.31%</u>	<u>0.33%</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>14.73%</u>	<u>14.19%</u>	<u>-0.91%</u>	<u>1.45%</u>	<u>0.54%</u>

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended August 31, 2014	Fiscal Year Ended August 31, 2014
Beginning Net Assets	\$7,105	\$8,113	\$7,396
Contributions	166	88	225
Withdrawals	(152)	(10)	(13)
Distributions	(360)	(94)	(371)
Investment Return (Net of Expenses)	<u>637</u>	<u>228</u>	<u>1,088</u>
Ending Net Assets	<u>\$7,396</u>	<u>\$8,325</u>	<u>\$8,325</u>

General Endowment Fund Actual Illiquidity vs. Trigger Zones



III. INTERMEDIATE TERM FUND

Investment Reports for Periods Ended August 31, 2014

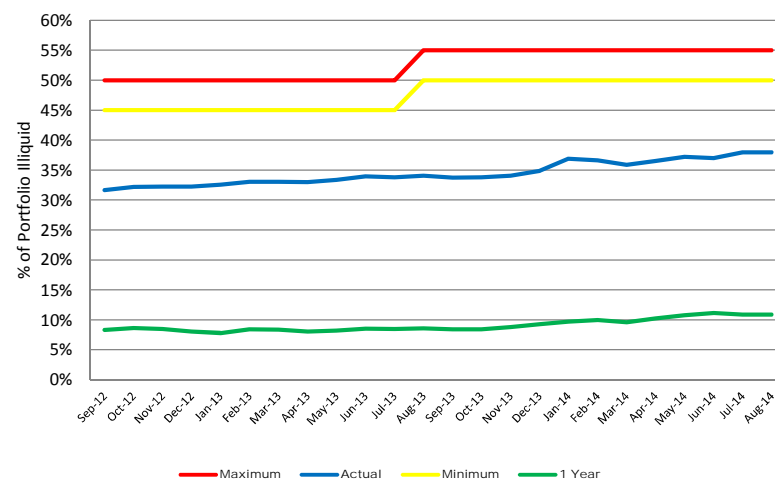
Prepared in accordance with *Texas Education Code Sec. 51.0032*

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
More Correlated and Constrained:							
Investment Grade	28.5%	30.0%	6.48%	6.24%	-0.06%	0.17%	0.11%
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	3.1%	3.0%	18.75%	19.41%	-0.04%	-0.03%	-0.07%
Natural Resources	7.7%	7.0%	3.06%	8.29%	-0.65%	0.12%	-0.53%
Developed Country	9.6%	9.0%	21.41%	21.10%	0.00%	0.06%	0.06%
Emerging Markets	<u>6.2%</u>	<u>6.0%</u>	<u>20.67%</u>	<u>19.98%</u>	<u>-0.06%</u>	<u>0.03%</u>	<u>-0.03%</u>
Total More Correlated and Constrained	55.1%	55.0%	10.52%	11.16%	-0.81%	0.35%	-0.46%
Less Correlated and Constrained	44.9%	45.0%	10.56%	7.73%	0.01%	1.11%	1.12%
Private Investments	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>10.45%</u>	<u>9.79%</u>	<u>-0.80%</u>	<u>1.46%</u>	<u>0.66%</u>

Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended August 31, 2014	Fiscal Year Ended August 31, 2014
Beginning Net Assets	\$4,893	\$6,560	\$5,520
Contributions	694	1,350	2,111
Withdrawals	(158)	(1,306)	(1,390)
Distributions	(158)	(50)	(186)
Investment Return (Net of Expenses)	<u>249</u>	<u>111</u>	<u>610</u>
Ending Net Assets	<u>\$5,520</u>	<u>\$6,665</u>	<u>\$6,665</u>

Intermediate Term Fund Actual Illiquidity vs. Trigger Zones



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at August 31, 2014
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND SHORT TERM FUND)		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:																
Beginning value 05/31/14	-	-	2,351	2,352	92,772	92,772	1,861	1,861	319	319	97,303	97,304	2,112,450	2,112,450	2,209,753	2,209,754
Increase/(Decrease)	-	-	(87)	(88)	(40,295)	(40,295)	123	123	637	637	(39,622)	(39,623)	86,984	86,984	47,362	47,361
Ending value 08/31/14	-	-	2,264	2,264	52,477	52,477	1,984	1,984	956	956	57,681	57,681	2,199,434	2,199,434	2,257,115	2,257,115
Debt Securities:																
Beginning value 05/31/14	-	-	20	21	11,268	11,931	8,516	8,723	-	-	19,804	20,675	-	-	19,804	20,675
Increase/(Decrease)	-	-	(2)	(3)	65	193	68	92	-	-	131	282	-	-	131	282
Ending value 08/31/14	-	-	18	18	11,333	12,124	8,584	8,815	-	-	19,935	20,957	-	-	19,935	20,957
Equity Securities:																
Beginning value 05/31/14	1,160	19,841	3,818	3,809	41,068	49,466	12,825	15,520	-	-	58,871	88,636	-	-	58,871	88,636
Increase/(Decrease)	-	(9,907)	(2,017)	(2,012)	3,438	4,290	1,297	(109)	-	-	2,718	(7,738)	-	-	2,718	(7,738)
Ending value 08/31/14	1,160	9,934	1,801	1,797	44,506	53,756	14,122	15,411	-	-	61,589	80,898	-	-	61,589	80,898
Other:																
Beginning value 05/31/14	-	-	724	724	6	6	527	111	200	200	1,457	1,041	-	-	1,457	1,041
Increase/(Decrease)	-	-	6,144	6,144	-	-	8	(2)	2,851	2,851	9,003	8,993	-	-	9,003	8,993
Ending value 08/31/14	-	-	6,868	6,868	6	6	535	109	3,051	3,051	10,460	10,034	-	-	10,460	10,034
Total Assets:																
Beginning value 05/31/14	1,160	19,841	6,913	6,906	145,114	154,175	23,729	26,215	519	519	177,435	207,656	2,112,450	2,112,450	2,289,885	2,320,106
Increase/(Decrease)	-	(9,907)	4,038	4,041	(36,792)	(35,812)	1,496	104	3,488	3,488	(27,770)	(38,086)	86,984	86,984	59,214	48,898
Ending value 08/31/14	1,160	9,934	10,951	10,947	108,322	118,363	25,225	26,319	4,007	4,007	149,665	169,570	2,199,434	2,199,434	2,349,099	2,369,004

Details of individual assets by account furnished upon request.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE

(Pages 38 - 46).--Committee Chairman Hicks 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. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. System Board of Regents: Amendment of the Regents' Rules and Regulations, Rule 40601, Section 1.3(c) to reflect the reorganization and change the name of the College of Education and Health Professions at U. T. Arlington to the College of Education and Section 1.3(h) to reflect the reorganization and change the name of the College of Nursing to the College of Nursing and Health Innovation

The Board approved amendment of the Regents' *Rules and Regulations*, Rule 40601, Sections 1.3(c) and 1.3(h), concerning institutions comprising The University of Texas System, to read as set forth below:

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

...

1.3 The University of Texas at Arlington (U. T. Arlington)

- (a) The University of Texas at Arlington School of Architecture
- (b) The University of Texas at Arlington College of Business
- (c) The University of Texas at Arlington College of Education
- (d) The University of Texas at Arlington College of Engineering
- (e) The University of Texas at Arlington Graduate School
- (f) The University of Texas at Arlington Honors College
- (g) The University of Texas at Arlington College of Liberal Arts

- (h) The University of Texas at Arlington College of Nursing and Health Innovation
- (i) The University of Texas at Arlington College of Science
- (j) The University of Texas at Arlington School of Social Work
- (k) The University of Texas at Arlington School of Urban and Public Affairs
- (l) The University of Texas at Arlington University College

These amendments to Rule 40601 to change the name of the College of Education and Health Professions to the College of Education and the College of Nursing to the College of Nursing and Health Innovation reflect a reorganization of subunits across two colleges. The new College of Education will continue to administer graduate programs in curriculum and instruction, education, educational leadership and policy studies, music education, and teaching English to speakers of other languages. The new College of Nursing and Health Innovation will place undergraduate and graduate programs in nursing and programs in kinesiology, exercise science, and athletic training under one administrative unit.

The name changes were approved by the Executive Vice Chancellor for Academic Affairs pending approval by the Board. The Office of Academic Affairs will notify the Texas Higher Education Coordinating Board of the changes so that U. T. Arlington's administrative unit structure can be updated.

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

3. U. T. System Board of Regents: Approval to a) create an Honors College at U. T. Dallas and amendment of the Regents' *Rules and Regulations*, Rule 40601, Section 1.6 to add new Subsection (f) to include the Honors College; and b) rename the School of General Studies to the School of Interdisciplinary Studies and the School of Social Sciences to the School of Economic, Political and Policy Sciences and revise Rule 40601 accordingly

The Board approved

- a. creation of an Honors College at The University of Texas at Dallas and amendment of the Regents' *Rules and Regulations*, Rule 40601, Section 1.6, concerning institutions comprising The University of Texas System, to add new Subsection (f) to include the Honors College and to renumber remaining schools; and

- b. renaming two schools as follows to reflect current names in use at Subsections (e) and (i): the School of General Studies to the School of Interdisciplinary Studies and the School of Social Sciences to the School of Economic, Political and Policy Sciences. The revisions are set forth below:

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

. . .

1.6 The University of Texas at Dallas (U. T. Dallas)

- (a) The University of Texas at Dallas School of Arts and Humanities
- (b) The University of Texas at Dallas School of Behavioral and Brain Sciences
- (c) The University of Texas at Dallas Callier Center for Communication Disorders
- (d) The University of Texas at Dallas Erik Jonsson School of Engineering and Computer Science
- (e) The University of Texas at Dallas School of Interdisciplinary Studies
- (f) The University of Texas at Dallas Honors College
- (g) The University of Texas at Dallas Naveen Jindal School of Management
- (h) The University of Texas at Dallas School of Natural Sciences and Mathematics
- (i) The University of Texas at Dallas School of Economic, Political and Policy Sciences

These amendments to Rule 40601 reflect the creation of the U. T. Dallas Honors College, which was approved by the Executive Vice Chancellor for Academic Affairs, and reflect names currently in use for two schools at Subsections (e) and (i).

The Honors College will more formally institutionalize several programs, including the Collegium V Honors Program, Terry Foundation Scholarship, and National Merit

Scholars Program, under the direction of the Dean of the Honors College. The designation of an Honors College will also align the institution with best practices at other universities.

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

Secretary's Note: This item was revised to reflect names currently in use for two schools at Subsections (e) and (i). The revised item was sent to members of the Board prior to the meeting.

4. U. T. System: Discussion regarding student learning assessment and outcomes

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

5. U. T. Rio Grande Valley: Approval of Vaqueros as athletics nickname, colors, and mascot pursuant to Regents' *Rules and Regulations*, Rule 40801, and authorization for the NCAA Division I athletics program at U. T. Pan American to be converted to the athletics program at U. T. Rio Grande Valley with continued membership in the Western Athletic Conference (WAC)

Upon recommendation of President Guy Bailey, the Board approved

- a. Vaqueros as the new athletics nickname and mascot for The University of Texas Rio Grande Valley (UTRGV), pursuant to Regents' *Rules and Regulations*, Rule 40801. Approval of this recommendation also acknowledged the uniqueness of the UTRGV model of a new university by allowing UTRGV to use two colors (blue and green) in addition to The University of Texas System colors of orange and white rather than the one additional color allowed by Regents' Rule 40801; and
- b. conversion of the National Collegiate Athletic Association (NCAA) Division I athletics program at The University of Texas-Pan American to the athletics program at UTRGV with continued membership in the Western Athletic Conference (WAC).

Over the past four months, The University of Texas System Office of External Relations, UTRGV President Guy Bailey, and an external agency with significant national experience in developing collegiate and professional sports athletics branding worked with students, faculty, staff, alumni, and community members to gather input for ideas on an athletics nickname, colors, and mascot for the new university. The outside agency was Rickabaugh Graphics, led by Eric Rickabaugh, which has helped develop numerous university brands and collegiate logos,

including The University of Texas at San Antonio, The Texas A&M University, The Ohio State University, and the University of Central Florida, in addition to working with the NFL, NBA, and NHL.

The communications efforts were done through small focus groups, broader open forums, a day-long student leader retreat, the formation of a presidential steering committee representative of all constituencies, and four widely promoted online surveys created by student government leaders and by the athletics branding expert. Email blasts and media advisories were also distributed to inform the public of the opportunity to participate. More than 15,000 responses were received through those venues.

The consideration of a new athletics nickname, colors, and mascot stimulated a tremendous amount of passion and feelings about whether to preserve existing University of Texas at Brownsville or U. T. Pan American nicknames and mascots and carry them forward to UTRGV. To address those concerns, a new and final survey was distributed broadly to the public on October 1, 2014, to ensure that one last effort was made to be inclusive and sensitive to all interested individuals and organizations. After considering all feedback, President Guy Bailey's athletics branding steering committee consulted with him, and he made the final recommendation of Vaqueros as the athletics nickname and mascot for UTRGV, and blue and green as the athletics colors.

U. T. Pan American joined the WAC in July 1, 2013. UTRGV will have the same opportunities within the conference that were given to U. T. Pan American.

6. U. T. Austin: Approval to establish a Doctor of Nursing Practice degree program

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

- a. establish a Doctor of Nursing Practice degree at The University of Texas at Austin; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

Program Description

U. T. Austin's School of Nursing has designed an innovative Doctor of Nursing Practice (DNP) program targeted specifically to meet the needs of employed nurses in Central Texas. The program, which will be offered using a combination of online delivery with clustered or blocked face-to-face monthly seminars, is designed to prepare graduates to function at the most advanced level of nursing practice using evidence-based research and scientific knowledge to implement and direct care, as well as serve as administrative leaders and faculty in schools of nursing.

The DNP program (45 semester credit hours, 15 courses) is for post-master's advanced practice nurses and post-master's clinical administrative leaders and educators. The curriculum is based on The Essentials of Doctoral Education for Advanced Nursing Practice developed by the American Association of Colleges of Nursing, and courses include philosophy and scientific methods in nursing science, ethics, policy, informatics, management of health services organizations, health economics, epidemiology, and health sciences information services. The students will also complete 540 clinical practice hours and a final project that culminates in the development of a scholarly manuscript.

Need and Student Demand

Since the DNP is a relatively new nursing degree, it is difficult to gauge demand for these graduates with traditional data sources such as governmental labor projections and local workforce boards. Both report a high demand for all levels of nurses and nursing faculty. The Texas Workforce Commission expects the demand for registered nurses to increase by 33% from 2010 through 2020, which is much faster than the average for all occupations. The DNP program will provide additional doctoral prepared nurses who can serve as clinical faculty in nursing programs across Texas. Nationwide, only 14% of nurses have a master's degree or higher. In Texas, less than 10% have graduate degrees. The national nurse faculty vacancy rate is expected to grow substantially in the next few years with impending retirements as 60% of nurse faculty are age 50 or older. In Texas, 57% of nurse educators will be older than 65 in the next five years.

The proposal for this DNP program evolved following extensive conversations with multiple employers in the Central Texas region regarding the need for nurses with additional post-master's skills and competencies including health economics, health policy, epidemiology, interdisciplinary teamwork, and biostatistics. Employers are confident that nurses with these advanced skills can contribute meaningfully to an increasingly complex interdisciplinary health care delivery system. Employers have indicated that their systems will provide support (flexible scheduling and tuition reimbursement) to employees who enroll in the U. T. Austin DNP program.

In early 2014, more than 1,400 nurses employed in the major health care systems in Central Texas (Seton Healthcare Family, St. David's HealthCare System, Scott & White Healthcare System, and CommUnityCare) responded to an online survey regarding interest in graduate education. Seventy-four percent indicated they were interested in seeking graduate education in the next five years, with most indicating they wished to pursue advanced education to expand their career opportunities as a nurse practitioner, nurse educator, and nurse administrator. Among the respondents, 247 nurses indicated that they specifically wanted to enroll in a DNP program. The key factors influencing their decision to return to school included cost, location of the program, the reputation of the School of Nursing, and the distance they would have to travel.

Nationally, there are more than 240 DNP programs, 11 of which are presently offered in Texas. Five of the 11 DNP programs in Texas are at U. T. System institutions: The University of Texas at Arlington, The University of Texas at El Paso, 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. The eight DNP programs at public universities in Texas have 77 graduates to date. There are no DNP programs in Central Texas.

U. T. Austin's analysis and plan assumes initial enrollment of 12 students in the first cohort in Fall 2015. Enrollment is expected to grow each consecutive semester for the first several years (15 in the second cohort and 20 in subsequent cohorts). Due to the substantial advising and mentoring required for the DNP projects, cohort size will be limited to 20 students.

Program Quality

The U. T. Austin School of Nursing has a strong cadre of tenured/tenure-track and clinical faculty to lead research and education efforts for both the existing Ph.D. and the new DNP. During the previous five years, the 13 core faculty had 260 peer-reviewed publications (average of 20 per faculty member). The five named support faculty had similar productivity with 78 peer-reviewed publications, an average of 15.6 per support faculty member during the five-year period. Core faculty have served as Principal Investigator for external grants totaling \$28.9 million during the last five years. The majority of funding was obtained for research projects from the National Institutes of Health and other federal sources, including the U.S. Department of Labor; Health Resources and Services Administration (HRSA), an agency of the U.S. Department of Health and Human Services; and the Administration on Aging.

Ten of the 13 core faculty have served in significant administrative leadership positions, 10 of the 13 are fellows in the American Academy of Nursing, and four of the 13 are recognized as advanced practice nurses by the Texas Board of Nursing. The faculty serve on multiple advisory boards and committees for agencies and organizations in the region, state, and the nation. U. T. Austin does not anticipate hiring any new faculty specifically for this program.

It is clear that safe and high quality care depends on an effective and well-educated team of collaborative providers. The DNP program complements the existing Ph.D. in Nursing as well as the new M.D. degree at the Dell Medical School and the Pharmacy Doctorate (PharmD) at the College of Pharmacy. Deans of these programs have expressed strong support. Faculty in an ongoing \$1 million HRSA grant awarded to the School of Nursing are developing infrastructure to facilitate interprofessional education that can be used by all related programs and schools.

In a needs assessment with over 1,400 nurses employed in Central Texas health care systems, 70% indicated that the preferred educational programming was a combination of face-to-face and online instruction. The DNP program will be delivered in a "hybrid" model to allow nursing professionals to continue in

their current career positions and attend classes through online platforms and compressed monthly classroom seminars. The program will have between 40-50% of course content delivered in an online format, consistent with the DNP programs at other highly-ranked public institutions.

Additionally, by developing hybrid courses, the program will strengthen the ability of the School of Nursing to offer future online options to other graduate and undergraduate students.

The U. T. Austin School of Nursing is one of the leading nursing schools in the nation, with a history of excellence in academics, research, practice, and service. The delivery of a quality program that is consistent with the standards of excellence at U. T. Austin is the highest priority. Current technology and instructional methods will support the development of an outstanding educational experience in a flexible format. The U. T. Austin DNP program has faculty members, practice resources, and an academic infrastructure to support a high-quality educational program and provide students with the opportunities to develop expertise in focused areas of nursing practice and leadership.

Revenue and Expenses

The DNP program will be offered in the Option III format (i.e., self-supporting) at U. T. Austin and will be tailored to the specific needs of full-time employed nurses. This format requires that the program fees support all costs associated with the program, and the program will not receive State formula funding. Program revenues are projected to cover all costs associated with the program, including faculty and staff compensation, materials, and required university and student fees.

