

Meeting No. 1,120

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

Pages 1 - 193

May 14-15, 2014

Austin, Texas

TABLE OF CONTENTS
 THE MINUTES OF THE BOARD OF REGENTS
 OF
 THE UNIVERSITY OF TEXAS SYSTEM
 MAY 14-15, 2014
 AUSTIN, TEXAS

MEETING NO. 1,120

	<u>Page No.</u>
<u>MAY 14, 2014</u>	
I. CONVENE THE BOARD IN OPEN SESSION	1
II. ATTENDANCE	1
III. AGENDA ITEM	1
1. U. T. System: Approval of tuition and fee proposals	1
IV. RECESS	4
 <u>MAY 15, 2014</u>	
I. ATTENDANCE	31
II. AGENDA ITEMS	31
2. U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council	31
3. U. T. System Board of Regents: Approval of Consent Agenda items	34
4. U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities -- presentation of creative writing winners	34
5. U. T. Rio Grande Valley: Introduction of Francisco Fernandez, M.D., inaugural Dean of the School of Medicine	35
6. U. T. System Board of Regents: Approval to amend Regents' <i>Rules and Regulations</i> , Rule 10402 (Committees and Other Appointments), Section 1.10, regarding Duties of the Technology Transfer and Research Committee	36

7.	U. T. System Board of Regents: Amendment of Regents' <i>Rules and Regulations</i> , a) Rule 10501 (Delegation to Act on Behalf of the Board), Sections 2.2.9 and 2.2.12, concerning contracts with athletic directors and coaches, b) Rule 10402 (Committees and Other Appointments), Section 7, regarding Athletics Liaisons, and c) Rule 20204 (Determining and Documenting the Reasonableness of Compensation), Sections 3 and 4, regarding Board and other approvals	36
8.	U. T. System: Approval to amend and combine Regents' <i>Rules and Regulations</i> , Rule 50402 (Health Insurance Requirements for Certain International Students) and Rule 50403 (Student Health Insurance Requirement) into a new Rule 50402 to be titled Student Health Insurance Requirements	39
9.	U. T. System Board of Regents: Amendment to the Regents' <i>Rules and Regulations</i> , Rule 60101 (Acceptance and Administration of Gifts), Section 2.6, regarding provisions related to the acceptance of pledges for current purpose commitments, to fund endowments, and in conjunction with a gift-related naming of a facility or program	43
10.	U. T. System Board of Regents: Approval to implement recommendations of the Advisory Task Force on Best Practices Regarding University-Affiliated Foundation Relationships, including a) renumbering Regents' <i>Rules and Regulations</i> , Rule 60304 (Internal Nonprofit Corporations) as Rule 60303, and revision and renumbering of Rule 60305 (External Nonprofit Corporations) as Rule 60304; b) adoption of new Rule 60305 (University-Affiliated Foundations); and c) approval of a model Memorandum of Understanding	44
11.	U. T. System: Approval of \$10 million in additional Permanent University Fund Bond Proceeds for continued funding of the U. T. System Research Incentive Program	60
12.	U. T. System: Acceptance of final report and recommendations from the Task Force on Hazing and Alcohol	61
13.	U. T. System Board of Regents: Certificate of appreciation to Student Regent Nash M. Horne	62

III.	STANDING COMMITTEE REPORTS TO THE BOARD	64
A.	REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE	65
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	65
2.	U. T. System: Approval of non-audit services to be performed by U. T. System's external audit firm, Deloitte & Touche LLP, for the Institute for Transformational Learning (for the U. T. Rio Grande Valley student lifecycle management system), the Office of Health Affairs (for the Cancer Prevention and Research Institute of Texas grant audits), and the Office of Academic Affairs (for the U. T. Rio Grande Valley institutional design models) (Committee meeting only)	65
3.	U. T. System: Consideration and approval of Institutional Audit Committee Chair nominations (Committee meeting only)	65
4.	U. T. System: Report on the State Auditor's Office Statewide Single Audit for FY 2013 (Committee meeting only)	65
B.	REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE	66
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	66
2.	U. T. System: Key Financial Indicators Report and Monthly Financial Report (Committee meeting only)	66
3.	U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2014	66
4.	U. T. System Board of Regents: Approval of revisions to the amended and restated University of Texas Investment Management Company (UTIMCO) Compensation Program	73

5.	U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, and the Long Term Fund	85
C.	REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE	88
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	88
2.	U. T. Austin: Approval of honorific naming of the Kay Bailey Hutchison Center for Energy, Law, and Business, a new joint center for the School of Law and the McCombs School of Business	88
3.	U. T. Brownsville: Approval of the honorific naming of the Luis V. Colom Biomedical Research Facility	89
4.	U. T. Dallas: Approval of the honorific naming of the Texas Instruments Plaza and acceptance of a gift of outdoor art of bronze busts	90
5.	U. T. Permian Basin: Approval of the honorific naming of the Charles A. Sorber Visual Arts Studios	91
6.	U. T. Tyler: Approval of the honorific naming of a new Alumni House for Ms. Dawn Franks	92
7.	U. T. El Paso: Approval of preliminary authority for a Ph.D. in Mechanical Engineering	92
8.	U. T. El Paso: Approval of acceptance of gift of outdoor work of art of a steel sculpture	93
9.	U. T. Rio Grande Valley: Approval of inventory of undergraduate and graduate degree programs	94
10.	U. T. System: Approval for up to \$5 million in Available University Fund funding to support critical communication and marketing needs to launch new University of Texas Rio Grande Valley	98

11.	U. T. Rio Grande Valley: Adoption of a process for hiring tenured and tenure-track faculty members from U. T. Brownsville and U. T. Pan American to U. T. Rio Grande Valley	99
12.	U. T. System: Discussion of student evaluations of faculty at the academic institutions (Committee meeting only)	104
13.	U. T. System: Discussion of data from the annual performance evaluation of faculty at the academic institutions (Committee meeting only)	104
14.	U. T. San Antonio: Presentation on the Prefreshman Engineering Program (Committee meeting only)	104
15.	U. T. Austin: Approval of Charter Renewal Application for The University of Texas-University Charter School	104
D.	REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE	106
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	106
2.	U. T. Health Science Center - San Antonio: Approval to a) rename the Dental School to the School of Dentistry; b) amend Regents' <i>Rules and Regulations</i> , Rule 40601, Section 1.16(a) to reflect the name change of the Dental School; and c) name the clinical practice of the U. T. School of Dentistry - San Antonio as U. T. Dentistry San Antonio	106
3.	U. T. Medical Branch - Galveston: Approval to enter into a) a master agreement with Angleton Danbury Hospital District to assume operations of the Angleton Danbury Medical Center as part of UTMB Health, b) a lease with Angleton Danbury Hospital District for the health care facilities and land, and c) an indigent care agreement with Angleton Danbury Hospital District for care provided to financially and medically indigent patients	107
4.	U. T. System: Panel discussion of ways and means to advance U. T. System neuroscience research (Committee meeting only)	109

E.	REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE	110
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	110
2.	U. T. Dallas: Davidson-Gundy Alumni Center - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)	110
3.	U. T. Rio Grande Valley: Academic Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)	111
4.	U. T. Rio Grande Valley: Science Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)	112
5.	U. T. Tyler: Music Building Addition - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)	113
6.	U. T. M. D. Anderson Cancer Center: Inpatient Floors 20, 21, and 22 Finish-out - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)	114
7.	U. T. M. D. Anderson Cancer Center: LeMaistre Clinic MRI Suite Renovation - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)	116

8.	U. T. Austin: Robert B. Rowling Hall - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	117
9.	U. T. Austin: Tennis Center Replacement Facility - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)	119
F.	REPORT AND RECOMMENDATIONS OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE	121
1.	U. T. M. D. Anderson Cancer Center: Approval to enter into Collaboration Agreement and Amended and Restated Operating Agreement with Noliva Therapeutics, LLC and delegation of authority to the President of U. T. M. D. Anderson Cancer Center to execute documents and take other actions as necessary	121
2.	U. T. System: Approval of \$12.1 million over three years (Fiscal Years 2015-2017) from the Available University Fund to support the three initiatives of the U. T. System Innovation Framework 2014: a) implementation of a U. T. System Entrepreneurship Academy, b) construction of a U. T. Systemwide Research Experts Data Warehouse with big data analytics structures, and c) funding for the Texas FreshAIR program	122
3.	U. T. System: Update on the U. T. Horizon Fund portfolio, including discussion of recent investment in Lynx Laboratories, Inc. (Committee meeting only)	125
4.	U. T. System: Report on a commercialization success story, Apollo Endosurgery, Inc. (Committee meeting only)	125
IV.	APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS	126
V.	RECESS TO EXECUTIVE SESSION	126

VI.	RECONVENE IN OPEN SESSION	126
1.	U. T. System: Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property	126
2a.	U. T. System Board of Regents: Discussion with Counsel on pending legal issues	126
2b.	U. T. System: Discussion related to legal issues concerning compliance with the Texas Public Information Act	126
2c.	U. T. Austin: Discussion and appropriate action regarding legal issues related to review of admissions procedures	126
2d.	U. T. M. D. Anderson Cancer Center: Approval of settlement agreement with Siemens Corporation	126
2e.	U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding legal issues related to approval for participation as a special limited partner in the ORIX Fund	127
2f.	U. T. System Board of Regents: Discussion regarding legal issues related to investigation of the relationship between the U. T. Austin School of Law and the Law School Foundation and related to compensation and benefits for employees of the Law School by the Office of the Attorney General	127
2g.	U. T. System Board of Regents: Discussion and possible action related to legal authority of Board of Regents related to the approval of an annual Permanent University Fund distribution rate	129
2h.	U. T. System Board of Regents: Discussion and possible action regarding legal issues related to deferred Regental request to U. T. System for information regarding sworn testimony given by U. T. Austin administrators before the House Select Committee on Transparency in State Agency Operations	129
3a.	U. T. Austin: Approval of proposed negotiated gifts with potential naming features	129
3b.	U. T. Dallas: Approval of proposed negotiated gifts with potential naming features	129

3c.	U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features (Withdrawn)	129
3d.	U. T. Tyler: Approval of proposed negotiated gifts with potential naming features	129
3e.	U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features	130
4a.	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	130
4b.	U. T. Health Science Center - Houston: Approval of increase in compensation for Dong Kim, M.D., Professor and Chair of the Vivian L. Smith Department of Neurosurgery, School of Medicine (<i>Regents' Rules and Regulations</i> , Rule 20204, regarding compensation for highly compensated employees)	130
4c.	U. T. System: Discussion, at the request of the Chancellor, relating to duties, roles, and responsibilities of Chancellor	130
4d.	U. T. System Board of Regents: Discussion and possible action regarding the duties, roles, and responsibilities of individual U. T. System personnel concerning deferred Regental request to U. T. System for information regarding sworn testimony given by U. T. Austin administrators before the House Select Committee on Transparency in State Agency Operations	130
5.	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	131

VII.	AGENDA ITEMS	131
14.	U. T. M. D. Anderson Cancer Center: Approval for participation as a special limited partner in the ORIX Fund and delegation of authority to the President of U. T. M. D. Anderson Cancer Center to execute documents and take other actions as necessary	131
15.	U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund	134
16.	U. T. System: Recommendations concerning Systemwide policy and practice changes in admissions procedures	137
17.	U. T. System Board of Regents: Creation of the University Lands Advisory Board	140
18.	U. T. System Board of Regents: Discussion and possible action concerning Regental request to expand listing of Texas Public Information Act (TPIA) requests and responsive information on U. T. System Administration and U. T. System institution websites	142
19.	U. T. System Board of Regents: Remarks by Chairman Foster regarding the role of the governing board and governing board members and recommended best practices for Board operations, oversight, and engagement including possible revisions to the Regents' <i>Rules and Regulations</i>	143
VIII.	REPORT FOR THE RECORD	146
	U. T. Rio Grande Valley: Report concerning appointment of the Presidential Search Advisory Committee	146
IX.	SCHEDULED MEETING	146
X.	ADJOURNMENT	147

MEETING NO. 1,120

WEDNESDAY, MAY 14, 2014.--The members of the Board of Regents of The University of Texas System convened in Standing Committee meetings from 9:30 a.m. to 2:00 p.m. on Wednesday, May 14, 2014, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas.

CONVENE THE BOARD IN OPEN SESSION.--At 2:10 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting of the Board to order in open session 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
Regent Horne, Student Regent, nonvoting

AGENDA ITEM

1. U. T. System: Approval of tuition and fee proposals

A substitute item on tuition and fee proposals for The University of Texas System was before the members of the Board on yellow paper.

Chancellor Cigarroa introduced the discussion with comments on the deliberative process used to review the institutions' tuition and fee plans. As required by law, institutions also proposed an additional guaranteed tuition and fee plan to be offered beginning Fall 2014.

Tuition and fee plans were proposed for the following periods of time:

- a. Academic institutions: one year for traditional rate plans and a guaranteed rate plan for four years; and

- b. Health institutions: one year tuition and fee proposals, except The University of Texas Health Science Center at Houston's dental school and biomedical sciences program, and U. T. Health Science Center - San Antonio's dental school for two years.

Tuition and fee proposals are set forth on the following pages, and were presented by the institutional presidents and student government presidents as noted below:

The University of Texas at Arlington, Pages 5 - 6
President Karbhari
Student Government President, Varun Mallipaddi

The University of Texas at Austin, Pages 7 - 8
President Powers
Senate of College Councils President, Andrew Clark

The University of Texas at Brownsville, Pages 9 - 10
President García
Student Government President, Stephanie Mendez

The University of Texas at Dallas, Pages 11 - 12
President Daniel
Student Government Vice President, Russell Charles Hannigan

The University of Texas at El Paso, Pages 13 - 14
President Natalicio
Student Government President, Paulina Lopez

The University of Texas-Pan American, Pages 15 - 16
President Nelsen
(no student)

The University of Texas of the Permian Basin, Pages 17 - 18
President Watts
Student Government President, Oscar Vazquez

The University of Texas at San Antonio, Pages 19 - 20
President Romo
Student Government President, Zack Dunn

The University of Texas at Tyler, Pages 21 - 22
President Mabry
Student Government President, Michael Suarez

The University of Texas Southwestern Medical Center, Page 23
Executive Vice President Dontes (in the absence of President Podolsky)
Student Government President, Bradford Casey

The University of Texas Medical Branch at Galveston, Page 24
President Callender
(no student)

The University of Texas Health Science Center at Houston, Pages 25 - 26
President Colasurdo
Student Government President, Margie N. Sutton

The University of Texas Health Science Center at San Antonio, Pages 27 - 28
President Henrich
Student Government President, Nathanael Elvin Phillips

The University of Texas M. D. Anderson Cancer Center, Page 29
Executive Vice Chancellor Greenberg (in the absence of President DePinho)
(no student)

The University of Texas Health Science Center at Tyler, Page 30, did not request tuition or fee changes for Fiscal Year 2015.

Chairman Foster noted that Mr. Mukund Rathi had requested to speak on the U. T. Austin tuition proposal. Mr. Rathi said he had two grievances brought on behalf of the student body regarding the tuition proposals; one was the matter of the limited nature and short timeframe for vetting of the proposals by the students, and the second was a request that Permanent University Funds (PUF) be used to help support the cost of tuition to benefit students. Student Regent Horne said he believed the first complaint reflected a minority of the students, and Vice Chairman Hicks explained constitutional limitations and constraints on use of the PUF.

Regent Cranberg noted that most of the tuition increase at U. T. Dallas was proposed for graduate students, and President Daniel noted that, unlike at other institutions, graduate students compose 40% of the institution's student body.

President Watts responded to questions from Regent Horne related to enrollment and tuition in the Permian Basin.

President Colasurdo and Executive Vice Chancellor Greenberg responded to questions from members of the Board about U. T. Health Science Center - Houston national tuition rankings, and President Henrich (The University of Texas Health Science Center at San Antonio) responded to a similar question from Vice Chairman Powell and mentioned the importance of retaining top quality faculty.

Chairman Foster thanked each institution and its student leaders for the efforts put into the proposals and called on Chancellor Cigarroa for comments. Dr. Cigarroa thanked Regent Horne for his confirmation of the great student input in the process, and he commented on the value of a degree from The University of Texas System institutions, including exposure to the best faculty and staff. He also remarked on the growing assets from West Texas Lands.

Chairman Foster said the Board is cognizant of the need for additional revenue, particularly for faculty retention and recruitment and to support staff throughout the System. He said it is important to come up with recurring funding the U. T. System and individual institutions can count on going forward without putting it on the back of the students, particularly in-state students. As the analysis is complicated and far-reaching, he proposed the motion on in-state graduate and undergraduate tuition and four-year fixed tuition be tabled so the academic institutions could continue to work and try to find a way to direct funds in the right way.

Following further comments from Chancellor Cigarroa and Regent Horne, Chairman Foster then called on Regent Stillwell for a motion concerning the health institution proposals.

Motion by Regent Stillwell

I move that the Board of Regents approve the tuition and fee plans for the U. T. System health institutions effective for Fall 2014 only, with the exception of U. T. Health Science Center - Houston's dental school and biomedical sciences program and U. T. Health Science Center - San Antonio's dental school for two years, as submitted in the agenda materials.

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

Chairman Foster called on Vice Chairman Hicks for a motion on the academic institution proposals.

Motion by Vice Chairman Hicks

I move that the Board of Regents approve the tuition and fee plans for all nine U. T. System academic institutions for out-of-state undergraduate and graduate tuition as recommended for the academic year of 2014-2015, as detailed in the agenda materials.

The motion was seconded and carried unanimously.

Chairman Foster said further action on in-state graduate and undergraduate tuition for the U. T. System academic institutions will be considered at the Board meeting on May 20, 2014. In reply to a question from Executive Vice Chancellor Reyes about the status of four-year fixed tuition, Chairman Foster said that will also be addressed at the Board meeting on May 20.

RECESS.--The meeting recessed at 5:17 p.m.

Summary of Proposed Traditional Rate Plan

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$4,646	\$4,781	2.9%	\$135
NON-RESIDENT UNDERGRADUATE	\$9,956	\$10,344	3.9%	\$388
RESIDENT GRADUATE	\$4,259	\$4,408	3.5%	\$149
NON-RESIDENT GRADUATE	\$7,445	\$7,884	5.9%	\$439

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$70,731,924	\$3,943,010	2.9%	20,824	78%
Non-Resident Undergraduate	\$2,105,926	\$119,722	3.9%	620	2%
Resident Graduate	\$14,221,791	\$650,473	3.5%	4,187	15%
Non-Resident Graduate	\$4,874,199	\$277,097	5.9%	1,435	5%
TOTAL	\$91,933,840	\$4,990,302		27,066	100.0%

U. T. Arlington (UTA) has increased efforts, especially over the past five years, to provide increasing levels of financial support. Compared to similar public institutions nationally, average net price for UTA students is significantly lower. Additionally, about 55% of full-time students received need-based grant aid in 2012 - 2013 resulting in an average net academic cost of about \$2,300 for those students.

UTA has recently implemented several student success initiatives that have positively impacted persistence and time to degree. Since the University College opened in 2010, first-year persistence rates have improved by ten points - from 61% to 71%. Six-year graduation rates for recent cohorts have been around 40%, and UTA intends to improve them by 10 percentage points over the next five years.

New tuition revenue will further student success by providing investments in improving the student advising experience, implementing a fixed one-year to two-year schedule to improve course availability and time to degree, and enhancements in technology to support electronic advising with centralized records and software upgrades for classroom scheduling efficiency. Mandated first-year experience courses for all incoming freshmen and upgrades to the Career Development Center can also help increase student engagement, degree completion, and success after graduation.

UTA plans to continue online delivery of courses and onsite delivery at corporate and organizational sites.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	\$4,646	\$5,018	8.0%	\$372	\$5,219	4.0%	\$201
NON-RESIDENT UNDERGRADUATE	\$9,956	\$10,752	8.0%	\$796	\$11,182	4.0%	\$430
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

U. T. Arlington (UTA) requests an 8.0% increase for Fall 2014 guaranteed tuition plans over and above the Fall 2013 total average academic cost under the traditional rate plan.

U. T. Arlington requests a 4.0% increase for Fall 2015 guaranteed tuition plans over and above the Fall 2014 total average academic cost for students enrolled in guaranteed tuition plans only.

Rebates will be offered as follows:

\$1,000 if the student completes a minimum of 30 credit hours towards their degree, maintaining a minimum 2.5 GPA at UTA

\$1,000 if the student completes a minimum of 60 credit hours towards their degree, maintaining a minimum 2.5 GPA at UTA

\$1,000 if the student completes a minimum of 90 credit hours towards their degree, maintaining a minimum 2.5 GPA at UTA

If the student chooses the guaranteed tuition plan and graduates in four years, he or she will realize 8.5% savings.

UTA estimates that between 3,300 and 4,400 students may opt-in to the plan each year. A guaranteed rate plan for graduate students will not be offered at this time.

The guaranteed rate plan will be advertised to all incoming students as part of the recruitment package. Advisors and counsellors in high schools and community colleges will be equipped with information about the program. Transfer students may declare intent to transfer to lock-in a four-year rate.

Students enrolling in the Bound for Success collaboration for high school juniors will also be able to lock-in rates, provided that they begin full-time study at UTA within two years.

Summary of Proposed Traditional Rate Plan

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$4,899	\$5,003	2.13%	\$104
NON-RESIDENT UNDERGRADUATE	\$16,921	\$17,361	2.6%	\$440
RESIDENT GRADUATE	\$4,442	\$4,442	0.0%	\$0
NON-RESIDENT GRADUATE	\$8,558	\$8,558	0.0%	\$0

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$361.5M	\$6.0M	2.13%	39,094	68.4%
Non-Resident Undergraduate	\$68.9M	\$1.7M	2.6%	3,568	7.6%
Resident Graduate	\$141.2M	\$0.0M	0.0%	5,191	10.7%
Non-Resident Graduate	\$39.1M	\$0.0M	0.0%	6,418	13.3%
TOTAL	\$610.7M	\$7.7M		48,361	100.0%

U. T. Austin considers affordability to be one of the most significant factors in expanding accessibility for students. While the U. T. Austin tuition "list price" has increased some over the past decade, average net tuition has remained relatively low. In 2012 - 2013, average net tuition was 44% of the list price of tuition for undergraduate students. Students with parental incomes of less than \$60,000 paid almost no tuition (\$164) in 2012 - 2013.

Compared among the top-tier fifteen major public universities, tuition and fees for resident undergraduate students at U. T. Austin are some of the lowest – at least \$5,000 less, on average, than other comparable institutions for 2013 - 2014. Additionally, among the same group of institutions, state appropriations also rank among the lowest. While U. T. Austin admits a much higher percentage of applicants than peer institutions (due to the Top 10% Law), U. T. Austin has increased first year persistence rates to almost 94% and continues to be committed to achieving a higher four-year graduation rate.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	\$4,899	\$5,291	8.0%	\$392	\$5,503	4.0%	\$212
NON-RESIDENT UNDERGRADUATE	\$16,921	\$18,275	8.0%	\$1,354	\$19,006	4.0%	\$731
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

U. T. Austin requests an 8.0% increase for Fall 2014 guaranteed tuition plans over and above the Fall 2013 total average academic cost under traditional rate plans.

U. T. Austin requests a 4.0% increase for Fall 2015 guaranteed tuition plans over and above the Fall 2014 total average academic cost for students enrolled in guaranteed tuition plans only.

For both the 2014 and 2015 cohorts, students who opt for the guaranteed tuition plan and graduate in four years will be eligible for a total of \$3,500 in rebates. Students on the traditional rate plan who graduate in four years are eligible for a \$1,000 rebate. The rebates will be paid upon graduation. A student who opts for the guaranteed tuition plan and graduates in four years will save cumulatively \$196 compared to a student who opts for the traditional tuition plan. The rebate of \$3,500 is expected to incent students to graduate in four years, which is consistent with the institutional priority of increasing the four-year graduation rate among incoming freshmen.

The eligibility requirements for the tuition rebates will be similar to those that are in place for existing rebate programs.

U. T. Austin anticipates that between 2,000 and 3,000 students will opt-in to the plan in the first year.

A working group has been formed to discuss and implement a guaranteed pricing plan. The group is responsible for logistical planning and for developing a communications strategy to communicate opportunities to enroll in the plan and potential benefits to the student.

Summary of Proposed Traditional Rate Plan

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$3,018.05	\$3,108.59	3.0%	\$90.54
NON-RESIDENT UNDERGRADUATE	\$8,476.55	\$8,815.55	4.0%	\$339.00
RESIDENT GRADUATE	\$2,231.71	\$2,309.82	3.5%	\$78.11
NON-RESIDENT GRADUATE	\$5,417.71	\$5,688.59	5.0%	\$270.88

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Projected Net Revenue Per Estimated Student FTE

FY 2015, Projected Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue based on Year 1 Requested Increase		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$30,594,805	\$1,024,182	3.0%	5,163	85.8%
Non-Resident Undergraduate	\$2,441,339	\$106,139	4.0%	329	5.5%
Resident Graduate	\$3,334,177	\$128,285	3.5%	461	7.7%
Non-Resident Graduate	\$488,251	\$26,110	5.0%	59	1.0%
TOTAL	\$36,858,572	\$1,284,716		6,012	100.0%

U. T. Brownsville (UTB) has historically maintained the lowest tuition rates for public four-year institutions in the State of Texas. 71% of current students receive financial aid and the average net academic cost for those receiving need-based grant aid is about \$305 - one of the lowest in the U. T. System. Even with proposed increases, UTB estimates that affordability and net price will remain almost the same.

Four-year graduation rates doubled between the Fall 2000 and Fall 2007 cohorts, and six-year rates increased almost 10 points in the same time frame. New, more stringent admissions criteria are expected to further improve both rates.

UTB recently created the Student Success Task Force to analyze and scale up best practices. As a result, UTB focused on practices designed to impact financial support, faculty engagement, academic support, advising, and tutoring/mentoring to increase student success. The Link 2 Success program has improved retention rates by 6% for full-time freshmen within one year. Supplemental Instruction has improved success rates in various course sections by more than 20%. UTB has increased the number of bachelor's degrees conferred by 64% over the past 11 years.

UTB has been commended by SACS for online support of students by offering 12 applications with more than 10,000 active users. By Spring 2013, UTB has 256 fully online and hybrid course sections with enrollment of 5,463.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT UNDERGRADUATE	NA	NA	NA	NA	NA	NA	NA
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Guaranteed Rate Plans for U. T. Rio Grande Valley will be approved at a later date. Since UTB will not have an entering class beyond Fall 2014, they will not have a guaranteed rate plan.

Summary of Proposed Rate Plan (Mandatory Guaranteed Tuition Plans)

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$6,142	\$6,272.82	2.13%	\$130.82
NON-RESIDENT UNDERGRADUATE	\$15,429	\$15,911.93	3.13%	\$482.93
RESIDENT GRADUATE	\$6,138	\$6,330.12	3.13%	\$192.12
NON-RESIDENT GRADUATE	\$10,972	\$11,315.42	3.13%	\$343.42

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	TAC Requested Increase	Estimated Student FTE	% Distribution
Resident Undergraduate	\$122,040,583	\$623,645	0.51%	10,669	57.22%
Non-Resident Undergraduate	\$22,385,079	\$241,135	1.08%	715	3.84%
Resident Graduate	\$29,510,138	\$164,719	0.56%	2,637	14.14%
Non-Resident Graduate	\$108,658,992	\$1,552,276	1.43%	4,623	24.80%
TOTAL	\$282,594,792	\$2,581,775	0.91%	18,644	100.0%

U. T. Dallas (UTD) is the fastest growing academic institution in the U. T. System having increased enrollment by 4,065 students in the last three years. In 2012 - 2013, UTD has about 47% of students receiving need-based grant aid with an average academic cost of \$3,454. UTD indicates that more than half of UTD freshmen pay \$0 for required tuition and fees.

UTD has increased first year retention rates from 78% in 2005 to 89% in 2013. UTD ranks second compared to its peers with a graduation rate of about 48% for the 2009 cohort. Degree production increased about 17% between 2011 and 2013.

In addition to need-based grant aid, UTD also provides about \$35 million for merit based aid to qualified students. 54% of first time in college students would pay \$0 in tuition and fee costs after financial aid relief. 86% of Pell Eligible students paid \$0 in tuition and fees after financial aid relief in Fall 2013.

UTD has invested in technology-aided teaching and online course delivery. About 7% of enrollment is in online course sections with a completion rate of 96% (versus 94% nationwide). Planned enhancements include a new streaming server, lecture capture tools, a web-conferencing system, and a web-based exam proctoring service.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT UNDERGRADUATE	NA	NA	NA	NA	NA	NA	NA
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

All U. T. Dallas students have been operating under a mandatory guaranteed rate plan since Fall 2008 (undergraduate) and Fall 2009 (graduate).

Summary of Proposed Traditional Rate Plan

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$3,589	\$3,697	3.0%	\$108
NON-RESIDENT UNDERGRADUATE	\$8,900	\$9,127	2.6%	\$228
RESIDENT GRADUATE	\$2,735	\$2,817	3.0%	\$82
NON-RESIDENT GRADUATE	\$5,921	\$6,076	2.6%	\$154

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$112,977,366	\$3,276,338	3.0%	36,416	85.2%
Non-Resident Undergraduate	\$3,588,505	\$91,925	2.6%	428	1.0%
Resident Graduate	\$14,518,818	\$400,738	3.0%	5,681	13.29%
Non-Resident Graduate	\$1,296,809	\$33,723	2.6%	219	0.51%
TOTAL	\$132,381,498	\$3,802,724		42,744	100.0%

U. T. El Paso (UTEP) has gained national recognition from Washington Monthly, the Institute for Higher Education Policy, and the U. S. Department of Education for affordability and successfully increasing opportunity, degree completion, and persistence for low-income, first-generation, minority, adult, veteran, and other “underserved” populations. UTEP has maintained the lowest tuition among all emerging research universities in Texas and all research universities in the United States. In 2012 - 2013, about 67% of students received need-based grant aid with an average net academic cost of close to \$0 for all full-time undergraduate students.

UTEP increased the number of degrees awarded by 79% over the past eight years and increased enrollment by 26% (97th percentile nationally for degree attainment). UTEP also had the largest increase in four-year graduation rates and second largest increase in six-year graduation rates among baseline peers over the past four years.

Resources generated will enable UTEP to enhance the quality of academic and student development programs, leverage investments made to recruit and retain highly productive faculty, strengthen academic and research programs, and increase UTEP's capacity to compete for external funding.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	\$4,024	\$3,986	-.95%	\$-38	\$4,146	4.0%	\$160
NON-RESIDENT UNDERGRADUATE	\$8,900	\$9,615	8.0%	\$715	\$10,003	4.0%	\$388
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted). UTEP already had an optional guaranteed plan in place for resident students. Baseline rates are those for the optional guaranteed plan, NOT the traditional rate plan, for resident students only.

U. T. El Paso (UTEP) implemented an optional guaranteed tuition plan in 2006. Changes in UTEP's guaranteed plan will enhance program sustainability and will ensure compliance with House Bill 29 and U. T. System guidelines. In order to make the program more enticing for students, UTEP proposes a decrease of .95% for the guaranteed rate plan.

U. T. El Paso requests a .95% decrease for Fall 2014 guaranteed tuition plans over and above the Fall 2013 total average academic cost under the current guaranteed rate plan.

U. T. El Paso requests a 4.00% increase for Fall 2015 guaranteed tuition plans over and above the Fall 2014 total average academic cost for students enrolled in guaranteed tuition plans only.

Rebates will be offered as follows:

\$750 if the student completes a minimum of 30 credit hours, maintaining a minimum 3.0 GPA at UT El Paso

\$500 if the student completes a minimum of 60 credit hours, maintaining a minimum 3.0 GPA at UT El Paso

\$500 if the student completes a minimum of 90 credit hours, maintaining a minimum 3.0 GPA at UT El Paso

If the student chooses the guaranteed tuition plan and graduates in four years, he or she will realize 2.6% savings. This is assuming annual increases in total academic costs of 3% in the traditional rate plan.

UTEP anticipates that between 20 and 40 students might take advantage of the Guaranteed Tuition Rate Plan.

Since 2006, the Guaranteed Tuition Plan has been fully integrated into all enrollment functions. Electronic tracking, marketing, and articulation agreements between UTEP and El Paso Community College are adjusted as needed. A cross-departmental team will be developed to ensure effective implementation and communication regarding the availability of the plan and new rates.

Summary of Proposed Traditional Rate Plan

Student Population	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$3,141	\$3,235	3.0%	\$94
NON-RESIDENT UNDERGRADUATE	\$8,519	\$8,665	1.7%	\$146
RESIDENT GRADUATE	\$2,568	\$2,645	3.0%	\$77
NON-RESIDENT GRADUATE	\$5,754	\$5,903	2.6%	\$149

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted). U. T. Pan American will not have an entering class beyond Fall 2014. Rates for U. T. Rio Grande Valley will be approved at a later date.

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$47,221,665	\$2,331,681	3.0%	14,159	90.0%
Non-Resident Undergraduate	\$351,436	\$4,961	1.7%	87	0.5%
Resident Graduate	\$4,501,894	\$276,195	3.0%	1,450	9.2%
Non-Resident Graduate	\$132,754	\$8,496	2.6%	43	0.3%
TOTAL	\$52,207,749	\$2,621,333		15,739	100.0%

U. T. Pan American (UTPA) has a long history of affordability, serving one of the most economically disadvantaged regions in the state and nation. It is the 11th largest of the 37 public institutions in Texas, and its Fall 2013 total academic cost was lower than all but one of these institutions (only U. T. Brownsville was lower). 69% of UTPA undergraduates are Pell Grant eligible, and Pell Grants awarded to students having a zero EFC (expected family contribution) covered 92% of average tuition and fees. Among full-time students with need-based grant aid, the average net academic cost was \$0 for the 2012 - 2013 academic year. UTPA also has the lowest average student loan amount among any U. T. System institutions.

Among peer institutions, UTPA ranks fourth in first-year persistence and third in both four-year and six-year graduation rates (Fall 2011 and Fall 2006 cohorts). First-year retention increased from 61% in Fall 1999 to 76% in Fall 2012.

UTPA has successfully implemented the following programs to ensure continuous student success: Centralized Advising, University College, DegreeWorks, Office of Student Employment, Transfer Success, Access to Success Initiative, and the Electronic Early Warning System. These initiatives are aimed at improving time-to-degree, persistence, and diversity.

Increases to traditional rate plans are requested for the hiring of additional faculty and to permit components of the successful 15-Hour Plan to be continued. The 15-Hour Plan includes investments in faculty, online course development, and monetary student incentives aimed at increasing graduation rates and reducing time-to-degree. Finally, beyond the cost of inflation, UTPA needs assistance in covering non-discretionary costs such as utilities and health insurance as enrollment and faculty grow. UTPA estimates that the \$85 increase in the annual Pell Grant award will help offset the proposed increase.

Summary of Proposed Guaranteed Rate Plan

Student Population	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT UNDERGRADUATE	NA	NA	NA	NA	NA	NA	NA
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Guaranteed Rate Plans for U. T. Rio Grande Valley will be approved at a later date. Because U. T. Pan American will not have an entering class beyond Fall 2014, it will not have a guaranteed rate plan.

Summary of Proposed Traditional Rate Plan

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$3,304	\$3,403	3.0%	\$99
NON-RESIDENT UNDERGRADUATE	\$8,614	\$8,833	2.5%	\$219
RESIDENT GRADUATE	\$2,250	\$2,080	-7.5%	-\$170
NON-RESIDENT GRADUATE	\$5,436	\$5,338	-1.8%	-\$98

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$12,218,189	\$473,020	3.0%	2,886.9	80.5%
Non-Resident Undergraduate	\$3,298,532	\$117,374	2.5%	273.7	7.63%
Resident Graduate	\$1,837,300	-\$171,856	-7.5%	371.6	10.36%
Non-Resident Graduate	\$683,276	\$-317	-1.8%	54.3	1.51%
TOTAL	\$18,037,297	\$418,221		3,586.5	100.0%

U. T. Permian Basin (UTPB) is one of the most affordable institutions in the U. T. System and in the State of Texas. In 2012 - 2013, about 55% of full-time students received need-based grant aid with an average net academic cost of about \$700. The total academic cost of attending UTPB in 2012 was the 9th lowest in the State of Texas. UTPB estimates that requested increases would continue to keep UTPB among the most affordable. Since 2010, average student debt has also been decreasing from about \$16,000 to about \$11,000 with only about 50% of students graduating with any debt. Texas Science Scholars, the \$10,000 degree program implemented in 2012, currently serves over 50 students.

UTPB has recently attracted a higher percentage of students ranking in the Top 10% of their high school class (from 16% to 20% of entering freshmen). About two-third of UTPB students were enrolled in at least one online course, and 43% of students were enrolled solely in online courses in Fall 2013. The retention rate at UTPB has increased from 59% in 2011 to 66% in 2013, and UTPB ranks first in four-year and six-year graduation rates (2006) cohort compared to peer institutions. The number of degrees conferred also increased from 692 in 2011 to 737 in 2013. UTPB's graduation ratio (25) indicates that UTPB successfully graduates all types of students who enroll at UTPB, not just first-time freshmen.

In order to further improve student success, UTPB reorganized academic support services under a new Dean for undergraduate success that reorganized and improved tutoring, AVID, mentoring, advising, and testing. New living learning communities are being formed, especially to improve science, technology, engineering, and mathematics (STEM) outcomes.

Many UTPB students who are dual-credit or enrolled in Early College High School are able to take advantage of hugely reduced tuition rates, but the increase in credit hours will not be reflected in formula funding until Fall 2015.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	\$3,304	\$3,568	8%	\$264	\$3,711	4%	\$143
NON-RESIDENT UNDERGRADUATE	\$8,614	\$9,303	8%	\$689	\$9,675	4%	\$372
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

U. T. Permian Basin requests an 8% increase for Fall 2014 guaranteed tuition plans over and above the Fall 2013 total average academic cost under the traditional rate plan.

U. T. Permian Basin requests a 4% increase for Fall 2015 guaranteed tuition plans over and above the Fall 2014 total average academic cost for students enrolled in guaranteed tuition plans only.

Rebates will be offered as follows:

\$1,000 after year one if the student completes a minimum of 30 credit hours, maintaining a minimum 2.5 GPA at UTPB

\$1,000 after year two if the student completes a minimum of 60 credit hours, maintaining a minimum 2.5 GPA at UTPB

\$2,000 after year three if the student completes a minimum of 90 credit hours, maintaining a minimum 2.5 GPA at UTPB

If the student chooses the guaranteed tuition plan and graduates in four years, he or she will realize 13.8% savings.

UTPB anticipates that between 50 and 75 freshmen students might opt into the plan designed to help improve time-to-degree and encourage enrollment in 15 SCH. Currently, 39% of UTPB students take between 12 and 14.5 hours.

UTPB will advertise the guaranteed plan on student enrollment web pages and will utilize social, electronic, and print media to promote the plan. Entering students and transfer students can opt into the program by signing a student agreement with the institution.

UTPB will offer guaranteed rate plans for transfer students in accordance with Texas House Bill 29 at the time they enter a Texas Community College. UTPB will honor these agreements when the students enroll at the institution, but will not offer rebates. This is because UTPB's existing transfer scholarship program, which will be extended to cover these students, offers a lower two-year tuition cost for degree completion than would be true under the rebate program.

UTPB will not offer guaranteed rate plans for graduate students or Academic Partnership students at this time.

Summary of Proposed Traditional Rate Plan

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$4,561	\$4,658	2.13%	\$97
NON-RESIDENT UNDERGRADUATE	\$9,919	\$10,217	3.0%	\$298
RESIDENT GRADUATE	\$3,738	\$3,850	3.0%	\$112
NON-RESIDENT GRADUATE	\$10,110	\$10,413	3.0%	\$303

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$169,684,512	\$2,987,103	2.13%	19,554	85.0%
Non-Resident Undergraduate	\$20,576,130	\$347,834	3.0%	955	4.1%
Resident Graduate	\$23,092,565	\$623,485	3.0%	2,326	10.1%
Non-Resident Graduate	\$5,141,842	\$76,818	3.0%	179	0.8%
TOTAL	\$218,495,049	\$4,035,240		23,014	100.0%

U. T. San Antonio (UTSA) proposes a 2.13% increase in total academic costs for resident undergraduate students.

UTSA has developed creative solutions to deal with a 30% decline in Texas Grant funding and was able to adjust awarding philosophy and find awards for an additional 476 students. More than 12,000 UTSA students are pell-eligible, and the net price for those receiving aid in 2012 - 2013 was about \$2,800.

While graduation rates have gradually increased, UTSA expects a significant increase in the next few years due to strategic increases in admissions standards gradually implemented over the past few years. Admissions have become more selective (62% in 2013 versus 91% in 2006) with higher retention rates and an increase of seven percentage points of the number of students in good standing in the second freshman semester.

Over the past five years, UTSA has increased institutional resources and federal government resources significantly as sources of revenue while decreasing net price for students, growth in philanthropy and research funding, and increases in institutional efficiency. Proposed increases would support existing efforts to implement the Graduation Rate Improvement Plan specifically for student success programs such as advising, First-Year Experience, teaching assistantships, merit aid, and mentoring. Retention of excellent faculty and staff are also a priority to lower student - faculty ratios.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	\$4,561	\$4,926	8%	\$365	\$5,123	4%	\$197
NON-RESIDENT UNDERGRADUATE	\$9,919	\$10,718	8%	\$799	\$11,152	4%	\$434
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

U. T. San Antonio requests an 8% increase for Fall 2014 guaranteed tuition plans over and above the Fall 2013 total average academic cost under the traditional rate plan.

U. T. San Antonio requests a 4% increase for Fall 2015 guaranteed tuition plans over and above the Fall 2014 total average academic cost for students enrolled in guaranteed tuition plans only.

Rebates will be offered as follows:

\$750 if the student completes a minimum of 30 credit hours in the first year at UTSA, maintaining a minimum 2.5 GPA at UTSA

\$1,250 if the student completes a minimum of 60 credit hours by the second year at UTSA, maintaining a minimum 2.5 GPA at UTSA

\$2,000 if the student completes a minimum of 90 credit hours by the third year at UTSA, maintaining a minimum 2.5 GPA at UTSA

If the student chooses the guaranteed tuition plan and graduates in four years, he or she will realize 8% savings for undergraduate resident and 4.4% savings for undergraduate non-resident.

UTSA estimates that 100 students may opt-in to the plan each year. A guaranteed rate plan for graduate students will not be offered at this time.

UTSA will closely track and monitor students participating to ensure that they are on track to graduate within four years. UTSA will advertise and promote the rate plan through recruitment messaging, student orientation, informational websites, and a mechanism to allow potential transfer students the opportunity to lock-in a transfer rate early.

Summary of Proposed Traditional Rate Plan

	Fall 2013 Total Academic Cost Baseline	Proposed Fall 2014 Total Academic Cost	Requested Percentage Increase over Fall 2013	Request Amount Increase over Fall 2013
RESIDENT UNDERGRADUATE	\$3,611	\$3,719	3.0%	\$108
NON-RESIDENT UNDERGRADUATE	\$8,921	\$9,153	2.5%	\$232
RESIDENT GRADUATE	\$3,044	\$3,135	3.0%	\$91
NON-RESIDENT GRADUATE	\$6,230	\$6,324	1.5%	\$94

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 semester credit hours (SCH). For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH.

Projected New Net Revenue Per Estimated Student FTE

FY 2015, Projected New Net Revenue Per Estimated Student FTE					
	Baseline (Net Revenue from FY 2014 Total Academic Cost Rates)	Tuition Proposal FY 2015 Projected Net Revenue		Enrollment	
	Actual Revenue	Estimated Revenue	Increase for Year 1	Estimated Student FTE	% Distribution
Resident Undergraduate	\$22,415,848	\$672,475	3.0%	4,556	73%
Non-Resident Undergraduate	\$588,966	\$7,959	2.5%	38	1%
Resident Graduate	\$7,187,519	\$215,625	3.0%	1,554	25%
Non-Resident Graduate	\$615,450	\$10,071	1.5%	62	1%
TOTAL	\$30,807,783	\$906,130		6,210	100.0%

U. T. Tyler (UTT) has maintained affordability by ensuring that the discount rate for students is relatively high. In 2012 - 2013, UTT's average net cost for full-time students was about 68% of the U. T. System average. Full-time students receiving grant aid can attend UTT for a little less than \$100 per month.

UTT has made significant progress in student success in the most recent cohort years by increasing four-year and six-year graduation rates by about six percentage points each and to rates slightly above the state average. UTT has also modestly increased the number of degrees conferred by about 3% over the last year.

UTT indicates that they can continue to keep academic costs affordable even with requested increases. When the average discount rate is applied to the increase, the cost increase would translate to an average of about \$3.25 per student per week.

New net revenue, combined with additional internal resources, would be directed to expanding the number of academic advisors and scaling up academic success initiatives including tutoring services, supplemental instruction, and increased access through online course delivery. All have proven successful in increasing both access and success. UTT has also been successful in increasing philanthropy and research funding to supplement institutional revenue streams.

UTT has prioritized online and alternative course delivery options as a demonstration of commitment to continued student access, success, and institutional efficiency. Alternative models include the PATSS project (supported by Board of Regents investment), moving full degree programs online, and creating three-year degree programs through innovative scheduling, planning, and advising.

Summary of Proposed Guaranteed Rate Plan

	Fall 2013 Total Academic Cost Baseline Traditional Plan	Proposed Fall 2014 Total Academic Cost (Guaranteed Plan)	Requested Percentage Increase over Fall 2013 Traditional Plan	Request Amount Increase over Fall 2013 Traditional Plan	Proposed Fall 2015 Total Academic Cost Guaranteed Plan	Requested Percentage Increase over Fall 2014 Guaranteed Plan	Request Amount Increase over Fall 2014 Guaranteed Plan
RESIDENT UNDERGRADUATE	\$3,611	\$3,900	8%	\$289	\$4,056	4%	\$156
NON-RESIDENT UNDERGRADUATE	\$8,921	\$9,635	8%	\$714	\$10,020	4%	\$385
RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA
NON-RESIDENT GRADUATE	NA	NA	NA	NA	NA	NA	NA

Total Academic Cost represents the total of statutory tuition, Board-authorized designated tuition, mandatory fees, and course fees for the average undergraduate student enrolled in 15 SCH. For graduate students, the total represents the sum of tuition and mandatory fees for the average student enrolled in nine SCH (Unless otherwise noted).

U. T. Tyler requests an 8% increase for Fall 2014 guaranteed tuition plans over and above the Fall 2013 total average academic cost under the traditional rate plan.

U. T. Tyler requests a 4% increase for Fall 2015 guaranteed tuition plans over and above the Fall 2014 total average academic cost for students enrolled in guaranteed tuition plans only.

Rebates will be offered as follows:

\$200 after year one if the student completes a minimum of 30 credit hours, maintaining a minimum 3.0 GPA at UT Tyler

\$400 after year two if the student completes a minimum of 60 credit hours, maintaining a minimum 3.0 GPA at UT Tyler

\$600 after year three if the student completes a minimum of 90 credit hours, maintaining a minimum 3.0 GPA at UT Tyler

If the student chooses the guaranteed tuition plan and graduates in four years, he or she will receive \$800, for a total of 13.0% savings when compared to the traditional rate plan.

This graduated rebate program provides greater incentive for the student to complete the final years; when they've traditionally had the hardest time achieving the four-year graduation requirement.

UTT anticipates that between 75 and 100 students might opt-in to the plan annually. Students will be informed of the rate plan in new student orientation, financial aid and admissions meetings, print media, and the institutional website. Partnerships will be strengthened with community college feeder schools to inform potential transfer students of opportunities to lock-in to a rate plan.

Estimate of Proposed Tuition and Fee Increases

	Fall 2013 Total	Prop. Fall 2014	Over Fall 2013
Medical	\$17,843	\$18,593	4.2%
Biomedical Sciences 24 semester credit hours (SCH)	\$7,143	\$7,443	4.2%
Health Professions 24 SCH	\$7,143	\$7,443	4.2%

Estimate reflects tuition and mandatory fees.

Projected New Revenue

	Increase in Revenue for 2014-15
Medical	\$703,500
Biomedical Sciences and Health Professions	\$340,800

The additional revenue will be used in the creation of the Center for Innovation in Education for:

- Campus-wide faculty development and creation of new educational materials;
- Implementation of high fidelity simulation and digital technologies; and
- Improve on-line connectedness across campuses.

Summary of Proposed Tuition and Fee Plan: U. T. MEDICAL BRANCH - GALVESTON

Estimate of Proposed Tuition and Fee Increases

	Fall 2013 Total	Prop. Fall 2014	Over Fall 2013
Medical School	\$16,612	\$17,000	2.3%
Nursing Undergraduate 15 semester credit hours (SCH)	\$4,097	\$4,097	0.0%
Nursing Graduate 9 SCH	\$4,008	\$4,008	0.0%
Health Professions Undergraduate 15 SCH	\$3,126	\$3,136	0.3%
Health Professions Graduate* 9 SCH	\$2,560	\$2,614	2.1%
Health Professions Graduate** 9 SCH	\$3,215	\$3,277	1.9%

* Applies to MS in Clinical Lab Science, Nutrition, and Occupational Therapy

** Applies to Master of Physician Assistant and Doctor of Physical Therapy

Estimate reflects tuition, mandatory fees, and average course fees.

Projected New Revenue

	Increase in Revenue for 2014-15
Medical	\$217,000
Health Professions	\$13,504

Additional revenue for the medical school is after the amount set aside for financial aid. The funds will be used to improve student counseling and advising, as well as provide a more diverse set of high-quality clinical experiences and a strong program of skills assessment.

Additional revenue for the school of health professions will support additional faculty to supervise clinical settings, maintain distance education programs and instructional software, and recoup costs for programs opened in 2012.

Summary of Proposed Tuition and Fee Plan: U. T. HEALTH SCIENCE CENTER – HOUSTON

Estimate of Proposed Tuition and Fee Increases

	Fall 2013 Total	Prop. Fall 2014	Over Fall 2013
Medical*	\$15,096	\$16,233	7.5%
Nursing Undergraduate** 15 semester credit hours (SCH)	\$3,169	\$3,589	13.3%
Nursing Graduate** 9 SCH	\$2,333	\$2,437	4.5%
Biomedical Informatics 24 SCH	\$7,837	\$8,437	7.7%
Public Health	\$5,404	\$5,646	4.5%

*Amount does not match institution's proposal - Fall 2013 adjusted to be consistent with Association of American Medical Colleges data

**Figures do not reflect proposed increases in course fees

	Fall 2013 Total	Prop. Fall 2014	Over Fall 2013	Prop. Fall 2015	Over Fall 2014
Dental*	\$29,517	\$31,324	6.1%	\$37,345	19.2%
Biomedical Sciences** 24 SCH	\$3,884	\$3,896	0.3%	\$4,973	27.6%

*The Fall 2014 increase would apply to all students enrolled in the Doctor of Dental Surgery Professional (DDS) Program. The Fall 2015 increase would apply only to the entering DDS class and this class would be guaranteed this tuition rate for four years in the DDS program.

**Amount differs from institution's proposal to reflect proposed student services fee increases. 99% of biomedical sciences school students receive funding support from faculty research grants to cover tuition and fee costs. This support comes in the form of a graduate research assistantship and/or a clinical fellow/faculty position. Therefore, increases in tuition and fees will impact about 1% of students.

Projected New Revenue

	Increase in Revenue for 2014-15
Medical	\$1,139,000
Nursing	\$300,067
Biomedical Informatics	
Public Health	\$317,900

Additional revenue for the medical school will allow for the development, implementation, and maintenance of a revised curriculum.

Additional revenue for the nursing school will be used for faculty recruitment and retention; provide infrastructure for clinical placement requirements; and improve simulation equipment and supplies.

Additional revenue for biomedical informatics will support faculty salaries and continuing education for faculty.

Additional revenue for public health will be used for scholarships, faculty retention, expanded course offerings, technology improvements, and rebates for graduating on time.

	Increase in Revenue for 2014-15	Increase in Revenue for 2015-16
Dental	\$510,000	\$510,000
Biomedical Sciences	Approximately \$1.4 million	

Additional revenue for the dental school will be used for faculty recruitment and retention. Also, the dental school will offer free or discounted continuing education courses for five years after graduation; a new Professional Resource Center for guidance on practice management, business ethics and professionalism, and legal contract review for current and former students; and new online evidence-based resource center to provide access to online educational offerings and current medical and dental literature.

Additional revenue for biomedical science will be used to provide emergency funding to bridge students when a faculty member has a temporary lapse in grant funding; and to maintain and enhance support services for student recruitment, retention and career advising.

Estimate of Proposed Tuition and Fee Increases

	Fall 2013 Total	Prop. Fall 2014	Over Fall 2013
Medical	No tuition increase proposed but fee increases would equal a 1.7% increase in total costs		
Nursing Undergraduate 15 semester credit hours (SCH)	\$3,837	\$3,935	2.6%
Nursing Graduate 9 SCH	\$3,233	\$3,443	6.5%
Health Professions	Proposals are program specific. Tuition and Fees increases range from 2.3% to 4.0%		
Biomedical Sciences	No tuition increase.		
Doctor of Medical Physics	Tuition for the new program offered in the Graduate School of Biomedical Science will be set at rates similar to medical school costs.		

	Fall 2013 Total	Prop. Fall 2014	Over Fall 2013	Prop. Fall 2015	Over Fall 2014
Dental*	\$30,265	\$31,779	5.0%	\$37,795	18.9%

*Current students would experience a tuition and fee increase of between 5% to 6% in the Fall 2014. Students who enroll for the first time in the Fall 2015 would be subject to the 19% increase and would have their tuition frozen at the level for four years.

Estimate reflects tuition and mandatory fees.

Projected New Revenue

	Increase in Revenue for 2014-15
Medical	\$242,000
Nursing	\$386,032
Health Professions	\$141,697
Biomedical Science	
Medical Physics	

Additional revenue for the medical school is after the amount set aside for financial aid. The funds will be used to improve student counseling and advising, as well as provide a more diverse set of high quality clinical experiences and a strong program of skills assessment.

Additional revenue for the nursing school will be used to increase the number of full-time faculty and retain current full-time faculty. Also, it would support part-time and pay-by-letter (PBL) clinical faculty and resources for teaching in the classroom, online, and simulation.

Additional revenue for the school of health professions would support additional faculty to supervise clinical settings, maintain distance education programs and instructional software, and recoup costs for programs opened in 2012.

Projected New Revenue

	Increase in Revenue for 2014-15	Increase in Revenue for 2015-16
Dental	\$510,000	\$982,000

Additional revenue for the dental school will be used to attract and retain faculty.

Summary of Proposed Tuition and Fee Plan: U. T. M. D. ANDERSON CANCER CENTER

Estimate of Proposed Tuition and Fee Increases

	Fall 2013 Total	Prop. Fall 2014	Over Fall 2013
Health Professions 15 semester credit hours	\$1,528	\$1,599	\$4.6%

Estimate reflects tuition, mandatory fees, and average course fees.

Projected New Revenue

	Increase in Revenue for 2014-15
Health Professions	\$21,300

Additional revenue will allow the school to maintain the latest technology and equipment for these highly technical programs, and maintain low student to faculty ratio.

Amounts above do not include a proposed application fee, the revenue from which would be applied to the costs of the contracted registrar expense.

Summary of Proposed Tuition and Fee Plan: U. T. HEALTH SCIENCE CENTER - TYLER

U. T. Health Science Center - Tyler did not request tuition or fee plan changes for Fiscal Year 2015. Therefore, the tuition and fee plan approved at the August 2012 Board of Regents' meeting remains in effect.

THURSDAY, MAY 15, 2014.--The members of the Board of Regents of The University of Texas System convened at 10:20 a.m. on Thursday, May 15, 2014, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, 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
Regent Horne, Student Regent, nonvoting

2. U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council

The following officers of The University of Texas System Student Advisory Council (SAC) met with the Board of Regents to discuss accomplishments of the Council and plans for the future. The Council's recommendations and brief discussions are on the following pages.