Projected Enrollment	5-Year Total
Number of Students Used for Formula Funding Calculation	0
Total Number of Students	107
Expenses	5-Year Total
<i>Faculty</i>	
Salaries	\$1,107,000
Benefits	\$255,000
<i>Staff & Administration</i>	
Graduate Coordinator Salary	\$358,087
Administrative Staff Salaries	\$295,221
Staff Benefits	\$163,327
<i>Other Expenses</i>	
Supplies, Equipment, Facilities, Fees for Course Development, Marketing	\$776,276
Total Expenses	\$2,954,911

Revenue	5-Year Total
<i>From Student Enrollment</i>	
Formula Funding	0
Tuition and Fees – Program	\$2,970,000*
<i>From Institutional Funds</i>	
Start Up Funds – Provost and School	\$350,000
<i>From Grant Funds</i>	
[Enter Description]	0
<i>From Other Revenue Sources</i>	
	0
Total Revenue	\$3,320,000

*Cost per student for the program is \$30,000 (or \$6,000 per semester for five consecutive semesters).

Coordinating Board Criteria

The program meets all applicable Coordinating Board criteria for new doctoral degree programs.

7. U. T. System: Discussion of support programs for Veteran students

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE
(Pages 47 - 50).--Committee Chairman Stillwell reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. System: Approval of \$5 million from the Available University Fund to support Phase 1 of the U. T. Systemwide Diabetes Obesity Control Initiative and delegation to the Office of Health Affairs and the Office of General Counsel the authority to contract with selected entities to create a Technology Core

The Board approved \$5 million from the Available University Fund to support Phase 1 of The University of Texas Systemwide Diabetes Obesity Control initiative (Project DOC) and delegation of authority for the Office of Health Affairs and the Office of General Counsel to contract with selected entities to create a Technology Core. Funds will provide operational project support within the U. T. System Office of Health Affairs and the contract for hire of an external multifunction consultant team to implement this initiative.

Goals of the Initiative:

- To support and further U. T. System institutions' ability to care for patients with or at risk for diabetes and obesity in Texas. Specifically, the project will leverage social, mobile, and cloud technologies, as well as big data and cognitive analytics, to augment and accelerate effective management and care for these patients.
- To enhance U. T. System's research and education missions by developing novel types of access to patient big data and leveraging other U. T. System initiatives, such as U. T. Research Cyberinfrastructure and the Institute for Transformative Learning (ITL).

Deliverables:

- A demonstration of feasibility and scalability of a technology-enabled and data-driven patient and consumer-centric model of value-based health care for diabetes
- Measurable improvement in patient outcome and health economics.

General Approach to the Project:

Through a Technology Core made up of industry leaders with cutting-edged capabilities and assets, Project DOC will develop and implement a suite of provider-enabling and patient empowering technology solutions. These capabilities fall into three main anchor platforms: (1) cognitive analytics and expert system, (2) personal connected mobile health solution, and (3) cloud-based information interchange.

In addition, as the fourth component of the Technology Core, a diversified and experienced System Integration Team will incorporate these solutions into local health care delivery systems to create a disease management framework for providing patient-centric and value-based diabetes care. Phase 1 is the Design Phase, where the Technology Core will identify the business, technical, and user requirements for the diabetes management solutions. Such requirements will guide the design of the solutions, which will in turn drive a set of budgets, timelines with milestones, and deliverables supported by work plans. Phase 1 will also include development and negotiation of a sharing model for intellectual property, risk, and revenue between the Technology Core and the U. T. System. Phase 1 includes collaboration among the Technology Core, U. T. System institutions, and U. T. System Administration to develop plans to leverage the capabilities, technology solutions, and data of Project DOC to enhance the research and educational mission of all U. T. System institutions.

The Project will initially target the Rio Grande Valley, which has a well-documented high incidence of diabetes and obesity, and then will systematically be extended to other regions of Texas. Phase 1 will include a systematic analysis specific to communities that will define the business, technical, and user requirements for the technology solutions. Success of Phase 1, as determined by evaluation of the Phase 1 deliverables, will determine whether subsequent phases of the project will be recommended to the Board of Regents for approval and funding.

Approval of this item caps the budget at \$5 million for Phase 1 of Project DOC and delegates authority to the Office of Health Affairs and the Office of General Counsel to contract with selected entities to create the Technology Core. The budget will support contracts with Technology Core members for Phase 1 activities, as well as operating funds to direct and manage this project under the direction of the Office of Health Affairs.

Use of the Available University Fund:

Phase 1 of the initiative is eligible for funding from the Available University Fund under the statutory authority of U. T. System Administration to provide technical assistance through development of technology that when deployed offers coordination of institutional activities related to diabetes health care and management. The technology will offer a coordinated enhancement of diabetes research and education and a coordinated element in the training of health professionals. The initiative will develop technology that can facilitate, augment,

and enable more effective and efficient diabetes care delivery across System health care institutions. In addition, the scientific and medical big data of the initiative's Information Interchange will be available to all System institutions, including the several academic institutions that are actively engaged in diabetes research and education (Sections 51.353 and 65.16, *Texas Education Code*).

3. U. T. Southwestern Medical Center: Approval of honorific naming of the Biomedical Research Building on the North Campus as the C. Kern Wildenthal Research Building in honor of C. Kern Wildenthal, M.D., Ph.D.

The Board approved the honorific naming of the Biomedical Research Building on the North Campus at The University of Texas Southwestern Medical Center as the C. Kern Wildenthal Research Building. This naming was made in honor of C. Kern Wildenthal, M.D., Ph.D., President Emeritus and Professor of Medicine Emeritus to recognize his extraordinary accomplishments as both Dean of the Medical School and President of U. T. Southwestern.

Dr. Wildenthal served in senior leadership roles at U. T. Southwestern Medical Center for nearly 40 years. He joined the Southwestern faculty as an Assistant Professor of Medicine and Physiology in 1970. In 1971, he became an Associate Professor and a full Professor in 1975. From 1976 to 1980, he served as Dean of the Graduate School, and from 1980 to 1986, as Dean of the Medical School. In addition, Dr. Wildenthal was the second President of U. T. Southwestern, serving in that capacity for more than 20 years, from 1986 to 2008.

During Dr. Wildenthal's tenure as President, U. T. Southwestern more than quintupled in size and emerged as one of the leading medical institutions in the world. Four of its faculty won Nobel Prizes, 19 were elected members of the National Academy of Sciences, and 50 were named as presidents of national societies of their clinical and research specialties. During his time as President, research expenditures grew more than tenfold to nearly \$400 million per year. The size of the campus grew from 65 acres to 300 acres; two referral hospitals and outpatient facilities totaling one million square feet were added to the campus; and the first half of a planned four million square foot research complex (the North Campus) was completed.

The Biomedical Research Building, also referred to as the NL Building, is located at 6000 Harry Hines Boulevard, on the North Campus of U. T. Southwestern Medical Center in Dallas. The NL Building has a contemporary design and offers state-of-the-art laboratories. The 12-story, 331,400 square foot building also houses the Departments of Dermatology, Cell Biology, and Microbiology, as well as the U. T. Southwestern Graduate School of Biomedical Sciences' Rolf and Ute Haberecht Administration and Academic Center. In addition, the Children's Medical Center Research Institute occupies the top floors of the Building. The NL Building opened in 2011 and has a current replacement cost of \$216 million.

This naming proposal was consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize an individual who has left an unforgettable impact on U. T. Southwestern Medical Center.

4. U. T. System: Report on activities and accomplishments of the institutional Clinical and Translational Science Institutes at U. T. System

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

5. U. T. Southwestern Medical Center: Report on the William P. Clements, Jr. University Hospital

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

6. U. T. Health Science Center - San Antonio: Authorization to purchase 2.841 acres of land and improvements at 8431 Fredericksburg Road, San Antonio, Bexar County, Texas, from WNLV, LTD., H5 Properties, L.P., and EZJ Management, LLC for future campus expansion; and resolution regarding parity debt (Deferred)

This item regarding a proposed purchase of land for The University of Texas Health Science Center at San Antonio was deferred.

7. U. T. System: Update on infectious diseases, including provision of specialized health care and current state of preparedness

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 51 - 59).--Committee Chairman Cranberg reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration

There were no items referred from the Consent Agenda.

2. U. T. System: Report of the Task Force on Facility Planning for the 21st Century

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

3. U. T. Austin: High-Density Storage Addition - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)

The Board amended the FY 2015-2020 Capital Improvement Program (CIP) to include the High-Density Storage Addition project at The University of Texas at Austin as follows:

Project No.: 102-841

Project Delivery Method: Design-Build

Substantial Completion Date: May 2017

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Unexpended Plant Funds ¹	\$8,000,000

Funding Note: ¹ Unexpended Plant Funds from Intermediate Term Fund realized gain

- a. approve a total project cost of \$8,000,000 with funding from Unexpended Plant Funds; and
- b. appropriate funds.

The High-Density Storage Addition will consist of approximately 12,500 gross square feet (GSF) of building and be connected to the existing Library Storage Facility (LSF) located on the J. J. Pickle Research Campus. The building will provide digitizing and high-density storage and retrieval system capabilities. The existing LSF is a shared facility between U. T. Libraries, Texas A&M University Libraries, the Dolph Briscoe Center for American History, the Harry Ransom Humanities Research Center, and the Joseph D. Jamail Center for Legal Research. Portions are currently filled to capacity.

This facility will be a warehouse style building with tilt-up insulated concrete wall panels and a concrete floor slab. The high-density area will have no windows, no floor penetrations, and as few penetrations of walls and roof as possible. Other spaces in the building will include a consultation area for users, a charging room for the order picker equipment, restroom facilities, hallways, and a freezer room with deep-freeze capabilities for preservation-related work. The building will have a separate heating, ventilation, and air conditioning (HVAC) and dehumidification system with particulate and gas filters to maintain constant temperature and relative humidity levels appropriate for print matter preservation.

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

4. U. T. Southwestern Medical Center: Transplant Services Building Renovation and Expansion - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the FY 2015-2020 Capital Improvement Program (CIP) to include the Transplant Services Building Renovation and Expansion project at The University of Texas Southwestern Medical Center as follows:

Project No.:	303-X01	
Institutionally Managed:	Yes	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	November 2016	
Total Project Cost:	<u>Source</u> Designated Funds ¹	<u>Current</u> \$10,740,000
Funding Note:	¹ Designated Funds from Transplant Services Revenues	
Investment Metric:	<ul style="list-style-type: none"> • Grow operations with increased regulations and volume demands 	

This project will renovate and expand the Transplant Services Building to accommodate current and future operations and increased regulatory and accreditation requirements. The project will add approximately 11,000 gross square feet (GSF) to the existing building, including additional laboratory space, office space, and mechanical space to house equipment.

The Transplant Services Center is a clinical and academic service center that provides care from donation to transplantation. The number of tissue donors has increased 155% from 1994 to 2013 and the number of tissues distributed has

increased 70% from 2003 to 2013. The combination of growth in volume and equipment needs, along with new federal regulations and accreditation standards, necessitates this project.

This project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. It has been determined that this project would best be managed by U. T. Southwestern Medical Center Facilities Management personnel, who have the experience and capability to manage all aspects of the work.

5. U. T. Health Science Center - San Antonio: Clinical Transformation, Phase I - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board amended the FY 2015-2020 Capital Improvement Program (CIP) to include the Clinical Transformation, Phase I project at The University of Texas Health Science Center at San Antonio as follows:

Project No.:	402-894	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2016	
Total Project Cost:	<u>Source</u> Permanent University Fund Bond Proceeds	<u>Current</u> \$18,485,000

- a. approve a total project cost of \$18,485,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; and
- c. authorize U. T. Health Science Center - San Antonio to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

U. T. Health Science Center - San Antonio has developed a plan to transform and grow the clinical enterprise in San Antonio and generate sufficient cash flow to enhance clinical, research, and educational missions. By changing the seventh and eighth floors of the Medical Arts and Research Center from office space to clinical space, this project will expand clinical services, improve the distinctiveness of service lines, and broaden affiliations with health care partners.

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

6. U. T. Health Science Center - San Antonio: Renovations to Strengthen Research and Salvage Infrastructure - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board amended the FY 2015-2020 Capital Improvement Program (CIP) to include the Renovations to Strengthen Research and Salvage Infrastructure project at The University of Texas Health Science Center at San Antonio as follows:

Project No.:	402-896	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2016	
Total Project Cost:	<u>Source</u> Permanent University Fund Bond Proceeds	<u>Current</u> \$19,000,000

- a. approve a total project cost of \$19,000,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; and
- c. authorize U. T. Health Science Center - San Antonio to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

U. T. Health Science Center - San Antonio aspires to become one of the leading centers for health care education and research in the United States. To become a world-class academic health center, significant investments are needed to improve facilities and building systems to attract and retain talent. Recently, the institution has experienced deterioration of its facilities and power outages that must be addressed to properly safeguard students, faculty, staff, patients, and visitors. This project includes renovation of existing labs to aid in the recruitment of new researchers, major electrical infrastructure replacement, and addressing fire and life safety issues identified by the State Fire Marshal.

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

It has been determined that this project would best be managed by U. T. Health Science Center - San Antonio Facility Management personnel, who have the experience and capability to manage all aspects of the work, as the project requires extensive coordination with the building occupants.

7. U. T. Austin: Texas Advanced Computing Center Office Building - Approval of design development; and appropriation and authorization of expenditure of funds (Final Board approval)

The Board approved the recommendations for the Texas Advanced Computing Center Office Building project at The University of Texas at Austin as follows:

Project No.: 102-831

Project Delivery Method: Design-Build

Substantial Completion Date: March 2016

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$10,000,000
	Gifts	<u>\$10,000,000</u>
		\$20,000,000

Investment Metrics:

- Increase staff to 150 with additional space for visiting researchers
- Provide for 1,500 square foot Visualization Lab on the J. J. Pickle Research Campus

- a. approve design development plans; and
- b. appropriate and authorize expenditure of funding in the amount of \$20,000,000 with funding of \$10,000,000 from Permanent University Fund (PUF) Bond Proceeds and \$10,000,000 from Gifts.

Previous Board Action

On February 6, 2014, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$20,000,000 with funding of \$10,000,000 from PUF Bond Proceeds and \$10,000,000 from Gifts.

Project Description

The Texas Advanced Computing Center (TACC), located on the J. J. Pickle Research Campus, serves as a resource and service to the research and educational capabilities of U. T. Austin, The University of Texas System, and the

nation through National Science Foundation funding. TACC conducts research in the field of advanced computing while conducting outreach to increase the awareness of the importance of advanced computing and computational science.

The TACC Office Building will consist of an approximately 38,000 gross square feet (GSF) three-story, freestanding building connected to the existing offices within the Research Office Complex building by way of an enclosed pedestrian walkway. The first level of the building will house a public open lobby space, reception area, 1,500 GSF visualization lab (an environment of large flat panel monitors offering an extremely high level of detail and quality for scientists to visualize and analyze data), an auditorium for 260, a flexible training room for 50, and a break room/catering kitchen to be shared by TACC staff and public users. The first level will also house required mechanical and electrical spaces. The two upper levels will consist of private office spaces for TACC. The second level will provide 28 offices with a large reconfigurable conference room, including an open student work area, and the third level will provide 30 offices with two conference rooms for 16 each and necessary support spaces.

The Gift funding authorized for expenditure is fully collected or committed at this time, and the institution has sufficient local funds to cover any shortfall.

8. U. T. Dallas: Student Services Building Addition - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Student Services Building Addition project at The University of Texas at Dallas as follows:

Project No.:	302-784	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	September 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$17,000,000
	Auxiliary Enterprises Balances ²	<u>\$ 9,000,000</u>
		\$26,000,000
Funding Notes:	¹ Revenue Financing System (RFS) debt to be repaid from existing student fees	
	² Auxiliary Enterprises Balances from existing student fees	
Investment Metric:	<ul style="list-style-type: none"> Directly support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students, creating a total student population of 25,000 	

- a. approve design development plans;
- b. appropriate and authorize expenditure of funding in the amount of \$26,000,000 with funding of \$17,000,000 from RFS Bond Proceeds and \$9,000,000 from Auxiliary Enterprises Balances; 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. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$17,000,000.

Debt Service

The \$17,000,000 in aggregate RFS debt will be repaid from existing student fees. Annual debt service on the \$17,000,000 RFS debt is expected to be \$1,105,875. The debt service coverage for the institution is expected to be at least 1.3 times and average 1.6 times over FY 2015-2020.

Previous Board Action

On August 22, 2013, the project was included in the CIP with a total project cost of \$26,000,000 with funding of \$17,000,000 from RFS Bond Proceeds and \$9,000,000 from Auxiliary Enterprises Balances.

Project Description

This project will add a new expansion of approximately 68,700 gross square feet (GSF) to the existing Student Services Building. The space will include office space for student services and support staff, individual and group study space, meeting rooms, a 500-seat multiuse lecture hall, and flexible programming space for student services to include an international student services office, new student programs, and the career center.

The space is critical to the institution's ability to provide additional service support to address its rapid enrollment growth and to meet the needs of new and existing student services and organizations. These activities improve graduation rates and student success as stated in the Framework for Advancing Excellence throughout The University of Texas System.

9. U. T. Tyler: Music Building Addition - Amendment of the FY 2015-2020 Capital Improvement Program to revise funding sources; and appropriation of funds and authorization of expenditure (Final Board approval)

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

Project No.:	802-838		
Institutionally Managed:	Yes		
Project Delivery Method:	Competitive Sealed Proposals		
Substantial Completion Date:	August 2015		
Total Project Cost:	<u>Source:</u>	<u>Former</u>	<u>Current</u>
	Designated Funds ¹	\$6,500,000	\$ 500,000
	Permanent University Fund Bond Proceeds	\$ 0	\$6,000,000
		\$6,500,000	\$6,500,000
Funding Note:	¹ Designated Funds from Excess University Reserves		
Investment Metric:	<ul style="list-style-type: none"> • Increase enrollment by 180 students by 2016 		

- a. amend the FY 2015-2020 Capital Improvement Program (CIP) to include Permanent University Fund (PUF) Bond Proceeds as a funding source; and
- b. appropriate funds and authorize expenditure of \$6,000,000 from PUF Bond Proceeds.

Previous Board Actions

On May 15, 2014, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$6,500,000 with funding from Designated Funds. On August 21, 2014, the Board approved design development plans and authorization of expenditure of funds.

Project Description

This change in funding will address critical space needs to mitigate safety concerns without depleting University reserves. The previously approved project will consist of an approximately 15,681 gross square foot (GSF) addition to the R. Don Cowan Fine and Performing Arts Center to meet the academic needs of the music program.

The building will provide space for a band/orchestra rehearsal room, a choir rehearsal room, multiple one-on-one teaching studios, a music library, faculty offices, and secure storage space for musical instruments. Also, approximately 1,285 GSF will be renovated in adjacent existing space.

Enrollment in the School of Performing Arts has seen a 69% increase in music majors in the past six years and a 48% increase in student credit hours in music and theater courses in the last four years. The National Association of Schools of Music cited inadequate space issues in recent accreditation reviews, and this building addition will resolve the deficit.

REPORT AND RECOMMENDATION OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE (Pages 60 - 61).--Committee Chairman Hall reported that the Technology Transfer and Research Committee met in open session to consider the matter on its agenda and to formulate a recommendation for The University of Texas System Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Technology Transfer and Research Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Report and discussion on the Institute for Transformational Learning's vision, mission, and status of current projects

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

2. U. T. System: Update on the U. T. Horizon Fund portfolio

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

3. U. T. System: Allocation of \$12.5 million of Available University Funds for the U. T. Horizon Fund and for associated administrative activities of the Office of Technology Commercialization

The Board authorized \$12.5 million from Available University Funds (AUF) as the second allocation under a four-year plan to continue to enhance the goals of the U. T. Horizon Fund. Each year, funding for the Horizon Fund is subject to approval and authorization by the Board upon receipt of a satisfactory report of activities undertaken as a result of the previous year's allocation. The requested funds will be utilized as follows:

- a. \$10 million for Fund investments; and
- b. \$2.5 million for associated services to be provided centrally by the Office of Technology Commercialization under the oversight of the Office of General Counsel and the Office of Business Affairs.