Chair: Ms. Emma Dishner, The University of Texas Health Science Center at Houston, Internal Medicine

Academic Affairs Committee: Ms. Paulina Lopez, The University of Texas at El Paso, Corporate and Organizational Communications Major

Student Involvement and Campus Life Committee: Mr. Juan Macias, The University of Texas Health Science Center at Tyler, Masters in Biotechnology

Health and Graduate Affairs Committee: Mr. Bradford Casey, The University of Texas Southwestern Medical Center, Ph.D. Candidate, Neuroscience

Financial and Legislative Affairs Committee: Ms. KayIn Fletcher, U. T. Health Science Center - Tyler, Masters in Biotechnology

Academic Affairs Committee

Recommendation - Americans with Disabilities Act (ADA) Online Compliance
SAC asks the Board of Regents to establish a means of evaluation and to continue improving learning tools for ADA compliance. Additionally, the Council recommends that the Board of Regents consider the active involvement of students with disabilities and the offices that support them in the implementation of online learning tools.

Recommendation - Institute for Transformational Learning (ITL) Online Resources
SAC recommends that U. T. System create a unified online learning resource platform consisting of eBooks, eJournals, databases, and educational applications.

Health and Graduate Affairs Committee

Recommendation - Alternative Research Funding Recommendation

The Council urges the Board of Regents to actively communicate with institutional leadership to ensure that no student is left behind due to underfunding and missed research opportunities. SAC strongly proposes that the Board consider the following to mediate student impact:

1. Advocate for funding alternatives at both the state and federal level;
2. Encourage institutions to improve efficiency at utilizing the grant enterprise;
3. Seek alternatives outside of government funding; and
4. Stay actively informed on funding throughout students' academic tenure.

The Council recommends that U. T. System Administration actively identify and distribute information to institutions about alternative funding in an effort to supplement any financial deficits in student-based research opportunities.

Recommendation - Support in Implementation of Guidelines for Graduate Student Advising
The Council recommends the development of System-level guidelines regarding formal student advising and career services for graduate students in the U. T. System. The development of these programs should be focused on improving student outcomes Systemwide, by preparing our graduates to effectively seek and compete for the best opportunities for their qualifications. Furthermore, the Council recommends the utilization of data regarding trends in career placement to tailor career advising and training to the needs of students, wherever feasible, including nonacademic career tracks. Finally, the Council recommends that these guidelines be incorporated into the existing Milestones Agreement for Graduate Students to ensure that this framework continues to meet its intended goals.

Recommendation - Support for Graduate Medical Education in Texas

It is with great gratitude that SAC recognizes the success of the Board of Regents in the expansion of residency programs in Texas. Additionally, SAC requests that the Board of Regents and U. T. System Administration continue to prioritize the expansion of graduate medical education in Texas to meet the growing needs of the state.

Recommendation - In Support of Exit Surveys for Graduate and Professional Students
SAC recommends adopting and implementing exit surveys for graduate and professional students (with or without a degree) upon their departure from their institutions to improve the quality of graduate programs and better the student experience.

Chancellor Cigarroa commented that alternative research funding is a matter of great concern before the Board. He mentioned several areas where the State of Texas and the Board can help with identifying funding options and industry cooperatives, especially by utilizing the recommendations of both the Engineering Task Force (Task Force on Engineering Education for Texas in the 21st Century) and the Board's Technology Transfer and Research Committee. In the area of student advising, Chancellor Cigarroa asked Executive Vice Chancellors Reyes and Greenberg to promote the Milestone Agreement opportunity and to work with appropriate Deans in exit interviews. In addition, Chancellor Cigarroa reported that graduate student medical education has seen an increase in residency slots with the establishment of the Dell School of Medicine at The University of Texas at Austin and the Medical School at The University of Texas Rio Grande Valley.

Financial and Legislative Affairs Committee

Recommendation - Expansion of Financial Literacy Programs for Undergraduate and Graduate Institutions

SAC recommends that the Board of Regents facilitate the implementation and subsequent upkeep of financial literacy programs. It is proposed that these programs would be most effective if the programs meet the following criteria:

- 1. Be Systemwide and easily accessible to all students and alumni;*
- 2. Emulate effective programs currently established within the U. T. System; and*
- 3. Address the specific financial needs of both undergraduate and graduate students.*

The Council expects if criteria are met that the U. T. System will benefit greatly from having financially educated students who are capable of simultaneously achieving a world-class education while being able to manage their financial responsibilities.

Regarding the Student Debt Reduction Task Force, Executive Vice Chancellor Kelley spoke about providing students with information so they understand their financial options and future obligations. Chancellor Cigarroa also mentioned that data from Vice Chancellor for Strategic Initiatives Huie and the seekUT initiative (www.utsystem.edu/seekut/) might be helpful.

Campus Life Committee

Recommendation - International Student Engagement Process

The Council members propose the creation of an international student welcoming and engagement process to enhance the services provided by our respective universities.

Chancellor Cigarroa commented on how international students contribute to overall student life in unexpected ways, and this recommendation is a thoughtful complement to introducing new students to campus life. Regent Stillwell and Chairman Foster further complimented the efforts of the Council and the open approach taken to form these recommendations.

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

Chairman Foster noted the following related to the Consent Agenda:

- Item 7 requested the transfer of \$368,000 in Available University Funds (AUF) to fund a portion of expenses related to review of Cancer Prevention and Research Institute of Texas (CPRIT) grants.
- At Item 16, The University of Texas at Austin sought approval of a contract for purchase of materials from the Ian McEwan Archive for \$2 million.
- At Item 28, The University of Texas at Dallas proposed changes to the admission requirements for First-Time Freshmen and for Transfer Students.
- Item 31 proposed acceptance of a gift of property improved with a baseball stadium to benefit The University of Texas-Pan American.
- Vice Chairman Hicks and Regent Stillwell abstained from vote on Item 2 related to their appointment to The University of Texas Investment Management Company (UTIMCO) Audit and Ethics Committee; and Regent Hildebrand abstained regarding Item 60 concerning a contract revision with IBM because of financial interests. Legal counsel found no conflict of interests related to these items.

The Board then approved the Consent Agenda, which is set forth on Pages 148 - 193.

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 University of Texas System institution involved.

4. U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities -- presentation of creative writing winners

The Board awarded Regents' Outstanding Student Awards in Arts and Humanities to the following students who were recognized for their creative writing abilities:

- Ms. Catherine Cleary, The University of Texas at Austin, for outstanding poetry writing
- Ms. Samantha Jones, The University of Texas at Arlington, for outstanding short fiction
- Ms. Alison Ochoa, The University of Texas at San Antonio, for outstanding short fiction (In the absence of Ms. Ochoa, President Romo accepted the award for her.)

In recognition of its support of the arts and humanities, on February 9, 2012, the Board of Regents authorized the Office of Academic Affairs to establish the Regents' Outstanding Student Awards in Arts and Humanities. The awards program is designed to provide a framework that fosters excellence in student performance, rewards outstanding students, stimulates the arts and humanities, and promotes continuous quality in education. This year's awards were for creative writing.

The nominees were evaluated on the following elements: creativity, originality, imagery, artistic quality, and mastery of expression.

5. U. T. Rio Grande Valley: Introduction of Francisco Fernandez, M.D., inaugural Dean of the School of Medicine

Francisco González-Scarano, M.D., Vice President for Medical Affairs and Dean of the School of Medicine, The University of Texas Health Science Center at San Antonio, introduced Francisco Fernandez, M.D., Vice President of Medical Affairs and Dean of the School of Medicine at The University of Texas Rio Grande Valley.

In discussing his blueprint for the U. T. Rio Grande Valley School of Medicine, Dean Fernandez commented on the four Pillars of Excellence in the Strategic Plan required for preparing the next generation of physicians for the Valley, for Texas, and beyond. He stated that a new set of standards for medical education must include expansion of the Graduate Medical Education (GME) programs and be specific to the needs of the Valley. In addition, these efforts must strive to improve outcomes in healthy living, especially for the communities of Mexican-Americans and Hispanics in the Valley. Dr. Fernandez said the creation of new clinical and research programs to improve health outcomes will focus on diabetes, obesity, and nutrition while expanding quality care, customized personal service, and technology. He encouraged collaboration with all areas of the University but also within the School of Medicine to truly reflect the advantages inherent in a collaborative model for medicine, nursing, public health, physical therapy, physician's assistants, pharmacy, and beyond.

In February 2014, following a highly competitive national search, Dr. Fernandez was appointed as the Vice President of Medical Affairs and Dean of the School of Medicine of U. T. Rio Grande Valley effective April 28, 2014. A nationally prominent expert in neurobehavioral complications of medical illness, Dr. Fernandez was recruited from the University of South Florida where he was Professor and Chairman of the Department of Psychiatry and Neurosciences and Director of the Institute for Research in Psychiatry and Neurosciences in the College of Medicine.

He was also Professor in the Department of Community and Family Health in the College of Public Health. Prior to his time at the University of South Florida, he was on the faculty at Loyola University of Chicago, Baylor College of Medicine, The University of Texas M. D. Anderson Cancer Center, and The University of

Texas Health Science Center at Houston. Dr. Fernandez is the author of numerous scholarly publications and a prominent leader in academic societies such as The American College of Psychiatrists, where he is President-Elect.

6. U. T. System Board of Regents: Approval to amend Regents' *Rules and Regulations*, Rule 10402 (Committees and Other Appointments), Section 1.10, regarding Duties of the Technology Transfer and Research Committee

The Board amended the Regents' *Rules and Regulations*, Rule 10402, Section 1.10, regarding Duties of the Technology Transfer and Research Committee, to add language as set forth below:

- 1.10 Duties of the Technology Transfer and Research Committee. The Technology Transfer and Research Committee shall:
- (a) Consider matters relating to technology transfer and research on campuses of the U. T. System, including the enhancement of research funding through philanthropy.
 - (b) Make recommendations to the Board on matters concerning technology commercialization, including the protection and commercialization of intellectual property.

These Rule amendments clarify the duties of the Board's Standing Committee on Technology Transfer and Research to include specifically the enhancement of research funding through philanthropy at The University of Texas System institutions and the making of recommendations to the Board on matters regarding the protection and commercialization of intellectual property.

7. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, a) Rule 10501 (Delegation to Act on Behalf of the Board), Sections 2.2.9 and 2.2.12, concerning contracts with athletic directors and coaches, b) Rule 10402 (Committees and Other Appointments), Section 7, regarding Athletics Liaisons, and c) Rule 20204 (Determining and Documenting the Reasonableness of Compensation), Sections 3 and 4, regarding Board and other approvals

Vice Chairman Hicks noted that matters regarding athletic employment agreements had been discussed over the past several years, and he noted the proposed revisions to the Regents' *Rules and Regulations* would address some of the historical problems by providing an opportunity for the Board to be involved in the process earlier when there are openings of this magnitude, and by providing the institutional president prior Board approval to hire such an individual when required.

The Board approved the following Regents' *Rules and Regulations* amendments:

a. Rule 10501, Delegation to Act on Behalf of the Board

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.

...

2.2.9 Certain Employment Agreements. Agreements with administrators employed by the U. T. System or any of the institutions, so long as such agreements fully comply with the requirements of *Texas Education Code* Section 51.948 including the requirement to make a finding that the agreement is in the best interest of the U. T. System or any of the institutions, except those with total annual compensation of \$1 million or greater or with proposed multiyear contracts of \$1 million or greater.

...

2.2.12 Athletic employment agreements. Contracts, contract revisions, and contract extensions with athletic directors and coaches except those with total annual compensation of \$1 million or greater or those with proposed multiyear contracts of \$1 million or greater.

(a) Contracts, contract revisions, and contract extensions for individuals with total annual compensation of \$1 million or greater may be negotiated and executed by the President following consultation with the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, and the Chairman of the Board of Regents and additional consultation, as requested by the Chairman, to determine if special circumstances require an offer or contract change to be made prior to a scheduled meeting of the Board and if the proposed offer or contract change is in the best interest of the institution.

(b) Such special circumstance contracts shall be submitted to the Board for formal approval via the Consent Agenda at the next appropriate meeting of the Board as required by Rule 20204 of these Rules.

- (c) Alternatively, the President may seek prior approval of the Board to negotiate with a slate of identified individuals within defined contract terms and proceed, if authorized, to hire an athletic director or coach and submit a contract for formal approval by the Board as set out in (b) above.
 - (d) It is the expectation of the Board, the Chancellor, and the Executive Vice Chancellor for Academic Affairs that each President will assure the Chairman, the Chancellor, and the Executive Vice Chancellor for Academic Affairs are provided advance notice of proposed hirings and potential terms of employment related to such contracts in advance of an offer or publication or public distribution of information to allow for meaningful consultations and/or approvals.
- b. Rule 10402, Committees and Other Appointments
 - Sec. 7 Athletics Liaison. The Chairman of the Board may name a member or members of the Board to serve as liaison to the Board on matters concerning intercollegiate athletics. Contacts related to institutional athletics matters made to the Athletics Liaison or Liaisons will be made in consultation with the Chancellor and the Executive Vice Chancellor for Academic Affairs.
- c. Rule 20204, Determining and Documenting the Reasonableness of Compensation
 - Sec. 3 Board Approval. Compensation for employees whose total annual compensation is \$1 million or more and who are not covered in Regents' *Rules and Regulations*, Rule 20203 must be approved by the Board of Regents, except as otherwise allowed by Rule 10501 for athletic directors or coaches when special circumstances exist. In all cases, the employing institution is responsible for providing documentation that the compensation was established in accordance with the Systemwide policy for establishing the compensation for Highly Compensated Personnel. In addition, compensation for certain athletic directors and head coaches must be approved by the Board of Regents pursuant to Regents' Rule 10501, Section 2.2.12.
 - Sec. 4 Executive Vice Chancellor Approval. Compensation for employees whose total annual compensation is \$500,000 or more but less than \$1,000,000 and who are not covered in Regents' *Rules and Regulations*, Rule 20203 must be approved by the appropriate Executive Vice Chancellor. The employing institution is responsible for providing documentation to the Executive Vice Chancellor that the compensation was established in accordance with the Systemwide policy for establishing the compensation for Highly Compensated Personnel.

3. Definitions

Highly Compensated Personnel – employees whose total annual compensation is \$500,000 or more and who are not covered in Regents' *Rules and Regulations*, Rule 20203 (Compensation for Key Executives).

The revisions to Rule 10501 conform the general delegation for approval of contracts for coaches and athletic directors to the same total compensation levels set for other employees and provide alternate procedures to process contracts for athletic directors and coaches whose contracts exceed \$1.0 million or whose total annual compensation exceeds \$1.0 million.

In addition, new language for Rule 10501, Section 2.2.12 adds a process for delegated initial approval of certain “special circumstance” athletics-related employment contracts.

The amendment to Rule 10402 clarifies that contacts to the Athletics Liaison or Liaisons on institutional athletics matters will be made in consultation with the Chancellor and the Executive Vice Chancellor for Academic Affairs.

8. U. T. System: Approval to amend and combine Regents' *Rules and Regulations*, Rule 50402 (Health Insurance Requirements for Certain International Students) and Rule 50403 (Student Health Insurance Requirement) into a new Rule 50402 to be titled Student Health Insurance Requirements

To comply with regulations included in the federal Patient Protection and Affordable Care Act (PPACA) and for purposes of clarity and efficiency, the Board approved that the Regents' *Rules and Regulations*, Rule 50402 (Health Insurance Requirements for Certain International Students) and Rule 50403 (Student Health Insurance Requirement) be amended and combined into a new Rule 50402 to be titled Student Health Insurance Requirements. New Rule 50402 is set forth on Pages 41 - 43.

The PPACA, signed into law in March 2010, mandates certain health care benefit standards, including essential benefits for all U.S. citizens, certain visa holders, and others residing in the U.S. effective in 2014. In March 2013, the U.S. Department of Health and Human Services clarified that student health insurance programs provided by public and private institutions of higher education must meet the PPACA standards, including minimal essential benefits.

On August 1, 2013, The University of Texas System contracted with Academic Health Plans of Colleyville, Texas, a subsidiary of Blue Cross Blue Shield of Texas, to administer a PPACA-compliant student health insurance program for eligible U. T. System students and their families. Academic Health Plans was chosen through a competitive bid process.

Regents' Rule 50402 allows international students to purchase "approved" comprehensive health insurance or coverage while enrolled at U. T. System institutions. Currently, the Rule requires all students in the U.S. on nonimmigrant visas to have health insurance coverage that meets the minimum requirements established by the U.S. Department of State for individuals who have entered the country with a J-1 or J-2 visa. The Rule also states that a student may satisfy this requirement by purchasing coverage available to students through the U. T. System-sponsored student health insurance plan. To comply with the enactment of PPACA, new Rule 50402 requires that U. T. System international students who are not covered through the U. T. System student health insurance plan, which is PPACA-compliant, or a comparable PPACA-compliant plan, enroll in the U. T. System student health insurance plan. In working with the institutions on the changes required by the PPACA, U. T. System Administration determined that other aspects of the former Rules make it difficult for institutional International Offices to evaluate proposed alternative health care coverage and to monitor students' retention of adequate health care coverage throughout the school year.

New Rule 50402 clarifies the authority of the International Offices (1) to evaluate the level and types of existing health insurance coverage that students on nonimmigrant visas propose to utilize as a substitute for coverage under the U. T. System-sponsored student health insurance plan, and (2) to require enrollment in the U. T. System-sponsored student health insurance plan in the absence of proof that the student's existing non-U. T. System-sponsored coverage meets all of the requirements of the PPACA. The Rule also clarifies the authority of the institutions to monitor coverage to ensure students retain the required coverage during the entire enrollment period.

Regents' Rule 50403 implements State law authorizing U. T. System to adopt rules requiring students at its health institutions to either enroll in the U. T. System student insurance plan or obtain comparable health insurance from another source. Students at U. T. System academic institutions are required by PPACA to have PPACA-compliant health care as well. However, there is no State or federal authority that permits U. T. System to enforce this requirement or regulate health insurance coverage for these students.

1. Title

Student Health Insurance Requirements

2. Rule and Regulation

Sec. 1 International Students

1.1 Requirement for International Students and Delegation of Authority. The Board of Regents delegates to the Chancellor the authority to approve a policy on International Student Health Insurance, which defines the categories of students who shall be defined as “international students” who are required to maintain health insurance as a condition of enrollment, and outlines the health insurance requirements which shall be applicable to such International Students.

1.2 The policy on International Student Health Insurance shall include, at a minimum:

1.2.1 A requirement that international students subject to the policy shall be automatically enrolled in the U. T. System sponsored student health insurance plan titled U. T. System Student Health Insurance Program (UT SHIP), with the exceptions noted in Section 2.2.

1.2.2 The authority of each institution of the U. T. System to assess each international student, for each semester in which the international student is enrolled, a Student Health Insurance Premium fee (as an incidental fee authorized by *Texas Education Code* Section 54.504) sufficient to cover the cost of the international student’s enrollment in coverage under the UT SHIP and the cost of medical evacuation and repatriation coverage provided through UT SHIP for that semester.

1.2.3 The process by which the enrollment requirement and Health Insurance Premium fee may be waived for international students who:

- a. are sponsored by the U.S. government, a foreign government recognized by the U.S., or certain international, government sponsored or nongovernmental organizations, if: 1) the sponsor has guaranteed payment of all health care expenses in writing, or 2) has provided

coverage through a Patient Protection and Affordable Care Act (PPACA) compliant plan;

- b. are enrolled in the U. T. System Employee Group Health Plan;
- c. are enrolled in another PPACA-compliant employer-provided plan or another PPACA individual plan, with such coverage compliant with the PPACA; or
- d. are enrolled exclusively in distance learning programs or classes.

1.2.4 A requirement that any international student granted a waiver based on coverage that does not include medical evacuation and repatriation coverage must purchase the medical evacuation and repatriation coverage provided through UT SHIP for each semester of enrollment; and

1.2.5 A requirement that any international student who obtains a waiver based on proof of alternative coverage as described in this Rule is required to report any lapse of such coverage to the institution immediately.

Sec. 2 Students Enrolled at Institutions with a Medical or Dental Unit

2.1 Requirement for Students Enrolled at Institutions with a Medical and Dental Unit. In accordance with *Texas Education Code* Section 51.952, the Board of Regents is authorized to require students enrolled in a U. T. System institution with a medical or dental unit to have health insurance coverage

2.2 Delegation of Authority. The Board of Regents delegates to the Chancellor the authority to approve a policy that defines the categories of students who are required to comply with this requirement. The policy shall also provide that the requirement may be satisfied by either the student's enrollment in UT SHIP or by the student presenting evidence of comparable PPACA health insurance from a source other than the University, following policy guidelines issued by the Chancellor.

2.3 Notification of Requirement. Catalog supplements will be published by the U. T. System institution with a medical or dental unit regarding this requirement.

Sec. 3 Failure to comply with the policies described in Section 1 or Section 2 above shall be grounds for institutional disciplinary action against the student.

9. U. T. System Board of Regents: Amendment to the Regents' *Rules and Regulations*, Rule 60101 (Acceptance and Administration of Gifts), Section 2.6, regarding provisions related to the acceptance of pledges for current purpose commitments, to fund endowments, and in conjunction with a gift-related naming of a facility or program

The Board approved amendments to the Regents' *Rules and Regulations*, Rule 60101 (Acceptance and Administration of Gifts), Section 2.6, regarding provisions related to the acceptance of pledges for current purpose commitments, to fund endowments, and in conjunction with a gift-related naming of a facility or program, to read as set forth below.

Sec. 2 U. T. System Gift Acceptance Procedures. The Board delegates to the Vice Chancellor for External Relations the authority and responsibility to promulgate a set of guidelines regarding the acceptance, processing, investment, and administration of gifts. These guidelines, known as The University of Texas System Administration Policy UTS138, *Gift Acceptance Procedures*, shall be adhered to by the U. T. System and the institutions. In promulgating the *U. T. System Gift Acceptance Procedures*, the delegate shall also consider provisions to:

- 2.1 accomplish the goal of increasing financial support for the U. T. System through the appropriate assistance of donors,
- 2.2 allow staff members to respond to donor initiatives quickly and with certainty,
- 2.3 establish administrative processes to accept and administer gifts in a prudent and efficient manner, with fiduciary responsibilities of fundamental importance,
- 2.4 comply with the Texas Constitution and applicable federal and State law,
- 2.5 comply with the provisions of the *Internal Revenue Code* and related regulations,
- 2.6 specifically incorporate provisions related to the acceptance of pledges for current purpose commitments to fund endowments, and in conjunction with a gift-related naming of a facility or program as follows:
 - (a) for gifts and pledges to name a facility or program, a U. T. System approved gift agreement, which includes defined pledge payment terms, must be in place,

- (b) prior to the creation of an endowment, at least 20% of the donors' total required minimum funding must be received and a U. T. System approved gift agreement, which contains defined pledge payment terms, must be in place, and
- (c) the pledge payment duration for either endowed or nonendowed gifts shall not exceed five years. However, with the written approval of the Vice Chancellor for External Relations, the pledge period may be longer than five years under special circumstances, and

2.7 provide that, in the interest of financial responsibility and efficiency, it is the specific preference of the Board that all endowment gifts be eligible for commingling for investment purposes with other endowment funds.

These amendments to Rule 60101 will ensure similar treatment for all pledges. Revisions to Section 2.6 will conform all pledge commitments to the same duration, while recognizing the standard five-year period is not always practical from a donor-relations perspective. The changes to Section 2.6 (c) will allow the Vice Chancellor for External Relations to grant an exception to the five-year pledge period under special circumstances.

10. U. T. System Board of Regents: Approval to implement recommendations of the Advisory Task Force on Best Practices Regarding University-Affiliated Foundation Relationships, including a) renumbering Regents' *Rules and Regulations*, Rule 60304 (Internal Nonprofit Corporations) as Rule 60303, and revision and renumbering of Rule 60305 (External Nonprofit Corporations) as Rule 60304; b) adoption of new Rule 60305 (University-Affiliated Foundations); and c) approval of a model Memorandum of Understanding

The Board approved implementation of the recommendations of the Advisory Task Force on Best Practices Regarding University-Affiliated Foundation Relationships as follows:

- a. Renumber Regents' *Rules and Regulations*, Rule 60304 (Internal Nonprofit Corporations) as Rule 60303 and revise and renumber Rule 60305 (External Nonprofit Corporations) as Rule 60304 as set forth on Page 46;
- b. Adopt a new Rule 60305 (University-Affiliated Foundations) as set out on Pages 47 - 53; and
- c. Approve a model Memorandum of Understanding (MOU) in substantially the form set forth on Pages 54 - 59.

On November 15, 2012, Chairman Powell created the Advisory Task Force and charged the Task Force with making recommendations to the Board of Regents to assure that relationships between The University of Texas System institutions and the U. T. System and affiliated foundations are optimally structured to serve as a national model for public universities for the best management, compliance, and oversight practices.

Regent Pejovich presented the Task Force's report to the Board on August 22, 2013. At that time, the Task Force proposed that its recommendations be effected through revised Regents' *Rules and Regulations* and implemented through U. T. System policies. These changes to the Regents' Rules address the Task Force recommendations and include a model MOU developed with input from U. T. System institutions and university-affiliated foundations that will serve as the basis for discussions and documentation regarding relationships based upon best practices. Full implementation of the Rules and execution of the MOUs are targeted for Fall 2014, following consultation with individuals from U. T. System institutions and university-affiliated foundations.

Delegation to execute each MOU is granted to the institutional President or Chancellor after approval by the appropriate Executive Vice Chancellor and the Vice Chancellor and General Counsel pursuant to new Rule 60305.

1. Title

External Nonprofit Corporations

2. Rule and Regulation

Sec. 1 Acceptance of Gifts or Bequests. The Board of Regents recognizes that there are legally incorporated nonprofit organizations (most having the word "foundation" in their charter) whose sole purpose is to benefit The University of Texas System, the institutions, or teaching, research, and other activities within those institutions. These organizations are administered by boards of directors independent from the control and supervision of the Board of Regents. Gifts or bequests from any such external organization to the University must be accepted and approved under gift acceptance policies.

Sec. 2 University-Affiliated Foundations. The relationships between the U. T. System and U. T. System institutions and nonprofit organizations classified as University-Affiliated Foundations is defined in Regents' Rule 60305.

1. Title

University-Affiliated Foundations

2. Rule and Regulation

Sec. 1 Importance and Mission Alignment. The independence and diversity of the U. T. System's university-affiliated foundations is a great strength, one that uniquely reflects and serves the System's mission and community with great impact. As a public entity entrusted with both private and public funds, the U. T. System's governing board has a responsibility to ensure that the development, management, and expenditure of resources that support U. T. System institutions are done in a manner consistent with federal, state, and local laws, and that the focus of university fundraising efforts by university personnel remain on funds to be administered by the university. The U. T. System also shares with its institutions and the affiliated foundations a special obligation to maintain the public's trust.

Each U. T. System institution and its university-affiliated foundations should assess, develop, and promote alignment between the university-affiliated foundation's and the institution's missions.

1.1 Memorandum of Understanding. Each U. T. System institution should engage its affiliated foundations in a process to review or develop a Memorandum of Understanding (MOU). The process should principally involve the institution and the affiliated foundation, including the chief executive of the university, the chief executive officer of the affiliated foundation, and the chair of the foundation board. Representatives of the U. T. System's Office of External Relations, Office of Academic Affairs or Office of Health Affairs, Office of General Counsel, and Office of the Board of Regents and the affiliated foundation's legal counsel should be engaged as necessary throughout the process.

The resulting proposed MOU should substantially comply with a model MOU developed with broad and appropriate input from U. T. System institutions and university-affiliated foundations and approved by the Board of Regents. The MOU should also include the provisions listed in Section 1.2 below.

The MOU process should culminate in a formal adoption of the MOU between the System or the institution and respective affiliated

foundation executed by the institutional President or the Chancellor after approval by the appropriate Executive Vice Chancellor and the Vice Chancellor and General Counsel.

- 1.2 MOU Provisions. The MOU should include provisions that:
- (a) Summarize the overall relationship between the foundation and the university and how the foundation's assets, functions, gift administration, or grant-making serve the university's mission.
 - (b) Establish the President, or the President's designee, as the primary institutional staff contact for the university-affiliated foundation; the institution's Chief Financial Officer, or the Chief Financial Officer's designee, as the primary financial contact for the university-affiliated foundation; and the institutional Chief Development Officer, or the Chief Development Officer's designee, as the primary fundraising contact for the university-affiliated foundation.
 - (c) Define the foundation's role in fundraising, if any, and delineate, as appropriate, the respective oversight responsibilities of foundation and institutional personnel with regard to prospect management, gift acceptance and receipting, and stewardship. The primary focus of fundraising efforts by university-compensated personnel, including development professionals, deans, and faculty, should remain on funds given directly to the university and administered by the university. The exclusive focus of any fundraising efforts by university-compensated personnel to benefit an external entity must be for funds to directly benefit the university.
 - (d) Identify specific services provided by the foundation, which might include fundraising, gift acceptance and advancement services, records and data management, investment services, real estate projects, or other activities in support of institutional functions and priorities, and any payments or consideration provided to the foundation in exchange for such services (precise fees or payments may be documented in separate agreements).

- (e) Describe any institutional resources provided for the use of the foundation. Resources might include budget allocations, staff support, office space, and technology. Recovery of costs associated with providing such resources should be at the same rates charged to university departments. Further, the institutions and university-affiliated foundations should use separate computers and computer systems to avoid the intermingling of data and information. If a database is shared for purposes of maximizing efficiency, accuracy of data, and prospect management, the rationale for sharing a database should be documented and approved in accordance with applicable policies of the Board of Regents (see Regents' Rule 10501), and appropriate steps should be taken and documented to protect the interests of both the U. T. System institution and the university-affiliated foundation, for example, by implementing separate gift-processing modules. (Because funding and fee structures may vary from year to year, the MOU may reference separate support or service agreements or disclosures.)
- (f) Identify a process to phase out any employment arrangements currently in place between any institution and its affiliated foundation whereby an institution and foundation share staff. Where extraordinary circumstances exist requiring the continuation of any such arrangement, establish terms under which foundation functions and operations may be staffed by university employees, including a description of reporting relationships and the role played by foundation staff or board members in hiring decisions, performance evaluation, and compensation decisions. Consistent with the guidance found in the Attorney General Opinion No. MW-373 (1981), U. T. System institutions lack the authority to place foundation employees on payroll or to provide them benefits reserved for state employees. (Because funding and fee structures may vary from year to year, the MOU may reference separate support or service agreements or disclosures.)
- (g) Describe records, including alumni and donor records, owned either by the institution or foundation and policies governing the use and sharing of such records, including public access under the Texas Public Information Act. The MOU should also include language related to the privacy of student information

subject to the Family Educational Rights and Privacy Act (FERPA) and include procedures for providing and safeguarding any student information in full compliance with FERPA.

- (h) Define reciprocal responsibilities and mutual expectations regarding the frequency, content, and method of reporting between the university-affiliated foundation and its supported institution. This should include a requirement for an independent annual audit of the foundation and a requirement that the audit report be provided to the supported institution.
- (i) Describe the terms, process, and frequency by which foundation funds or grants will be provided to the university, including discretionary funds or funds intended to fund the compensation or benefits of university employees (not including transfers of funds for endowed faculty or administrative positions). This should also include requisition guidelines, annual guidelines for seeking foundation funds or support for the purchase of tickets to attend or sponsor third-party or institutional annual dinners, galas, auctions, or other donor-related functions, and provisions for the reimbursement to university employees for expenses incurred on behalf of the foundation.
- (j) Define terms for the foundation's use of the university's name, service marks, branding, and other proprietary university property, consistent with Board of Regents' policy. (See U. T. System Trademark Licensing Policy).
- (k) Include statements regarding (a) practices to identify and appropriately manage potential conflicts of interests involving institutional staff, foundation staff, and foundation board members, and (b) practices to prevent the payment or accrual of impermissible benefits to university or university-affiliated foundation employees, directors, or officers. This should include a prohibition of the gift or loan of university-affiliated foundation property, services, funds, credit, or assets to university employees, families, or their representatives, except under circumstances whereby a specific program or strategy has received prior written approval by the Board of Regents.

- (l) Include information regarding gift or management fees assessed by the foundation.
 - (m) Clearly define the extent of any liability arising out of the relationship.
 - (n) Establish guidelines and the conditions under which the MOU may be terminated by the institution or foundation and outline a process for the orderly separation of an institution from a foundation and/or a foundation from an institution as well as the distribution of foundation assets consistent with its articles of incorporation and bylaws.
- 1.3 Periodic Assessment. Institutions and affiliated foundations should engage in periodic assessment of the role of the university-affiliated foundation and its relationship with its supported institution by revisiting the MOU process periodically.
- 1.4 Use of Name or Logo. Execution of an MOU is required for the continued approval for the use of the name or logo of any entity within the U. T. System by a university-affiliated foundation.
- Sec. 2 Transparency. Institutions and their affiliated foundation(s) should work together to implement practices that increase transparency, openness, and disclosure to the supported institution and the public.
- 2.1 Each institution and its university-affiliated foundations should provide for the sharing, consistent with applicable laws and donor privacy, of financial information, audits, annual IRS filings, and other records with each other and outside parties.
- 2.2 Each institution and its university-affiliated foundations should work together to adopt a transparency statement oriented specifically to donors, alumni, and outside parties that
- (a) clarifies the relationship between the institution and the university-affiliated foundation;
 - (b) explains the role that the private foundation plays in the university setting;
 - (c) lists each foundation's leadership, budget, and assets; and

- (d) explains the difference between making a gift to the U. T. System, a U. T. institution, or the university-affiliated foundation.
 - 2.3 Each institution and its university-affiliated foundations should adopt practices to assure the university is aware of foundation policies regarding gift or administrative fees, including the disclosure to donors or potential donors of any and all fees for endowment or non-endowment gifts, pledges, or bequests.
 - 2.4 Each institution and its university-affiliated foundations should establish a practice to assure routine reports to donors.
 - 2.5 Each institution should identify all affiliated foundations on its website, clearly noting their status as separate from the supported institution. Similarly, each university-affiliated foundation should have a well-developed website that provides public access to information about the foundation's mission, a list of foundation employees and board members, and clear contact information for the foundation.
- Sec. 3 Governance. Each institution and university-affiliated foundation should:
- (a) Ensure that the work of the foundation is aligned with the strategic priorities of the supported university.
 - (b) Collaborate to establish strong periodic orientation programs to educate new university officials and all new foundation board members about the foundation's mission, legal requirements, and fiduciary duties.
- Sec. 4 Foundation Policies. University-affiliated foundations should adopt policies that are transparent, reflect best practices, and mitigate even the appearance of impropriety, unfairness, financial self-dealing, or fiscal imprudence.
- Sec. 5 Donor Intent. Institutions and university-affiliated foundations should adopt and consistently apply gift acceptance policies, thoroughly document donor intent, and carefully review proposed gifts to ensure that donors' intentions can be fulfilled and that through the acceptance of gifts, institutions will not be subject to undue external influence, such as over academic programs and appointments, or to financial or compliance risk.

The policies should require consultation between the foundation and appropriate institution representatives prior to the foundation accepting gifts restricted for a) institution purposes other than those addressed in existing gift acceptance policies, or b) that may subject the institution to unusual conditions or requirements.

3. Definitions

University-Affiliated Foundations - Texas nonprofit trusts or corporations whose sole, primary, or operationally significant purpose is to provide financial support to a U. T. System institution.

4. Relevant Federal and State Statutes

Texas Business Organizations Code Section 22.353

Texas Government Code Section 2255.001 – Rules (Private Donors or Organizations)

Texas Attorney General Opinion No. MW-373 (1981)

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, Rule 10501, Delegation to Act on Behalf of the Board

Regents' *Rules and Regulations*, Rule 30104, Conflict of Interest, Conflict of Commitment, and Outside Activities

Regents' *Rules and Regulations*, Rule 60101, Acceptance and Administration of Gifts

Regents' *Rules and Regulations*, Rule 60304, External Nonprofit Corporations

Regents' *Rules and Regulations*, Rule 60306, Use of University Resources

The University of Texas System Administration Policy UTS138, *Gift Acceptance Procedures*

Best Practices Regarding University-Affiliated Foundation Relationships – Advisory Task Force Report (2013)

MODEL
MEMORANDUM OF UNDERSTANDING

By this Memorandum of Understanding, THE UNIVERSITY OF TEXAS _____
("University") and _____ ("Foundation") agree as follows:

1. The University and the Foundation deem it appropriate to, and do hereby, memorialize the relationship between the Foundation and the University, and agree mutually for the future regarding the respective roles, rights and obligations of the University and the Foundation in this relationship.

[If Foundation has specialized or limited functions, those should be specified]

2. The Foundation is a nonprofit educational corporation chartered in Texas for the purposes of: supporting the educational undertakings of the University; furthering education, research and financial assistance to deserving recipients; accepting donations for particular objectives to accomplish such purposes; and cooperating with the advancement of the general welfare of the University as a whole. The policies of the Board of Directors of the Foundation include the activities of securing and administering funds for the benefit of the University.

[If Foundation has a different corporate structure or specialized duties, those should be specified]

3. The Foundation agrees that, during the term of this Memorandum of Understanding, the Foundation will:

- (1) Accept gifts for the benefit of the University that may include: support for the procurement and retention of outstanding faculty members; financial support for students; the enrichment of the educational environment of the University; and, by other agreed upon activities, enhancement of the prestige of, and advancement of, the University; and utilization of its expertise, resources and personnel for such purposes;

- (2) Render other assistance to the University as may mutually appear desirable, including the following:

- Develop an annual plan approved by the Foundation to raise funds and an annual plan to spend funds.
- Base its spending plan on funds on hand.

- Pay to the University all direct costs borne by University to support Foundation projects.
 - Direct its fundraising in cooperation with University fundraising efforts and in alignment with the University mission.
- (3) Recognize the University as the sole beneficiary of its development activities and its educational support. The Foundation, its officers and directors understand that the Foundation may engage in fundraising for the Foundation's support. The Foundation will not sponsor or participate in any organized fundraising effort for the benefit of the University without first consulting with and receiving the approval of the President of the University, or his/her designee.
- (4) Establish a website that provides public access to information about the Foundation's mission, a list of Foundation employees and board members, and clear contact information.
- (5) Enact and enforce records retention procedures that ensure orderly management and retrieval of documents.
- (6) Enact a policy to provide for public inspection of financial records and Foundation meeting minutes to the extent permissible by law.

[Other functions, including records and data management, or the provision of other services to University, should be specified. If the purposes of the Foundation are other than solely fundraising or if the University is not the sole beneficiary of the Foundation's activities, those modifications can be reflected in this section. For example, Sealy and Smith Foundation, Southwestern Medical Foundation and the UT Foundation have broader purposes.]

4. The University agrees that, during the term of this Memorandum of Understanding, the University may:

- (1) provide reasonable space on or near its campus, as approved by the University President, to the Foundation for the purpose of carrying out its obligations hereunder and for its general operations on behalf of the University;

- (2) provide the utilities and telephone services reasonably needed by the Foundation in carrying out its activities under this Memorandum of Understanding;
- (3) permit reasonable use of University equipment and personnel as needed to coordinate the activities of the Foundation with the operations of the University and hereby expressly recognizes that the University President, officers and the employees may reasonably assist from time to time in development programs as may be needed or helpful in coordinating those Foundation activities with the operations of the University. The primary focus of fundraising efforts by university-compensated personnel, including development professionals, deans, and faculty, should remain on funds given directly to the university. The exclusive focus of any fundraising efforts by university-compensated personnel to benefit the foundation must be for funds to directly benefit the university. Foundation employees may not be University employees, be carried on the payroll of the University or receive University employee-related benefits;
- (4) provide access to alumni data, when appropriate and consistent with all state and federal privacy laws, through the University's Office of Development or Alumni Relations and with the approval of the Vice President for Development or University Advancement, for the purposes of benefiting the fundraising efforts of the Foundation and the University.

[If University provides other support or resources, those should be specified. If the potential for conflicts of interest exist, a management plan should be specified]

Recovery of costs associated with providing such resources will be at the same rate charged to University departments and documented in separate support or service agreements.

5. The University and the Foundation are committed to transparency. All audits of the Foundation, as required by the Internal Revenue Code and as requested by the Foundation, shall be provided to the University as requested and to the public to the extent permissible by law. The University and the Foundation will provide information to the public, on each website, the nature of the relationship between the two entities and explain the difference between contributions to the two entities. Further, the University and the Foundation will establish a practice to provide routine reports to donors.

6. It is mutually agreed that the University and the Foundation will use separate computers and computer systems to avoid the intermingling of data and information. If it is mutually agreed that a database should be shared for purposes of maximizing efficiency, accuracy of data, and prospect management, the rationale for sharing such database should be documented and approved in accordance with Rules and Regulations of the Board of Regents Rule 10501.
7. It is mutually agreed that the University and the Foundation will not share staff. **[If shared staffing does occur, the following language should be added: The University and the Foundation find that there are extraordinary circumstances that require the existence of shared staff. University employees authorized to provide foundation support shall report to _____. Further, such employees may assist in foundation functions and operations only to the extent as outlined below:]**
8. It is mutually agreed that the University and the Foundation will execute an annual written agreement by August 1 of each year for the next fiscal year (September 1 through August 31) specifying a “Management and Use Fee” to compensate the University for the utilization by the Foundation of equipment, utilities and office space and for the time spent by any University employees on Foundation matters authorized under Section 7, attached as Exhibit 1. (For purposes of the Annual Agreement, such time will be estimated based on the previous year’s actual time commitment.) Any direct costs beyond those covered by the Annual Agreement shall be agreed to in advance between the presidents of the Foundation and the University, or their designees.
[Other reporting obligations of the Foundation, including fundraising, funds transfer, expenditures, etc. should be specified.]
9. To protect any University of Texas System trademarks, Foundation may use the University trademarks specified in and subject to the restrictions contained in the attached trademark license, Exhibit 2.
10. Foundation shall comply with all applicable laws regarding privacy of student, alumni and donor records and shall also comply with all requirements of the Texas Public Information Act that may be applicable to Foundation due to its relationship with University.
[Applicability of the Texas Public Information Act (TPIA) to the Foundation will depend on specific factors, including the use by the Foundation of University resources or funds, and specific language may be tailored or added here to clarify

the separate nature of the Foundation. However, the Office of the Attorney General has ultimate authority to determine the applicability of the TPIA.]

11. The University enters this arrangement with the Foundation with the expressed understanding that the University is not responsible for any debt, obligation or liabilities of the Foundation, its officers and/or trustees.

12. It is mutually agreed that the University and the Foundation will operate proactively to identify and appropriately manage potential conflicts of interest involving institutional officers and employees, foundation staff, and foundation board members. The conflict of interest provisions of both the University's policies and the Foundation's policies are expressly applicable to all interactions between the University and the Foundation. In cases where the conflict of interest policies of the University and the Foundation conflict, the more restrictive policy will control.

This agreement is effective immediately upon execution by the parties, and it shall remain in effect from year to year unless modified in writing by mutual agreement of the Foundation and the University or terminated by either the Foundation or the University upon giving written notice six (6) months prior to the end of a fiscal year of the University (by August 31).

Effective on this ____ day of _____, 20--.

The _____ Foundation

By: _____
President

Date: _____

The University of Texas _____

By: _____
President [or designee]

Date: _____

Exhibit 1 – not attached

Exhibit 2 – not attached

11. U. T. System: Approval of \$10 million in additional Permanent University Fund Bond Proceeds for continued funding of the U. T. System Research Incentive Program

The Board approved that an additional \$10,000,000 of Permanent University Fund (PUF) Bond Proceeds be appropriated for Fiscal Year 2014 to provide continued funding to enhance and enrich research infrastructure for The University of Texas System Research Incentive Program (UTRIP) to benefit the four emerging research institutions designated by the Texas Higher Education Coordinating Board: The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, and The University of Texas at San Antonio.

The Texas Legislature, 81st Regular Session, authorized the Texas Research Incentive Program (TRIP) to provide State matching funds for research-oriented philanthropy at the seven emerging research institutions of Texas, as designated by the Texas Higher Education Coordinating Board. Among those seven are U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio.

On August 20, 2009, the Board authorized Vice Chancellor Safady to act on behalf of the Board to facilitate the acceptance of gifts by U. T. System institutions that qualified for matching under the TRIP, as appropriate, and to work closely with U. T. System institutions to ensure compliance with requirements of the Texas Higher Education Coordinating Board related to this Program.

On October 12, 2009, the Board appropriated \$10,000,000 of PUF Bond Proceeds to provide one-time matching funds through UTRIP to assist the four U. T. System institutions, identified above, in leveraging private gifts for the enhancement of research productivity and faculty recruitment. According to the Texas Constitution, PUF Bond Proceeds may only be used to fund capital and equipment items related to the educational mission of the U. T. System and its institutions.

The gifts were to be matched using the following criteria:

- Gifts of \$500,000 to \$999,999 from a single source will be matched at 10% (creating a matching gift possibility ranging from \$50,000 to \$99,999)
- Gifts of \$1,000,000 to \$2,999,999 from a single source will be matched at 20% (creating a matching gift possibility ranging from \$200,000 to \$599,999)
- Gifts of \$3,000,000 to \$4,999,999 from a single source will be matched at 30% (creating a matching gift possibility ranging from \$900,000 to \$1,499,999)
- Gifts of \$5,000,000 or greater from a single source will be matched at 50% (with a matching cap of \$2.5 million)

On August 12, 2010, the Board authorized an additional \$10,000,000 to continue and extend UTRIP through December 31, 2011, to benefit the U. T. System's four emerging research universities subject to the matching requirements approved by the Board on October 12, 2009, with a modification to allow matches to also be made for gifts with a payment period of up to two years. The Program could continue with the use of the previously allocated \$10,000,000 and the allocation of an additional \$10,000,000, for a total of \$20,000,000.

Again on February 9, 2012, the Board authorized another \$10,000,000 to continue and extend UTRIP, subject to the matching requirements approved by the Board on October 12, 2009, and modified on August 12, 2010. The Program could continue with the use of the previously allocated \$20,000,000 and the allocation of an additional \$10,000,000, for a total of \$30,000,000.

The four U. T. System institutions have greatly benefited from these programs and the leveraging of private gifts for the enhancement of research productivity and faculty recruitment has resulted in more than \$68 million secured from the Coordinating Board's TRIP funds. Further funding made available through the Board of Regents' UTRIP fund has further leveraged private gifts. Since the Board authorized UTRIP, almost \$84 million in private gifts have been submitted for matching and more than \$25 million in matching UTRIP funds have been paid or committed by the U. T. System. Based on new gifts under negotiation with donors now, the current balance of UTRIP funding will be depleted in May 2014, and continued funding is important to ensure momentum with current gift negotiations.

12. U. T. System: Acceptance of final report and recommendations from the Task Force on Hazing and Alcohol

Following remarks by Dr. Wanda Mercer, Associate Vice Chancellor for Student Affairs in the Office of Academic Affairs, and Ms. Eileen Curry, a fourth-year medical student at The University of Texas Health Science Center at San Antonio, the Board accepted the recommendations set forth in the report of The University of Texas System Task Force on Hazing and Alcohol. The report was included in the agenda materials and is [on file](#) in the Office of the Board of Regents.

Chancellor Cigarroa encouraged a culture of zero tolerance. Vice Chairman Powell noted this is a long-term project.

At the request of Chairman Powell, the U. T. System Task Force on Hazing and Alcohol was charged with developing, for the U. T. System institutions, an array of evidence-based best practices that target campus student organizations and other university constituencies in an effort to change campus culture concerning hazing and alcohol abuse. The Task Force included student and faculty representatives from across the U. T. System institutions. A set of recommendations was developed for the institutions and the U. T. System as a whole.

13. U. T. System Board of Regents: Certificate of appreciation to Student Regent Nash M. Horne

Chairman Foster thanked Student Regent Nash M. Horne for his service to The University of Texas System over the past year and presented a certificate of appreciation as follows. Regent Horne then provided the following remarks.

CERTIFICATE OF APPRECIATION

to
NASH M. HORNE
from the
Board of Regents
of
The University of Texas System

In appreciation for his wise counsel,
conscientious stewardship, and dedicated service
to The University of Texas System

Student Regent, 2013 - 2014

Remarks by Regent Horne

Thank you, Mr. Chairman. Before I begin, I would like to publicly thank you, sir, for your leadership over the past year. You devote so much of your time to this System and you are not thanked enough for all you do for us on a daily basis. On a personal note, I would like to thank you for the time we spent together and the impact you have made on my life.

It has been a true honor and a privilege to serve The University of Texas System over the course of the past year. I would first like to thank Governor Rick Perry for allowing me the opportunity to serve in this capacity. Over the course of the past year, I have had the opportunity to visit our campuses and spend time with our wonderful Presidents and their staffs. You all are truly changing the future of Texas with your tireless dedication to serving our students day in and day out. It has been a privilege to get the opportunity to be in your presence and learn so many life lessons from each one of you.

The Governor often says that Texas is open for business, and I hope he will not mind if I steal his line to say that over the course of the past year, I have found Texas is open for hopes and dreams to become reality for our youth in this state. At the heart of this are the institutions that comprise this System.

The System is creating this reality in many different ways to meet our current and future students' needs. Whether it be world-changing educational and research opportunities at my soon-to-be alma mater, U. T. Austin, or our emerging research institutions producing young men and women that will forever change the future of their region and our state. From medical institutions that are training the future doctors that will care for our state's citizens to the realization of a dream of so many in this room of creating a new University in South Texas that will forever shape the future of our state through the offerings of hope and healing in education and health care. And then you have M. D. Anderson saving the life of one of our future students who just received his or her last round of treatment and is now cancer free. This System is opening up Texas' youth to dream big and change the world.

Our System is comprised of the best and brightest the world has to offer. I have had the opportunity to meet so many of our students and I can say with confidence, and I am sure our Presidents would echo this, that our students are what make this System so great. It has been the highest honor to serve them in this role, and I hope I have done them justice in helping to make their educational experience the best it can be.

To one of my biggest role models and heroes, Francisco Cigarroa, your wisdom and guidance over the course of the last year has forever impacted my life. The time we have spent together is some of the fondest memories I have of the past year. Watching and learning as you never took praise for accomplishments, but quickly passed it along to your wonderful staff, or as you put the System and our students above you when tough decisions had to be made. It is life lessons like these that will forever impact my life, and I hope to one day grow up to be a leader like Dr. Francisco Cigarroa. The news of your pending return to surgery was one of the lowest points in my term, but I know that your impact and sacrifices will forever be felt in this System and our state. So on behalf of our students, my family, and myself, "Thank you for your service and leadership to this System and our state."

There are so many others I would like to thank in the room; the Board office for all their help and all the Executive Vice Chancellors and their staffs for their assistance this year. However, I would like to close by speaking about my teammates, friends, and role models that sit around this table.

Often people have said to me over the course of the past year, "This must have been a tough year to be on the Board of Regents." While it is understandable for someone to come to that conclusion, I have found in my life that it is in times of adversity that real growth happens. I have

watched each one of you rise up during these times, and through watching you, I have grown. The Chancellor often says that the cream rises to the top, and I have had the privilege of watching each one of you exhibit exemplary leadership during these times of adversity.

Members of the Board, you all have taught me so much over my term. Spending time with each one of you has been a true honor and a privilege. People do not realize the sacrifice that you all make to be on this Board, so on behalf of our students, I thank you for being on this Board. You all are leading our System to a better place for our current and future students through exciting initiatives like UTRGV (The University of Texas Rio Grande Valley), the Dell Medical School, and the Institute for Transformational Learning, among many others. I have learned from you all never to accept the status quo. This Board never ceases to press the limit when it comes to producing better institutions to serve our students. As a student, I thank you for that. Each one of you has made an impact on my life over the course of the past year, and I hope that today is not the end of our friendship but rather the beginning of a continuing dialogue. It is my hope and prayer that one day I might be able to follow in your footsteps and lead education in Texas to the next level.

In closing, I would like to leave you with this guidance. As you all conduct yourselves as a Board and as individual members, I hope you all remember that there are young men and women all across this state watching your every move, hoping to one day grow up to be the next Jeff Hildebrand, Wallace Hall, Brenda Pejovich, Gene Powell, Paul Foster, Steve Hicks, Bobby Stillwell, Alex Cranberg, or Ernie Aliseda. These young men and women are watching you and are looking to you all to be mentors and role models; this includes one 22-year old boy who sits in front of you today.

Thank you all, it has been a privilege and an honor to serve with you, and I am blessed to call each one of you a friend and mentor. Thank you for your time today and with that Chairman, I turn it back to you.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 11:25 a.m., Chairman Foster announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 65 - 125.

REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE
(Page 65).--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: Approval of non-audit services to be performed by U. T. System's external audit firm, Deloitte & Touche LLP, for the Institute for Transformational Learning (for the U. T. Rio Grande Valley student lifecycle management system), the Office of Health Affairs (for the Cancer Prevention and Research Institute of Texas grant audits), and the Office of Academic Affairs (for the U. T. Rio Grande Valley institutional design models)

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

3. U. T. System: Consideration and approval of Institutional Audit Committee Chair nominations

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

4. U. T. System: Report on the State Auditor's Office Statewide Single Audit for FY 2013

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 66 - 85).--Committee Chairman Hildebrand reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System 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 and Monthly Financial Report

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

3. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2014

The February 28, 2014 UTIMCO Performance Summary Report is set forth on Page 68.

The Investment Reports for the quarter ended February 28, 2014, are set forth on Pages 69 - 72.

Item I on Page 69 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 3.59% versus its composite benchmark return of 2.49%. The PUF's net asset value increased by \$660 million since the beginning of the quarter to \$16,285 million. The increase was due to \$243 million PUF Lands receipts, plus a net investment return of \$562 million, less distributions to the Available University Fund (AUF) of \$145 million.

Item II on 70 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 3.43% versus its composite benchmark return of 2.49%. The GEF's net asset value increased by \$209 million during the quarter to \$7,910 million.