The Fund, a strategic investment fund for The University of Texas System, was approved first by the Board of Regents on August 25, 2011, and capitalized with \$10 million of AUF (Phase I). On February 14, 2013, the Fund was reauthorized with expanded funding from AUF (Phase II) to be deployed over four years. At that time, the first allocation of Phase II was capitalized with \$12.5 million of AUF. As of October 2014, \$19.4 million of funds have been, or are in the process of being, deployed or are being held as reserve funding for follow-on investments. This represents 97% of the total funding allocated for investments.

The Fund's overall goals are to improve commercialization of U. T. System institution technologies and improve sustainability through a positive return on investment. The Fund's Syndicate Investment funding program enables the U. T. Horizon Fund to invest alongside other investors in companies that are commercializing U. T. System startup companies. The program seeks to protect against dilution and to enhance equity position in successful U. T. System startup companies. Continued participation not only supports the growth of U. T. System startup companies, but also enhances the investment return potential for U. T. System both in terms of delivering real products and services beneficial to society, as well as providing financial return.

The Fund's Seed Investment program focuses on addressing one of the biggest bottlenecks at the earliest stages of commercialization -- access to seed capital. By providing the much needed seed investment, the U. T. Horizon Fund enables U. T. System startup companies to secure entrepreneurial talent and business services needed to embark on the commercialization pathway.

4. U. T. System: Report on Aeglea BioTherapeutics, a commercialization success story

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

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 11:10 a.m., the Board voted and approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION.--At 11:11 a.m., Chairman Foster announced that the Board would recess to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION AND REMARKS BY CHAIRMAN FOSTER RELATED TO GROUP PURCHASING PROCEDURES.--The Board reconvened in Open Session at 1:46 p.m., and Chairman Foster made the following comments related to group purchasing procedures:

Remarks by Chairman Foster

I want to take a brief moment to go back to our earlier conversation about purchasing procedures. This is a very important and significant matter and will undoubtedly lead to changes in our procedures, and ultimately, make us a far better System. I want to thank Regent Hall for bringing this to our attention and for his keen interest in this matter.

The Board then took the following actions on matters discussed in Executive Session.

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

No action was taken on this item.

- 1b. U. T. Austin: Discussion and appropriate action, if any, of individual personnel matters related to presidential search

No action was taken on this item.

- 1c. U. T. System: Discussion and appropriate action related to the hiring of a Chief Executive Officer for University Lands (Regents' *Rules and Regulations*, Rule 20204, regarding compensation for highly compensated employees)

No action was taken on this item.

1d. U. T. Pan American: Termination of Bimal K. Banik, Ph.D., a tenured faculty member

Vice Chairman Hicks moved that, based upon the evidentiary record from the Special Hearing Tribunal regarding the termination of Bimal K. Banik, Ph.D., a tenured faculty member at The University of Texas-Pan American (UTPA), as provided to the Board, and with due regard to written documents recently submitted to the Board by Dr. Banik and his counsel,

1. the Board accept the Hearing Tribunal's August 25, 2014, findings of material fact with regard to Dr. Banik's conduct in their entirety;
2. the Board accept the Hearing Tribunal's August 25, 2014, conclusions that:
 - Dr. Banik made inappropriate remarks to an undergraduate student, including comments of a sexual nature;
 - Dr. Banik attempted retaliation against the student because of complaints against him;
 - Dr. Banik attempted to enlist a second student to act against the first student by damaging the first student's reputation;
 - Dr. Banik intimidated the second student, poking the second student in the chest during a conversation about the enlistment of the second student;
 - Dr. Banik's attempted enlistment of the second student for an unethical purpose was not an isolated incident; and
 - Dr. Banik disclosed the first student's course grade to at least one other student; and
3. the Board accept the conclusion of the Faculty Hearing Tribunal that the greater weight of the credible evidence of Dr. Banik's actions taken together, along with a previous warning by the former Provost that further policy violations could lead to termination, constitute good cause for the termination of Dr. Banik's tenured faculty appointment at UTPA.

Vice Chairman Hicks further moved that based on the above findings and on the unanimous recommendation of the faculty hearing tribunal that Dr. Banik's appointment as a tenured professor be terminated, the Board determine that good cause exists to terminate Dr. Banik's employment and that the Board vote to terminate him from The University of Texas-Pan American faculty effective at 5:00 p.m. Central Standard Time on November 6, 2014.

In addition, Vice Chairman Hicks further moved that counsel to the Board prepare reasons for the approval of these findings, conclusions, and recommendation of termination, and communicate them to Dr. Banik and his counsel.

The motion was seconded and carried unanimously.

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

No action was taken on this item.

2b. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues concerning settlement of claims and litigation

No action was taken on this item.

2c. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to ongoing independent investigation of admissions practices at U. T. Austin by Kroll Associates

No action was taken on this item.

2d. U. T. M. D. Anderson Cancer Center: Approval to retain Locke Lord LLP as outside legal counsel on a contingent fee basis to provide representation associated with a patent license dispute

Regent Stillwell moved that the Board authorize the Vice Chancellor and General Counsel to retain Locke Lord LLP as outside legal counsel to represent the Board, acting on behalf of The University of Texas M. D. Anderson Cancer Center, in a legal matter involving a patent license dispute following any additional required approvals and on a contingency fee basis structured as displayed on the attached chart and provided to members of the Board.

He further moved that the Board delegate to the Vice Chancellor and General Counsel the authority to execute all documents and take such actions as are necessary to accomplish the approved transaction.

The motion was seconded and carried unanimously.

Attachment to motion regarding Locke Lord LLP

Earlier of 90 days after letter to patent licensee or filed answer	7.5%
Pre-trial	21%
Trial (or settlement during trial) less than \$10 million	26%
Trial (or settlement during trial) equal to or more than \$10 million	31%
Appeal (additional over above applicable trial percentage)	+5%
Supreme Court (additional over above applicable appeal percentage)	0%

Note: any contingency fee recovery by Locke Lord is capped at \$40 million.

- 2e. U. T. Brownsville: Discussion and appropriate action regarding legal issues related to authorization to acquire by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2-acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion; leaseback of said land to the City of Brownsville; resolution regarding parity debt; and finding pursuant to Chapter 26 of the *Texas Parks and Wildlife Code*

This additional caption was posted with the Secretary of State to permit discussion in Executive Session regarding Consent Agenda Item 44 (see Page 119). See also related Executive Session Item 5c on Page 69 for action taken.

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

Regent Pejovich moved that the Board authorize the Presidents of The University of Texas at Austin, The University of Texas at San Antonio, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center and the Vice Chancellor for External Relations to conclude negotiations necessary to finalize and accept gifts to benefit those institutions with potential naming features consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded and carried by acclamation, with Regent Stillwell abstaining from discussion and vote on Item 3a because of business relationships.

- 3b. U. T. San Antonio: Approval of proposed negotiated gifts with potential naming features

See Item 3a above for action taken on this item.

- 3c. U. T. Medical Branch - Galveston: Approval of proposed negotiated gifts with potential naming features

See Item 3a above for action taken on this item.

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

See Item 3a above for action taken on this item.

- 3e. U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features

See Item 3a above for action taken on this item.

4. U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices

No action was taken on this item.

- 5a. U. T. Brownsville: Authorization to purchase approximately 8.438 acres of vacant and submerged land at the southeast corner of Monroe Street and Marina Drive, Port Isabel, Cameron County, Texas, for a price not to exceed fair market value as established by an independent appraisal, for coastal research and future programmed campus expansion; and resolution regarding parity debt

Vice Chairman Powell moved that the Board take the following actions on behalf of The University of Texas at Brownsville:

- a. authorize the purchase of approximately 8.438 acres of vacant and submerged land at the southeast corner of Monroe Street and Marina Drive, Port Isabel, Cameron County, Texas, for a price not to exceed fair market value as established by an independent appraisal as outlined and recommended in Executive Session, for coastal research and future programmed campus expansion;
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action within the parameters outlined in Executive Session; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings that are stated in Attachment A to this motion, which has been provided to each member of the Board and which shall be included in the Minutes of this meeting.

The motion was seconded and carried unanimously.

ATTACHMENT A TO MOTION FROM EXECUTIVE SESSION
NOVEMBER 6, 2014

- 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;
- 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 parity RFS debt in the aggregate amount not to exceed the maximum purchase price discussed in Executive Session; 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.

- 5b. U. T. El Paso: Discussion and appropriate action regarding the purchase of approximately 443 acres of land out of the J. Baker Survey #10 and the I. F. Harrison Survey #54 located on Paisano Drive and Interstate Highway 10 in El Paso, El Paso County, Texas, commonly known as the former ASARCO smelter site, from ASARCO Texas Custodial Trust for future programmed campus expansion

No action was taken on this item. See related Item 11 on Page 72 considered in Open Session.

- 5c. U. T. Brownsville: Authorization to acquire by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2-acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion; leaseback of said land to the City of Brownsville; resolution regarding parity debt; and finding pursuant to Chapter 26 of the *Texas Parks and Wildlife Code*

This additional caption was posted with the Secretary of State to permit discussion in Executive Session regarding Consent Agenda Item 44 (see Page 119). See also related Executive Session Item 2e on Page 66.

Chairman Foster called on Chancellor Cigarroa and President Bailey, The University of Texas Rio Grande Valley, for comments. Dr. Cigarroa said this land is strategic to the future growth of the campus of The University of Texas at Brownsville, and eventually, the U. T. Rio Grande Valley campus. Dr. Bailey echoed his support for this proposed acquisition.

Regent Cranberg moved that the Board take the following actions on behalf of U. T. Brownsville:

- a. authorize the completion of negotiations for an acquisition by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2-acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion, and a leaseback of said land to the City of Brownsville, on terms in accordance with the parameters discussed in Executive Session;
- b. find that the necessity to expand the campus of U. T. Brownsville is of paramount public importance and that such expansion cannot be practically accomplished in any other way;

- c. find in accordance with Chapter 26 of the *Texas Parks and Wildlife Code* that (i) there is no feasible and prudent alternative to the university's use or taking of Lincoln Park, and (ii) the program or project includes all reasonable planning to minimize harm to Lincoln Park, as a park, resulting from the use or taking;
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings reflected on Attachment A (on the next page); and
- e. authorize the Executive Director of Real Estate to execute the transfer agreement or its equivalent, the lease, and all related documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to complete the acquisition and leaseback transactions in accordance with the parameters discussed in Executive Session.

The motion was seconded and carried unanimously.

ATTACHMENT A TO MOTION FROM EXECUTIVE SESSION

November 6, 2014

- Parity debt shall be issued to fund a portion of the purchase price of the property described in the foregoing Motion, 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 RFS 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;
- U. T. Brownsville, 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 Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount not to exceed \$6,500,000; and
- This resolution 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.

AGENDA ITEMS (continued.)

11. U. T. El Paso: Discussion and appropriate action regarding the purchase of approximately 443 acres of land out of the J. Baker Survey #10 and the I. F. Harrison Survey #54 located on Paisano Drive and Interstate Highway 10 in El Paso, El Paso County, Texas, commonly known as the former ASARCO smelter site, from ASARCO Texas Custodial Trust for future programmed campus expansion

Chairman Foster called on Regent Aliseda for comments on the proposed purchase of approximately 443 acres of land out of the J. Baker Survey #10 and the I. F. Harrison Survey #54 located on Paisano Drive and Interstate Highway 10 in El Paso, El Paso County, Texas, commonly known as the former ASARCO smelter site, from ASARCO Texas Custodial Trust. Regent Aliseda said this proposed acquisition would be a great opportunity and benefit for The University of Texas at El Paso, and he applauded efforts of The University of Texas System and the institution towards the possible purchase of this property.

12. U. T. System: Report on U. T. System legislative priorities for the 84th Regular Session

This item was considered after Item 7 earlier in the Board meeting.

Chairman Foster said an additional item had been posted with the Secretary of State related to a report on legislative priorities for the 84th Regular Session. Using a handout as set forth on the next page, Vice Chancellor McBee reported on the major priorities of The University of Texas System for the 84th Regular Session.

University of Texas System
Priorities for the 84th Texas Legislature

Support Construction of Classrooms and Laboratories for Students

- Catch up with Growth in Student Enrollment Since 2006
- Create Buildings for 21st Century Education
- Replace Aging Buildings

Fund Cost of Tuition for Veterans under Hazlewood Act Exemption

Fund Research

- Enhance the Texas Competitive Knowledge Fund
- Clear Backlog in Unmatched Gifts and Fund Texas Incentive Research Program
- Enhance Research Formula for Health Institutions
- Authorize Additional Bonds for Cancer Prevention and Research Institute of Texas
- Provide Stable Funding for Research Development Fund

Provide Better Basic Funding

- Restore Formulas to Historic Rates
- Implement Outcomes-based Funding

Build the Health Care Workforce

- Fund Graduate Medical Education Formula and Continue Special GME Funding
- Continue Special Funding for Nursing Education
- Establish Special Funding for Other Health Professions

Help Produce More Engineers and Computer Scientists for Texas

- Match UT System Seed Funding for Faculty Recruitment

Improve the Health of Texas Children

Support Student Success with Financial Aid

- Allow Every Eligible Student a TEXAS Grant
- Enhance Student Success with More Work-Study Funding

Ensure the Progress of the New Medical School in the Rio Grande Valley

Extend Telecommunications Discount for Educational and Health Care Providers

11/06/2014

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on February 11-12, 2015, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 1:55 p.m.

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

December 19, 2014



**TABLE OF CONTENTS
THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS
CONSENT AGENDA**

Committee and Board Meetings:
November 5-6, 2014
El Paso, Texas

	Page
U. T. SYSTEM ADMINISTRATION	
1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on August 20-21, 2014; and the special called meetings held on September 15, 2014, October 3, 2014, and October 16, 2014	83
2. Other Fiscal Matters - U. T. System Board of Regents: Adoption of a Supplemental Resolution to benefit U. T. Southwestern Medical Center authorizing the issuance and delivery of Revenue Financing System obligations in the form of a loan to U. T. Southwestern Medical Center from the Small Business Incubator Fund, authorization to complete all related transactions, and resolution regarding parity debt	83
3. Contract (funds coming in) - U. T. System: Cabot Oil and Gas Corporation to enter into an oil and gas lease benefiting U. T. San Antonio	84
4. Contract (funds going out) - U. T. System: Jaster - Quintanilla Dallas, LLP to perform surveying services	84
5. Contract (funds going out) - U. T. System: Jacobs Engineering Group Inc. to perform professional commissioning services on capital projects on an as-needed basis	85
6. Contract (funds going out) - U. T. System: Page Southerland Page, LLP to perform professional commissioning services on capital projects on an as-needed basis	85
7. Contract (funds going out) - U. T. System: Progressive Environmental Service, Inc. dba SWS Environmental Services to provide emergency and spill services	86
8. Contract (funds going out) - U. T. System: SET Environmental, Inc. to provide emergency and industrial services	86
9. Contract (funds going out) - U. T. System: Stericycle, Inc. to process regulated medical waste	87
10. Contract (funds going out) - U. T. System: Witt O'Brien's to provide nonexclusive emergency and recovery services on an as-needed basis	87

	Page
11. Contract (funds going out) - U. T. System: Adjusters International, Inc. to provide nonexclusive emergency and recovery services on an as-needed basis	88
12. Intra-agency Agreement - U. T. System: Agreement between U. T. System and U. T. Health Science Center - San Antonio for continued services of Francisco G. Cigarroa, M.D., to assist with establishment and operation of the new university and medical school in the Rio Grande Valley	89
13. Request for Budget Change - U. T. System: Grant budget authority of \$2,500,000 funded from State Sponsored Programs to pay expenses associated with the Lone Star Stroke Initiative to implement a statewide patient-centered clinical stroke research trial network that spans urban and rural Texas (RBC No. 160) -- amendment to the 2013-2014 budget	97
14. Request for Budget Change - U. T. System: Increase budget authority by \$561,028 funded from reimbursements from U. T. System institutions to pay expenses related to the Copyright Clearance Center (RBC No. 164) -- amendment to the 2014-2015 budget	97
15. Request for Budget Change - U. T. System: Increase budget authority by \$5,928,189 funded from receipts from participating institutions to be used for ongoing sustainment of the UTShare Project (RBC No. 166) -- amendment to the 2014-2015 budget	97
16. Transfer of Funds - U. T. System: Transfer \$3,000,000 from the Rolling Owner Controlled Insurance Program (ROCIP) to rebate surplus premium contributions by participating U. T. System institutions paid by Phase IV of ROCIP. Surplus amount was actuarially determined considering premiums paid into the fund as well as the individual institution's losses (RBC No. 159) -- amendment to the 2014-2015 budget	98
17. Transfer of Funds - U. T. System: Approval to transfer \$15,000,000 of Permanent University Fund (PUF) Bond Proceeds to U. T. Health Science Center - San Antonio (RBC No. 161)	98
18. Transfer of Funds - U. T. System: Approval to allocate \$8,000,000 of Permanent University Fund Bond Proceeds for U. T. Dallas to purchase temporary buildings needed to provide additional space for teaching and research (RBC No. 162) -- amendment to the 2014-2015 budget	99
19. Transfer of Funds - U. T. System: Approval to allocate \$2,700,000 of Permanent University Fund Bond Proceeds for U. T. El Paso to demolish Barry Hall and Burges Hall (RBC No. 163) -- amendment to the 2014-2015 budget	99
20. Transfer of Funds - U. T. System: Approval to transfer \$576,875 to the International Risk Program funded from assessments to U. T. System institutions. The increase to the International Risk Program relates to the newly implemented International Student Medical Insurance Program. (RBC No. 165) -- amendment to the 2014-2015 budget	100

	Page
21. Employment Agreement - U. T. System: Agreement with William H. McRaven, Admiral U.S. Navy Retired, concerning terms and conditions associated with Admiral McRaven's appointment as Chancellor-Designate effective December 1, 2014 and Chancellor effective January 5, 2015	100
22. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets Managed by U. T. System	109

ACADEMIC INSTITUTIONS

23. Tenure Appointment - U. T. Arlington: Amendment to the 2014-2015 budget	110
24. Contract (funds coming in) - U. T. Austin: Facilities Management Agreement with National Archives and Records Administration	110
25. Contract (funds coming in and going out) - U. T. Austin: Football Game Agreement with University of Michigan	111
26. Contract (funds coming in and going out) - U. T. Austin: Football Game Agreement with University of South Florida	111
27. Contract (funds going out) - U. T. Austin: Football Game Agreement with The University of Tulsa	112
28. Contract (funds going out) - U. T. Austin: Contract to purchase the literary archive of Gabriel García Márquez	112
29. Tenure Appointments - U. T. Austin: Amendment to the 2013-2014 budget	113
30. Tenure Appointments - U. T. Austin: Amendment to the 2014-2015 budget	114
31. Emeritus Appointments - U. T. Austin: Approval of Emeritus Titles	115
32. Request for Budget Change - U. T. Austin: Transfer \$1,875,819 from Info Technology Services Residential Network Operating Income account to Info Technology Services Residential Network Classified Salaries, Special Equipment, and Maintenance, Operation, and Equipment accounts to distribute income from Information Technology Services Residential Network payments (RBC No. 6096) -- amendment to the 2013-2014 budget	116
33. Request for Budget Change - U. T. Austin: Transfer \$536,786 from Masters of Arts Degree Program Operating Income account to Masters of Arts Degree Program Maintenance, Operation, and Equipment, Travel, Wages, Tuition Remission, Fringe Benefits, Administrative and Professional, and Classified Salaries accounts to distribute income from program fees (RBC No. 6195) -- amendment to the 2013-2014 budget	116