Item III on Page 71 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 2.61% versus its composite benchmark return of 2.02%. The net asset value increased during the quarter to \$6,146 million due to net investment return of \$159 million, plus net contributions of \$87 million,

less distributions of \$45 million. All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 72 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 funds, increased by \$303 million to \$2,189 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: \$97 million versus \$80 million at the beginning of the period; and other investments: \$2 million versus \$.4 million at the beginning of the period

UTIMCO Performance Summary

February 28, 2014

	Net Asset Value 2/28/2014 (in Millions)	Periods Ended February 28, 2014 (Returns for Periods Longer Than One Year are Annualized)							
		<u>Short Term</u>		<u>Year to Date</u>		<u>Historic Returns</u>			
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
ENDOWMENT FUNDS									
Permanent University Fund	\$ 16,285	3.28%	3.59%	8.56%	2.12%	11.11%	7.11%	13.47%	7.23%
General Endowment Fund		3.22	3.43	8.50	1.93	11.12	7.19	13.52	7.30
Permanent Health Fund	1,077	3.22	3.44	8.46	2.00	11.03	7.11	13.41	7.22
Long Term Fund	6,833	3.22	3.44	8.45	2.00	11.03	7.11	13.41	7.22
Separately Invested Funds	197	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	24,392								
OPERATING FUNDS									
Intermediate Term Fund	6,146	2.62	2.61	6.77	1.61	7.24	5.01	12.05	N/A
Debt Proceeds Fund	198	0.01	0.02	0.04	0.01	0.10	N/A	N/A	N/A
Short Term Fund	1,913	0.00	0.01	0.03	0.01	0.08	0.13	0.20	1.87
Total Operating Funds	8,257								
Total Investments	\$ 32,649								
VALUE ADDED (1) (Percent)									
Permanent University Fund		0.61%	1.10%	0.71%	0.68%	1.55%	1.20%	1.90%	1.46%
General Endowment Fund		0.55	0.94	0.65	0.49	1.56	1.28	1.95	1.53
Intermediate Term Fund		0.19	0.59	0.37	0.14	1.96	1.97	1.98	N/A
Debt Proceeds Fund		0.01	-	0.01	-	0.02	N/A	N/A	N/A
Short Term Fund		-	(0.01)	-	-	-	0.04	0.08	0.21
VALUE ADDED (1) (\$ IN MILLIONS)									
Permanent University Fund		\$ 97	\$ 172	\$ 107	\$ 108	\$ 226	\$ 525	\$ 1,251	\$ 1,990
General Endowment Fund		42	72	47	38	115	299	704	1,148
Intermediate Term Fund		11	36	22	8	107	312	477	N/A
Total Value Added		\$ 150	\$ 280	\$ 176	\$ 154	\$ 448	\$ 1,136	\$ 2,432	\$ 3,138

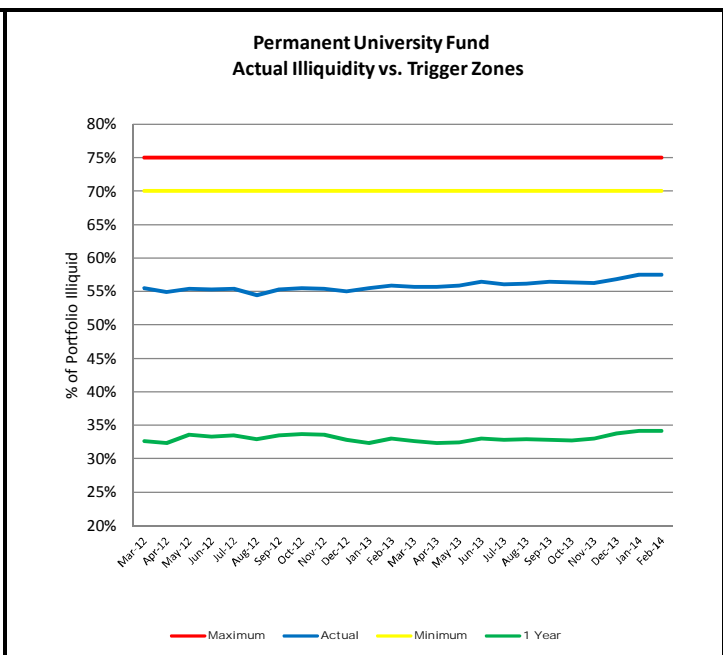
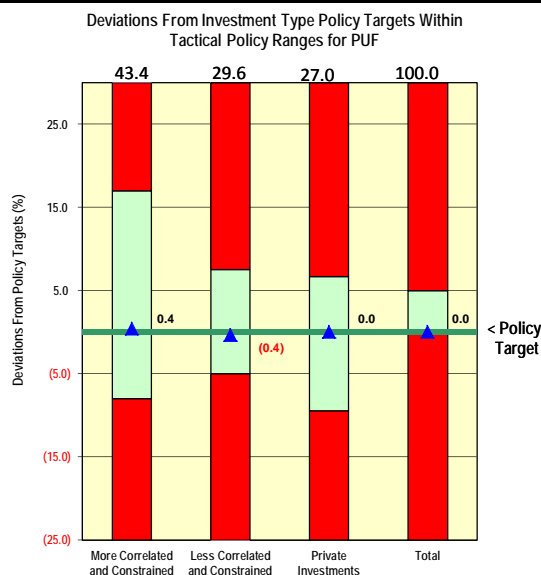
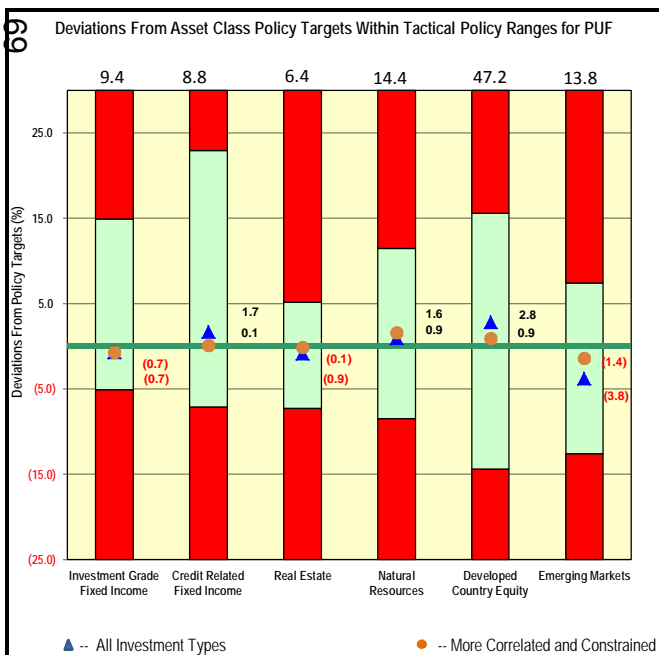
Footnote available upon request.

I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended February 28, 2014

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

<u>Summary of Capital Flows</u>				
(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended February 28, 2014	Fiscal Year to Date August 31, 2014	
Beginning Net Assets	\$ 13,470	\$ 15,625	\$ 14,853	
PUF Lands Receipts	857	243	560	
Investment Return (Net of Expenses)	1,170	562	1,271	
Distributions to AUF	(644)	(145)	(399)	
Ending Net Assets	<u>\$ 14,853</u>	<u>\$ 16,285</u>	<u>\$ 16,285</u>	

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	0.77%	4.12%	-0.04%	-0.27%	-0.31%
Credit-Related	6.77%	8.19%	0.00%	0.00%	0.00%
Real Estate	8.89%	8.96%	0.00%	-0.01%	-0.01%
Natural Resources	1.41%	6.12%	-0.16%	-0.36%	-0.52%
Developed Country	15.84%	14.67%	0.01%	0.17%	0.18%
Emerging Markets	6.80%	4.77%	-0.05%	0.25%	0.20%
Total More Correlated and Constrained	7.60%	8.57%	-0.24%	-0.22%	-0.46%
Less Correlated and Constrained	9.15%	6.22%	0.05%	0.82%	0.87%
Private Investments	9.54%	8.28%	0.00%	0.30%	0.30%
Total	8.56%	7.85%	-0.19%	0.90%	0.71%



II. GENERAL ENDOWMENT FUND

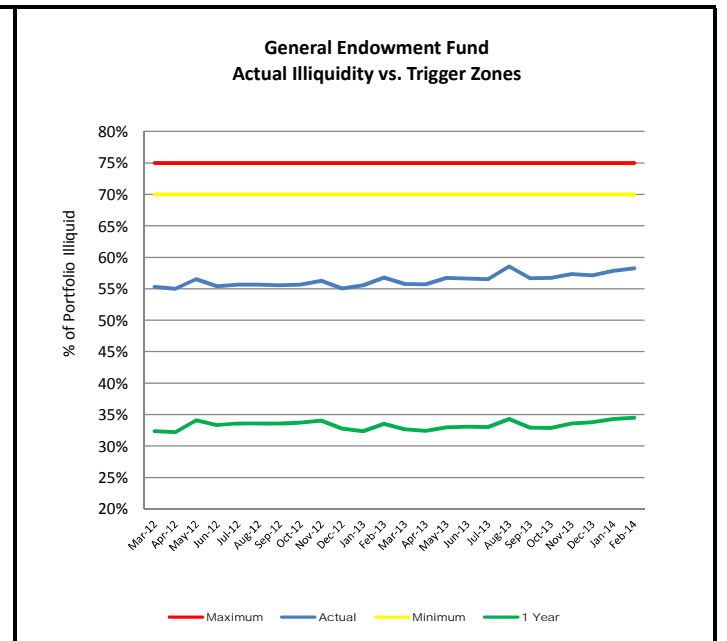
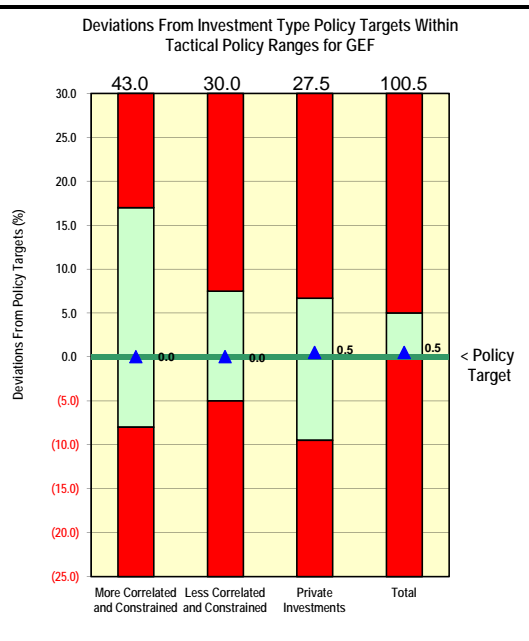
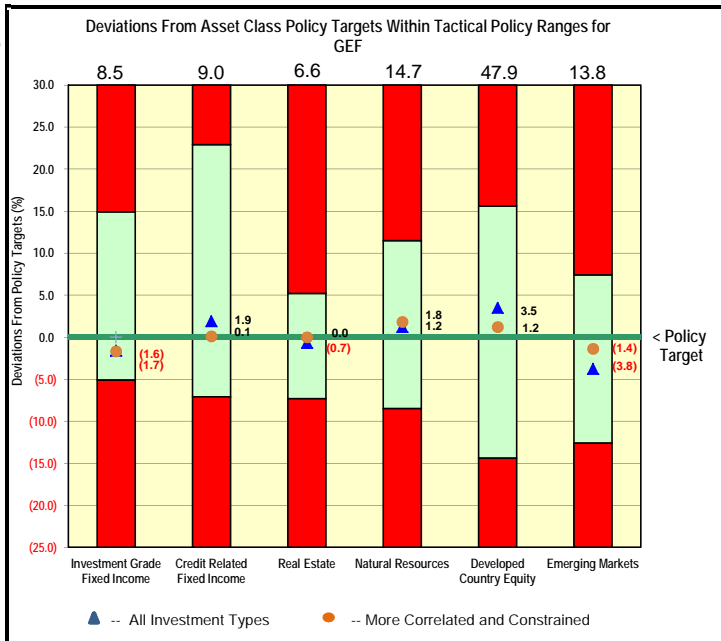
Investment Reports for Periods Ended February 28, 2014

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended February 28, 2014	Fiscal Year to Date August 31, 2014
Beginning Net Assets	\$ 7,105	\$ 7,701	\$ 7,396
Contributions	166	35	70
Withdrawals	(152)	(1)	(2)
Distributions	(360)	(93)	(184)
Investment Return (Net of Expenses)	637	268	630
Ending Net Assets	<u>\$ 7,396</u>	<u>\$ 7,910</u>	<u>\$ 7,910</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	1.21%	4.12%	-0.01%	-0.23%	-0.24%
Credit-Related	6.77%	8.19%	0.00%	0.00%	0.00%
Real Estate	8.95%	8.96%	0.00%	0.00%	0.00%
Natural Resources	1.46%	6.12%	-0.18%	-0.36%	-0.54%
Developed Country	15.84%	14.67%	0.02%	0.18%	0.20%
Emerging Markets	5.23%	4.77%	-0.01%	0.07%	0.06%
Total More Correlated and Constrained	7.44%	8.57%	-0.18%	-0.34%	-0.52%
Less Correlated and Constrained	9.15%	6.22%	0.06%	0.80%	0.86%
Private Investments	9.54%	8.28%	-0.01%	0.32%	0.31%
Total	8.50%	7.85%	-0.13%	0.78%	0.65%

70

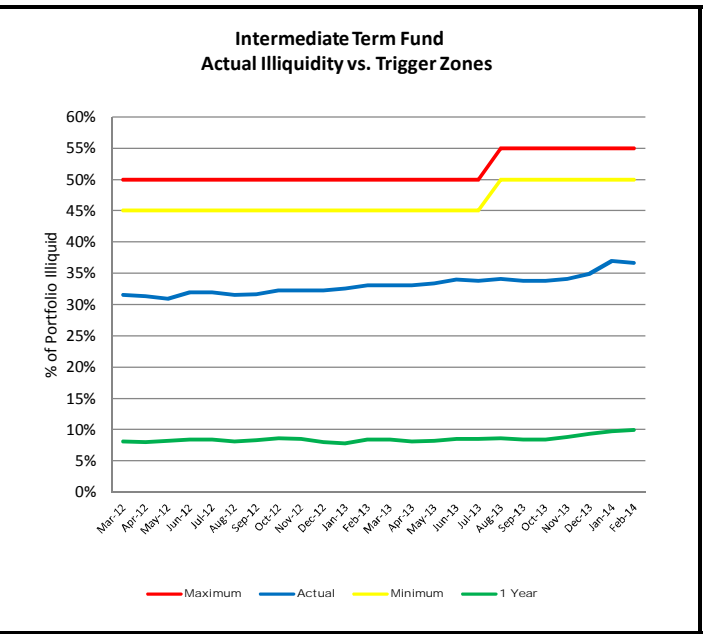
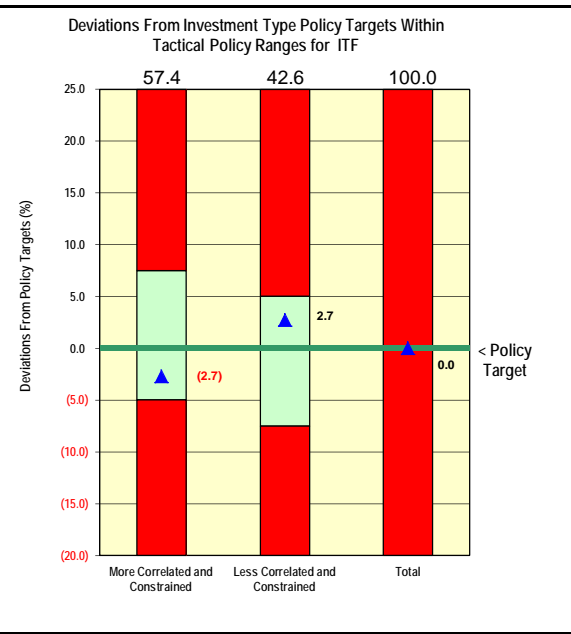
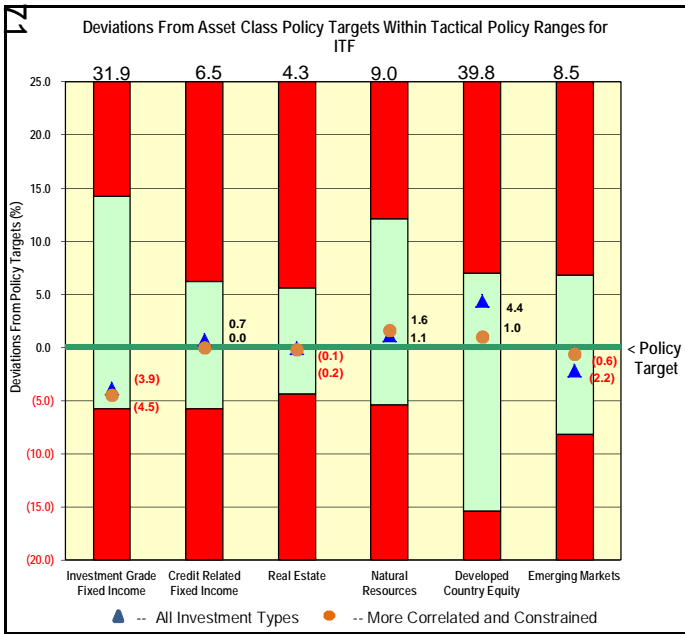


III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 28, 2014

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows				
(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended February 28, 2014	Fiscal Year to Date August 31, 2014	
Beginning Net Assets	\$ 4,893	\$ 5,945	\$ 5,520	
Contributions	694	134	398	
Withdrawals	(158)	(47)	(70)	
Distributions	(158)	(45)	(89)	
Investment Return (Net of Expenses)	249	159	387	
Ending Net Assets	<u>\$ 5,520</u>	<u>\$ 6,146</u>	<u>\$ 6,146</u>	

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	2.80%	4.12%	0.06%	-0.44%	-0.38%
Credit-Related	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	8.96%	8.96%	-0.04%	-0.01%	-0.05%
Natural Resources	1.61%	6.12%	-0.09%	-0.33%	-0.42%
Developed Country	15.86%	14.67%	0.01%	0.12%	0.13%
Emerging Markets	4.46%	4.77%	-0.03%	-0.03%	-0.06%
Total More Correlated and Constrained	5.22%	6.47%	-0.09%	-0.69%	-0.78%
Less Correlated and Constrained	9.15%	6.22%	0.13%	1.02%	1.15%
Private Investments	0.00%	0.00%	0.00%	0.00%	0.00%
Total	6.77%	6.40%	0.04%	0.33%	0.37%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at February 28, 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 11/30/13	-	-	3,694	3,694	36,722	36,722	2,236	2,236	1,537	1,537	44,189	44,189	1,841,347	1,841,347	1,885,536	1,885,536
Increase/(Decrease)	-	-	268	268	34,529	34,529	(292)	(292)	(959)	(959)	33,546	33,546	269,776	269,776	303,322	303,322
Ending value 02/28/14	-	-	3,962	3,962	71,251	71,251	1,944	1,944	578	578	77,735	77,735	2,111,123	2,111,123	2,188,858	2,188,858
Debt Securities:																
Beginning value 11/30/13	-	-	60	60	11,784	12,186	8,739	8,914	-	-	20,583	21,160	-	-	20,583	21,160
Increase/(Decrease)	-	-	(3)	(2)	(514)	(365)	52	33	-	-	(465)	(334)	-	-	(465)	(334)
Ending value 02/28/14	-	-	57	58	11,270	11,821	8,791	8,947	-	-	20,118	20,826	-	-	20,118	20,826
Equity Securities:																
Beginning value 11/30/13	1,160	18,140	273	269	39,365	46,807	12,534	14,715	-	-	53,332	79,931	-	-	53,332	79,931
Increase/(Decrease)	-	14,388	1,591	1,590	401	558	327	224	-	-	2,319	16,760	-	-	2,319	16,760
Ending value 02/28/14	1,160	32,528	1,864	1,859	39,766	47,365	12,861	14,939	-	-	55,651	96,691	-	-	55,651	96,691
Other:																
Beginning value 11/30/13	-	-	272	272	6	6	504	132	-	-	782	410	-	-	782	410
Increase/(Decrease)	-	-	680	680	-	-	12	(21)	503	503	1,195	1,162	-	-	1,195	1,162
Ending value 02/28/14	-	-	952	952	6	6	516	111	503	503	1,977	1,572	-	-	1,977	1,572
Total Assets:																
Beginning value 11/30/13	1,160	18,140	4,299	4,295	87,877	95,721	24,013	25,997	1,537	1,537	118,886	145,690	1,841,347	1,841,347	1,960,233	1,987,037
Increase/(Decrease)	-	14,388	2,536	2,536	34,416	34,722	99	(56)	(456)	(456)	36,595	51,134	269,776	269,776	306,371	320,910
Ending value 02/28/14	1,160	32,528	6,835	6,831	122,293	130,443	24,112	25,941	1,081	1,081	155,481	196,824	2,111,123	2,111,123	2,266,604	2,307,947

Details of individual assets by account furnished upon request.

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

Upon recommendation of The University of Texas Investment Management Company (UTIMCO) Board of Directors, the Board approved the amended and restated UTIMCO Compensation Program (Plan) effective September 1, 2013. The revisions to the Plan are set forth on the following pages.

The Plan was approved by the UTIMCO Board on February 20, 2014, and amends and restates the UTIMCO Compensation Program that was approved by the U. T. System Board on August 23, 2012 (Prior Plan). The Prior Plan Appendices C and D were amended November 14, 2013. The Plan is to be effective for the Plan Year beginning September 1, 2013.

The Prior Plan consists of two elements: base salary and an annual incentive plan. The UTIMCO Board has the discretion to interpret the compensation program and may from time to time adopt such rules and regulations that it may deem necessary to carry out the Compensation Program and may also amend the Compensation Program.

The changes were as follows:

Section 5.8(b)(2) of the Plan and Appendix D, Table 2

Contingent on the U. T. System Board's approval, the Custom Cambridge Fund of Funds Benchmark will replace the current Venture Economics Custom Index and the NACRIEF Custom Index benchmarks for all Private Investments Asset Classes.

The Private Investments benchmark was last changed in 2004 when two different methodologies were adopted, one for the Private Investments Asset Class and one for the Total Fund. Since 2004, superior data has become available from Cambridge, including fund of funds data. The recommended change utilizes this fund of funds data with a single benchmark for both the Private Investments Asset Classes and the Total Fund. The recommended change will adopt the rolling three-year period return as is used for the rest of the Plan. The new benchmark will become effective as of September 1, 2013; immediately for the Private Investments Asset Classes and implemented over the next three years at the Total Fund level.

Appendix A

The Performance Incentive Award Methodology has been updated to reflect actual CEO Performance Incentive Award opportunities based on current compensation.

Appendix B

The UTIMCO Peer Group has been updated with four additional endowment funds that have met the required criteria for the UTIMCO Peer Group as described in Appendix B. Therefore, these four endowment funds have been added to the Peer Group: Brown University, Dartmouth College, Johns Hopkins University, and New York University.

Other miscellaneous nonsubstantive and editorial changes have been made.

5.8. *Performance Measurement Standards*

(a) Entity Performance

- (1) Entity Performance for purposes of the Performance Incentive Plan is the performance of the Total Endowment Assets (weighted at 80%) and the Intermediate Term Fund (weighted at 20%).
- (2) The performance of the Total Endowment Assets (“TEA”) is measured based on the TEA’s performance relative to the TEA Policy Portfolio Return (TEA benchmark).
- (3) The performance of the Intermediate Term Fund will be measured based on the performance of the ITF relative to the ITF Policy Portfolio Return (ITF benchmark).
- (4) Performance standards related to the TEA and ITF for each Performance Period beginning after August 31, 2010, will be set forth on a revised table for each such Performance Period and set forth on Appendix D as soon as administratively practicable after such standards are determined. Performance of the TEA and ITF is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the TEA and ITF.
- (5) Except as provided in Section 5.9, performance of the Total Endowment Assets (based on the TEA benchmark) and the Intermediate Fund (based on the ITF benchmark) will be measured based on a three-year rolling historical performance of each such fund.

(b) Asset Class/Investment Type Performance

Asset Class/Investment Type Performance is the performance of specific asset classes and investment types within the Total Endowment Assets and the Intermediate Term Fund (such as developed country, private investments, etc.) based on the standards set forth in this Section 5.8(b). Except as provided in Section 5.9, Asset Class/Investment Type Performance will be measured relative to the appropriate benchmark based on three-year rolling historical performance. Performance standards for each asset class and investment type will vary depending on the ability to outperform the respective benchmark. The benchmarks for each asset class and investment type, as well as threshold, target, and maximum performance standards in effect during the three-year rolling historical period, culminating with the current Performance Period, are set forth on Table 2, which is attached as Appendix D. Table 2 will be revised, as necessary, for subsequent Performance Periods to reflect new benchmarks, as well as threshold, target, and maximum performance standards, in effect during the three-year rolling historical period, culminating with the subsequent Performance Period, in which event, such revised table will be attached as Appendix D as soon as

Appendix A

Performance Incentive Award Methodology (for Performance Periods beginning on or after September 1, 2013)

I. Determine “Incentive Award Opportunities” for Each Participant²

- Step 1. Identify the weights to be allocated to each of the three Performance Goals for each Participant’s Eligible Position. The weights vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. The total of the weights ascribed to the three Performance Goals must add up to 100% for each Participant. For example, Table 1 on Appendix C may reflect for a Performance Period for the CEO that the weight allocated to the Entity Performance Goal is 60%, the weight allocated to the Asset Class/Investment Type Performance Goal is 0%, and the weight allocated to the Individual Performance Goal is 40%.
- Step 2. Identify the percentage of base salary for the Participant’s Eligible Position that determines the Performance Incentive Award for achievement of the Threshold, Target, and Maximum levels of the Performance Goals. The percentages vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. For example, Table 1 on Appendix C may show that for a Performance Period the applicable percentages for determining the Performance Incentive Award for the CEO are 0% of his or her base salary for achievement of Threshold level performance of all three Performance Goals, 125% of his or her base salary for achievement of Target level performance of all three Performance Goals, and 340% of his or her base salary for achievement of Maximum level performance of all three Performance Goals.
- Step 3. Calculate the dollar amount of the potential Threshold, Target, and Maximum awards (the “Incentive Award Opportunities”) for each Participant by multiplying the Participant’s base salary for the Performance Period by the applicable percentage (from Step #2 above). For example, assuming the CEO has a base salary of \$655,000 for a Performance Period, based on the assumed percentages set forth in Step #2 above, the CEO will be eligible for a total award of \$0 if he or she achieves Threshold level performance of all three Performance Goals, \$818,750 (125% of his or her base salary) if he or she achieves Target level performance of all three

² These Incentive Award Opportunities represent amounts that each Participant will be awarded if he or she achieves his or her Performance Goals at varying levels and are calculated at the beginning of each Performance Period or, if later, the date such Participant commences participation in the Performance Incentive Plan.

Performance Goals, and \$2,227,000 (340% of his or her base salary) if he or she achieves Maximum level performance of all three Performance Goals.

- Step 4. Because a Participant may achieve different levels of performance in different Performance Goals and be eligible for different levels of awards for that achievement (e.g., he or she may achieve Target performance in the Entity Performance Goal and be eligible to receive a Target award for that goal and achieve Maximum performance in the Qualitative Performance Goal and be eligible to receive a Maximum award for that Performance Goal), it is necessary to determine the Incentive Award Opportunity of the Threshold, Target, and Maximum award for each separate Performance Goal (and, because achievement of the Entity Performance Goal is determined in part by achievement of the Total Endowment Assets and in part by achievement of the Intermediate Term Fund, a Threshold, Target, and Maximum Incentive Award Opportunity separately for the TEA and the ITF must be determined). This is done by multiplying the dollar amount of the Threshold, Target, and Maximum awards for the performance of all three Performance Goals calculated in Step #3 above for the Participant by the weight allocated for that Participant to the particular Performance Goal (and, further, by multiplying the Incentive Award Opportunity for the Entity Performance by the weight ascribed to achievement of the Total Endowment Assets (80%) and by the weight ascribed to achievement of the Intermediate Term Fund (20%)).
- Step 5. After Steps #3 and #4 above are performed for each of the three levels of performance for each of the three Performance Goals, there will be 12 different Incentive Award Opportunities for each Participant. For example, for the CEO (based on an assumed base salary of \$655,000, the assumed weights for the Performance Goals set forth in Step #1 above, and the assumed percentages of base salary for the awards set forth in Step #2 above), the 12 different Incentive Award Opportunities for achievement of the Performance Goals for the Performance Period are as follows:

Incentive Award Opportunities for CEO
(based on assumed base salary of \$655,000)

Performance Goal	Weight	Threshold Level Award	Target Level Award	Maximum Level Award
Entity (TEA v. TEA Policy Portfolio Return)	48% (.80 x .60)	\$0	\$393,000	\$1,068,960
Entity (ITF v. ITF Policy Portfolio Return)	12% (.20 x .60)	\$0	\$98,250	\$267,240
Asset Class/Investment Type	0%	\$0	\$0	\$0
Qualitative	40%	\$0	\$327,500	\$890,800
Total	100%	\$0 (0% of salary)	\$818,750 (125% of salary)	\$2,227,000 (340% of salary)

II. Calculate Performance Incentive Award for Each Participant³

- Step 6. Identify the achievement percentiles or achieved basis points that divide the Threshold, Target, and Maximum levels for each Performance Goal. These divisions for the level of achievement of the Entity and Asset Class/Investment Type Performance Goals are set forth in the table for the applicable Performance Period as set forth on Appendix D. The measurement for the level of achievement (i.e., Threshold, Target, or Maximum) for the Qualitative Performance Goal is initially determined each Performance Period by the Participant’s supervisor, if any, (in the case of the CCO, jointly by the Audit and Ethics Committee and the CEO), and then is approved (or adjusted) by the Compensation Committee as it deems appropriate in its discretion. If the Participant has no supervisor, the measurement for the level of achievement for the Qualitative Performance Goal is determined each Performance Period by the Compensation Committee. The Board will determine the CEO’s level of achievement relative to the CEO’s Performance Goals.
- Step 7. Determine the percentile or basis points achieved for each Performance Goal for each Participant using the standards set forth in Sections 5.5 and 5.8 of the Compensation Program, as modified in Section 5.9. Determine the level of achievement of each Participant’s Qualitative Performance Goal.
- Step 8. Calculate the amount of each Participant’s award attributable to each Performance Goal by identifying the Incentive Award Opportunity amount for each Performance Goal (e.g., as assumed and set forth for the CEO in the table in Step #5 above) commensurate with the Participant’s level of achievement for that Performance Goal (determined in Steps #6 and #7

³ In the event that the Net Returns of the Total Endowment Assets during the Performance Period for which Performance Incentive Awards are being determined are below negative 14.0% at the end of such Performance Period, steps 6 through 14 need not be followed with respect to Affected Participants when calculating Performance Incentive Awards for that Performance Period.

above). An award for achievement percentiles in between the stated Threshold, Target, and Maximum levels is determined by linear interpolation. For example, if +100 bps of the TEA benchmark portion of the Total Endowment Assets portion of the Entity Performance Goal has been achieved, that +100 bps is between the Target (+75 bps) and the Maximum (+225 bps) levels, so to determine the amount of the award attributable to +100 bps of achievement of the TEA benchmark portion of the Total Endowment Assets portion of the Entity Performance Goal, perform the following steps: (i) subtract the difference between the dollar amounts of the Target and Maximum Incentive Award Opportunities for the Participant (e.g., for the CEO, as illustrated in the table in Step #5, the difference is \$675,960 (\$1,068,960-\$393,000)); (ii) divide 25 (the bps difference between the Target level of +75 bps and the attained level of +100 bps) by 150 (the bps difference between the Target level and Maximum level) to get the fraction 25/150 to determine the pro rata portion of the difference between Target and Maximum actually achieved; (iii) multiply the amount determined in the preceding Step (i) by the fraction determined in the preceding Step (ii) ($\$675,960 \times 25/150 = \$112,660$); and (iv) add the amount determined in the preceding Step (iii) to the Target Incentive Award Opportunity for the Participant to get the actual award for the Participant attributable to each Performance Goal ($\$112,660 + \$393,000 = \$505,660$).