	Page
34. Request for Budget Change - U. T. Austin: Transfer \$567,680 from Quest Student Operating Income account to Quest Student Maintenance, Operation, and Equipment, Classified Salaries, Administrative and Professional Salaries, and Fringe Benefits accounts to distribute income from Quest student fees (RBC No. 6198) -- amendment to the 2013-2014 budget	116
35. Request for Budget Change - U. T. Austin: Transfer \$1,364,186 from Professional Development Operating Income account to Professional Development Maintenance, Operation, and Equipment, Travel and Miscellaneous Income accounts to distribute income from open-to-public, online, and certification registrations (RBC No. 6199) -- amendment to the 2013-2014 budget	116
36. Request for Budget Change - U. T. Austin: Transfer \$1,980,000 from International Office - ESL Programs Operating Income account to International Office - ESL Programs Maintenance, Operation, and Equipment, Wages and Travel accounts to distribute income from English as a Second Language program tuition (RBC No. 6214) -- amendment to the 2013-2014 budget	116
37. Request for Budget Change - U. T. Austin: Transfer \$2,000,000 from Law School Excellence Funds Operating Income - Tuition Differential accounts to Law School Facility Upgrades Allocated for Budget account for Plant Fund reserves (RBC No. 6277) -- amendment to the 2013-2014 budget	116
38. Request for Budget Change - U. T. Austin: Transfer \$3,250,000 from Library - A.U.F. Maintenance, Operation, and Equipment account to Create New Learning Commons All Expenses account for new Learning Commons renovation at the Perry-Castañeda Library (RBC No. 6278) -- amendment to the 2013-2014 budget	117
39. Request for Budget Change - U. T. Austin: Transfer \$600,000 from Division of Recreational Sports Operating Income Other Expenses account and Recreational Sports Center - Operating Income Other Expenses account to Recreational Sports Reserve for Repair and Replacement - Programs/Services/Retail - Recreational account to support building renovation at the Caven Lacrosse and Sports Center at Clark Field (RBC No. 6279) -- amendment to the 2013-2014 budget	117
40. Request for Budget Change - U. T. Austin: Transfer \$1,640,000 from Frank C. Erwin, Jr. Center Special Events Operating Income account to Frank Erwin Center Reserve for Renewals and Replacements Allocated for Budget account for Plant Fund reserves (RBC No. 6280) -- amendment to the 2013-2014 budget	117
41. Request for Budget Change - U. T. Austin: Transfer \$1,000,000 from Interest on Temporary Investments - Designated Funds Allocation for Budget Adjustment account to Pooled Plant Funds Balances Unallocated account for Pooled Plant Funds reserves (RBC No. 6291) -- amendment to the 2013-2014 budget	117
42. Lease - U. T. Austin: Authorization to lease space at 2706 Montopolis Drive, Austin, Travis County, Texas, to Novati Technologies, Inc. for semiconductor-related research, development, and manufacturing	117

	Page
43. Lease - U. T. Brownsville : Authorization to extend the term of leased space on the Texas Southmost College campus in Brownsville, Texas, from the Board of Trustees of Texas Southmost College for administrative, office, classroom, laboratory, and ancillary uses	118
44. Purchase - U. T. Brownsville : Authorization to acquire by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2 acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion; leaseback of said land to the City of Brownsville; resolution regarding parity debt; and finding pursuant to Chapter 26 of the <i>Texas Parks and Wildlife Code</i>	119
45. Tenure Appointments - U. T. Dallas : Amendment to the 2014-2015 budget	122
46. Emeritus Appointment - U. T. Dallas : Appointment of Shun-Chen Niu from Professor of Operations Research, Naveen Jindal School of Management, to Professor Emeritus, Department of Operations Research, Naveen Jindal School of Management (RBC No. 6276) -- amendment to the 2014-2015 budget	123
47. Facilities Planning and Construction - U. T. Dallas : Callier Richardson Expansion - Amendment of the FY 2015-2020 Capital Improvement Program (CIP) to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure	124
48. Tenure Appointments - U. T. El Paso : Amendment to the 2014-2015 budget	124
49. Report - U. T. Pan American : No items for Consent Agenda	125
50. Report - U. T. Permian Basin : No items for Consent Agenda	125
51. Report - U. T. Rio Grande Valley : No items for Consent Agenda	125
52. Request for Budget Change - U. T. San Antonio : Transfer \$516,763 from University Center Repair and Remodel account to University Center II Install Seating and Flooring account for the installation of seating and flooring in the University Center II (RBC No. 6271) -- amendment to the 2014-2015 budget	125
53. Report - U. T. Tyler : No items for Consent Agenda	125
HEALTH INSTITUTIONS	
54. Contract (funds coming in) - U. T. Southwestern Medical Center : To provide physician services	126

	Page
55. Contract (funds coming in) - U. T. Southwestern Medical Center : To provide physician clinic coverage, on-call coverage, and medical administrative services	126
56. Contract (funds coming in) - U. T. Southwestern Medical Center : To provide physician services to Parkland Health and Hospital System	126
57. Contract (funds coming in) - U. T. Southwestern Medical Center : To provide physicians and other health care services to Parkland Health and Hospital System	127
58. Contract (funds going out) - U. T. Southwestern Medical Center : Balcones Resources, Inc. to provide waste and recycling services	127
59. Contract (funds going out) - U. T. Southwestern Medical Center : Payment for neonatal intensive care unit clinical, administrative, and consulting services at William P. Clements, Jr. University Hospital	127
60. Contract (funds going out) - U. T. Southwestern Medical Center : MedTouch to provide content marketing strategy, content creation and planning, and digital media buying	128
61. Emeritus Appointments - U. T. Southwestern Medical Center : Approval of Emeritus Titles	128
62. Lease - U. T. Southwestern Medical Center : Authorization to extend the lease of space located at 6300 Harry Hines Boulevard, Dallas, Texas, for Suites 105, 900, and 1200 and 141 square feet of space on the tenth floor to Children's Medical Center of Dallas	129
63. Lease - U. T. Southwestern Medical Center : Authorization to enter into a lease for space located at 400 West Magnolia Avenue, Fort Worth, Texas, from U. T. Southwestern Moncrief Cancer Institute for medical and office use	129
64. Facilities Planning and Construction - U. T. Southwestern Medical Center : West Campus - Phase 1 - appropriation and authorization of partial expenditure of funds to begin abatement, partial demolition, and relocation of occupants	130
65. Contract (funds coming in) - U. T. Medical Branch - Galveston : To provide comprehensive family planning services for Texas Department of State Health Services, Family Planning Fee for Service	131
66. Contract (funds coming in) - U. T. Medical Branch - Galveston : To provide comprehensive family planning services for Texas Department of State Health Services, Family Planning	131
67. Contract (funds coming in) - U. T. Medical Branch - Galveston : To provide preventive and primary care medical services for Texas Department of State Health Services	132

	Page
68. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide preventive and primary care medical services for Texas Department of State Health Services	132
69. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide comprehensive breast and cervical cancer screening services for Texas Department of State Health Services	133
70. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide a program of early childhood intervention services for Texas Department of Assistive and Rehabilitative Services	133
71. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide oversight and reporting functions for Texas Health and Human Services Commission related to the Texas Transformation and Quality Improvement Program 1115 Waiver	133
72. Contract (funds going out) - U. T. Medical Branch - Galveston: Texas Gas Service Company, a division of ONE Gas, Inc. to provide a dedicated natural gas pipeline	134
73. Tenure Appointments - U. T. Medical Branch - Galveston: Amendment to the 2014-2015 budget	135
74. Lease - U. T. Medical Branch - Galveston: Authorization to lease space at 1560 West Bay Area Boulevard, Friendswood, Harris County, Texas, from Cole Baybrook, Ltd. for office use	135
75. Lease - U. T. Medical Branch - Galveston: Authorization to lease space at Clear Lake Center, 20728-20740 Gulf Freeway, Webster, Harris County, Texas from Clear Lake Center, L.P., a Texas limited partnership for administrative use by U. T. Medical Branch - Galveston's Purchasing, Procurement, Supply Chain, Information Services Help Desk, Service Response, and Accounts Payable Offices	136
76. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of James LeDuc, Ph.D., Professor of Microbiology and Immunology, as Member of the Texas Task Force on Infectious Disease Preparedness and Response	137
77. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of Thomas Ksiazek, D.V.M., Ph.D., Professor, Department of Pathology, as Member of the Texas Task Force on Infectious Disease Preparedness and Response	138
78. Contract (funds coming in) - U. T. Health Science Center - Houston: Authorization to license space to Follett Higher Education Group, Inc. to operate the three bookstores on the institution's campus in Houston, Texas	139

	Page
79. Contract (funds coming in) - U. T. Health Science Center - Houston: Memorial Hermann Health System to provide programmatic support, physician support, and support of graduate medical education programs	140
80. Foreign Contract (funds coming in) - U. T. Health Science Center - Houston: Saudi Arabian Cultural Mission to provide funding to support a Saudi Arabian physician participating in a fellowship at U. T. Health Science Center - Houston	140
81. Emeritus Appointments - U. T. Health Science Center - Houston: Approval of Emeritus Titles	140
82. Tenure Appointments - U. T. Health Science Center - San Antonio: Amendment to the 2014-2015 budget	141
83. Facilities Planning and Construction - U. T. Health Science Center - San Antonio: Academic Learning and Teaching Center - Amendment of the FY 2015-2020 Capital Improvement Program (CIP) to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure	142
84. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Alpha Building Corporation to provide job order contracting services	142
85. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Cross Country Staffing to provide temporary nurse staffing services	143
86. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Ernst & Young LLP to provide professional services for the operation and management of the ICD-10 Program Management Office	143
87. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Jamail & Smith Construction, LP to provide job order contracting services	144
88. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Marriott Hotel Services, Inc. to provide hotel management services for the Rotary House International	145
89. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: SpawGlass Contractors, Incorporated to provide job order contracting services	146
90. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Young & Rubicam, Inc., to provide marketing services	146
91. Contract (funds coming in) - U. T. Health Science Center - Tyler: Interagency Cooperation Contract between Department of State Health Services (DSHS) and U. T. Health Science Center - Tyler to care for individuals hospitalized in its psychiatric unit	147

U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on August 20-21, 2014; and the special called meetings held on September 15, 2014, October 3, 2014, and October 16, 2014
2. Other Fiscal Matters - U. T. System Board of Regents: Adoption of a Supplemental Resolution to benefit U. T. Southwestern Medical Center authorizing the issuance and delivery of Revenue Financing System obligations in the form of a loan to U. T. Southwestern Medical Center from the Small Business Incubator Fund, authorization to complete all related transactions, and resolution regarding parity debt

Adoption of the Supplemental Resolution authorizing the issuance and delivery of The University of Texas System Revenue Financing System obligations not to exceed \$1,000,000 in the form of a loan to U. T. Southwestern Medical Center from the Small Business Incubator Fund (Fund) to be used for capital costs associated with the establishment of a charged particle radiotherapy center at U. T. Southwestern Medical Center as part of the Texas Center for Advanced Radiation Therapy.

Section 481.415 of the *Texas Government Code* authorizes the Fund to make loans to governmental entities for projects, activities, or enterprises that foster economic development in Texas. As outlined in the loan agreement, the interest rate on the loan is 0% and the loan is forgivable provided certain project milestones are reached. If the project milestones are not met within the timeframe provided in the loan agreement, U. T. Southwestern Medical Center must repay the loan. Because the loan term extends beyond one year and there is a possibility of repayment, the loan constitutes a debt that must be authorized as a Revenue Financing System obligation. The findings have been reviewed and are recommended by the Executive Vice Chancellor for Business Affairs and the Associate Vice Chancellor for Finance. The institution therefore requests that the Board resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings that are stated below:

- parity debt shall be issued to fund all or a portion of the project, 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 RFS 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;

- U. T. Southwestern Medical Center, 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 Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount of \$1,000,000; and
- this resolution 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.

3. Contract (funds coming in) - U. T. System: Cabot Oil and Gas Corporation to enter into an oil and gas lease benefiting U. T. San Antonio

Agency: Cabot Oil and Gas Corporation

Funds: \$3,758,400 (1,392 acres at \$2,700 per acre), which represents a bonus payment plus royalty of 25% of gross production

Period: Agreement shall be for a term of three years commencing on the effective date after approval and for so long thereafter as oil or gas is produced in paying quantities from the leased premises

Description: Oil and gas lease of 1,392 acres of land in Frio County, Texas, benefiting U. T. San Antonio.

4. Contract (funds going out) - U. T. System: Jaster - Quintanilla Dallas, LLP to perform surveying services

Agency: Jaster - Quintanilla Dallas, LLP

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: December 3, 2011 through December 2, 2017 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Jaster - Quintanilla Dallas, LLP to perform miscellaneous professional surveying services on a job order basis. Services were competitively procured.

5. Contract (funds going out) - U. T. System: Jacobs Engineering Group Inc. to perform professional commissioning services on capital projects on an as-needed basis

Agency: Jacobs Engineering Group Inc.

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: May 1, 2014 through April 30, 2020 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Jacobs Engineering Group Inc. to perform miscellaneous professional commissioning services on a job order basis. Services were competitively procured.

6. Contract (funds going out) - U. T. System: Page Southerland Page, LLP to perform professional commissioning services on capital projects on an as-needed basis

Agency: Page Southerland Page, LLP

Funds: Anticipated total cost may exceed \$1,000,000 over the life of the contract for services provided on an as-needed basis

Source of Funds: Various funds approved for individual Capital Improvement Program projects

Period: May 1, 2014 through April 30, 2020 (Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Page Southerland Page, LLP to perform miscellaneous professional commissioning services on a job order basis. Services were competitively procured.

7. Contract (funds going out) - U. T. System: Progressive Environmental Service, Inc. dba SWS Environmental Services to provide emergency and spill services

Agency: Progressive Environmental Service, Inc. dba SWS Environmental Services

Funds: This contract could exceed \$1,000,000 over the five-year term of the agreement if a significant emergency event occurs.

Source of Funds: Funded by each institution electing to use the services of Progressive Environmental Service, Inc. dba SWS Environmental Services

Period: The original one-year contract was signed in August 2014 for Fiscal Year 2015. This contract includes four additional options to renew. If all four terms are executed, this contract will expire August 31, 2020.

Description: This contract serves health and academic institutions' spill and emergency response needs. U. T. System issued a request for proposal and an agreement was put in place following a competitive bid process earlier this year. All vendors were evaluated by a selection committee consisting of six U. T. System institutions.

8. Contract (funds going out) - U. T. System: SET Environmental, Inc. to provide emergency and industrial services

Agency: SET Environmental, Inc.

Funds: This contract could exceed \$1,000,000 over the five-year term of the agreement if a significant emergency event occurs.

Source of Funds: Funded by each institution electing to use SET Environmental, Inc. services

Period: Original contract was signed in August 2014 for Fiscal Year 2015. This contract includes four additional options to renew. At the end of the fourth renewal, this agreement will expire August 31, 2020.

Description: This contract serves both health and academic institutions' spill and emergency response needs. U. T. System issued a request for proposal and an agreement was put in place following a competitive bid process earlier this year. All bidders were evaluated by a selection committee consisting of six U. T. System institutions.

9. Contract (funds going out) - U. T. System: Stericycle, Inc. to process regulated medical waste

Agency: Stericycle, Inc.

Funds: The combined service needs will exceed \$1,000,000 over the five-year term of the agreement.

Source of Funds: Funded by each institution electing to use Stericycle, Inc. services

Period: This contract was signed in August 2014 for Fiscal Year 2015. This contract includes four additional one-year renewal options. The fourth executed renewal will expire August 31, 2020.

Description: This contract serves both health and academic institutions' regulated medical waste needs. U. T. System issued a request for proposal and a contract was put in place after the competitive bid process earlier this year. All bidders were evaluated by a selection committee consisting of six U. T. System institutions who are users of this contract.

10. Contract (funds going out) - U. T. System: Witt O'Brien's to provide nonexclusive emergency and recovery services on an as-needed basis

Agency: Witt O'Brien's

Funds: To be determined, and may exceed \$1,000,000, based on need in the event of a disaster

Source of Funds: Will vary by institution electing to use Witt O'Brien's services in the event of a disaster

Period: August 1, 2014 through August 31, 2015 with the option of four additional one-year terms

Description: This contract will provide emergency services related to disaster events including project identification, project claims processing, project preparation, and project reporting as related to federal reimbursement for the disaster.

11. Contract (funds going out) - U. T. System: Adjusters International, Inc. to provide nonexclusive emergency and recovery services on an as-needed basis

Agency: Adjusters International, Inc.

Funds: To be determined, and may exceed \$1,000,000, based on need in the event of a disaster

Source of Funds: Will vary by institution electing to use Adjusters International, Inc. services in the event of a disaster

Period: August 1, 2014 through August 31, 2015 with the option of four additional one-year terms

Description: This contract will provide emergency services related to disaster events including project identification, project claims processing, project preparation, and project reporting as related to federal reimbursement for the disaster.

12. Intra-agency Agreement - U. T. System: Agreement between U. T. System and U. T. Health Science Center - San Antonio for continued services of Francisco G. Cigarroa, M.D., to assist with establishment and operation of the new university and medical school in the Rio Grande Valley

Agency: U. T. Health Science Center - San Antonio

Funds: \$350,000 per year for three years, with possibility of three additional one-year extensions

Period: Commencing on Dr. Cigarroa's return to the faculty of U. T. Health Science Center - San Antonio for a minimum of three years

Description: Agreement to secure the services of Francisco G. Cigarroa, M.D., as Regents' Special Liaison, dedicated to the new university and medical school in the Rio Grande Valley. Dr. Cigarroa's continued involvement with the new university as a key liaison between U. T. Rio Grande Valley and U. T. Health Science Center - San Antonio has been determined to be of significant benefit in assuring timely and complete implementation of the new university and medical school. The terms of the agreement are set out on the following pages.



The University of Texas System
 Nine Universities. Six Health Institutions. Unlimited Possibilities.

Paul L. Foster, Chairman
U. T. System Board of Regents
 201 West Seventh Street, Suite 820
 Austin, Texas 78701-2981
 Phone: (512) 499-4402 Fax: (512) 499-4425
<http://www.utsystem.edu/board-of-regents>

September 2, 2014

- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Brownsville
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas – Pan American
- The University of Texas
of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas at Tyler

William L. Henrich, M.D.
 President
 The University of Texas Health Science
 Center at San Antonio
 7703 Floyd Curl Drive, MSC 7834
 San Antonio, Texas 78229

Dear President Henrich:

This memorandum of understanding, which is subject to review and approval by the U. T. System Board of Regents via the Board’s Consent Agenda and is not effective unless so approved, is intended to document understandings and expectations related to the desire of the Board of Regents to continue to have access to the unique skills and experience of Chancellor Francisco G. Cigarroa, M.D., to assist with the development of The University of Texas Rio Grande Valley and its new medical school.

- The University of Texas
Southwestern Medical Center
- The University of Texas
Medical Branch at Galveston
- The University of Texas
Health Science Center at Houston
- The University of Texas
Health Science Center at San Antonio
- The University of Texas
M. D. Anderson Cancer Center
- The University of Texas
Health Science Center at Tyler

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It is clear that Dr. Cigarroa’s continued involvement with the new university and as a key liaison between U. T. Rio Grande Valley and U. T. Health Science Center - San Antonio will be of great benefit in assuring timely and complete implementation of the new university and medical school. Acknowledging the need for a dual assignment with the U. T. Health Science Center - San Antonio and the U. T. System, we propose to reimburse the U. T. Health Science Center - San Antonio, with Available University Fund dollars available to the U. T. System, for a portion of Dr. Cigarroa’s time for services provided to the U. T. System in conjunction with the steps necessary to open the new university and medical school to students within the established timeline.

Based upon Dr. Cigarroa’s contractually-approved academic salary rate of \$770,000, U. T. System Administration will reimburse U. T. Health Science Center - San Antonio up to \$350,000 for the time and effort Dr. Cigarroa will dedicate as the Regents’ Special Liaison to the new university and medical school in the Rio Grande Valley. The agreement for service as Regents’ Special Liaison is for a minimum of three years following Chancellor Cigarroa’s return to the faculty of the Health Science Center and includes any period of contractually guaranteed development leave at his academic salary rate. The agreement may be extended on a year-by-year basis following a review of the need for continued assistance from Dr. Cigarroa, with the written consent of the Chairman of the Board, the Chancellor of the U. T. System, and the President of the U. T. Health Science Center - San Antonio, for a period of time not to exceed a total of six years.