Step 9. In determining the Asset Class/Investment Type Performance portion of an award for a Performance Period for each Participant who is responsible for more than one asset class and investment type during that Performance Period, first, the Participant's attained level of achievement (i.e., Below Threshold, Threshold, Target, or Maximum) is determined for each asset class and investment type for which such Participant is responsible by comparing the actual performance to the appropriate benchmark for the asset class and investment type; then, the award is calculated for the determined level of achievement for each such asset class and investment type by multiplying the award commensurate with the level of achievement by the weight assigned to the Asset Class/Investment Type Performance Goal for such Participant; then, the various asset classes and investment types for which the Participant is responsible are assigned a pro rata weight (i.e., the assets in such asset class and investment type relative to the total assets under such Participant's responsibility); then, each determined award for a separate asset class and investment type is multiplied by the weight for that asset class and investment type; and, finally, the weighted awards are totaled to produce the Participant's award attributable to Asset Class/Investment Type Performance.

Step 10. In determining the award attributable to the Entity Performance Goal, achievement of the Total Endowment Assets portion of the Entity Performance Goal (and the commensurate award) is weighted at 80% (and then multiplied by the weight assigned to the Entity Performance Goal for the Participant), and achievement of the Intermediate Term Fund portion of

the Entity Performance Goal (and commensurate award) is weighted at 20% (and then multiplied by the weight assigned to the Entity Performance Goal for the Participant). For example, assuming a base salary of \$655,000, if the CEO achieved the Target level (+75 bps) of the TEA benchmark portion of the Total Endowment Assets portion of the Entity Performance Goal, and achieved the Maximum level (+150 bps) of the Intermediate Term Fund portion of the Entity Performance Goal, he or she would have earned an award of \$660,240 for his or her level of achievement of the Entity Performance Goal as follows: \$393,000 for Target level of achievement of the TEA benchmark portion of the TEA portion of Entity Performance Goal (.80 x .60 x \$655,000) plus \$267,240 for Maximum level of achievement of the ITF portion of the Entity Performance Goal (.20 x .60 x \$2,227,000).

- Step 11. No award is given for an achievement percentile below Threshold, and no award above the Maximum award is given for an achievement percentile above the Maximum level.
- Step 12. Subject to any applicable adjustment in Step #13 below, add the awards determined in Steps #8, #9, and #10 above for each Performance Goal (as modified by Step #11) together to determine the total amount of the Participant's Performance Incentive Award for the Performance Period.
- Step 13. In the case of any Participant who becomes a Participant in the Performance Incentive Plan after the first day of the applicable Performance Period, such Participant's Performance Incentive Award (determined in Step #12) will be prorated to reflect the actual portion of the Performance Period in which he or she was a Participant. In the case of a Participant who ceases to be a Participant prior to the end of a Performance Period, his or her entitlement to any Performance Incentive Award is determined under Section 5.10 and, in the case of such entitlement, such Participant's Performance Incentive Award, if any, will be prorated and adjusted as provided in Section 5.10.
- Step 14. In the case of any Affected Participant, such Affected Participant's Performance Incentive Award calculated pursuant to Steps #1 through #13 above shall be multiplied by the appropriate factor set forth in the following charges:

Appendix B

UTIMCO Peer Group

- Brown University
- Columbia University
- Cornell University
- Dartmouth College
- Duke University
- Emory University
- Harvard University
- Johns Hopkins University
- Massachusetts Institute of Technology
- New York University
- Northwestern University
- Princeton University
- Rice University
- Stanford University
- UNC Management Company
- University of California
- University of Chicago
- University of Michigan
- University of Notre Dame
- University of Pennsylvania
- University of Southern California
- University of Virginia Investment Management Company
- Vanderbilt University
- Washington University in St. Louis
- Yale University

Source: Cambridge Associates. Represents endowment funds (excluding the Total Endowment Assets) with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than \$2.5 billion, all to be determined as of the last day of each fiscal year end June 2011, 2012, and 2013.

Appendix D

Benchmarks for Entity and Asset Class/Investment Type and Threshold, Target, and Maximum Performance Standards (for Performance Periods beginning on or after September 1,2011)

UPDATED TABLE 2 (9/1/11 through 08/31/12)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment Assets	IIF	Threshold	Target	Maximum
		(% of Portfolio)	(% of Portfolio)			
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+75 bps	+225 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.5%	35.0%	+0 bps	+25 bps	+62.5 bps
Real Estate	FTSE EPRA/NAREIT Developed Index NET TRI USD	2.5%	5.0%	+0 bps	+62.5 bps	+150 bps
Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	6.5%	7.5%	+0 bps	+62.5 bps	+150 bps
Developed Country Equity	MSCI World Index with net dividends	18.5%	10.0%	+0 bps	+62.5 bps	+150 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	12.0%	7.5%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	30.0%	35.0%	+0 bps	+75 bps	+250 bps
Private Investments	Custom Cambridge Fund of Funds Benchmark	23.0%	0%	+0 bps	+150 bps	+450 bps
Specific asset class benchmarks:						
Credit-Related Fixed Income	Barclays Capital Global High Yield Index			+0 bps	+37.5 bps	+100 bps
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+25 bps	+50 bps

UPDATED TABLE 2 (9/1/12 through 08/31/13)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment Assets	IIF	Threshold	Target	Maximum
		(% of Portfolio)	(% of Portfolio)			
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+75 bps	+225 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.5%	35.0%	+0 bps	+25 bps	+62.5 bps
Real Estate	FTSE EPRA/NAREIT Developed Index NET TRI USD	2.5%	5.0%	+0 bps	+62.5 bps	+150 bps
Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	7.5%	7.5%	+0 bps	+62.5 bps	+150 bps
Developed Country Equity	MSCI World Index with net dividends	15.0%	10.0%	+0 bps	+62.5 bps	+150 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	12.0%	7.5%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	30.0%	35.0%	+0 bps	+75 bps	+250 bps
Private Investments	Custom Cambridge Fund of Funds Benchmark	25.5%	0%	+0 bps	+150 bps	+450 bps
Specific asset class benchmarks:						
Credit-Related Fixed Income	Barclays Capital Global High Yield Index			+0 bps	+37.5 bps	+100 bps
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+25 bps	+50 bps

UPDATED TABLE 2 (9/1/13 through 08/31/14)

Asset Class/Investment Type	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total Endowment	EIF	Threshold	Target	Maximum
		Assets				
		(% of Portfolio)	(% of Portfolio)			
Entity: Benchmark (Total Endowment Funds)	Policy Portfolio	n/a	n/a	+0 bps	+100 bps	+250 bps
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+50 bps	+150 bps
Investment Grade Fixed Income	Barclays Capital Global Aggregate Index	7.5%	30.0%	+0 bps	+25 bps	+62.5 bps
Real Estate	FTSE EPRA/NAREIT Developed Index	2.5%	3.0%	+0 bps	+62.5 bps	+150 bps
	NET TRI USD					
Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	7.5%	7.0%	+0 bps	+62.5 bps	+150 bps
Developed Country Equity	MSCI World Index with net dividends	14.0%	9.0%	+0 bps	+62.5 bps	+150 bps
Emerging Markets Equity	MSCI Emerging Markets with net dividends	10.0%	6.0%	+0 bps	+62.5 bps	+150 bps
Hedge Funds (Less Correlated & Constrained Investments)	Hedge Fund Research Indices Fund of Funds Composite Index	30.0%	45.0%	+0 bps	+75 bps	+250 bps
Private Investments	Custom Cambridge Fund of Funds Benchmark	28.5%	0%	+0 bps	+150 bps	+450 bps
Specific asset class benchmarks:						
Credit-Related Fixed Income	Barclays Capital Global High Yield Index			+0 bps	+37.5 bps	+100 bps
Internal Investment Grade Fixed Income	US Barclays Capital Aggregate			+0 bps	+25 bps	+50 bps

5. U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, and the Long Term Fund

Upon recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board approved the adoption of a new benchmark for the Private Investments Asset Classes, effective September 1, 2013, which required amending Exhibit A of the Investment Policy Statements for the Permanent University Fund (PUF) and the General Endowment Fund (GEF) and Exhibit B of the Investment Policy Statements for the Permanent Health Fund (PHF) and the Long Term Fund (LTF).

Amendments to the Exhibits A and B of the Investment Policy Statements are set forth on Attachment 1 - Exhibit A and B on the following pages.

The U. T. System Board of Regents adopted the current benchmarks for the PUF, GEF, PHF, and LTF on August 22, 2013, to be effective September 1, 2013.

The UTIMCO Board recommended that the Venture Economics Custom Index and the NACREIF Custom Index be replaced by the Custom Cambridge Fund of Funds Benchmark, effective September 1, 2013. Exhibit A to the Investment Policy Statements for the PUF and GEF, and Exhibit B to the Investment Policy Statements for the PHF and LTF (Attachment 1) were amended to reflect the changes to the Private Investments and Real Estate Private Investments Benchmarks.

All amended Investment Policy Statements were effective September 1, 2013. The UTIMCO Board approved these amended Investment Policy Statements on February 20, 2014.

ATTACHMENT 1 - EXHIBIT A AND B
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2013

POLICY PORTFOLIO	FYE 2014		
	Min	Target	Max
<u>Asset Classes</u>			
Investment Grade Fixed Income	5.0%	10.5%	25.0%
Credit-Related Fixed Income	0.0%	8.8%	30.0%
Real Estate	0.0%	8.2%	12.5%
Natural Resources	5.0%	13.3%	25.0%
Developed Country Equity	30.0%	43.8%	60.0%
Emerging Markets Equity	5.0%	15.4%	25.0%
<u>Investment Types</u>			
More Correlated & Constrained	35.0%	41.5%	60.0%
Less Correlated & Constrained	25.0%	30.0%	37.5%
Private Investments	17.5%	28.5%	35.0%

*The total Asset Class & Investment Type exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 105% of the Asset Class & Investment Type exposures excluding the amount of derivatives exposure not collateralized by Cash.

POLICY BENCHMARK (reset monthly)	FYE 2014
Barclays Capital Global Aggregate Index	7.5%
FTSE EPRA/NAREIT Developed Index Net TRI USD	2.5%
50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	7.5%
MSCI World Index with net dividends	14.0%
MSCI Emerging Markets with net dividends	10.0%
Hedge Fund Research Indices Fund of Funds Composite Index	30.0%
Custom Cambridge Fund of Funds Benchmark	28.5%



POLICY/TARGET RETURN/RISKS	FYE 2014
Expected Annual Return (Benchmarks) **	7.40%
One Year Downside Deviation	9.30%
Risk Bounds	
Lower: 1 Year Downside Deviation	75%
Upper: 1 Year Downside Deviation	115%

**Equal to nominal return, net of all investment-related expenses and assuming an inflation rate of 2.5%.

ATTACHMENT 1 - EXHIBIT A AND B
(continued)
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE SEPTEMBER 1, 2013

POLICY BENCHMARKS BY ASSET CLASS AND INVESTMENT TYPE: FYE 2014

FYE 2014		More Correlated & Constrained	Less Correlated & Constrained	Private Investments	Total
Fixed Income	Investment Grade	Barclays Capital Global Aggregate Index (7.5%)	3.0%	0.0%	10.5%
	Credit-Related	0.00%	5.0%	3.8%	8.8%
Real Assets	Real Estate	FTSE EPRA/NAREIT Developed Index Net TRI USD (2.5%)	0.5%	5.2%	8.2%
	Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index (7.5%)	0.0%	5.8%	13.3%
Equity	Developed Country	MSCI World Index with Net Dividends (14.0%)	19.5%	10.3%	43.8%
	Emerging Markets	MSCI EM Index with Net Dividends (10.0%)	2.0%	3.4%	15.4%
Total		41.5%	30.0%	28.5%	100.0%

 Hedge Fund Research Indices Fund of Funds Composite Index
 Custom Cambridge Fund of Funds Benchmark

Investment Policy/Benchmarks are indicated in Black/Bold
Reportable Targets are indicated in Gray

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE

(Pages 88 - 105).--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. Austin: Approval of honorific naming of the Kay Bailey Hutchison Center for Energy, Law, and Business, a new joint center for the School of Law and the McCombs School of Business

The Board approved the honorific naming of a new joint center for the School of Law and the McCombs School of Business at The University of Texas at Austin as the Kay Bailey Hutchison Center for Energy, Law, and Business. This naming recognizes former U.S. Senator Kay Bailey Hutchison, a distinguished alumna of U. T. Austin and acclaimed public servant and businesswoman.

Senator Hutchison spent more than two decades as a public servant. She was the fifth most senior U.S. Senator by the end of her tenure and the first female U.S. Senator from Texas. First elected in 1993, Senator Hutchison was reelected three times, eventually choosing not to run for reelection in 2012. She has been a staunch advocate for higher education and a strong supporter of U. T. Austin. She joined Bracewell & Giuliani in 2013 and represents clients in banking, energy, transportation, telecommunications, and public policy. Senator Hutchison received her Bachelor of Arts degree from U. T. Austin in 1962 and her Doctor of Jurisprudence from the U. T. Austin School of Law in 1967.

The School of Law and the McCombs School of Business will launch an interdisciplinary academic center focused on energy. The mission of the center will be to provide the finest educational opportunities in the U.S. to students who wish to pursue careers in energy. The center will also provide critical analyses of legal, business, management, and policy questions relevant to energy and the energy industry, both domestic and international, including an emphasis on Latin America.

The center will combine three existing centers in the two schools: the School of Law's Center for Global Energy, International Arbitrations, and Environmental Law; the Business School's Energy Management and Innovation Center; and the Kay Bailey Hutchison Center for Latin American Law, which was honorifically named for Senator Hutchison by the Board of Regents on July 10, 2013. The Center for Latin American Law was formally established in the School of Law in 2013, but is not yet

active. The new Kay Bailey Hutchison Center for Energy, Law, and Business will harness the expertise and resources associated with these three centers to provide a world-class, innovative, and multifaceted educational experience to students, as well as incisive, unbiased, and relevant analyses to policy makers.

This naming proposal was consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize a distinguished alumna of U. T. Austin who has been a staunch advocate for higher education and a strong supporter of U. T. Austin.

3. U. T. Brownsville: Approval of the honorific naming of the Luis V. Colom Biomedical Research Facility

The Board approved the honorific naming of the Biomedical Research Facility II at The University of Texas at Brownsville as the Luis V. Colom Biomedical Research Facility in honor of the late Dr. Luis V. Colom who played an instrumental role in growing and expanding the biological sciences at U. T. Brownsville.

Dr. Luis Colom joined U. T. Brownsville in 2001 and was appointed the first Vice President for Research in December 2009. During his tenure, he personally attracted more than \$13.4 million in research grants and helped make the compelling case for U. T. Brownsville's first biomedical research building funded at \$23.5 million by the Texas Legislature. Dr. Colom's skill in attracting research funding and growing more science majors led to his being selected as Chair of the Biology Department in 2004. During his chairmanship, the biology and biomedical faculty almost quadrupled from eight to 30 members. In addition, the number of principal investigators overseeing grants on campus grew from just a few to 59 today.

In 2009, Dr. Colom wrote a grant to seek additional funding from the National Institutes of Health to build even more labs to attract research faculty and entice students to study science. His successful proposal funded the Biomedical Research Facility II, which was dedicated in September 2013. The building is 4,299 square feet and includes six biomedical research labs, private investigator offices, and support space. The facility adjoins the 58,558 square-foot Biomedical Research and Health Professions Building, which was completed in 2012.

Dr. Colom received an M.D. and a Ph.D. in biology from Facultad de Ciencias, Universidad de la República Oriental del Uruguay. He continued his work for the new University of Texas Rio Grande Valley campus until his passing in March 2014.

This naming proposal was consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize an extraordinarily well-respected scholar and researcher at U. T. Brownsville.

4. U. T. Dallas: Approval of the honorific naming of the Texas Instruments Plaza and acceptance of a gift of outdoor art of bronze busts

To recognize decades of continued support from Texas Instruments, the Board approved the honorific naming of a new outdoor plaza at The University of Texas at Dallas as the Texas Instruments Plaza and authorized acceptance of a gift of outdoor art of bronze busts of the founders of Texas Instruments: Eugene McDermott, John Erik Jonsson, and Cecil Howard Green. The bronze busts will be displayed in the new plaza.

Texas Instruments has been instrumental in the history of U. T. Dallas. Originally established as the Graduate Research Center of the Southwest, U. T. Dallas began as a research extension of Texas Instruments. The first structure built at U. T. Dallas, known as the Founders Building, was dedicated on October 29, 1964. Over the years, Texas Instruments has given more than \$20 million in cumulative philanthropic support to U. T. Dallas. This figure does not include overhead-bearing research grants or the value of any donated equipment. In addition, the Texas Instruments Foundation has awarded more than \$7 million in charitable grants to U. T. Dallas.

The new outdoor plaza, which is currently being renovated and landscaped as part of the second phase of the Campus Enhancement Project, measures approximately 15,000 square feet and occupies the outdoor area immediately north of the Founders Building. The renovation and landscaping is expected to be completed in early 2015.

Texas Instruments recently discovered they were in possession of extra busts of the founders, Eugene McDermott, John Erik Jonsson, and Cecil Howard Green. They generously offered to donate these bronze busts to U. T. Dallas. These busts will be displayed in the outdoor plaza, along with a historical marker explaining the story of these three men, the creation of the Graduate Research Center of the Southwest, and how their visionary work resulted in the creation of U. T. Dallas. Arranging these busts and a historic marker in a space named the Texas Instruments Plaza accomplishes several needs for U. T. Dallas, the greatest being the ability to bring together, in a highly visible and public space, the three founders and the story of the invaluable role that both the founders and Texas Instruments have played in the success of U. T. Dallas.

Installation costs are yet unknown as U. T. Dallas will wait until the plaza is completed in Summer 2014. U. T. Dallas expects minimal maintenance costs for the artwork.

This naming proposal was consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize the continuous support given by Texas Instruments.

The request was also in accordance with Regents' *Rules and Regulations*, Rule 60101, Section 4.1, regarding outdoor works of art.

5. U. T. Permian Basin: Approval of the honorific naming of the Charles A. Sorber Visual Arts Studios

The Board approved the honorific naming of the Visual Arts Studios for President Emeritus Charles A. Sorber to recognize the late Dr. Sorber who was instrumental in laying the foundation for The University of Texas of the Permian Basin.

Dr. Charles A. Sorber first joined The University of Texas System in 1975. He served in a number of academic, research, and administrative positions at The University of Texas at San Antonio and he was Associate Dean, College of Engineering at The University of Texas at Austin from 1980 - 1986, when he was appointed Dean of Engineering at the University of Pittsburgh. He returned to The University of Texas System in 1993 when he was appointed as President of U. T. Permian Basin, serving as the fourth president of the institution from 1993-2001. Dr. Sorber returned to the engineering faculty at U. T. Austin in 2001. He served as Interim President of The University of Texas at Arlington from 2003 to 2004. In 2009, Dr. Sorber was asked to come out of retirement to serve as Interim President of The University of Texas-Pan American.

When Dr. Sorber was appointed President of U. T. Permian Basin in 1993, he established a solid foundation, securing the first construction funds since 1975. These funds brought about the Library/Lecture Center and the Visual Arts Studios. In addition, he was instrumental in constructing the first modern housing (apartment-style campus living units) for students and in creating some of U. T. Permian Basin's first endowments. On February 6, 2014, the Board of Regents appointed him President Emeritus at U. T. Permian Basin.

He attended The Pennsylvania State University, where he received a B.S. in 1961 and an M.S. in 1966, both in Sanitary Engineering, and a Ph.D. in Civil Engineering from U. T. Austin in 1971. Dr. Sorber passed away in October 2013.

The Visual Arts Studios is a 21,290 square-foot building, which was completed in December 1999 with a replacement cost of \$4.15 million. The main portion of the building houses a printmaking studio, drawing and painting studios, an art history lecture room, full kitchen, faculty and staff offices, and the Nancy Fyfe Cardozier Gallery.

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 served in many capacities within the U. T. System for over three decades.

6. U. T. Tyler: Approval of the honorific naming of a new Alumni House for Ms. Dawn Franks

The Board approved the honorific naming of a new Alumni House at The University of Texas at Tyler for Ms. Dawn Franks who has been deeply involved in the East Texas community for many years.

Ms. Franks is a native of Tyler, Texas, and has been deeply involved in the city's philanthropic community her entire career. Since 2009, she has served as the President of Fourth Partner, one of the most significantly charitable companies in East Texas. In addition, she also serves as Executive Director of the Ben and Maytee Fisch Foundation and provides grant-making services to the Louis and Peaches Owen Family Foundation. Ms. Franks earned a B.S. in Political Science in 1979 and an M.S. in Public Administration in 1989, both from U. T. Tyler.

U. T. Tyler proposes to construct a building to house the alumni association and provide a "home" on the campus for returning alumni. The 11,000 square-foot building is projected to cost just over \$3 million and will be totally dependent on philanthropic support. To date, U. T. Tyler has received an anonymous lead gift of \$1.5 million. The construction of the Alumni House will not be placed on the Capital Improvement Program, as the cost is under the \$4 million threshold, and it is being funded solely through philanthropic support. Groundbreaking will take place in Summer 2014, with completion scheduled by Fall 2015.

The Alumni House will be a combination of Alumni Association and development offices, featuring multipurpose meeting rooms for alumni events and a central meeting place for faculty, students, and volunteers. The building will be prominently located in the circle at the main campus entrance on Old Omen Road.

This naming proposal was consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities to recognize a distinguished alumna of U. T. Tyler who has been a strong advocate for philanthropic support throughout East Texas.

7. U. T. El Paso: Approval of preliminary authority for a Ph.D. in Mechanical Engineering

The Board approved

- a. preliminary authority for The University of Texas at El Paso to include a Doctor of Philosophy in Mechanical Engineering; and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

The Ph.D. program will provide a broad-based, integrative education for doctoral students to train future technology leaders who are able to function effectively in applied research and development environments, as well as in classic academic settings. A mechanical engineering degree is the broadest of all engineering degrees and qualifies graduates for employment in a diverse range of industries such as energy, aerospace, defense, chemical, automotive, machinery and manufacturing, and utilities. The program will contribute to meeting an increased national demand for a mechanical engineering research and development workforce and create a necessary innovation ecosystem for the prosperity of the economically disadvantaged southwest border region.

U. T. El Paso currently generates a significant number of graduates from its Master of Science in Mechanical Engineering. The University's Mechanical Engineering Department has strong and rapidly growing externally-funded programs in energy, aerospace, and advanced manufacturing research and continues to aggressively develop its research capabilities in these areas. Support for doctoral students will come primarily from research funding. The Mechanical Engineering Department has 16 research-active tenured and tenure-track faculty and state-of-the-art facilities to support the proposed program.

U. T. El Paso will submit the degree program for approval by The University of Texas System Board of Regents and the Texas Higher Education Coordinating Board.

8. U. T. El Paso: Approval of acceptance of gift of outdoor work of art of a steel sculpture

The Board approved the acceptance of a gift of outdoor work of art of a steel sculpture at The University of Texas at El Paso.

U. T. El Paso will receive a gift of outdoor work of art donated by the people of Mexico via the Consulate General of Mexico in El Paso. The steel sculpture titled Esfera Cuántica Tlahtolli, by artist Sebastián, will commemorate the U. T. El Paso Centennial and the century of close ties to the people and institutions in Mexico.

Tlahtolli is a word that pictorially represents the act of speaking in early written documents from Aztec, Toltec, and Mayan cultures. Drawing on his interest in geometric figures, Sebastián envisions a piece made from deconstructed, then reconstructed, conical figures. The interplay between the mathematical expressions of cones and the edges of these shapes gives rise to elements and symbols emphasizing the fraternity between U. T. El Paso and Mexico. The sculpture's surface will resemble a volute, a swirl shape that calls forth a rolled-up scroll, which will symbolize the activities of communicating and transmitting knowledge, thoughts, and ideas that define quintessential university work. The sculpture will reflect U. T. El Paso's connections to the people of Mexico and the support of higher education in the Paso del Norte region.

The sculpture will be approximately 13 feet tall and approximately 13 feet wide. It will be located in the plaza of the Fox Fine Arts Center near the center of the campus. The installation cost of \$28,000 will be funded from Unexpended Plant Funds. Future expenses to maintain the sculpture will be minimal.

The installation of the sculpture is in keeping with the U. T. El Paso Campus Master Plan.

The request was made in accordance with Regents' *Rules and Regulations*, Rule 60101, Section 4.1, regarding outdoor works of art.

9. U. T. Rio Grande Valley: Approval of inventory of undergraduate and graduate degree programs

The Board approved

- a. an inventory of undergraduate and graduate degree programs to be offered at The University of Texas Rio Grande Valley as set forth on the following pages; and
- b. submission of the inventory to the Texas Higher Education Coordinating Board for review and appropriate action.

When U. T. Rio Grande Valley opens in Fall 2015, students continuing from The University of Texas at Brownsville and The University of Texas-Pan American will also be enrolled and their chosen programs of study will need to be available to them. Approval of this inventory of degree programs represents the first official act of consolidation for U. T. Rio Grande Valley. Comparable programs at the same level at U. T. Brownsville and U. T. Pan American have already been consolidated into a single program. After consolidating a total of 168 programs at U. T. Brownsville and U. T. Pan American, U. T. Rio Grande Valley will offer 137 baccalaureate, master's, and doctoral degree programs.