William L. Henrich, M.D.
September 2, 2014
Page 2

Nothing in this letter and the arrangement outlined is intended to modify, in any way, the terms and commitments documented in the attached Letter Agreements between the Board of Regents and Chancellor Cigarroa dated January 13, 2009 and September 27, 2013.

Sincerely,



Paul L. Foster
Chairman

PLF:ps
Attachments

c: Members, U. T. System Board of Regents
Executive Vice Chancellor Pedro Reyes
Executive Vice Chancellor Raymond S. Greenberg, M.D., Ph.D.
Executive Vice Chancellor Scott C. Kelley
Vice Chancellor and General Counsel Dan Sharphorn
General Counsel to the Board Francie A. Frederick
Associate Vice Chancellor, Controller and Chief Budget Officer
Randy Wallace



The University of Texas System
Nine Universities. Six Health Institutions. Unlimited Possibilities.

Paul L. Foster, Chairman
U. T. System Board of Regents
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- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Brownsville
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas –Pan American
- The University of Texas of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas at Tyler

September 27, 2013

Personal and Confidential

Francisco G. Cigarroa, M.D.
Chancellor
The University of Texas System
600 Colorado
Austin, Texas 78701

Dear Francisco:

This revised letter agreement supplements and modifies your original letter of appointment dated January 13, 2009, as attached, and sets forth revisions to the terms and conditions associated with your service as Chancellor.

Your annual salary rate effective September 1, 2013, is \$750,000, and we are pleased to recognize your sustained, exceptional performance with a one-time merit payment of \$112,500. In addition to the annual salary, all other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible are included. Among these benefits are State-paid OASI, longevity pay, workers' compensation, liability insurance coverage, retirement plan, insurance premium sharing, and leave entitlement.

As agreed earlier, you are required to reside in the Bauer House during your term as Chancellor of U. T. System and to use the Bauer House as a center for official occasions and developmental activities. Residence in the Bauer House will not result in tax consequences to you. A housekeeper will be assigned to Bauer House; the housekeeper's services may be utilized related to the personal portion of Bauer House. Personal services must be documented and the value of these services will be reported as taxable income.

Necessary furnishings and utilities for the operation of Bauer House including phone lines, cable, and computer equipment to be used primarily for official use will be provided. The cost of basic cable service is not considered as a taxable benefit to the Chancellor because cable service is deemed necessary to keep you aware of current news events impacting higher education. The cost of premium channels such as HBO or Cinemax are generally considered personal in nature and are to be reimbursed to U. T. System. Pay-per-view offerings ordered through the cable service will be billed to you for reimbursement, unless a particular viewing is identified as related to a University of Texas event hosted at the Bauer House. In those instances, the viewing will be considered a business expense.

- The University of Texas Southwestern Medical Center
- The University of Texas Medical Branch at Galveston
- The University of Texas Health Science Center at Houston
- The University of Texas Health Science Center at San Antonio
- The University of Texas M. D. Anderson Cancer Center
- The University of Texas Health Science Center at Tyler

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Additional elements of your compensation/employment package are:

- (a) Appointment as holder of the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership during your term as Chancellor.
- (b) Continued appointment as Professor of Surgery, with tenure at U. T. Health Science Center - San Antonio and without additional compensation, during your term as Chancellor. Consistent with the provisions of *Texas Education Code* Section 51.948(c), your total academic rate compensation will be set at an amount at least equal to the average of the total compensation, not including applicable incentive paid to the three most highly compensated full-time tenured faculty members of the U. T. Health Science Center - San Antonio School of Medicine. Consistent with these provisions, your total academic rate compensation effective September 1, 2013, will be \$770,000.
- (c) Direct payment or reimbursement, as appropriate, for expenses related to official travel and official entertainment expenses. Specifically included are the expenses related to continuing medical education conferences and surgical association meetings as necessary to maintain your current medical licensure, memberships, and accreditations.
- (d) Approval and encouragement by the Board for the actions necessary to maintain your ongoing certification by the American Board of Surgery including your active membership on the medical staff of a hospital, continued engagement in the discipline of surgery, and active participation in continuing medical education, with the understanding that you will spend one weekend per month on the Transplant Service in San Antonio and that you will be covered as a member of the U. T. System medical insurance liability plan.
- (e) Expenses for official travel for Mrs. Cigarroa, pursuant to approved policy on Spousal Travel, will be paid directly or reimbursed as appropriate.
- (f) The cost of club memberships provided to the Chancellor of the U. T. System, as agreed to by the Chairman of the Board; other official entertainment expenses; and out-of-pocket expenses for official travel for you will be paid directly or reimbursed to you as appropriate.
- (g) State law allows the grant of development leave for up to one year at the regular academic salary rate for preparation to return to the faculty by an individual who has held an administrative position at U. T. System more than four years. An administrator who receives development leave must return to the faculty at a U. T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. The specific length of the development leave, if requested, will be negotiated dependent on your term of service as Chancellor and other pertinent considerations should you leave the Chancellor position and return to faculty service at a U. T. System institution.



The University of Texas System
Nine Universities. Six Health Institutions. Unlimited Possibilities.

H. Scott Caver, Jr., Chairman
U. T. System Board of Regents
201 West Seventh Street, Suite 820
Austin, Texas 78701-2981
Phone: (512) 499-4402 Fax: (512) 499-4425
bor@utsystem.edu
www.utsystem.edu/bor

January 13, 2009

The University of Texas at Arlington
The University of Texas at Austin
The University of Texas at Brownsville
The University of Texas at Dallas
The University of Texas at El Paso
The University of Texas—Pan American
The University of Texas
of the Permian Basin
The University of Texas at San Antonio
The University of Texas at Tyler

Personal and Confidential

Francisco G. Cigarroa, M.D.
President
The University of Texas Health Science Center at San Antonio
7703 Floyd Curl Drive, MSC 7834
San Antonio, Texas 78229

RECEIVED
JAN 16 2009
U.T. SYSTEM

Dear Francisco:

This is to officially convey my personal enthusiasm and that of the Board of Regents on your acceptance of the position of Chancellor of The University of Texas System. The appointment will be effective February 2, 2009, and your service as Chancellor will be at the pleasure of the Board. This letter sets forth additional terms and conditions associated with your acceptance of the position.

Your beginning annual salary rate will be \$750,000. In addition to the annual salary, all other State-paid fringe benefits required to be provided to higher education employees by State law and for which you are eligible are included. Among these benefits are State-paid OASI, longevity pay, workers' compensation, liability insurance coverage, retirement plan, insurance premium sharing, and leave entitlement.

As discussed, you will be required to reside in the Bauer House during your term as Chancellor of U. T. System and to use the Bauer House as a center for official occasions and developmental activities. Residence in the Bauer House will not result in tax consequence to you. A housekeeper will be assigned to Bauer House; the housekeeper's services may be utilized related to the personal portion of Bauer House. Personal services must be documented and the value of these services will be reported as taxable income.

Necessary furnishings and utilities for the operation of Bauer House including phone lines, cable, and computer equipment to be used primarily for official use will be provided. The cost of basic cable service is not considered as a taxable benefit to the Chancellor because cable service is deemed necessary to keep you aware of current news events impacting higher education. The cost of premium channels such as HBO or Cinemax are generally considered personal in nature and are to be reimbursed to U. T. System. Pay-per-view offerings ordered through the cable service will be billed to you for reimbursement, unless a particular viewing is identified as related to a University of Texas event hosted at the Bauer House. In those instances, the viewing will be considered a business expense.

The University of Texas
Southwestern Medical Center at Dallas
The University of Texas
Medical Branch at Galveston
The University of Texas
Health Science Center at Houston
The University of Texas
Health Science Center at San Antonio
The University of Texas
M. D. Anderson Cancer Center
The University of Texas
Health Center at Tyler

www.utsystem.edu

Additional elements of your compensation/employment package are:

- (a) Provision of services to pack and move household, personal, and professional possessions, including insurance, to the Bauer House.
- (b) Continued appointment as Professor of Surgery, with tenure at U. T. Health Science Center - San Antonio and without additional compensation, during your term as Chancellor. Consistent with the provisions of *Texas Education Code* Section 51.948(c), your total academic rate compensation will be set at an amount at least equal to the average of the total compensation not including applicable incentive paid to the three most highly compensated full-time tenured faculty members of the U. T. Health Science Center - San Antonio Department of Surgery.
- (c) Direct payment or reimbursement, as appropriate, for expenses related to official travel and official entertainment expenses. Specifically included are the expenses related to continuing medical education conferences and surgical association meetings as necessary to maintain your current medical licensure, memberships, and accreditations.
- (d) Approval and encouragement by the Board for the actions necessary to maintain your ongoing certification by the American Board of Surgery including your active membership on the medical staff of a hospital, continued engagement in the discipline of surgery, and active participation in continuing medical education, with the understanding that you will spend one weekend per month on the Transplant Service in San Antonio and that you will be covered as a member of the U. T. System medical insurance liability plan.
- (e) Expenses for official travel for Mrs. Cigarroa, pursuant to approved policy on Spousal Travel, will be paid directly or reimbursed as appropriate.
- (f) The cost of club memberships provided to the Chancellor of the U. T. System, as agreed to by the Chairman of the Board; other official entertainment expenses; and out-of-pocket expenses for official travel for you will be paid directly or reimbursed to you as appropriate.
- (g) State law allows the grant of development leave for up to one year at the regular academic salary rate for preparation to return to the faculty by an individual who has held an administrative position at U. T. System more than four years. An administrator who receives development leave must return to the faculty at a U. T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. The specific length of the development leave, if requested, will be negotiated dependent on your term of service as Chancellor and other pertinent considerations should you leave the Chancellor position and return to faculty service at a U. T. System institution.

Many elements in this compensation package are subject to federal income tax and as such will be subject to withholding and reported on the W-2 form along with base salary paid. You should, of course, consult your tax adviser as to the handling of business or other offsetting deductions.

Francisco G. Cigarroa, M.D.
January 13, 2009
Page 3

The other members of the Board and I look forward to the opportunity to work with you as Chancellor of The University of Texas System and stand ready to be of service and assistance as you consider to be appropriate. Let me know if you have any questions.

Sincerely,



H. Scott Caven, Jr.
Chairman

HSC/hw

c: Members of the Board of Regents
Associate Vice Chancellor Wallace
General Counsel to the Board Frederick

Accepted: Francisco G. Cigarroa
Date: 1-14-09

13. Request for Budget Change - **U. T. System**: Grant budget authority of \$2,500,000 funded from State Sponsored Programs to pay expenses associated with the Lone Star Stroke Initiative to implement a statewide patient-centered clinical stroke research trial network that spans urban and rural Texas (RBC No. 160) -- amendment to the 2013-2014 budget

14. Request for Budget Change - **U. T. System**: Increase budget authority by \$561,028 funded from reimbursements from U. T. System institutions to pay expenses related to the Copyright Clearance Center (RBC No. 164) -- amendment to the 2014-2015 budget

Transfer for the annual renewal of copyright licensing for the U. T. System academic and health institutions to continue education and research missions by utilizing this service for compliance with all U.S. copyright laws. The annual license will enable faculty, students, and staff to lawfully reproduce excerpts from the titles in the Copyright Clearance Center's repository, in print and digital formats, cover information reuse and distribution, and reduce the burden of tracking and managing content, and simplify the royalty payment process.

15. Request for Budget Change - **U. T. System**: Increase budget authority by \$5,928,189 funded from receipts from participating institutions to be used for ongoing sustainment of the UTShare Project (RBC No. 166) -- amendment to the 2014-2015 budget

16. Transfer of Funds - U. T. System: Transfer \$3,000,000 from the Rolling Owner Controlled Insurance Program (ROCIP) to rebate surplus premium contributions by participating U. T. System institutions paid by Phase IV of ROCIP. Surplus amount was actuarially determined considering premiums paid into the fund as well as the individual institution's losses (RBC No. 159) -- amendment to the 2014-2015 budget

Description	\$ Amount	RBC #
ROCIP		
Amount of Transfer:	3,000,000	159
From: ROCIP		
To:		
U. T. Arlington	42,954	
U. T. Austin	789,910	
U. T. Brownsville	9,606	
U. T. Dallas	104,940	
U. T. El Paso	51,756	
U. T. San Antonio	124,793	
U. T. Tyler	72,721	
U. T. Southwestern Medical Center	316,548	
U. T. Medical Branch - Galveston	188,041	
U. T. Health Science Center - Houston	313,138	
U. T. Health Science Center - San Antonio	222,063	
U. T. M. D. Anderson Cancer Center	<u>763,530</u>	
TOTAL	3,000,000	

17. Transfer of Funds - U. T. System: Approval to transfer \$15,000,000 of Permanent University Fund (PUF) Bond Proceeds to U. T. Health Science Center - San Antonio (RBC No. 161)

On December 6, 2012, the Board of Regents approved \$100,000,000 of unspecified resources to be used for start-up costs for the U. T. Rio Grande Valley Medical School. On May 15, 2014, an initial distribution of \$5,000,000 of PUF Bond Proceeds was approved to be transferred to U. T. Health Science Center - San Antonio. Request approval to transfer an additional \$15,000,000 of PUF Bond Proceeds to U. T. Health Science Center - San Antonio to be used for eligible capital expenses related to the U. T. Rio Grande Valley Medical School.

18. Transfer of Funds - U. T. System: Approval to allocate \$8,000,000 of Permanent University Fund Bond Proceeds for U. T. Dallas to purchase temporary buildings needed to provide additional space for teaching and research (RBC No. 162) -- amendment to the 2014-2015 budget

The continued rapid growth in the numbers of students enrolling at U. T. Dallas, particularly in engineering disciplines, has created an immediate and urgent need for additional space for teaching classrooms, research laboratories, and offices for associated personnel. The requested funds will be used to purchase, install, and equip a minimum of four modular buildings, each with approximately 8,700 gross square feet of space for a total of at least 34,800 gross square feet. The modular buildings would be installed in the first half of 2015 and be available by the start of the Fall 2015 semester.

From Fall 2010 to Fall 2014, enrollment at U. T. Dallas increased from 17,128 to 23,220 students, which is a 36% increase (average of 9% per year). This sustained rate of growth is by far the largest rate of enrollment increase among public universities in Texas with at least 10,000 students.

The enrollment increase in engineering at U. T. Dallas is particularly challenging. Enrollment in engineering and computer science has increased from 3,173 students in Fall 2010 to 5,771 students in Fall 2014, which is an increase of 82% in just four years. An additional key pressure point is undergraduate math and science courses – the number of undergraduate semester credit hours taken by U. T. Dallas students is 17% higher in Fall 2014 compared to Fall 2013.

U. T. Dallas remains focused on graduating students from exceptionally high-quality programs. The 4-year graduation rate has increased from 45% in Fall 2010 to 50% in Fall 2014. The 6-year graduation rate has increased from 63% in Fall 2010 to 70% in Fall 2014. Quality of programs is strong and improving, but threatened above all else by limitations in available academic space.

Even with additional space that will come online over the next two years, and with continued efficient use of space by U. T. Dallas, more academic space is needed immediately to accommodate the growth in enrollment. It has been determined that modular buildings are the only practical choice to meet the need. U. T. Dallas has limited capacity to borrow funds; potential new debt capacity needs to be reserved for renovations to existing space and investments in future permanent buildings.

19. Transfer of Funds - U. T. System: Approval to allocate \$2,700,000 of Permanent University Fund Bond Proceeds for U. T. El Paso to demolish Barry Hall and Burges Hall (RBC No. 163) -- amendment to the 2014-2015 budget

U. T. El Paso requires demolition of two adjacent and underutilized campus buildings, Barry Hall and Burges Hall, both of which were originally constructed as student dormitories nearly 50 years ago. An attempt was made to convert Burges Hall into office space 20 years ago with support from a federal grant, but the

building's structural constraints limit its use and efficiency, and the cost-to-benefit potential of further upgrades is decidedly unfavorable. Barry Hall was a high-rise dormitory that was mothballed more than 25 years ago due to the significant cost of complying with life safety directives issued by the State Fire Marshal for residential facilities. The investment required for renovation of this facility for office or instructional use would be both cost prohibitive and of limited benefit due to its inherent structural constraints. This space will be used for future growth.

20. Transfer of Funds - U. T. System: Approval to transfer \$576,875 to the International Risk Program funded from assessments to U. T. System institutions. The increase to the International Risk Program relates to the newly implemented International Student Medical Insurance Program. (RBC No. 165) -- amendment to the 2014-2015 budget

21. Employment Agreement - U. T. System: Agreement with William H. McRaven, Admiral U.S. Navy Retired, concerning terms and conditions associated with Admiral McRaven's appointment as Chancellor-Designate effective December 1, 2014 and Chancellor effective January 5, 2015

The employment agreement summarized below documents the terms of employment approved by the U. T. System Board of Regents on August 21, 2014. The final agreement is recommended for approval by the Board.

Item:	Chancellor for U. T. System
Funds:	Annual funds of \$1,200,000 for salary, \$400,000 for deferred compensation contribution, and \$300,000 in contingent annual funds for performance review/retention payments. One-time funds of \$300,000, respectively, for contract commencement (2014) and contingent contract completion payments (2018).
Period:	Beginning December 1, 2014
Description:	Three-year agreement for employment of William H. McRaven, Admiral U.S. Navy Retired, as Chancellor. The employment agreement is set forth on the following pages.

EMPLOYMENT AGREEMENT
BETWEEN THE UNIVERSITY OF TEXAS SYSTEM
AND WILLIAM H. McRAVEN, Admiral, USN, Retired

THIS EMPLOYMENT AGREEMENT (this "Agreement") is effective on the date The University of Texas System Board of Regents ("Board"), votes to ratify this Agreement ("Effective Date"), and is by and between THE UNIVERSITY OF TEXAS SYSTEM ("System") and WILLIAM H. McRAVEN, Admiral, USN, Retired ("Adm. McRaven").

RECITALS

A. The System and Adm. McRaven herein enter into the Employment Agreement dated as of the Effective Date.

B. The parties acknowledge that Adm. McRaven was offered and has accepted the position of CHANCELLOR of THE UNIVERSITY OF TEXAS SYSTEM ("Chancellor") on the terms set forth in this Agreement.

C. Adm. McRaven's years of experience and tenure in senior leadership positions and his background, talents, and abilities uniquely qualify him to hold the position of Chancellor of The University of Texas System.

D. This Agreement and its execution have been duly authorized by the Board, subject to full Board ratification at the next scheduled Board meeting.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual benefits and consideration received and to be received by the respective parties, Adm. McRaven is employed as Chancellor upon the following terms, conditions, covenants, and agreements:

I. EMPLOYMENT AND APPOINTMENT

Adm. McRaven's employment with the System shall be effective December 1, 2014, and his employment as Chancellor shall be effective January 5, 2015.

II. TERM OF AGREEMENT

The term of this Agreement shall begin as of the Effective Date, and such term shall continue for a period ending January 5, 2018, subject to earlier termination as provided in Section VIII hereunder. During the period from December 1, 2014, through January 4, 2015, Adm. McRaven shall be employed as a non-salaried employee of the System holding the position of Chancellor-Designate.

III. SALARY AND OTHER COMPENSATION

A. Base Salary. Adm. McRaven shall be remunerated for services rendered as Chancellor based on an annual base rate salary of \$1,200,000 per year payable in accordance with the System's established pay practices, with such compensation to begin as of January 5, 2015. The Board will review Adm. McRaven's performance and overall compensation at least annually commencing on or before the start of each calendar year during the term of this Agreement.

B. Annual Retention Payment. In consideration of Adm. McRaven's commitment and service described in this Agreement, the System agrees to pay Adm. McRaven an annual retention bonus in the amount of \$100,000 ("Retention Bonus"). The Retention Bonus shall be due and payable within sixty (60) days of the Board's completion of Adm. McRaven's annual performance evaluation, with the first annual performance evaluation performed no later than November 2015, and the first Retention Bonus to be due and payable on or before December 30, 2015.

C. Contingent Performance Review Payment. Upon completion of mutually agreed annual achievement efforts, the System may pay Adm. McRaven, an additional annual performance bonus in the amount of \$200,000 ("Contingent Performance Payment"). The Contingent Performance Payment, if awarded, shall be due within sixty (60) days of the Board's completion of Adm. McRaven's annual performance evaluation. The Board of Regents may award a greater Contingent Performance Payment in its discretion based upon outstanding effort.

D. Contingent Contract Completion Payment. In consideration of Adm. McRaven's successful completion of the full term of this Agreement, the System agrees to pay Adm. McRaven a contract completion payment in the amount of \$300,000 ("Completion Payment"). The Completion Payment, if awarded, shall be due and payable within thirty (30) days of Adm. McRaven's full term as Chancellor under this Agreement, with the Completion Payment to be due and payable within sixty (60) days after January 5, 2018.

E. One-Time Contract Commencement Payment. The System agrees to pay Adm. McRaven a one-time payment in the amount of \$300,000, within thirty (30) days of the Effective Date. This payment is in lieu of any additional payment for costs associated with the moving, storage, relocation and transitional living expenses of Adm. McRaven and his family and any other expenses related to relocation.

F. Notwithstanding anything to the contrary herein, the payments described in this Section III are subject to Section VIII of this Agreement.

IV. PERFORMANCE

Adm. McRaven shall serve, and shall oversee and administer the activities and operations of the System with maximum application of effort, experience and ability consistent with Board and System policy. Adm. McRaven agrees to devote his full-time and attention and to use his talents and best efforts to perform the duties assigned to him as Chancellor, by this Agreement and by law. Adm. McRaven may, with prior written consent of the Chairman of the Board, participate

as a member of board(s) of directors of for-profit and nonprofit corporations, subject to all applicable U.T. System and Board policies. Adm. McRaven may also expend reasonable time on charitable and other professional activities; provided that these activities do not interfere with his full and faithful performance of duties as Chancellor. Specifically, Adm. McRaven shall be permitted to engage in up to 6 outside speeches per year as mutually agreed to by the Chairman of the Board and Adm. McRaven, or by prior written consent, and to serve on not less than one for-profit board, subject to state law, *Regents' Rules*, the System's conflicts policy and approval. All income or other compensation due Adm. McRaven in connection with any approved outside activities shall be paid to and retained by him and reported in accordance with applicable law and established System policy.

V. RESIDENCE

Adm. McRaven shall be required, as a condition of employment and for the benefit and convenience of the System, to live in Bauer House in Austin, Texas ("Residence"). Residence at Bauer House is required to assist the Chancellor in the proper performance of his duties of employment and to serve the best interests of the System. This requirement results from the nature of the System's responsibilities and the need for the Chancellor to accommodate student and staff meetings, System events, and other official functions at the Residence in the performance of his duties. The System shall provide adequate clerical and custodial staff to Adm. McRaven and shall provide or pay for all reasonable maintenance and operating expenses, including without limitation, grounds keeping, housekeeping, and repair on the Residence. The housekeeping services may be utilized related to the personal portion of Bauer House. Personal services must be documented and the value of these services will be reported as taxable income.

Adm. McRaven may use the Residence for entertaining community groups, associations, individuals, alumni, prospective university friends, donors and anyone else judged by the Chancellor to advance the System and its mission. Costs associated with such events shall be paid by the System. In addition, it is acknowledged that the house serves as the personal residence of the Chancellor and, as a result, there will be occasions where entertaining of a personal, rather than business nature will occur. In such situations the use of the Residence is permissible but the Chancellor is personally responsible for the costs of such personal entertainment.

As Bauer House and most of its contents are defined as state property under the laws of the State of Texas, the System is required to have an annual physical inventory. Adm. McRaven agrees to make the Bauer House and the state property therein available to the System to conduct this inventory during the timeframe scheduled for the annual property inventory, and at mutually convenient times prior to the termination of this Agreement. All efforts will be made to ensure that all personal non-state property owned by Adm. McRaven and his family will not be included in the inventory.

Upon termination of this Agreement or upon cessation of service as Chancellor, Adm. McRaven agrees to vacate the Residence within thirty (30) days. The family of Adm. McRaven has ninety (90) days to vacate the residence if Adm. McRaven dies or becomes permanently disabled during the term of this Agreement. All property within the Bauer House that is deemed

state property shall remain in the Bauer House upon Adm. McRaven vacating the Residence as described herein. Adm. McRaven shall be entitled to occupy Bauer House on December 1, 2014, his first day of employment with the System.

VI. BENEFITS

A. Employee Benefits Generally. Adm. McRaven shall be entitled to participate in all benefits programs customarily available to senior executives of the System in accordance with applicable state and federal laws and the System's rules and regulations governing such programs, including without limitation group life insurance with a death benefit of \$1,500,000.

B. Supplemental Retirement Provisions. Adm. McRaven and the System have agreed to enter into a deferred compensation agreement effective on January 5, 2015, (the "Deferred Compensation Agreement"). The Deferred Compensation Agreement will provide Adm. McRaven with deferred compensation benefits for the period from January 5, 2015 through January 5, 2018. For each of the calendar years 2015, 2016 and 2017, the System will credit Adm. McRaven's account under the Deferred Compensation Plan with \$400,000, for a potential total of \$1,200,000 of deferred compensation contributions. Subject to acceleration of vesting in the case of death, disability, involuntary termination without cause, Adm. McRaven will vest in the amounts credited to his account as set out in the Deferred Compensation Plan.

C. Club Memberships. Adm. McRaven shall be provided the use of a membership in and payment of the dues and reasonable expenses of such club memberships as deemed appropriate and approved in writing by the Chairman of the Board to assist in the discharge of his official duties.

D. General Expenses. Subject to the limitations of the laws of the State of Texas, the System shall allocate sufficient funds for Adm. McRaven's office and for salaries for personnel required to staff such office, travel, official entertainment expenses and other official activities. Adm. McRaven's reasonable travel, entertainment and other business expenses incurred in his capacity as Chancellor shall be paid or reimbursed with an appropriate source of funds. Subject to State of Texas travel guidelines and laws and applicable *Regents' Rules*, the System shall cover the reasonable costs of travel and entertainment expenses of Adm. McRaven's spouse when she accompanies him on travel or entertainment for the benefit of the System. The expenses of Adm. McRaven and his spouse shall be reviewed and approved pursuant to applicable *Regents' Rules*.

VII. TENURE

Subject to normal academic review and approval procedures, Adm. McRaven shall be appointed as Professor of Public Affairs, with tenure, at The University of Texas at Austin. Pursuant to such tenure, Adm. McRaven shall be eligible for one (1) year of paid leave assignment at his academic salary after serving at least four (4) years as Chancellor, to prepare for faculty duties at the assigned academic rate. Consistent with the provisions of Texas Education Code §51.948(c), the total academic rate compensation will be set at an amount at least equal to the average of the total academic rate compensation not including applicable

incentive paid to the three most highly compensated full-time tenured faculty members of the LBJ School of Public Affairs. Notwithstanding the forgoing, Adm. McRaven shall not be eligible for such one-year paid leave assignment if his employment under this Agreement is terminated pursuant to the provisions of Section VIII.B.

VIII. TERMINATION

A. Resignation. If, during the term of this Agreement, Adm. McRaven resigns from his position as Chancellor, no further compensation or benefits shall be due under this Agreement; provided, however, that the provisions of Section VIII.F shall apply to any such resignation. Adm. McRaven shall provide the System a minimum of ninety (90) days written notice of his resignation to the extent practicable.

B. Termination by the System for Cause. The Board may terminate Adm. McRaven for Cause after giving Adm. McRaven thirty (30) days written notice, during which time Adm. McRaven shall have the right to cure the allegations for Cause, if curable, and a reasonable opportunity to be heard with respect to the grounds for Cause. "Cause" is defined as (1) conviction (including a pleading of nolo contendere) for a felony, (2) conviction (including a pleading of nolo contendere) for a misdemeanor involving moral turpitude that materially impairs Adm. McRaven's ability to discharge his duties hereunder, (3) fraud, (4) embezzlement, (5) theft, (6) engaging in conduct that displays a continual and serious disrespect or disregard for the Board and/or the System; or (7) engaging in conduct by Adm. McRaven that brings material public disrespect, contempt or ridicule upon University of Texas institutions and/or the System, or creates a material adverse effect on the reputation and/or brand of University of Texas institutions and/or the System. Upon termination for Cause, no further compensation or benefits shall be due under this Agreement; provided, however, that the provisions of Section VIII.F shall apply to any such termination.

C. Termination by the System Without Cause. The System may terminate this Agreement without Cause at any time by giving ninety (90) days written notice to Adm. McRaven. In such event, Adm. McRaven shall be entitled to receive his base salary for the remainder of the three-year term of this Agreement, as set forth in Section III. In addition, Adm. McRaven shall receive any Retention Bonus, Contingent Performance Bonus (at target) during the remainder of the term and a pro rata portion of the Completion Payment, all payable in a lump sum promptly upon such termination. Any such payments shall not exceed an amount equal to the discounted net present cash value of the contract on termination at the market rate of interest at the time of termination. If he elects to assume faculty status, Adm. McRaven will be entitled to continue his participation in the System's retirement program, health and dental, and life insurance as an employee of the System consistent with then-current System policy and state and federal law. The System's obligations to make payments as described above shall be reduced to the extent of Adm. McRaven's compensation from new full-time employment after such termination and during the remainder of the three-year term of this Agreement. Such reduction shall include amounts received by Adm. McRaven by reason of his taking a one-year paid leave assignment and/or assuming faculty status as provided in Section VII. Adm. McRaven agrees to provide reasonable evidence of his new full-time employment salary under this paragraph. The provisions of Section VIII.F shall apply to any such termination.

D. Permanent Disability. If Adm. McRaven becomes permanently disabled during his service as Chancellor, this Agreement shall terminate effective on the date of permanent disability and he shall receive all benefits to which he is entitled pursuant to the System's disability insurance plans in which he participates and payout of the then-current balance in the Deferred Compensation Plan.

For purposes of this Agreement, "Permanent Disability" shall mean the inability of Adm. McRaven to perform the essential functions of the position of Chancellor for a period of six (6) continuous months, with reasonable accommodations (as such term is defined in 42 U.S.C. § 12111(9), as amended, and in the applicable law interpreting same).

E. Death. In the event of the death of Adm. McRaven during the term of this Agreement, his compensation and benefits shall cease immediately and this Agreement shall terminate effective on the date of death. As determined by state and/or federal laws, Adm. McRaven's estate shall be entitled to receive all benefits to which he is entitled under the System's various insurance plans and payout of the then-current balance in the Deferred Compensation Plan.

F. Effect of Termination. Termination of this Agreement under any of the foregoing paragraphs shall not affect any retirement, welfare (including but not limited to medical, death, and disability programs), or any other benefits accrued as of the date of such termination under any program or plan established and maintained by the System for which Adm. McRaven qualifies or in which Adm. McRaven participates, all of which shall be governed by their respective terms.

IX. MISCELLANEOUS

A. General. Other than the Deferred Compensation Plan, this Agreement is the complete agreement between Adm. McRaven and the System concerning the employment of Adm. McRaven by the System and the appointment of Adm. McRaven as Chancellor, and shall, as of the Effective Date hereof, supersede any other agreements between the parties. The parties stipulate that neither of them has made any representation to the other with respect to the subject matter of this Agreement except such representations as are specifically set forth herein. No modification of this Agreement or any part thereof shall be valid unless in writing and signed by both Adm. McRaven and the Chairman of the Board of Regents on behalf of the System. If any provision of this Agreement shall be determined to be void, invalid, or unenforceable or illegal for any reason, it shall be ineffective only to the extent of such prohibition, and the validity and enforceability of all the remaining provisions shall not be affected. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and sent by registered mail to his residence address, in the case of Adm. McRaven, or to the Office of the Board of Regents, in the case of the System, addressed to the attention of the Chairman of the Board. The rights and obligations of the System under this Agreement shall inure to the benefits of and be binding upon successors and assigns of the System. Adm. McRaven may not assign any of his rights or obligations under this Agreement. This Agreement is intended to fully comply with all applicable state and federal laws and System regulations and any provision to the contrary shall be null and void. This Agreement shall be governed and construed, and the rights and obligations of the parties hereto shall be determined, in accordance with the laws of the State of Texas.

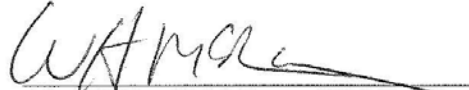
B. Enforcement. The payments and benefits provided in Section VIII (or cessation thereof) have been carefully considered and agreed upon by the System and Adm. McRaven and represent the sole obligations of the System resulting from Adm. McRaven's termination under the circumstances defined therein.

C. Mediation. If a dispute arises out of or related to this Agreement and the dispute cannot be settled through direct discussions, the System and Adm. McRaven agree that they shall first endeavor to settle the dispute in an amicable fashion, including the use of non-binding mediation. Within fifteen (15) days after delivery of a written notice of a request for mediation from one party to the other, the dispute shall be submitted to a single mediator chosen by the parties in Austin, Texas. The cost of mediation shall be paid by the System.

D. Counterparts. This Agreement may be executed in counterparts, and by the parties on separate counterparts each of which, when so executed, shall constitute but one of the same instrument.

[Remainder of Page Intentionally Left Blank – Signature Page to Follow]

SIGNED AND EXECUTED in duplicate originals as indicated below, but effective as of the Effective Date.


Adm. William H. McRaven, USN (Ret'd).

Date Signed: OCT 22 2014

THE UNIVERSITY OF TEXAS SYSTEM


Paul L. Foster
Chairman, Board of Regents

Date Signed: October 30, 2014

22. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets Managed by U. T. System

**THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System
Summary Report at August 31, 2014**

FUND TYPE

	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 05/31/14	\$ 1,735,492	\$ 11,830,603	\$ 97,979,386	\$ 269,922,269	\$ 1,601,467	\$ 3,033,085	\$ 101,316,345	\$ 284,785,957
Increase or Decrease	(307)	1,149,651	(36,763)	1,838,180	-	(110,006)	(37,070)	2,877,825
Ending Value 08/31/2014	\$ 1,735,185	\$ 12,980,254	\$ 97,942,623	\$ 271,760,449	\$ 1,601,467	\$ 2,923,079	\$ 101,279,275	\$ 287,663,782
Other Real Estate:								
Ending Value 05/31/14	\$ 17,766	\$ 17,766	\$ 9	\$ 9	\$ -	\$ -	\$ 17,775	\$ 17,775
Increase or Decrease	(3,286)	(3,286)	-	-	-	-	(3,286)	(3,286)
Ending Value 08/31/2014	\$ 14,480	\$ 14,480	\$ 9	\$ 9	\$ -	\$ -	\$ 14,489	\$ 14,489

Report prepared in accordance with Sec. 51.0032 of the *Texas Education Code*.
Details of individual assets by account furnished on request.

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

ACADEMIC INSTITUTIONS

23. Tenure Appointment - U. T. Arlington: Amendment to the 2014-2015 budget

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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Science					
Chemistry and Biochemistry					
Associate Professor					
Robin Macaluso (T)	12/1-5/31	100	09	\$82,000	6328

24. Contract (funds coming in) - U. T. Austin: Facilities Management Agreement with National Archives and Records Administration

Agency: National Archives and Records Administration

Funds: \$2,349,663

Period: September 1, 2014 through August 31, 2015

Description: Facilities Management Agreement between Department of Facility Services and National Archives and Records Administration for provision of consolidated facilities management, security services, utilities, and additional services for the Lyndon B. Johnson Presidential Library/Museum.

25. Contract (funds coming in and going out) - U. T. Austin: Football Game Agreement with University of Michigan

Agency: University of Michigan

Funds: \$1,000,000 per game, for two games, to the visiting school only

Period: September 4, 2014 through September 4, 2027

Breach of Contract: Damages up to \$2,000,000

Source of Funds: Intercollegiate Athletics

Description: Football Game Agreement between Intercollegiate Athletics for Men and University of Michigan for two football games: on August 31, 2024, at Michigan Stadium, Ann Arbor, Michigan, and on September 4, 2027, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas.

26. Contract (funds coming in and going out) - U. T. Austin: Football Game Agreement with University of South Florida

Agency: University of South Florida

Funds: To visiting school only -
\$400,000 for game on August 31, 2019
\$450,000 for game on September 3, 2022
\$1,200,000 for game on September 7, 2024

Period: September 12, 2014 through September 30, 2024

Breach of Contract: Damages up to \$1,000,000

Source of Funds: Intercollegiate Athletics

Description: Football Game Agreement between Intercollegiate Athletics for Men and University of South Florida for football games: on August 31, 2019, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas; on September 3, 2022, at Raymond James Stadium, Tampa, Florida; and on September 7, 2024, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas.

27. Contract (funds going out) - U. T. Austin: Football Game Agreement with The University of Tulsa

Agency: The University of Tulsa

Funds: \$1,100,000 to the visiting school only

Breach of Contract: Damages up to \$1,100,000

Source of Funds: Intercollegiate Athletics

Period: November 7, 2014 through September 30, 2018

Description: Football Game Agreement between Intercollegiate Athletics for Men and The University of Tulsa for football game on September 8, 2018, at Darrell K Royal-Texas Memorial Stadium, Austin, Texas.

28. Contract (funds going out) - U. T. Austin: Contract to purchase the literary archive of Gabriel García Márquez

Agency: Representatives of Gabriel García Márquez

Funds: Proposed purchase amount protected under *Texas Government Code* Section 552.104

Source of Funds: Education and General Funds

Period: November 7, 2014

Description: The Harry Ransom Humanities Research Center will be purchasing the Archive of author Gabriel García Márquez, composed of more than 30 feet of literary manuscripts, correspondence, professional files, photographs, personal artifacts, and books.