U. T. Rio Grande Valley Degree Programs

Degree Title	CIP Code	Baccalaureate	Master's	Doctoral
NATURAL RESOURCES & CONSERVATION				
Environmental Sciences	03.0104.00	BS (120 SCH)		
AREA, ETHNIC, CULTURAL, & GENDER STUDIES				
Mexican American Studies	05.0203.00	BA (120 SCH)		
COMMUNICATION, JOURNALISM & RELATED PROGRAMS				
Communication	09.0100.00	BACOMM (120 SCH) ¹	MA (36 SCH)	
Communication Studies	09.0101.00	BA (120 SCH)		
Mass Communication	09.0102.00	BA (120 SCH)		
COMPUTER & INFORMATION SCIENCES & SUPPORT SERVICES				
Computer Science	11.0101.00	BS (120 SCH) ¹		
Information Technology	11.0401.00		MS (36 SCH)	
Computer Information Systems Technology	11.0401.00	BAT (120 SCH)		
Computer Science	11.0701.00	BSCS (127 SCH)	MS (36 SCH)	
EDUCATION				
Bilingual Education	13.0201.00		MED (39 SCH)	
Curriculum & Instruction	13.0301.00		MED (36 SCH)	EDD (66 SCH)
Educational Leadership	13.0401.00		MED (36 SCH)	EDD (69 SCH)
Educational Administration	13.0401.00		MED (36 SCH) ¹	
Educational Technology	13.0501.00		MED (36 SCH)	
Special Education	13.1001.00		MED (36 SCH)	
Educational Diagnostician	13.1001.01		MED (45 SCH)	
Counseling & Guidance	13.1101.00		MED (48 SCH)	
Elementary Education	13.1202.00		MED (36 SCH)	
Secondary Education	13.1205.00		MED (39 SCH)	
Early Childhood	13.1210.00		MED (36 SCH)	
Reading & Literacy	13.1315.00		MED (36 SCH)	
English as a Second Language	13.1401.00		MA (36 SCH)	
ENGINEERING				
Civil Engineering	14.0801.00	BS (127 SCH)		
Computer Engineering	14.0901.00	BSCE (127 SCH)		
Electrical Engineering	14.1001.00	BSEE (125 SCH)	MSE (30 SCH)	
Engineering Physics	14.1201.00	BS (132 SCH)		
Mechanical Engineering	14.1901.00	BSME (127 SCH)	MSE (30 SCH)	
Manufacturing Engineering	14.3601.00	BSMFGE (127 SCH)	MSE (30 SCH)	
ENGINEERING TECHNOLOGIES/TECHNICIANS				
Engineering Management	15.1501.00		MS (30 SCH)	
FOREIGN LANGUAGES, LITERATURES, & LINGUISTICS				
Spanish Translation & Interpreting	16.0103.00	BA (120 SCH)	MA (36 SCH)	
French Studies	16.0901.00	BA (120 SCH) ¹		
Spanish	16.0905.00	BA (120 SCH)	MA (36 SCH)	
FAMILY & CONSUMER SCIENCES/HUMAN SCIENCES				
Early Care and Early Childhood Studies	19.0708.00	BS (120 SCH)		
LEGAL PROFESSIONS & STUDIES				
Law & Justice Studies	22.0000.00	BA (120 SCH) ¹		
ENGLISH LANGUAGE & LITERATURE/LETTERS				

English	23.0101.00	BA (120 SCH)	MA (36 SCH)	
Creative Writing	23.1302.00		MFA (42 SCH)	
LIBERAL ARTS & SCIENCES, GENERAL STUDIES & HUMANITIES				
General Studies	24.0102.00	BGS (120 SCH) ¹		
BIOLOGICAL & BIOMEDICAL SCIENCES				
Biology	26.0101.00	BS (120 SCH)	MS (36 SCH)	
Biomedical Sciences	26.0102.00	BS (120 SCH)		
MATHEMATICS & STATISTICS				
Mathematics	27.0101.00	BS (120 SCH)	MS (36 SCH)	
MULTI/INTERDISCIPLINARY STUDIES				
Computational Science	30.3001.00	BS (120 SCH)		
Interdisciplinary Studies	30.9999.01	BIS (120 SCH) BAIS (120 SCH) ³	MAIS (36 SCH) MSIS (36 SCH)	
Multidisciplinary Studies	30.9999.01	BMS (120 SCH)		
Applied Arts & Sciences	30.9999.40	BAAS (120 SCH)		
PARKS, RECREATION, LEISURE & FITNESS STUDIES				
Health & Human Performance	31.0505.00	BS (120 SCH) ¹		
Exercise Science	31.0505.00	BS (120 SCH)	MS (36 SCH)	
Kinesiology	31.0505.00	BS (121 SCH)	MS (36 SCH)	
PHILOSOPHY & RELIGIOUS STUDIES				
Philosophy	38.0101.00	BA (120 SCH)		
PHYSICAL SCIENCES				
Physical Science	40.0101.00	BS (120 SCH)		
Chemistry	40.0501.00	BS (120 SCH)	MS (30 SCH)	
Physics	40.0801.00	BS (121 SCH)	MS (30 SCH)	
PSYCHOLOGY				
Psychology	42.0101.00	BA (120 SCH) BS (120 SCH)	MA (36 SCH) ¹	
Experimental Psychology	42.2704.00		MA (36 SCH)	
Clinical Psychology	42.2801.00		MA (48 SCH)	
School Psychology	42.2805.00		MA (69 SCH)	
SECURITY & PROTECTIVE SERVICES				
Criminal Justice	43.0103.00	BS (120 SCH) ¹		
Criminal Justice	43.0103.00	BSCJ (120 SCH)	MS (36 SCH)	
Criminology & Criminal Justice	43.0104.00	BSCJ (120 SCH)		
PUBLIC ADMINISTRATION & SOCIAL SERVICE PROFESSIONS				
Public Service	44.0401.00	BA (120 SCH) ¹		
Public Policy & Management	44.0501.00		MPPM (36 SCH)	
Public Administration	44.0401.00		MPA (36 SCH)	
Social Work	44.0701.00	BSW (120 SCH)	MSSW (63 SCH)	
SOCIAL SCIENCES				
Social Studies	45.0101.00	BA (120 SCH)		
Anthropology	45.0201.00	BA (120 SCH)		
Economics	45.0601.00	BA (120 SCH) BBA (120 SCH)		
Government	45.1001.00	BA (120 SCH) ¹		
Political Science	45.1001.00	BA (120 SCH)		
Sociology	45.1101.00	BA (120 SCH)	MS (36 SCH)	
VISUAL & PERFORMING ARTS				
Dance	50.0301.00	BA (120 SCH)		
Theatre	50.0501.00	BA (120 SCH)	MA (36 SCH) ²	
Art	50.0701.00	BA (120 SCH)		
Art	50.0702.00	BA (120 SCH) ¹		

Art	50.0702.00	BFA (120 SCH)	MFA (60 SCH)	
Music	50.0901.00	BA (120 SCH)	MM (36 SCH)	
Music	50.0901.00	BM (120 SCH) ¹		
Performance	50.0903.00	BA (120 SCH) ¹ BM (129 SCH)		
HEALTH PROFESSIONS & RELATED CLINICAL SCIENCES				
Health Services Technology	51.0000.00	BAT (126 SCH)		
Health Science	51.0000.00		MS (36 SCH)	
Health	51.0001.00	BS (121 SCH)		
Communication Sciences & Disorders	51.0201.00	BS (121 SCH)	MS (58 SCH)	
Physician Assistant Studies	51.0912.00		MPAS (100 SCH)	
Clinical Laboratory Sciences	51.1005.00	BS (123 SCH)		
Occupational Therapy	51.2306.00		MS (71 SCH)	
Rehabilitation Counseling	51.2310.00		MS (48 SCH)	PhD (66 SCH)
Rehabilitation Services	51.2314.00	BS (120 SCH)		
Rehabilitation Services -Deaf Studies	51.2314.00	BS (120 SCH)		
Dietetics	51.3101.00	BS (124 SCH)		
Nursing	51.3801.00	BSN (121 SCH)		
Nursing Administration	51.3802.00		MSN (36 SCH)	
Nursing Practitioner	51.3805.00		MSN (48 SCH)	
Nursing Education	51.3817.00		MSN (37 SCH)	
BUSINESS, MANAGEMENT, MARKETING, & RELATED SUPPORT SERVICES				
Business Administration	52.0101.00			PhD (66 SCH)
Management	52.0201.00	BBA (120 SCH)		
Business Administration	52.0201.00		MBA (36 SCH)	
Materials Management & Logistics	52.0203.00	BS (120 SCH)		
Accounting	52.0301.00	BBA (120 SCH)	MACC (36 SCH) MSA (30 SCH)	
Entrepreneurship	52.0701.00	BBA (120 SCH) ¹		
Finance	52.0801.00	BBA (120 SCH)		
International Business	52.1101.00	BBA (120 SCH)		
Management Information Systems	52.1201.00	BBA (120 SCH) ¹		
Computer Information Systems	52.1201.00	BBA (120 SCH) ¹		
Information Systems	52.1201.00	BBA (120 SCH)		
Marketing	52.1401.00	BBA (120 SCH)		
HISTORY				
History	54.0101.00	BA (120 SCH)	MA (36 SCH)	

¹ Phase out program by 8/31/2019

² Phase out program by 8/31/2017

³ Either the BIS or the BAIS will be phased out once the education faculty group finalizes its curricular consolidation for baccalaureate-level teacher preparation.

10. U. T. System: Approval for up to \$5 million in Available University Fund funding to support critical communication and marketing needs to launch new University of Texas Rio Grande Valley

The Board allocated up to \$5 million in Available University Fund (AUF) funding to support critical communication and marketing needs to launch the new University of Texas Rio Grande Valley (UTRGV). Specifically, funding will provide resources for recruiting and enrolling students for the inaugural 2015 class of UTRGV; building a comprehensive university and medical school Web presence; creating time-sensitive and content-rich materials for print, television, radio, and digital dissemination; and engaging in brand development for UTRGV to fulfill its role as a bicultural, binational, and bilingual institution of the 21st century.

With a new UTRGV university and medical school launching in 2015 and 2016 respectively, neither The University of Texas at Brownsville nor The University of Texas-Pan American has the resources necessary to fund the myriad of communications needs essential to provide students, teachers, parents, faculty, staff, benefactors, and others with essential information, nor does either institution presently have the personnel to lead an institutional identity and branding initiative in the short time leading to the opening of UTRGV.

This funding will allow The University of Texas System to lead and work collaboratively with U. T. Brownsville and U. T. Pan American professionals to perform a variety of critical functions, including but not limited to:

- The design and development of customized admissions materials for high schools, community colleges, social agencies, students, parents, and more;
- The creation of student marketing materials, tailored to various stages of enrollment (including transfer students) for different audience segments;
- The development of mailings and information dissemination regarding admissions, financial aid, college programs, student engagement, and more;
- The creation of a robust, comprehensive UTRGV website with homepage, and all administrative and departmental pages;
- The implementation of an integrated Constituent Relationship Management (CRM) system to manage and track prospective student data, generate reports, and gauge progress toward enrollment and matriculation goals;
- The undertaking of an inclusive branding initiative, including a Request for Proposal process to hire an experienced agency to work with the U. T.

System and the South Texas constituency of students, faculty, staff, and volunteers to create institutional identity, color, logo, mascot, and other institutional and athletics descriptors; and

- Promotional materials and activities to engage the civic, philanthropic, and business communities around the new university.

11. U. T. Rio Grande Valley: Adoption of a process for hiring tenured and tenure-track faculty members from U. T. Brownsville and U. T. Pan American to U. T. Rio Grande Valley

The Board approved a process for hiring tenured and tenure-track faculty members from The University of Texas at Brownsville and The University of Texas-Pan American to The University of Texas Rio Grande Valley as set forth on the following pages.

The process for hiring tenured and tenure-track faculty members from U. T. Brownsville and U. T. Pan American to U. T. Rio Grande Valley has been developed in accordance with the Board's obligation to govern, operate, support, and maintain U. T. Rio Grande Valley as a university of the first class. Senate Bill 24, codified in part in Chapter 79 of the *Texas Education Code* from the 2013 Texas Legislature, Regular Session, authorized the creation of U. T. Rio Grande Valley and also requires that the Board facilitate the employment of as many U. T. Brownsville and U. T. Pan American faculty "as is prudent and practical."

The U. T. System Offices of Academic Affairs and General Counsel worked to develop a mechanism by which current U. T. Brownsville and U. T. Pan American faculty members may become employed at U. T. Rio Grande Valley. Upon adoption, the procedure set forth on the following pages will become an official Board policy, which will expire at the end of the 2015-2016 academic year.

Hiring of Tenured and Tenure-Track Faculty Members to The University of Texas Rio Grande Valley

1. Purpose. The University of Texas Rio Grande Valley (UTRGV) shall implement this procedure consistent with The University of Texas System Board of Regents' legal obligation to govern, operate, support, and maintain UTRGV as a university of the first class and to facilitate the employment of as many faculty of The University of Texas at Brownsville (UTB) and The University of Texas-Pan American (UTPA) as is prudent and practical in accordance with Texas Senate Bill 24, codified in part in Chapter 79 of the *Texas Education Code*.
2. Other Contrary Rules and Policies Suspended. Unique considerations are inherent in the creation of UTRGV and abolition of UTB and UTPA. Accordingly, notwithstanding any contrary provision in the Regents' *Rules and Regulations*, UTPA's *Handbook of Operating Procedures* or UTB's *Handbook of Operating Policies*, or a U. T. System or other institutional policy, UTRGV shall use this procedure to facilitate the initial employment of UTB and UTPA faculty at UTRGV.
3. UTB and UTPA Appointments Terminated. On the earlier of the following dates, faculty appointments and tenure at UTB and UTPA will terminate if they have not already terminated by their own terms:
 - 3.1 the dates on which UTB and UTPA, respectively, are abolished by the Board of Regents; or
 - 3.2 another date designated by the Board of Regents by vote in open meeting.
4. Recommendation of Tenure at UTRGV for Full-Time Faculty Members Tenured at UTB or UTPA.
 - 4.1 The President of UTRGV shall recommend that the Board of Regents grant tenure to an individual if:
 - a. The individual holds a terminal degree and:
 1. holds a full-time, tenured faculty appointment as a Professor, Associate Professor, or Assistant Professor at UTB or UTPA on the date of the President's recommendation; or
 2. receives UTB's or UTPA's recommendation for a tenured faculty appointment during the 2014-2015 academic year.
 - b. The individual timely completes and submits all forms required by UTRGV to express the individual's interest in and qualifications for a tenured faculty appointment at UTRGV;

- c. In the past seven years, UTB or UTPA has not issued the individual a disciplinary action that could have been grieved under that institution's faculty grievance policy or reviewed under other approved procedures of the Board of Regents, the appropriate institution or the U. T. System, and the disciplinary action is now final;
 - d. The individual is not currently the target of allegations under investigation by UTB, UTPA, or the U. T. System for which there is substantial evidence that would constitute good cause for termination from his or her tenured faculty appointment;
 - e. The individual has not received an overall "unsatisfactory" or "does not meet expectations" rating on:
 - 1. Either of the individual's two most recent annual reviews; or
 - 2. The individual's most recent comprehensive periodic evaluation conducted under Rule 31102 of the Regents' *Rules and Regulations*.
 - f. The individual is assigned to an academic unit at UTB or UTPA that corresponds with a UTRGV academic unit that will exist at the inception of UTRGV's first academic year;
 - g. UTRGV has budgeted a sufficient number of faculty positions in that academic unit to grant tenured appointments to all individuals in the corresponding UTB and UTPA academic unit(s) who qualify under this Section 4.1; and
 - h. The individual has either completed the criminal background check required of new UTRGV employees by The University of Texas System Administration Policy UTS124, Section 2.2, or had a criminal background check conducted by UTB or UTPA since March 26, 2012, that is appropriate for the position sought.
- 4.2 Decision and Reconsideration. If a full-time, tenured faculty member at UTB or UTPA timely completes and submits all forms under Section 4.1.b above, UTRGV shall notify that faculty member whether he or she will be recommended for tenure at UTRGV. Any such faculty member who is not recommended for tenure may submit additional material for use by UTRGV. This material will be carefully reviewed by UTRGV in reconsidering this initial decision. No later than 45 days after UTRGV receives this additional material, UTRGV should notify the faculty member of its final decision.

- 4.3 Title Upon Award of Tenure. A UTB or UTPA Professor awarded tenure after a recommendation made under Section 4.1 above shall hold tenure at UTRGV in the initial rank of Professor. A UTB or UTPA Associate Professor or Assistant Professor awarded tenure after a recommendation made under Section 4.1 above shall hold tenure at UTRGV in the initial rank of Associate Professor.
5. Comprehensive Periodic Evaluation. The number of years since a tenured faculty member last received a comprehensive periodic evaluation at UTB or UTPA shall determine the timing of that faculty member's next evaluation under Rule 31102 of the Regents' *Rules and Regulations*.
6. Tenure-Track Appointment. The award of a full-time, tenure-track faculty appointment at UTRGV is governed by this Section.
- 6.1 The President of UTRGV shall grant a full-time, tenure-track faculty appointment to an individual if:
- a. The individual holds a terminal degree and a full-time, tenure-track faculty appointment as an Associate Professor or Assistant Professor at UTB or UTPA on the date of the President's grant;
 - b. The individual timely completes and submits all forms required by UTRGV to express the individual's interest in and qualifications for a tenure-track faculty appointment at UTRGV;
 - c. In the past seven years, UTB or UTPA has not issued the individual a disciplinary action that could have been grieved under that institution's faculty grievance policy or reviewed under other approved procedures of the Board of Regents, the appropriate institution or the U. T. System, and the disciplinary action is now final;
 - d. The individual is not currently the target of allegations under investigation by UTB, UTPA, or the U. T. System for which there is substantial evidence that would constitute good cause for termination from his or her tenure-track faculty appointment;
 - e. UTB or UTPA has not issued the individual, in accordance with Rule 31002, Section 1 of the Regents' *Rules and Regulations*, a notice of nonrenewal, or does not issue a notice of nonrenewal to the individual during the 2014-2015 academic year;
 - f. The individual has not received an overall "unsatisfactory" or "does not meet expectations" rating on either of the individual's two most recent annual reviews;

- g. The individual is assigned to an academic unit at UTB or UTPA that corresponds with an UTRGV academic unit that will exist at the inception of UTRGV's first academic year;
 - h. UTRGV has budgeted a sufficient number of faculty positions in that academic unit to grant tenure-track appointments to all individuals in the corresponding UTB and UTPA academic unit(s) who qualify under this Section 6.1; and
 - i. The individual has either completed the criminal background check required of new UTRGV employees by The University of Texas System Administration Policy UTS124, Section 2.2, or had a criminal background check conducted by UTB or UTPA since March 26, 2012, that is appropriate for the position sought.
- 6.2 Decision and Reconsideration. If a full-time, tenure-track faculty member at UTB or UTPA timely completes and submits all forms under Section 6.1.b above, UTRGV shall notify that faculty member whether he or she will receive a tenure-track appointment at UTRGV. Any such faculty member who does not receive a tenure-track appointment may submit additional material for UTRGV. This material will be carefully reviewed by UTRGV in reconsidering this initial decision. No later than 45 days after UTRGV receives this additional material, UTRGV should notify the faculty member of its final decision.
- 6.3 Title Upon Award of Tenure-Track Faculty Appointment. An individual appointed to a tenure-track faculty appointment at UTRGV shall hold the title of Assistant Professor.
- 6.4 Credit Toward Probationary Period. Prior full-time service at UTB or UTPA in an academic rank listed in Regents' Rule 31007, Section 3 shall count toward fulfillment of the maximum period of probationary service described in Rule 31007, Section 5.
7. Board Approval. The award of tenure is subject to the approval of the Board of Regents.
8. Joint Appointments Permitted. A person appointed to a tenured or tenure-track faculty position at UTRGV under these procedures may concurrently hold his or her faculty appointment at UTB or UTPA until that respective institution is abolished.
9. Expiration. These procedures shall expire at the end of the 2015-2016 academic year.

12. U. T. System: Discussion of student evaluations of faculty at the academic institutions

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

13. U. T. System: Discussion of data from the annual performance evaluation of faculty at the academic institutions

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

14. U. T. San Antonio: Presentation on the Prefreshman Engineering Program

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

15. U. T. Austin: Approval of Charter Renewal Application for The University of Texas-University Charter School

The Board approved the charter renewal application for The University of Texas-University Charter School (UT-UCS) and signed the renewal application during the open session portion of the meeting.

During the Academic Affairs Committee meeting on May 14, 2014, Committee Chairman Hicks noted that the Chairman of the Board of Regents is required to sign assurances and certifications on behalf of the Charter School. Executive Vice Chancellor Reyes has verified that each of these has been met. At the Board meeting, Committee Chairman Hicks remarked that President Powers and The University of Texas at Austin have certified that all statutory and policy requirements for this renewal have been fully met, and as such, the Committee has approved same.

The Texas Education Agency application for renewal of the charter for UT-UCS requires at least a majority of the Board of Regents, as the governing body of the charter holder, to certify to the Commissioner of Education during an open meeting that it has reviewed the completed application and has signed and authorized submission of the application.

The University of Texas System Board of Regents authorized the original charter application with general oversight delegated to the institutional president and day-to-day oversight by the Executive Director of Continuing and Innovative Education.

The School opened in 1998 with 75 students in grades 6-12 and has grown to 14 special purpose campuses across the State of Texas serving an average enrollment of 600 students. Because of the special nature of the University Charter

School, there is a high student mobility rate resulting in over 2,000 students being served throughout the school year. Each campus is provided classrooms and office space by its facility partner. UT-UCS operates in a variety of settings, including:

- residential treatment centers;
- psychiatric hospitals;
- residential home for children who, for a variety of reasons, cannot live at home;
- shelter for families escaping domestic violence;
- home for girls in crisis pregnancies;
- medical facility for children who require specialized services due to brain injury or neuro-behavioral issues and/or who are considered medically fragile; and
- one elite gymnastics program.

The process for a 10-year charter renewal involves reviews by five divisions of the Texas Education Agency. Three special areas of accountability (student performance, business operations and fiscal management, and compliance) are examined.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE
(Pages 106 - 109).--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. Health Science Center - San Antonio: Approval to a) rename the Dental School as the School of Dentistry; b) amend Regents' *Rules and Regulations*, Rule 40601, Section 1.16(a) to reflect the name change of the Dental School; and c) name the clinical practice of the U. T. School of Dentistry - San Antonio as U. T. Dentistry San Antonio

The Board granted approval to

- a. rename the Dental School at The University of Texas Health Science Center at San Antonio as the School of Dentistry;
- b. amend the Regents' *Rules and Regulations*, Rule 40601, Section 1.16(a), concerning institutions comprising The University of Texas System, to reflect the name change:

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:

...

1.16 The University of Texas Health Science Center at San Antonio (U. T. Health Science Center - San Antonio)

(a) The University of Texas School of Dentistry at San Antonio (U. T. School of Dentistry - San Antonio)

(b) The University of Texas Graduate School of Biomedical Sciences at San Antonio (U. T. G.S.B.S. - San Antonio)

- (c) The University of Texas Health Science Center at San Antonio School of Health Professions (U. T. Health Science Center - San Antonio School of Health Professions)
 - (d) The University of Texas Health Science Center at San Antonio School of Medicine (U. T. Health Science Center - San Antonio School of Medicine)
 - (e) The University of Texas School of Nursing at San Antonio (U. T. Nursing School - San Antonio)
- c. name the clinical practice of the U. T. School of Dentistry - San Antonio as U. T. Dentistry San Antonio.

This renaming of the Dental School to the School of Dentistry aligns the name of the Dental School with other schools at U. T. Health Science Center - San Antonio (School of Medicine, School of Nursing, and School of Health Professions). In addition, with the expansion of the clinical practice of the U. T. School of Dentistry - San Antonio, a formal name is needed for the practice plan. Thus, U. T. Dentistry San Antonio will be aligned with the School of Medicine's practice plan called U. T. Medicine San Antonio.

The Texas Higher Education Coordinating Board will be notified of the formal name change of the Dental School to the School of Dentistry.

3. U. T. Medical Branch - Galveston: Approval to enter into a) a master agreement with Angleton Danbury Hospital District to assume operations of the Angleton Danbury Medical Center as part of UTMB Health, b) a lease with Angleton Danbury Hospital District for the health care facilities and land, and c) an indigent care agreement with Angleton Danbury Hospital District for care provided to financially and medically indigent patients

The Board granted authorization for The University of Texas Medical Branch at Galveston (UTMB) to enter into

- a. a master agreement with Angleton Danbury Hospital District that allows UTMB to assume operations of the Angleton Danbury Medical Center as a part of UTMB Health;
- b. a lease agreement with Angleton Danbury Hospital District for the health care facilities and land; and
- c. an indigent care agreement with Angleton Danbury Hospital District for care provided to financially and medically indigent patients.

Angleton Danbury Hospital District (ADHD) and UTMB will enter into an agreement for UTMB to lease the facilities and land owned by ADHD and assume operations of the hospital and other facilities as part of UTMB Health. In addition, ADHD and UTMB will execute an indigent care agreement whereby ADHD will compensate UTMB for care provided by UTMB to the patients that qualify for ADHD's indigent care program in fulfillment of ADHD's statutory obligation.

Angleton Danbury Hospital District operates a 64-bed hospital, Wellness Center, Imaging Center, Professional Office Building, and Medical Office Building known collectively as Angleton Danbury Medical Center (ADMC). ADMC opened in 1969 and serves the Angleton Danbury service area in southern Brazoria County. The ADMC service area and Brazoria County overall is experiencing rapid population growth that is expected to continue with another 8.3% growth by 2018.

Brazoria County is a critical geography in UTMB's clinical strategic plan, providing the immediate availability to expand specialty and inpatient service capacity on the mainland. The addition of this facility to the UTMB Health system also furthers UTMB's education mission by providing a community hospital environment that can serve as a training site for residents, students, and other trainees. In addition, the transaction will improve the health of the community through the additional primary and specialty care services UTMB can bring into the Angleton community, coupled with the tertiary services available on the Galveston campus. The movement toward more outpatient care and population health requires a greater level of service for patients in the local community and requires affiliation with a tertiary care center to provide the full continuum of care.

The agreements contemplate that UTMB will lease the facilities and land, which include a 163,182 square-foot hospital and surgery center built in 1969 and 2006, two clinical buildings totaling 13,402 square feet built in 1981 and 2001, two medical office buildings totaling 53,700 square feet built in 1982 and 1993 and leased to physicians affiliated with the hospital, and approximately 53.2 acres of land, inclusive of 20 acres of vacant land behind the hospital (collectively the "Premises") from Angleton Danbury Hospital District (ADHD) for an initial term of 10 years, with four five-year renewal periods.

The consideration provided by UTMB under the lease and master agreement includes \$100,000 in lease payments annually as well as a minimum annual capital investment commitment to the Premises or for equipment serving the hospital of \$1 million, determined by calculation of a 3-year rolling average to provide UTMB maximum flexibility to determine strategically appropriate investments (the "Capital Expenditures"). Upon closing, UTMB will purchase net working capital, including accounts receivable, supply inventory, pharmacy inventory, and prepaid maintenance contracts. The total amount of consideration for working capital is \$4.5 million. UTMB may be obligated for rent and required Capital Expenditures of \$33 million over the initial lease term and if all renewal options are exercised.

Under the master agreement, ADHD will provide ongoing financial support to UTMB to (i) provide care to indigent patients in the district, and (ii) to support the operations of the hospital at a minimum level of \$4 million annually (the "Annual Payment"). Additionally, under the master agreement, UTMB shall have the right to purchase the Premises at an amount equal to the then fair market value of the Premises less the then depreciated book value of the Capital Expenditures. The master agreement also provides for an ongoing right of first refusal in the event ADHD receives from a third party an offer for the purchase of the Premises. UTMB is obtaining an appraisal by Integra Realty Resources, Inc. for the current fair market value of the Premises, as well as for the fair market value of the rent for the Premises; this appraisal was expected to be completed by May 12, 2014.

The master agreement contemplates that ADMC will become a UTMB Health system facility and employees of ADMC will become employees of UTMB. Medical staff with active privileges at ADMC will apply for privileges at UTMB, declaring the Angleton campus to be their primary practice site. The hospital will be subject to the UTMB and U. T. System governance structure and will operate under UTMB's Medicare provider number.

4. U. T. System: Panel discussion of ways and means to advance U. T. System neuroscience research

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 110 - 120).--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. Dallas: Davidson-Gundy Alumni Center - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Davidson-Gundy Alumni Center project at The University of Texas at Dallas as follows:

Project No.:	302-842	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	October 2016	
Total Project Cost:	<u>Source</u> Gifts	<u>Current</u> \$10,000,000
Investment Metrics:	<ul style="list-style-type: none"> • Directly support the University's Strategic Plan imperative of increasing the University's endowment by \$320 million by 2019 • Support the University's Strategic Plan imperative of growing to a total of 600-700 tenure-track faculty within seven years 	

The project will construct an approximately 30,000 gross square foot (GSF) building to be utilized as a meeting and event space for U. T. Dallas schools and departments, student groups, alumni, and community organizations. The facility will include conference rooms accommodating seating for 25-100; a grand ballroom providing a premier venue for major events with seating for 400-600 guests, reducing the need to pay off-site venues; an executive board room for use by visiting corporate leaders, public officials, and other distinguished guests; and a functional outdoor space for private events, student activities, musical programs, and other special programming.