29. Tenure Appointments - U. T. Austin: Amendment to the 2013-2014 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Moody College of Communication					
Department of Communication Studies					
Professor					
Jay M. Bernhardt (T)	7/1-8/31	100	09	186,000	6316
School of Journalism					
Professor					
Robert B. Brenner (T)	8/1-8/31	100	09	140,000	6315
Cockrell School of Engineering					
Department of Civil, Architectural, and Environment Engineering					
Professor					
Charles J. Werth (T)	8/1-8/31	100	09	160,000	6318
College of Fine Arts					
School of Music					
Professor					
Mary E. Poole (T)	5/12-8/31	100	09	135,000	6317
College of Liberal Arts					
Department of Economics					
Professor					
Venkataraman Bhaskar (T)	8/18-8/31	100	09	220,000	6311
	9/1-5/31	SUPL		20,000	
Department of Geography and the Environment					
Professor					
Timothy Beach (T)	7/1-8/31	100	09	165,000	6298
	9/1-5/31	SUPL		15,000	

30. Tenure Appointments - U. T. Austin: Amendment to the 2014-2015 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Moody College of Communication					
Department of Communication Sciences and Disorders					
Chair and Professor					
James Booth (T)	9/1-5/31	100	09	186,000	6334
College of Education					
Department of Curriculum and Instruction					
Associate Professor					
Victor Sampson (T)	9/1-5/31	100	09	107,000	6335
	9/1-5/31	SUPL		3,000	
Cockrell School of Engineering					
Department of Mechanical Engineering					
Associate Professor					
Maura Borrego (T)	9/1-5/31	100	09	107,000	6336
Marissa N. Rylander (T)	9/1-5/31	100	09	125,000	6337
	9/1-5/31	SUPL		3,000	
Christopher G. Rylander(T)	9/1-5/31	100	09	105,000	6338
College of Liberal Arts					
Department of Anthropology					
Associate Professor					
Ronald Covey (T)	9/1-5/31	100	09	110,000	6330
Department of English					
Associate Professor					
Deborah Unferth (T)	9/1-5/31	100	09	100,000	6332
Department of Philosophy					
Associate Professor					
Matthew L. Evans (T)	9/1-5/31	100	09	108,000	6333

Description (cont.)	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Natural Sciences					
Department of Astronomy					
McDonald Observatory Director and Professor					
Taft E. Armandroff (T)	9/1-5/31	0	09	189,000	6331
	9/1-8/31	100	12	252,000	
School of Social Work					
Associate Dean and Professor					
Allan H. Cole Jr. (T)	9/1-5/31	50	09	120,000	6339
	9/1-8/31	50	12	160,000	

31. Emeritus Appointments - U. T. Austin: Approval of Emeritus titles

Ekwere J. Peters from Frank W. Jessen Professorship in Petroleum Engineering and George H. Fancher Professorship in Petroleum Engineering to Frank W. Jessen Professor Emeritus in Petroleum Engineering, Department of Petroleum and Geosystems Engineering in the Cockrell School of Engineering (RBC No. 6186) -- amendment to the 2014-2015 budget

Gilbert C. Rappaport from Professor to Professor Emeritus, Department of Slavic and Eurasian Studies in the College of Liberal Arts (RBC No. 6187) -- amendment to the 2014-2015 budget

Roger D. Bengtson from Professor to Professor Emeritus, Department of Physics in the College of Natural Sciences (RBC No. 6188) -- amendment to the 2014-2015 budget

Joseph F. Malina, Jr. from C. W. Cook Professorship in Environmental Engineering to C. W. Cook Professor Emeritus in Environmental Engineering, Department of Civil, Architectural and Environmental Engineering in the Cockrell School of Engineering (RBC No. 6189) -- amendment to the 2014-2015 budget

Daniel S. Hamermesh from Sue Killam Professorship in the Foundations of Economics to Sue Killam Professor Emeritus in the Foundations of Economics, Department of Economics in the College of Liberal Arts (RBC No. 6190) -- amendment to the 2014-2015 budget

Douglas C. Dacy from Professor to Professor Emeritus, Department of Economics in the College of Liberal Arts (RBC No. 6191) -- amendment to the 2014-2015 budget

J. K. Aggarwal from Professor and Cullen Trust for Higher Education Endowed Professorship in Engineering to Cullen Trust for Higher Education Endowed Professor Emeritus in Engineering, Department of Electrical and Computer Engineering in the Cockrell School of Engineering (RBC No. 6267) -- amendment to the 2014-2015 budget

32. Request for Budget Change - **U. T. Austin**: Transfer \$1,875,819 from Info Technology Services Residential Network Operating Income account to Info Technology Services Residential Network Classified Salaries, Special Equipment, and Maintenance, Operation, and Equipment accounts to distribute income from Information Technology Services Residential Network payments (RBC No. 6096) -- amendment to the 2013-2014 budget
33. Request for Budget Change - **U. T. Austin**: Transfer \$536,786 from Masters of Arts Degree Program Operating Income account to Masters of Arts Degree Program Maintenance, Operation, and Equipment, Travel, Wages, Tuition Remission, Fringe Benefits, Administrative and Professional, and Classified Salaries accounts to distribute income from program fees (RBC No. 6195) -- amendment to the 2013-2014 budget
34. Request for Budget Change - **U. T. Austin**: Transfer \$567,680 from Quest Student Operating Income account to Quest Student Maintenance, Operation, and Equipment, Classified Salaries, Administrative and Professional Salaries, and Fringe Benefits accounts to distribute income from Quest student fees (RBC No. 6198) -- amendment to the 2013-2014 budget
35. Request for Budget Change - **U. T. Austin**: Transfer \$1,364,186 from Professional Development Operating Income account to Professional Development Maintenance, Operation, and Equipment, Travel and Miscellaneous Income accounts to distribute income from open-to-public, online, and certification registrations (RBC No. 6199) -- amendment to the 2013-2014 budget
36. Request for Budget Change - **U. T. Austin**: Transfer \$1,980,000 from International Office - ESL Programs Operating Income account to International Office - ESL Programs Maintenance, Operation, and Equipment, Wages and Travel accounts to distribute income from English as a Second Language program tuition (RBC No. 6214) -- amendment to the 2013-2014 budget
37. Request for Budget Change - **U. T. Austin**: Transfer \$2,000,000 from Law School Excellence Funds Operating Income - Tuition Differential accounts to Law School Facility Upgrades Allocated for Budget account for Plant Fund reserves (RBC No. 6277) -- amendment to the 2013-2014 budget

38. Request for Budget Change - **U. T. Austin**: Transfer \$3,250,000 from Library - A.U.F. Maintenance, Operation, and Equipment account to Create New Learning Commons All Expenses account for new Learning Commons renovation at the Perry-Castañeda Library (RBC No. 6278) -- amendment to the 2013-2014 budget
39. Request for Budget Change - **U. T. Austin**: Transfer \$600,000 from Division of Recreational Sports Operating Income Other Expenses account and Recreational Sports Center - Operating Income Other Expenses account to Recreational Sports Reserve for Repair and Replacement - Programs/Services/Retail – Recreational account to support building renovation at the Caven Lacrosse and Sports Center at Clark Field (RBC No. 6279) -- amendment to the 2013-2014 budget
40. Request for Budget Change - **U. T. Austin**: Transfer \$1,640,000 from Frank C. Erwin, Jr. Center Special Events Operating Income account to Frank Erwin Center Reserve for Renewals and Replacements Allocated for Budget account for Plant Fund reserves (RBC No. 6280) -- amendment to the 2013-2014 budget
41. Request for Budget Change - **U. T. Austin**: Transfer \$1,000,000 from Interest on Temporary Investments - Designated Funds Allocation for Budget Adjustment account to Pooled Plant Funds Balances Unallocated account for Pooled Plant Funds reserves (RBC No. 6291) -- amendment to the 2013-2014 budget
42. Lease - **U. T. Austin**: Authorization to lease space at 2706 Montopolis Drive, Austin, Travis County, Texas, to Novati Technologies, Inc. for semiconductor-related research, development, and manufacturing

Description: Lease of approximately 138,317 square feet of research and development and manufacturing space located at 2706 Montopolis Drive, Austin, Texas to be used by Lessee for semiconductor manufacturing

Lessee: Novati Technologies, Inc., a Texas corporation

Term: The initial term will commence January 1, 2016 and continue through December 31, 2022. Lessee shall have two options to renew the lease for a period of three years each.

Lease Income: Base rent over the initial seven-year term totals \$7,662,431.53. The rent for the renewal periods shall be at then-current market rents. The Lessee will be responsible for all ad valorem taxes and operating costs for the property. Tezzaron Semiconductor, Inc. will guarantee Lessee's performance under the lease.

43. Lease - U. T. Brownsville: Authorization to extend the term of leased space on the Texas Southmost College campus in Brownsville, Texas, from the Board of Trustees of Texas Southmost College for administrative, office, classroom, laboratory, and ancillary uses

Description: Extension of term of Lease of approximately 99,456 square feet of space located in various buildings and suites on the Texas Southmost College campus located at 80 Fort Brown Road, Brownsville, Texas, for administrative, office, classroom, laboratory, and ancillary uses. The term of each space will be extended to expire on the same date.

Lessor: Board of Trustees of Texas Southmost College

Term: The lease term for each of the spaces for which approval is requested, including extension periods, will expire on August 31, 2017

Lease Cost: The base rental rate is \$12.00 per square foot each year. The aggregate value of the increase in base rent during the extension term for the various spaces is approximately \$1,972,326.00. In addition to base rent, U. T. Brownsville will pay its proportionate share of the costs of utilities and janitorial services provided to the space.

Source of Funds: General operating funds

44. Purchase - U. T. Brownsville: Authorization to acquire by gift and bargain purchase from the City of Brownsville, a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2 acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas, for future programmed development of campus expansion; leaseback of said land to the City of Brownsville; resolution regarding parity debt; and finding pursuant to Chapter 26 of the Texas Parks and Wildlife Code

This item was approved following discussion in Executive Session under Items 2e and 5c. See approval of the Consent Agenda in Item 3 on Page 3.

Description: Gift and bargain purchase from the City of Brownsville of a tract of land improved with park facilities and consisting of approximately 47.96 acres currently known as Lincoln Park, located immediately southwest of the 21.2 acre tract at the southwest corner of West University Boulevard and U.S. Highways 77/83 in Brownsville, Cameron County, Texas. The City of Brownsville agreed to provide the land for \$6,500,000, the estimated expense of replacing the park facilities, which consist of playing fields, playground equipment, restrooms and locker facilities, if U. T. Brownsville was not relocated from downtown Brownsville.

On May 9, 2013, the Board authorized the institution to continue discussions with the City to acquire the subject tract as well as an adjacent tract. The property is critical for the growth of the institution due to its size and proximity to the academic core of the campus; there is no alternative site of equal benefit available. The City of Brownsville has indicated that it plans to use the bargain sale proceeds to replace the park facilities at locations more convenient to the public.

Seller: City of Brownsville

Bargain Purchase Price: \$6.5 million

Appraisal: Appraised by Aquire & Patterson, Inc., dated July 23, 2014; market value range from \$8,860,000 to \$9,360,000

- Finding: The Board is asked to make the following finding:
- Chapter 26 of the *Texas Parks and Wildlife Code* requires that a public hearing be held before a state agency may approve any program or project that requires the use or taking of any public land designated and used as a park. Such public hearing was held in Brownsville, Texas, on October 30, 2014. Pursuant to Chapter 26 of the *Texas Parks and Wildlife Code*, the U. T. System Board of Regents determines that (i) there is no feasible and prudent alternative to the use or taking of the subject property and (ii) the program or project includes all reasonable planning to minimize harm to the land as a park resulting from the use or taking.
- Leaseback: Leaseback at no cost to the City of Brownsville of Lincoln Park for a period not to exceed five years, so that the City of Brownsville will have time to construct alternate park facilities elsewhere. No further improvements may be located on the property during the lease term. Uses will be limited to park and recreational uses.
- Source of Funds: Revenue Financing System (RFS) debt; the \$6,500,000 in aggregate Revenue Financing System debt will be repaid with institutional funds. Annual debt service on the \$6,500,000 Revenue Financing System debt is expected to be \$422,835. The institution's debt service coverage is projected to be 2.7 times in FY 2014 and has averaged 2.4 times over FY 2009-2013:
- parity debt shall be issued to fund all or a portion of the purchase price, 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 Pledge Revenues as defined in the RFS 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;

- U. T. Brownsville, 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 Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount not to exceed fair market value as established by independent appraisals; and
- this resolution 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.

45. Tenure Appointments - U. T. Dallas: Amendment to the 2014-2015 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Erik Jonsson School of Engineering and Computer Science					
Bioengineering					
Associate Professor					
Mario Romero-Ortega (T)	9/1-5/31	100	09	140,000	6241
Professor					
Stuart Cogan (T)	9/1-5/31	100	09	160,000	6232
Professor					
David Schmidtke (T)	9/1-5/31	100	09	140,000	6243
Computer Science					
Associate Professor					
Andrian Marcus (T)	9/1-5/31	100	09	140,000	6236
Mechanical Engineering					
Professor					
Reza Moheimani (T)	9/1-5/31	100	09	180,000	6238
Naveen Jindal School of Management					
Management					
Associate Professor					
Toyah Miller (T)	9/1-5/31	100	09	165,000	6237
Professor					
Gil Sadka (T)	9/1-5/31	100	09	232,000	6242

Description (cont.)	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Arts and Humanities					
Emerging Media and Communications					
Associate Professor					
Rosanna Guadagno (T)	9/1-5/31	100	09	90,000	6233
School of Behavioral and Brain Sciences					
Psychological Sciences					
Associate Professor					
Amy Pinkham (T)	9/1-5/31	100	09	88,000	6240
School of Economic, Political and Policy Sciences					
Economics					
Professor					
Dong Li (T)	9/1-5/31	100	09	190,000	6235
School of Natural Sciences and Mathematics					
Mathematics					
Associate Professor					
Tae Hoon Kim (T)	9/1-5/31	100	09	150,000	6234
Professor					
L. Felipe Pereira (T)	9/1-5/31	100	09	166,000	6239

46. Emeritus Appointment - U. T. Dallas: Appointment of Shun-Chen Niu from Professor of Operations Research, Naveen Jindal School of Management, to Professor Emeritus, Department of Operations Research, Naveen Jindal School of Management (RBC No. 6276) -- amendment to the 2014-2015 budget

47. Facilities Planning and Construction - U. T. Dallas: Callier Richardson Expansion - Amendment of the FY 2015-2020 Capital Improvement Program (CIP) to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure

Item: Amend the FY 2015-2020 CIP to increase the total project cost from \$20,000,000 to \$22,650,000; revise funding sources to include Unexpended Plant Funds; and appropriate and authorize expenditure of \$2,650,000 from Unexpended Plant Funds.

Source of Funds: Unexpended Plant Funds from Excess Reserves

Substantial Completion Date: June 2016

Description: Finish out shell space to accommodate enrollment growth that has outpaced the planned rate of expansion and created an immediate and urgent need for additional academic space.

48. Tenure Appointments - U. T. El Paso: Amendment to the 2014-2015 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Business Administration					
Accounting and Information Systems					
Professor					
Samuel Louis Tiras (T)	9/1-5/31	100	09	180,000	6281
College of Liberal Arts					
Sociology and Anthropology					
Associate Professor and Director of Asian Studies					
Pratyusha Basu (T)	1/15-5/31	100	09	80,000	6282

Description (cont.)	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Professor Jayajit Chakraborty (T)	1/15-5/31	100	09	108,000	6285
School of Nursing					
Nursing Associate Professor Gloria McKee-Lopez (T)	9/1-5/31	100	09	90,000	6286

- 49. Report - U. T. Pan American: No items for Consent Agenda
- 50. Report - U. T. Permian Basin: No items for Consent Agenda
- 51. Report - U. T. Rio Grande Valley: No items for Consent Agenda
- 52. Request for Budget Change - U. T. San Antonio: Transfer \$516,763 from University Center Repair and Remodel account to University Center II Install Seating and Flooring account for the installation of seating and flooring in the University Center II (RBC No. 6271) -- amendment to the 2014-2015 budget
- 53. Report - U. T. Tyler: No items for Consent Agenda

HEALTH INSTITUTIONS

54. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician services

Agency: Anesthesiologists for Children
Funds: \$14,866,448
Period: September 1, 2014 through August 31, 2015
Description: U. T. Southwestern Medical Center will provide physician services.

55. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician clinic coverage, on-call coverage, and medical administrative services

Agency: Complex Care Medical Services Corporation
Funds: \$2,400,000
Period: September 1, 2014 through August 31, 2017
Description: U. T. Southwestern Medical Center will provide physician clinic coverage, on-call coverage, and medical administrative services.

56. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician services to Parkland Health and Hospital System

Agency: Dallas County Hospital District
Funds: \$70,000,000
Period: October 1, 2014 through September 30, 2015
Description: U. T. Southwestern Medical Center will provide physician services to Parkland Health and Hospital System.

57. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physicians and other health care services to Parkland Health and Hospital System

Agency: Dallas County Indigent Care Corporation

Funds: \$136,000,000

Period: October 1, 2014 through September 30, 2015

Description: Provide physician and other health care services at Parkland Health and Hospital System to indigent and needy persons in and around Dallas County, Texas.

58. Contract (funds going out) - U. T. Southwestern Medical Center: Balcones Resources, Inc. to provide waste and recycling services

Agency: Balcones Resources, Inc.

Funds: \$1,903,000

Source of Funds: Designated and Service - MSRDP/DSRDP/PRS practice plan professional fees

Period: September 1, 2014 through August 31, 2015

Description: Balcones Resources, Inc. will provide waste disposal and recycling services at the U. T. Southwestern Medical Center campus.

59. Contract (funds going out) - U. T. Southwestern Medical Center: Payment for neonatal intensive care unit clinical, administrative, and consulting services at William P. Clements, Jr. University Hospital

Agency: Children's Medical Center

Funds: \$1,147,417

Source of Funds: Designated Funds - Hospital Patient Income at U. T. Southwestern Medical Center

Period: September 1, 2014 through August 31, 2023

Description: Children's Medical Center to provide neonatal intensive care unit clinical, administrative, and consulting services.

60. Contract (funds going out) - U. T. Southwestern Medical Center: MedTouch to provide content marketing strategy, content creation and planning, and digital media buying

Agency: MedTouch

Funds: \$3,548,825

Source of Funds: Designated Funds - MSRDP/DSRDP/PRS practice plan professional fees

Period: December 6, 2012 through December 31, 2017 (Contract is being brought forward for Board approval as it has reached the \$1,000,000 threshold)

Description: MedTouch will provide content marketing strategy, content creation and planning, and digital media buying.

61. Emeritus Appointments - U. T. Southwestern Medical Center: Approval of Emeritus Titles

James Forman from Professor to Professor Emeritus, Department of Immunology in the Medical School (RBC No. 6306) -- amendment to the 2014-2015 budget

Peter Stastny from Professor to Professor Emeritus, Department of Internal Medicine in the Medical School (RBC No. 6308) -- amendment to the 2014-2015 budget

Duke Samson from Professor to Professor Emeritus, Department of Neurological Surgery in the Medical School (RBC No. 6322) -- amendment to the 2014-2015 budget

62. Lease - U. T. Southwestern Medical Center: Authorization to extend the lease of space located at 6300 Harry Hines Boulevard, Dallas, Texas, for Suites 105, 900, and 1200 and 141 square feet of space on the tenth floor to Children's Medical Center of Dallas

Description: Extension of the lease of approximately 32,427 square feet in the Chase Bank Building of the U. T. Southwestern Medical Center campus in Dallas, Texas, to be used by Lessee for medical and general office purposes

Lessee: Children's Medical Center of Dallas, a Texas nonprofit corporation

Term: The term of the lease is extended for a period commencing on December 1, 2016, and continuing through November 30, 2018.

Lease Income: U. T. Southwestern Medical Center will receive a total of \$531,390.96 in rent during the first lease year and \$547,332.72 during the second lease year, for a total of \$1,078,723.68 over the entire extension term.

63. Lease - U. T. Southwestern Medical Center: Authorization to enter into a lease for space located at 400 West Magnolia Avenue, Fort Worth, Texas, from U. T. Southwestern Moncrief Cancer Institute for medical and office use

Description: Lease for 23,757 square feet of space designated as "Single Tenant Floors" located on the first, second, and third floors of the building located at 400 West Magnolia Avenue, Fort Worth, Texas, known as the U. T. Southwestern Moncrief Cancer Institute

Lessor: U. T. Southwestern Moncrief Cancer Center, a Texas nonprofit corporation, doing business as Moncrief Cancer Institute

Term: The term is for a period of 120 months, commencing upon the date that the Landlord delivers a Certificate of Occupancy to Tenant for the leased premises issued by the City of Fort Worth and continuing for 120 months after the Commencement Date, which is anticipated to be April 1, 2015.

Lease Cost: Tenant shall pay Landlord \$35.00 per square foot of the Leased Premises annually. The base rent will escalate by 3 percent on each anniversary of Commencement Date throughout the term. The amount of Base Rent shall total \$9,532,258.68 over the 10 year life of the lease.

Additionally, Tenant shall pay a pro rata share of electricity. Electricity costs are estimated at \$2.25 per square foot over the term of the lease. The total amount of electricity charges is estimated to be \$534,532.50 over the 10 year life of the lease.

Source of Funds: Funds from clinical operations

64. Facilities Planning and Construction - U. T. Southwestern Medical Center: West Campus - Phase 1 - appropriation and authorization of partial expenditure of funds to begin abatement, partial demolition, and relocation of occupants

Item: Appropriate and authorize expenditure of \$12,000,000 from previously approved Permanent University Fund (PUF) Bond Proceeds.

Funds: \$12,000,000 from PUF Bond Proceeds. \$50,000,000 in PUF was approved for this project in November 14, 2013, as part of a \$187,000,000 total project cost. Funding is needed now for Phase I.

Substantial Completion Date: November 2017

Description: The West Campus - Phase 1 project includes the demolition of St. Paul University Hospital, construction of an academic/ambulatory clinical building, and infrastructure including utilities, streets, and parking garage.

Approval of funds is needed for preliminary development work including abatement and partial demolition of the existing St. Paul University Hospital, modification of existing buildings, and relocation of occupants in areas affected by the demolition.

65. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide comprehensive family planning services for Texas Department of State Health Services, Family Planning Fee for Service

Agency: Texas Department of State Health Services (DSHS)

Funds: \$2,683,801

Period: September 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston will continue to provide comprehensive family planning services which include medical, counseling, client education, referral, community education, and outreach services to Title X eligible individuals. This is the first of two family planning agreements (DSHS Contract No. 2015-045820).

66. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide comprehensive family planning services for Texas Department of State Health Services, Family Planning

Agency: Texas Department of State Health Services (DSHS)

Funds: \$2,683,800

Period: September 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston will continue to provide comprehensive family planning services which include medical, counseling, client education, referral, community education, and outreach services to eligible individuals through a categorical budget. This is the second of two family planning agreements (DSHS Contract No. 2015-046267).

67. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide preventive and primary care medical services for Texas Department of State Health Services

Agency: Texas Department of State Health Services (DSHS)

Funds: \$3,911,550

Period: September 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston will provide preventive and primary care medical services to eligible individuals. This is the first of two preventative and primary care contracts (DSHS Contract No. 2015-046337).

68. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide preventive and primary care medical services for Texas Department of State Health Services

Agency: Texas Department of State Health Services (DSHS)
Expanded Primary Health Care Program

Funds: \$1,303,850

Period: September 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston will provide preventive and primary care medical services to eligible individuals. This is the second of two preventative and primary care contracts (DSHS Contract No. 2015-046721).

69. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide comprehensive breast and cervical cancer screening services for Texas Department of State Health Services

Agency: Texas Department of State Health Services (DSHS)

Funds: \$1,254,233

Period: September 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston will provide comprehensive breast and cervical cancer screening services to eligible individuals (DSHS Contract No. 2015-047036).

70. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide a program of early childhood intervention services for Texas Department of Assistive and Rehabilitative Services

Agency: Texas Department of Assistive and Rehabilitative Services (DARS)

Funds: \$1,095,834

Period: September 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston to provide a program of early childhood intervention services (ECI) for children with development delay and respite services for families of children enrolled in DARS ECI comprehensive services.

71. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide oversight and reporting functions for Texas Health and Human Services Commission related to the Texas Transformation and Quality Improvement Program 1115 Waiver

Agency: Texas Health and Human Services Commission (THHSC)

Funds: Not to exceed \$2,000,000

Period: October 1, 2012 through September 30, 2016

Description: The Waiver authorizes the State of Texas to establish a Delivery System Reform Incentive Payment (DSRIP) program. Texas has 20 Regional Healthcare Partnerships (RHPs) whose members may participate in DSRIP. Each RHP has one governmental entity, designated by THHSC that assists THHSC in coordinating RHP activities. The designated governmental entity is referred to as the "Anchor." The purpose of this contract is to delegate certain administrative functions associated with the 1115 Waiver from THHSC to the Anchor. The administrative functions relate to Waiver implementation within the Anchor's RHP. The contract also provides a corresponding mechanism for THHSC to use federal Medicaid matching funds to make certain matching payments to Anchor for the performance of the administrative functions. U. T. Medical Branch - Galveston has been performing duties as the 1115 Waiver Anchor for RHP 2 since Fall 2012. THHSC recently submitted this agreement to formalize the arrangement with all RHP Anchors in the State of Texas. Reimbursements from federal and state funding sources are based upon expenditures by Anchor, which are not to exceed \$2,000,000.

72. Contract (funds going out) - U. T. Medical Branch - Galveston: Texas Gas Service Company, a division of ONE Gas, Inc. to provide a dedicated natural gas pipeline

Agency: Texas Gas Service Company, a division of ONE Gas, Inc.

Funds: Estimated \$10,000,000

Source of Funds: Combination of federal, State, and patient income funds

Period: November 1, 2014, until installation is complete. Installation is expected to take six (6) months.

Description: Texas Gas Service (TGS) is a natural gas transmission and distribution utility that serves Galveston Island. Under this Agreement for Natural Gas Pipeline Installation, TGS will install a natural gas pipeline that will exclusively serve U. T. Medical Branch - Galveston. This dedicated natural gas pipeline will serve U. T. Medical Branch - Galveston's onsite generation and separate U. T. Medical Branch - Galveston from the municipal distribution system. The Pipeline is a component part of the District Heating and Cooling Project, part of the previously Board-approved Ike

project, that improves campus resiliency and mitigates the impacts of events like Hurricane Ike. As is typical with extensions of utility facilities that serve only one customer, TGS will own the pipeline and U. T. Medical Branch - Galveston will reimburse TGS for the cost of installation of the pipeline. TGS provided a cost estimate of \$8,000,000. Contingency funds are calculated at \$2,000,000. TGS and U. T. Medical Branch - Galveston are currently in negotiations to enter into a separate contract for U. T. Medical Branch - Galveston to purchase natural gas transportation services from TGS using the dedicated pipeline.

73. Tenure Appointments - U. T. Medical Branch - Galveston: Amendment to the 2014-2015 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Academic Enterprise					
Biochemistry and Molecular Biology					
Professor and Chair					
Mariano Garcia-Blanco (T)	9/1-8/31	100	12	\$375,000	6079
Preventive Medicine and Community Health					
Professor					
Thomas Smith (T)	9/1-8/31	100	12	\$220,000	6073

74. Lease - U. T. Medical Branch - Galveston: Authorization to lease space at 1560 West Bay Area Boulevard, Friendswood, Harris County, Texas, from Cole Baybrook, Ltd. for office use

Description: Lease of approximately 21,748 square feet of space at 1560 West Bay Area Boulevard, Friendswood, Harris County, Texas for office use

Lessor: Cole Baybrook, Ltd., a Texas limited partnership

Term: The lease will commence on the date that Landlord delivers the Premises. The commencement date is estimated to be December 1, 2014, and the initial term is for a period of 60 months. U. T. Medical Branch - Galveston has the option, exercisable in its discretion, to renew the lease for two five-year renewal periods.

Lease Cost: Base Rent will be \$1,957,320 during the initial term. During the first lease year, the rental rate is \$17.00 per square foot annually and increases by \$0.50 per square foot each year. Beginning on January 1, 2016, in addition to base rent, U. T. Medical Branch - Galveston will pay the amount by which operating expenses exceed the actual operating expenses incurred during the 2015 base year. Base rent for the renewal periods will be at then-current fair market rental rates. The Lessor is providing a tenant allowance of approximately \$152,236.00 for improvements to the premises.

Source of Funds: TDCJ/TJJD Contract

75. Lease - U. T. Medical Branch - Galveston: Authorization to lease space at Clear Lake Center, 20728-20740 Gulf Freeway, Webster, Harris County, Texas, from Clear Lake Center, L.P., a Texas limited partnership for administrative use by U. T. Medical Branch - Galveston's Purchasing, Procurement, Supply Chain, Information Services Help Desk, Service Response, and Accounts Payable Offices

Description: Lease of 62,312 square feet located at 20728-20740 Gulf Freeway, Webster, Harris County, Texas. U. T. Medical Branch - Galveston currently leases 62,312 rentable square feet of space in five suites pursuant to five separate leases that commenced on different dates between October 2009 and August 2012; all of the leases expire on August 31, 2015. The aggregate rent payable by U. T. Medical Branch - Galveston for the initial terms of the five leases exceeds one million dollars; no record of prior Board of Regents' approval of the five leases has been found. U. T. Medical Branch - Galveston is further seeking to extend the term of the five leases for a period of 36 months.

Lessor: Clear Lake Center, L.P., a Texas limited partnership

Term: The commencement dates of the five leases occurred between October 20, 2009 and August 24, 2012; the extension term for all of the leases will commence on September 1, 2015 and will expire August 31, 2018.

Lease Cost: The aggregate rent for the initial term of the five leases is \$3,657,072. The aggregate rent during the extension period will be \$2,800,300. During the lease term, common area charges are capped at 5% over the previous year. The Lessor will contribute \$600,000 for tenant improvements to the space. The total aggregate rent for the initial lease terms and the extension term is \$6,457,372.

Source of Funds: Patient revenue

76. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of James LeDuc, Ph.D., Professor of Microbiology and Immunology, as Member of the Texas Task Force on Infectious Disease Preparedness and Response

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with Regents' *Rules and Regulations*, Rule 30103.

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 Medical Branch at Galveston, and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University, and that there is no conflict between the position and the University.

Name: James LeDuc, Ph.D.

Title: Director, Galveston National Lab Director, Program on Global Health, Institute for Infections and Immunity
Professor of Microbiology and Immunology

Position: Member, Texas Task Force on Infectious Disease Preparedness and Response

Period: Beginning October 6, 2014

Compensation: Per Diem expenses only

Description: Governor Perry has appointed Dr. LeDuc to serve as a Member of the Texas Task Force on Infectious Disease Preparedness and Response. The Task Force duties are to provide expert evidence-based assessments, protocols, and recommendations related to the current Ebola response and a strategy emergency management plan for the incident command team and their parties at the state and local levels of government.

77. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of Thomas Ksiazek, D.V.M., Ph.D., Professor, Department of Pathology, as Member of the Texas Task Force on Infectious Disease Preparedness and Response

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with Regents' *Rules and Regulations*, Rule 30103.

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 Medical Branch at Galveston, and there is no conflict between holding this position and the appointment with the University.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University, and that there is no conflict between the position and the University.

Name: Thomas Ksiazek, D.V.M., Ph.D.

Title: Director of High Containment Laboratory Operations,
Galveston National Lab
Professor, Department of Pathology

Position: Member, Texas Task Force on Infectious Disease
Preparedness and Response

Period: Beginning October 6, 2014

Compensation: Per Diem expenses only

Description: Governor Perry has appointed Dr. Ksiazek to serve as a Member of the Texas Task Force on Infectious Disease Preparedness and Response. The Task Force duties are to provide expert evidence-based assessments, protocols, and recommendations related to the current Ebola response and a strategy emergency management plan for the incident command team and their parties at the state and local levels of government.

78. Contract (funds coming in) - U. T. Health Science Center - Houston: Authorization to license space to Follett Higher Education Group, Inc. to operate the three bookstores on the institution's campus in Houston, Texas

Agency: Follett Higher Education Group, Inc., an Illinois corporation

Funds: Use fee of \$200,000 annually; royalties to the institution ranging from 15% to 17% of certain sales of nonacademic materials; \$75,000 refurbishment obligation. Total consideration over 10 years may exceed \$2,075,000.

Period: July 28, 2014 through July 31, 2019; U. T. Health Science Center - Houston may extend this agreement for up to five additional years, through July 31, 2024. Both parties have early termination rights.

Description: Follett Higher Education Group, Inc. will license a total of approximately 7,487 square feet of space in three locations in the Medical School Building, the School of Dentistry Building, and the School of Nursing Building to operate campus bookstores selling a variety of academic materials, snacks, school supplies, clothing, etc. U. T. Health Science Center - Houston is responsible for utilities and operating expenses.

79. Contract (funds coming in) - U. T. Health Science Center - Houston: Memorial Hermann Health System to provide programmatic support, physician support, and support of graduate medical education programs

Agency: Memorial Hermann Health System

Funds: \$163,700,000

Period: July 1, 2014 through June 30, 2015

Description: The Agreement is intended to implement provisions of the Affiliation Agreement between U. T. Health Science Center - Houston and Memorial Hermann Health System. The Agreement provides funding support to the medical school for activities at Memorial Hermann Health System, including but not limited to programmatic support, physician support, and support of graduate medical education programs.

80. Foreign Contract (funds coming in) - U. T. Health Science Center - Houston: Saudi Arabian Cultural Mission to provide funding to support a Saudi Arabian physician participating in a fellowship at U. T. Health Science Center - Houston

Agency: Saudi Arabian Cultural Mission

Funds: \$67,311

Period: September 1, 2014 through August 31, 2015

Description: The purpose of this agreement is to provide funding to U. T. Health Science Center - Houston to support a Saudi Arabian physician participating in a fellowship at U. T. Health Science Center - Houston.

81. Emeritus Appointments - U. T. Health Science Center - Houston: Approval of Emeritus titles

Luisa Franzini from Professor and Director to Professor Emeritus, Division of Management, Policy and Community Health in the School of Public Health (RBC No. 6250) -- amendment to the 2014-2015 budget

Henry W. Strobel from Adjunct Professor and Associate Dean for Faculty Affairs and Alumni Relations to Professor Emeritus, Department of Biochemistry and Molecular Biology in the Medical School (RBC No. 6246) -- amendment to the 2014-2015 budget

Leslie Roeder from Professor and Associate Dean for Academic Affairs to Professor Emeritus, Department of Diagnostic and Biomedical Sciences in the School of Dentistry (RBC No. 6340) -- amendment to the 2014-2015 budget

82. Tenure Appointments - U. T. Health Science Center - San Antonio: Amendment to the 2014-2015 budget

The following Requests for Budget Changes (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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
School of Health Professions					
Respiratory Care					
Dean of the School of Health Professions and Respiratory Care Professor					
David Shelledy (T)	7/1-8/31	100	12	295,000	6091
School of Medicine					
Family and Community Medicine Professor					
Claudia Miller (T)	9/1-8/31	75	12	113,000	6268
School of Nursing					
Health Restoration and Care Systems Management Professor					
Mickey Parsons (T)	9/1-8/31	100	12	126,255	6269

83. Facilities Planning and Construction - U. T. Health Science Center - San Antonio: Academic Learning and Teaching Center - Amendment of the FY 2015-2020 Capital Improvement Program (CIP) to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure

Item: Amend the FY 2015-2020 CIP to increase the total project cost from \$49,231,527 to \$50,731,527; revise funding sources to include Designated Funds; and appropriate and authorize expenditure of \$1,500,000 from Designated Funds.

Source of Funds: Designated Funds are from auxiliary interest income balances

Substantial Completion Date: December 2015

Description: The increase in total project cost will fund the finish-out of originally approved shell space of 9,655 gross square feet on level one for food services.

84. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Alpha Building Corporation to provide job order contracting services

Agency: Alpha Building Corporation

Funds: The cost of each Job Order Project will be established through the development of a Guaranteed Maximum Price (GMP). It is anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.

Source of Funds: Hospital patient income

Period: The initial term of the contract is for 24 months beginning September 1, 2014. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will provide general and specific construction services for minor construction, repair rehabilitation, or alteration of U. T. M. D. Anderson Cancer Center's facilities at the Bastrop and Smithville campuses.

85. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Cross Country Staffing to provide temporary nurse staffing services

Agency: Cross Country Staffing

Funds: This third amendment increases the cap amount of the contract from \$2,499,999 to \$4,200,000.

Source of Funds: Hospital patient income

Period: The contract commenced on November 6, 2011, and the current term ends on November 5, 2014. Amendment 3 extends the agreement for an additional 12 months, through November 5, 2015.

Description: Vendor provides a pool of experienced oncology-trained nursing personnel to support nursing staff needs that arise due to staffing vacancies, census and seasonal fluctuations in nursing personnel requirements, and planned leave of absences.

86. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Ernst & Young LLP to provide professional services for the operation and management of the ICD-10 Program Management Office

Agency: Ernst & Young LLP

Funds: This fifth amendment to the agreement increases the cap amount from \$22,962,000 to \$42,706,000.

Source of Funds: Hospital patient income

Period: The contract commenced on April 13, 2012, and the current term ends on February 12, 2015. Amendment 5 extends the agreement through April 12, 2016.

Description: The mandatory compliance date of October 1, 2014, initially established by Congress for implementation of International Classification of Diseases, 10th Edition (ICD-10) has been pushed back by Congress for at least one year, with implementation occurring no earlier than October 1, 2015. Ernst & Young LLP provides professional services for the operation and management of the ICD-10 Program Management Office, including activities such as centralized operations of the project management structure and coordination across various work stream activities. This fifth amendment extends the timeline and provides funds to cover additional professional services and expenses to ensure continuity of program support until implementation. Due to the delay, additional work associated with billing and collection activities can be performed and this fifth amendment also covers this expanded scope of work.

87. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Jamail & Smith Construction, LP to provide job order contracting services

Agency: Jamail & Smith Construction, LP

Funds: The cost of each Job Order Project will be established through the development of a Guaranteed Maximum Price (GMP). It is anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.

Source of Funds: Hospital patient income

Period: The initial term of the contract is for 24 months beginning September 1, 2014. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will provide general and specific construction services for minor construction, repair rehabilitation, or alteration of U. T. M. D. Anderson Cancer Center's facilities at the Bastrop and Smithville campuses.

88. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Marriott Hotel Services, Inc. to provide hotel management services for the Rotary House International

Agency: Marriott Hotels Services, Inc.

Funds: The initial annual base management fee is \$740,000. The base fee increases annually by the greater of 2% or the annual percent increase in the Consumer Price Index. The base fee would also increase on a pro rata basis upon the addition of guest rooms in the hotel. In addition to the base management fee, an incentive fee not to exceed 20% of the base management fee will be paid based on performance on two metrics: a quality audit score and the guest satisfaction index.

Source of Funds: Auxiliary Enterprise Funds

Period: This term of the agreement is for 10 years, commencing on January 1, 2015, and continuing through December 31, 2024, unless terminated by either party in accordance with the provisions of the agreement or by mutual written agreement of both parties.

Description: Vendor will provide hotel management services for the Rotary House International, to include general management of the facility, front desk operations, financial transactions with customers, housekeeping and facility maintenance, food and conference services, and sales and marketing. Vendor will recruit, hire, and maintain a sufficient number of employees to assure quality operation of the hotel. As part of the agreement, vendor will also submit an annual business plan and produce complete financial statements and any other required reporting to U. T. M. D. Anderson Cancer Center.

89. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: SpawGlass Contractors, Incorporated to provide job order contracting services

Agency: SpawGlass Contractors, Incorporated

Funds: The cost of each Job Order Project will be established through the development of a Guaranteed Maximum Price (GMP). It is anticipated that total costs under the agreement will exceed \$2,500,000, although the maximum amount is indeterminable at this time.

Source of Funds: Hospital patient income

Period: The initial term of the contract is for 24 months beginning September 1, 2014. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will provide general and specific construction services for minor construction, repair rehabilitation, or alteration of U. T. M. D. Anderson Cancer Center's facilities at the Bastrop and Smithville campuses.

90. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Young & Rubicam, Inc., to provide marketing services

Agency: Young & Rubicam, Inc.

Funds: Total fees under this contract, including all available renewal periods, will not exceed \$6,000,000.

Source of Funds: Hospital patient income

Period: The term of the initial agreement will be for a period of 36 months, commencing on November 7, 2014, and continuing through November 6, 2017.

Description: Vendor will develop and launch a creative, strategic, and impactful call-to-action cause marketing public relations plan that will fully saturate the Draw the Line Against Cancer campaign across major national markets to engage media, corporate partners, celebrities, and the general public.

91. Contract (funds coming in) - U. T. Health Science Center - Tyler: Interagency Cooperation Contract between Department of State Health Services (DSHS) and U. T. Health Science Center - Tyler to care for individuals hospitalized in its psychiatric unit

Agency: Department of State Health Services (DSHS), an agency of the State of Texas

Funds: \$8,833,000, calculated at \$550/bed/day for 44 beds for a period of 365 days

Period: September 1, 2014 through August 31, 2015

Description: U. T. Health Science Center - Tyler will provide residential psychiatric services for up to 30 individuals received from any Local Service Area (LSA) in Texas, and acute inpatient psychiatric services for up to 14 individuals from the LSA served by the Andrews Center Local Mental Health Authority located in Tyler, Texas.