The facility will also include office space for staff members of the Office of Development and Alumni Relations to support a significant increase in staffing levels for alumni relations and fundraising. The facility will also serve as a central home to acknowledge the accomplishments of U. T. Dallas alumni, including displays of past recipients of the Distinguished Alumni Award and other formal recognitions.

The University's imperative to grow in size and increase external research funding also leads to a need for space dedicated to emphasizing and increasing private gifts and endowment funds. Though tuition and state funds support the basic essentials, private gifts from alumni and friends provide the additional necessities that U. T. Dallas needs to succeed and to become a Tier One university.

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.

3. U. T. Rio Grande Valley: Academic Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Academic Building project at The University of Texas Rio Grande Valley as follows:

Project No.:	903-B825	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	May 2017	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund (PUF) Bond Proceeds	\$54,000,000
Investment Metrics:	<ul style="list-style-type: none"> • Increase assignable space needed due to separation of U. T. Brownsville from Texas Southmost College by 2017 • Increase first-year retention rates at U. T. Rio Grande Valley (Brownsville Campus) • Improve students' six-year graduation rate at U. T. Rio Grande Valley (Brownsville Campus) 	

Previous Board Action

On November 14, 2013, the Board approved PUF funding of \$54,000,000 for an academic building to be built on the existing University of Texas at Brownsville campus for the benefit of U. T. Rio Grande Valley.

Project Description

The Academic Building is to be built on the U. T. Brownsville campus for the benefit of U. T. Rio Grande Valley. As a result of the separation of U. T. Brownsville and Texas Southmost College, the approximately 140,000 gross square foot facility is necessary to accommodate the current enrollment at U. T. Brownsville. This project will be designed and constructed to provide space that is adaptable to new and future learning realities and pedagogies so that students can take courses from either the Brownsville (U. T. Brownsville) or Edinburg (The University of Texas-Pan American) campus through the use of interactive technology.

The U. T. Brownsville campus has space to accommodate only 3,400 students and, with current enrollment at over 8,600 students, the campus has leased space to manage the deficit. Construction of this new academic building will begin to alleviate the need for leased classroom space.

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.

4. U. T. Rio Grande Valley: Science Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Science Building project at The University of Texas Rio Grande Valley as follows:

Project No.:	903-PA847	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	May 2017	
Total Project Cost:	<u>Source</u> Permanent University Fund (PUF) Bond Proceeds	<u>Current</u> \$70,000,000
Investment Metrics:	<ul style="list-style-type: none">• Provide infrastructure to increase number of graduates in Science, Technology, Engineering, and Mathematics (STEM)• Provide additional labs to reduce time to degree	

Previous Board Action

On November 14, 2013, the Board approved PUF funding of \$70,000,000 for a new science building to be built on the existing University of Texas-Pan American campus for the benefit of U. T. Rio Grande Valley.

Project Description

The Science Building will be built on the U. T. Pan American campus for the benefit of U. T. Rio Grande Valley. The approximately 163,000 gross square foot facility will serve students throughout the region and support various STEM disciplines including biology, physics, chemistry, math, premed, and environmental studies. The facility will increase classroom capacity by 450 seats and will provide additional instructional and research laboratories. The project will be built with new learning technologies and constructed to provide space that is adaptable to new and future learning realities and pedagogies so that students can take courses from either the Edinburg (U. T. Pan American) or Brownsville (The University of Texas at Brownsville) campus through the use of interactive technology.

The facility will provide much needed instructional and research lab and classroom space to increase instruction efficiency and to help alleviate the space deficit on the Edinburg campus. The project will allow students to take class and laboratory course work during the same semester, also reducing the time to degree.

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.

5. U. T. Tyler: Music Building Addition - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include 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> Designated Funds ¹	<u>Current</u> \$6,500,000
Funding Note:	¹ Designated Funds will be from Excess University Reserves	
Investment Metric:	• Increase enrollment by 180 students by 2016	

The project will consist of an approximately 21,682 gross square foot 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 large central band hall, a choir rehearsal room, multiple one-on-one teaching studios, practice carrels, faculty offices, and secure storage space for musical instruments.

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.

This 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 Board for approval at a later date. It has been determined that this project would best be managed by U. T. Tyler Facilities Management personnel who have the experience and capability to manage all aspects of the work.

6. U. T. M. D. Anderson Cancer Center: Inpatient Floors 20, 21, and 22 Finish-out - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Inpatient Floors 20, 21, and 22 Finish-out project at The University of Texas M. D. Anderson Cancer Center as follows:

Project No.:	703-843	
Institutionally Managed:	Yes	
Project Delivery Method:	Design-Build	
Substantial Completion Date:	June 2018	
Total Project Cost:	<u>Source</u> Revenue Financing System Bond Proceeds ¹	<u>Current</u> \$54,000,000
Funding Note:	¹ Revenue Financing System (RFS) debt to be repaid from Hospital Revenues	

- a. approve a total project cost of \$54,000,000 with funding from RFS Bond Proceeds;
- b. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate funds; and

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. M. D. Anderson Cancer Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$54,000,000.

Debt Service

The \$54,000,000 in aggregate Revenue Financing System debt will be repaid from Hospital Revenues. Annual debt service on the \$54,000,000 Revenue Financing System debt is expected to be \$4,400,000. The institution's debt service coverage is expected to be at least 11.2 times and average 11.7 times over FY 2014-2019.

Project Description

This project will finish-out three floors previously left as shell space in the inpatient tower of the Albert B. and Margaret M. Alkek Hospital. The addition of 144 inpatient beds over the next few years will meet the projected increase for demand and the need to remove certain inpatient rooms from service for planned upgrades.

M. D. Anderson uses the average daily census (ADC) from the institution's Resource Planning matrix to track and project inpatient volume. The ADC indicates the need for inpatient beds will continue to increase over the next several years. Further, as new operating rooms are activated in early 2016, additional inpatient rooms will be needed to support the increase in surgical activity. M. D. Anderson strives to achieve an inpatient bed utilization factor of 85% and has experienced an occupancy rate of 100% on certain days over the past several years.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. This repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date.

7. U. T. M. D. Anderson Cancer Center: LeMaistre Clinic MRI Suite Renovation - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the LeMaistre Clinic MRI Suite Renovation project at The University of Texas M. D. Anderson Cancer Center as follows:

Project No.:	703-X62	
Institutionally Managed:	Yes	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	March 2016	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Current</u> \$9,500,000

- a. approve a total project cost of \$9,500,000 with funding from Hospital Revenues;
- b. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate funds.

The current outpatient Magnetic Resonance Imaging (MRI) suite located in the Charles A. LeMaistre Clinic was constructed in 1996, and the MRI units are in need of replacement. The suite will be fully renovated to accommodate new MRI units with magnets rated at 3 Teslas and the flexibility to add a Positron Emission Tomography (PET) overlay ring to each magnet in the future. The MRI units will be purchased outside of this project.

Due to changes in shielding and cooling requirements for new MRI units, the renovation will require demolition of the existing suite and upgrades to the mechanical, electrical, information technology, and plumbing systems that serve this area, as well as reinforcement of the structure.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. This repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date.

8. U. T. Austin: Robert B. Rowling Hall - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; approval to revise funding sources; 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 Robert B. Rowling Hall project at The University of Texas at Austin as follows. At the Committee meeting held earlier in the day, Dean Thomas W. Gilligan and his staff were asked to work with Chancellor Cigarroa and Executive Vice Chancellor Reyes to look at increasing undergraduate target enrollment in the Business School by 18% or more in the medium to long term. This request was made with the intent of not impairing progress on this construction project.

Project No.: 102-719

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: March 2017

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$ 96,750,000	\$113,050,000
	Gifts	\$ 58,250,000	\$ 42,450,000
	Unexpended Plant Funds ²	\$ 0	\$ 15,800,000
	Auxiliary Enterprises Balances ³	\$ 0	\$ 5,000,000
		\$155,000,000	\$176,300,000

Funding Notes: ¹ Revenue Financing System (RFS) debt to be repaid by \$16,100,000 from Parking and Transportation Services, \$36,400,000 from AT&T Executive Education and Conference Center, and \$60,550,000 from Designated Tuition
² Unexpended Plant Funds from indirect cost recovery
³ Auxiliary Enterprises Balances from AT&T Executive Education and Conference Center cash reserves

- Investment Metrics:
- Support the McCombs School of Business goal to become one of the most prominent business schools in the world by 2017
 - Expand conference space for the AT&T Executive Education and Conference Center
 - Allow for future modernization of undergraduate Business School following relocation of MBA program to new building

- a. amend the Fiscal Year 2014-2019 Capital Improvement Program to increase the total project cost from \$155,000,000 to \$176,300,000;
- b. revise funding sources to include Unexpended Plant Funds and Auxiliary Enterprises Balances;
- c. approve design development plans;

- d. appropriate funds and authorize expenditure of \$176,300,000 with funding of \$113,050,000 from RFS Bond Proceeds, \$42,450,000 from Gifts, \$15,800,000 from Unexpended Plant Funds, and \$5,000,000 from Auxiliary Enterprises Balances; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$113,050,000.

Debt Service

The \$113,050,000 in aggregate RFS debt will be repaid from Designated Tuition, auxiliary revenues, and incremental revenue generated by the AT&T facility addition. Annual debt service on the \$113,050,000 RFS debt is expected to be \$7,400,000. The debt service coverage for the institution is expected to be at least 1.9 times and average 2.0 times over FY 2014-2019. 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.

Previous Board Action

On August 23, 2012, the Graduate School of Business Building project was included in the CIP with a total project cost of \$155,000,000 with funding of \$96,750,000 from RFS Bond Proceeds and \$58,250,000 from Gifts. On March 12, 2013, the project was redesignated as Robert B. Rowling Hall.

Project Description

Robert B. Rowling Hall will provide approximately 200,617 gross square feet (GSF) of academic space for the Red McCombs School of Business. The facility will provide space for the Masters of Business Administration (MBA) graduate program administration, Career Services, Center for Teaching Excellence, research centers, graduate classrooms, and student study areas. An additional approximately

303,616 GSF will provide an underground expansion of the AT&T Executive Education and Conference Center, a food service area, and a 400-space parking garage.

The increase in total project cost is due to construction cost premiums associated with locating the parking garage and conference center expansion below grade to maintain the building height consistent with the Campus Master Plan.

The McCombs School of Business recently completed a Strategic Plan seeking to attract top-ranked students in the highly competitive full-time MBA market. Robert B. Rowling Hall will accommodate professionals returning to the classroom for graduate degrees, which creates resource needs different from the typical undergraduate student.

9. U. T. Austin: Tennis Center Replacement Facility - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

The Board approved the recommendations for the Tennis Center Replacement Facility project at The University of Texas at Austin as follows:

Project No.:	102-788	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	April 2015	
Total Project Cost:	<u>Source</u> Auxiliary Enterprises Balances ¹	<u>Current</u> \$15,000,000
Funding Note:	¹ Auxiliary Enterprises Balances from Intercollegiate Athletics Cash Reserves	
Investment Metrics:	<ul style="list-style-type: none">• Provide practice and event facility for U. T. Athletics tennis program by 2015• Maintain ranking among peer institutions in intercollegiate sports	

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$15,000,000 with funding from Auxiliary Enterprises Balances.

Previous Board Action

On November 14, 2013, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$15,000,000 with funding from Auxiliary Enterprises Balances.

Project Description

This project will construct an approximately 127,400 gross square foot tennis center for Intercollegiate Athletics as a replacement for the Penick-Allison Tennis Center scheduled for demolition in June 2014 to make room for the Dell Medical School. The tennis center will include locker rooms, offices, training space, 12 outdoor NCAA tennis courts, and bleachers. The project will be located at the Recreational Sports Tennis Complex at B. M. Whitaker Field and includes demolition of 20 existing Recreational Sports tennis courts. This tennis center is needed to continue to support the U. T. Tennis program in a similar manner to its current facility.

REPORT AND RECOMMENDATIONS OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE (Pages 121 - 125).--Committee Chairman Hall reported that the Technology Transfer and Research Committee met in open session to consider the 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 Technology Transfer and Research Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. M. D. Anderson Cancer Center: Approval to enter into Collaboration Agreement and Amended and Restated Operating Agreement with Noliva Therapeutics, LLC and delegation of authority to the President of U. T. M. D. Anderson Cancer Center to execute documents and take other actions as necessary

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

- a. entering into a Collaboration Agreement with Noliva Therapeutics, LLC to develop and commercialize SSP Technology, a novel therapeutic modality involving stapled peptides;
- b. entering into an Amended and Restated Operating Agreement with Noliva Therapeutics, LLC whereby U. T. M. D. Anderson Cancer Center will participate as a member in a manager-managed limited liability company; and
- c. delegation of authority to the President of U. T. M. D. Anderson Cancer Center or his delegate to execute all documents, instruments, and other agreements, following review and approval by the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Research and Innovation, and the Interim Vice Chancellor and General Counsel, and authorization to take all further actions necessary or advisable to carry out the purpose and intent of, and to accomplish, the foregoing transactions.

U. T. M. D. Anderson is exploring new ways to undertake research collaboration with industry partners and to realize value for its research beyond the traditional invention licensing model. This transaction contemplates that U. T. M. D. Anderson will perform certain research at its cost on behalf of Noliva Therapeutics, LLC (Noliva). In exchange for its research and the intellectual property-related terms granted to Noliva, U. T. M. D. Anderson will obtain an equity interest in Noliva. This approach will provide U. T. M. D. Anderson with the possibility of realizing value for its research through an equity interest.

Noliva was formed in January 2013 by Renato T. Skerlj, Ph.D., and Andrew C. Good, D. Phil., for the purpose of owning, developing, and commercializing a novel therapeutic modality involving stapled peptides (the SSP Technology) invented by Drs. Skerlj and Good and assigned to Noliva. As an early stage company, Noliva needs assistance in developing and advancing the SSP Technology.

The Institute for Applied Cancer Science (IACS) at U. T. M. D. Anderson is interested in assisting Noliva with the development and advancement of the SSP Technology and hopes to use its expertise and capabilities to develop initial proof of concept for the SSP Technology to demonstrate superiority over existing technologies and to show clinical applicability of this type of modality.

To jointly develop the SSP Technology, U. T. M. D. Anderson and Noliva will enter into a Collaboration Agreement, and U. T. M. D. Anderson will receive a 25% interest in Noliva upon entry into an Amended and Restated Operating Agreement. The Collaboration Agreement will delineate the development work that will be performed by IACS at U. T. M. D. Anderson for the benefit of Noliva. U. T. M. D. Anderson's commitment to perform development work is capped at \$500,000, with no obligation to continue to perform development work, although it could choose to do so. In exchange, U. T. M. D. Anderson will receive a twenty-five percent (25%) equity interest in Noliva, potentially subject to dilution in the event Noliva attracts outside financing.

All data arising from U. T. M. D. Anderson's development work will be jointly owned by U. T. M. D. Anderson and Noliva, and Noliva will own outright all inventions resulting from U. T. M. D. Anderson's development work. However, the grant of ownership to Noliva is expressly made subject to applicable law and the tax-exempt bond regulations applicable to U. T. M. D. Anderson's bond-financed buildings. If outright assignment of the inventions to Noliva is not permitted, then Noliva will be granted a royalty-free, nonexclusive license to the inventions with an option to negotiate an exclusive, royalty-bearing license. Under either the grant of ownership or the licensing scenario, U. T. M. D. Anderson will have the right to use the inventions for internal, noncommercial research, academic, and patient care purposes.

2. U. T. System: Approval of \$12.1 million over three years (Fiscal Years 2015-2017) from the Available University Fund to support the three initiatives of the U. T. System Innovation Framework 2014: a) implementation of a U. T. System Entrepreneurship Academy, b) construction of a U. T. Systemwide Research Experts Data Warehouse with big data analytics structures, and c) funding for the Texas FreshAIR program

The Board approved \$12.1 million from the Available University Fund (AUF) to be deployed over Fiscal Years 2015-2017 to support three initiatives of The University of Texas System Innovation Framework 2014 as follows:

- a. \$2.7 million over three years for implementation of a U. T. System Entrepreneurship Academy;
- b. \$5.54 million over three years for construction of a U. T. Systemwide Research Experts Data Warehouse with big data analytics structures; and
- c. \$3.86 million over three years for the Texas FreshAIR program.

The U. T. System research and commercialization engine drives \$2.5 billion in Research and Development expenditures; receives a U.S. patent every two days; signs a commercialization agreement every three days; and starts a new company every nine days. To advance this discovery enterprise, Innovation Framework 2014 aims to advance discovery, inter-institution research collaboration, and commercialization within the U. T. System institutions through three initiatives described below.

Initiative 1: Implementation of a U. T. System Entrepreneurship Academy

In response to recommendations from the Chancellor's Technology Commercialization and Industry Cabinet, the U. T. System Entrepreneurship Academy will be a multigeographical site consortium that will provide mentored programs for U. T. System students and faculty who wish to develop inventions into the commercial space, likely through start-up companies. Sites will be selected through a Request for Proposal process, solicited from all U. T. System institutions, and funded through a grant-like process overseen by the U. T. System Office of Technology Commercialization.

Key funding criteria will include:

1. The ability to provide educationally sound, innovative, team-based educational experiences that will lead to capstone outcomes, such as applying for National Institutes of Health-funded Small Business Innovation Research or Small Business Technology Transfer funding and/or participating in Systemwide business plan competitions with an opportunity to gain the interest of investors and advisors;
2. Direct and sustained mentorship by successful local entrepreneurs;
3. The ability to provide the educational experience to a multi-institution audience;
4. The ability to accelerate entrepreneurship in Science, Technology, Engineering, and Mathematics (STEM) fields or other fields of excellence; and
5. An emphasis on health-academic collaborations, e.g., mobile health care apps, software technology, medical devices, and innovative, low capital intensive projects.

Both in-person and blended/online methodologies are desirable.

Initiative 2: Construction of a U. T. Systemwide Research Experts Data Warehouse with big data analytics structures

There is currently no systematic accounting of the “research products” emerging from ongoing research and commercialization missions across the U. T. System. To understand research “product inventory,” the current capabilities of the U. T. System Productivity Dashboard will be extended through the creation of a Research Experts Data Warehouse with big data analytics structures that serve many stakeholders.

- Phase 1 of this initiative will utilize publicly available data from federal and state search engines, data from currently implemented SciVal and Academic Analytics at the health and academic institutions, respectively, and data that the Office of Strategic Initiatives (OSI) currently has in the SAS® database (timeframe for Phase 1 deliverables is 18 months after approval and funding).

Deliverables are to include:

- Business and Industry Search Engine - A central site that can be easily queried using keyword searches to allow business and industry to easily search for and contact experts within the U. T. System.
- Internal Collaborations Engine - A central site for academic and health institutions allows for more in-depth querying of data to facilitate collaborations within an institution and across the U. T. System institutions.

Both engines will provide more exposure of university achievements by highlighting researchers' accomplishments through the public display of faculty profiles to other universities, industry, governmental agencies, and to the public.

- Phase 2 will focus on data discovery unique to each U. T. System institution and inclusion of the data into the warehouse (timeframe for deliverables is 30 months after approval and funding). OSI staff will lead the data discovery effort and will work with data stewards at the 15 U. T. System institutions to ensure all data are captured. Deliverables include a catalog of locally-held data at U. T. System institutions, incorporation of all new data into the research data collection to complete a fully constructed warehouse, and expanded collaboration and query tools. In addition, Phase 2 will include exploration of the potential to automate updates to the U. T. System central database through live connections to existing systems within institutional Offices of Sponsored Projects.

Initiative 3: Funding for Texas FreshAIR

Texas Fresh**AIR** (**A**cademia-**I**ndustry **R**oundtable) is a strategic initiative launched in late 2012; its first phase focused on fostering collaborations between the pharmaceutical industry and the U. T. System health institutions. Texas FreshAIR was successful in bringing 11 major biopharmaceutical companies to the table and harvested 23 recommendations to enhance U. T. System-industry partnerships in the areas of biopharmaceuticals and biomedical engineering devices.

The new initiative will implement two prioritized recommendations, including 1) the creation of a centralized network and “hub and spoke model” for clinical trials across U. T. System to enhance speed and decrease administrative complexity for trial initiation and management and to increase the number of multisite clinical trials, and 2) implementation of regional and statewide FreshAIR events that connect U. T. System researchers and students with the life sciences industry.

3. U. T. System: Update on the U. T. Horizon Fund portfolio, including discussion of recent investment in Lynx Laboratories, Inc.

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

4. U. T. System: Report on a commercialization success story, Apollo Endosurgery, Inc.

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

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 11:37 a.m., the Board voted and approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION.--At 11:38 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 551.075 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--The Board reconvened in Open Session at 2:39 p.m. for the following actions taken on matters discussed in Executive Session.

1. U. T. System: Deliberations regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property

No action was taken on this item.

- 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: Discussion related to legal issues concerning compliance with the Texas Public Information Act

No action was taken on this item.

- 2c. U. T. Austin: Discussion and appropriate action regarding legal issues related to review of admissions procedures

See Open Session Item 16 for the Chancellor's recommendations related to this matter.

- 2d. U. T. M. D. Anderson Cancer Center: Approval of settlement agreement with Siemens Corporation

Regent Stillwell moved that the Board delegate to President DePinho the authority to settle a patent infringement claim on behalf of The University of Texas M. D. Anderson Cancer Center against Siemens AG and Siemens Medical Solutions USA, Inc. involving U.S. Patent No. 7,227,359 within the parameters recommended in Executive Session.

The motion was duly seconded and carried unanimously.

- 2e. U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding legal issues related to approval for participation as a special limited partner in the ORIX Fund

See Open Session Item 14 for action on this matter.

- 2f. U. T. System Board of Regents: Discussion regarding legal issues related to investigation of the relationship between the U. T. Austin School of Law and the Law School Foundation and related to compensation and benefits for employees of the Law School by the Office of the Attorney General

Chairman Foster asked Regent Hall if he would like to make a motion regarding the Attorney General's investigation of the relationship between The University of Texas at Austin School of Law and the Law School Foundation.

Regent Hall made the following motion and asked for a roll call vote assuming there is a second to the motion.

Motion by Regent Hall

With recognition that the *General Appropriations Act* at Item 6, Article III requires notice of an external investigation, including the cause and scope of the investigation, be given to the Legislative Budget Board at least seven days prior to the beginning of the investigation, I move that the U. T. System Board of Regents assure that previous actions taken by the Board in March and April 2013, evidencing the Board's desire for a thorough investigation of issues related to the relationship between the U. T. Austin School of Law and the Law School Foundation as well as issues related to compensation of faculty, be effected and respected.

Accordingly, I move that the Board direct an investigation of this matter be conducted immediately under the oversight of the Chancellor and the Audit, Compliance, and Management Review Committee of the Board, utilizing an experienced external investigator selected by the Chancellor in consultation with the Chairman of the Audit, Compliance, and Management Review Committee.

To facilitate discussion, Regent Cranberg seconded the motion without committing to vote for the motion.

Vice Chairman Hicks indicated his understanding that most members of the Board have spent numerous hours with investigators at the Attorney General's Office (AG's Office) and that the investigators are now waiting on additional information from some of the Regents before commencing the investigation. He thinks taking the investigation away from the AG would be the wrong thing to do.

Regent Hall asserted the Board made a determination that the investigation was needed in March 2013, and the AG's Office had provided a requirement that cannot be satisfied before they begin the investigation. He said there is an impasse, but that this does not relieve the Board of its obligation and duty to complete its charge. Additionally, he stated that the AG's Office has taken a position that they are not allowed to see any student identifiable information, which would make their investigation almost impossible. He said that the Board has waited a year since turning the investigation over to the AG's Office, and the Board needs to fulfill its duty to U. T. Austin and to The University of Texas System.

Regent Stillwell suggested an alternative be presented to the AG's Office that might break the impasse. In addition, he indicated that, if the Board wanted to withdraw the request for an investigation from the AG's Office, he would not be opposed; he is opposed to the second part of the motion to hire another outside expert to conduct the investigation.

Chairman Foster stated he understands the impasse to be the result of Regent Hall's refusal to provide the AG's Office with a letter detailing what Regent Hall would like investigated. Chairman Foster explained that he had a detailed conversation with the AG's Office yesterday (May 14, 2014) and was told they are prepared to conduct a thorough investigation, but they want to understand the parameters and not be second guessed by any member of the Board.

Regent Hall stated that, after spending four hours with the AG's Office and giving them 34 megabytes of information, he has nothing to add. He said putting four hours of conversation and 34 megabytes of information into one letter is not reasonable.

Regent Cranberg said that he finds himself torn on this because the Board asked for an investigation, not Regent Hall as an individual Regent. Regardless, he would like Regent Hall to provide a written document, lengthy or otherwise, to get the AG moving, but he cannot control another Regent. He would prefer the AG's Office pursue the investigation, is reluctant to vote that U. T. System conduct one, and hopes the AG's Office will reconsider.

Ms. Frederick then called a roll call vote as requested by Regent Hall:

Vice Chairman Powell – nay

Vice Chairman Hicks – nay

Regent Stillwell – nay

Regent Pejovich – aye. She echoed Regent Cranberg's comments that it was the will of the Board to have an investigation.

Regent Cranberg – aye

Regent Hall – aye

Regent Hildebrand – nay

Regent Aliseda – nay

The motion did not carry.

- 2g. U. T. System Board of Regents: Discussion and possible action related to legal authority of Board of Regents related to the approval of an annual Permanent University Fund distribution rate

No action was taken on this item.

- 2h. U. T. System Board of Regents: Discussion and possible action regarding legal issues related to deferred Regental request to U. T. System for information regarding sworn testimony given by U. T. Austin administrators before the House Select Committee on Transparency in State Agency Operations

No action was taken on this item.

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

Upon motion by Vice Chairman Powell, duly seconded, the Board authorized the Presidents of The University of Texas at Austin, The University of Texas at Dallas, The University of Texas Rio Grande Valley, The University of Texas at Tyler, 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 carried unanimously.

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

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

- 3c. U. T. Rio Grande Valley: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features (Withdrawn)

No action was taken on this item.

- 3d. U. T. Tyler: 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.

- 4a. 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.

- 4b. U. T. Health Science Center - Houston: Approval of increase in compensation for Dong Kim, M.D., Professor and Chair of the Vivian L. Smith Department of Neurosurgery, School of Medicine (Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees)

Regent Pejovich moved that the Board approve the proposed increase in compensation for Dong Kim, M.D., Professor and Chair of the Vivian L. Smith Department of Neurosurgery in the School of Medicine at The University of Texas Health Science Center at Houston, within the parameters outlined and recommended in Executive Session.

She further moved that the Board find that this contract change is in the best interest of U. T. Health Science Center - Houston, as required by State law.

The motion was duly seconded and carried unanimously.

- 4c. U. T. System: Discussion, at the request of the Chancellor, relating to duties, roles, and responsibilities of Chancellor

No action was taken on this item.

- 4d. U. T. System Board of Regents: Discussion and possible action regarding the duties, roles, and responsibilities of individual U. T. System personnel concerning deferred Regental request to U. T. System for information regarding sworn testimony given by U. T. Austin administrators before the House Select Committee on Transparency in State Agency Operations

No action was taken on this item.

5. 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.

AGENDA ITEMS

14. U. T. M. D. Anderson Cancer Center: Approval for participation as a special limited partner in the ORIX Fund and delegation of authority to the President of U. T. M. D. Anderson Cancer Center to execute documents and take other actions as necessary

The Board authorized

- a. The University of Texas M. D. Anderson Cancer Center to participate as a limited partner in an investment fund initiated by ORIX USA Health and Life Sciences, LLC, and managed by ORIX or an ORIX-affiliated Management Company; and
- b. the President of U. T. M. D. Anderson Cancer Center or his delegate to execute all documents, instruments, and other agreements, following review and approval by the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Interim Vice Chancellor and General Counsel, and to take all further actions necessary or advisable to carry out the purpose and intent of the foregoing actions and to accomplish the foregoing transaction.

As research funding from government, industry, and foundations has shrunk and become harder to obtain, M. D. Anderson has been exploring novel ways of funding and realizing value from its research activities. In conjunction with such efforts, M. D. Anderson has recently entered into a Non-Binding Indication of Interest, dated January 9, 2014, with ORIX USA Health and Life Sciences, LLC, a Delaware limited liability company (ORIX Health), regarding M. D. Anderson's participation in a closed-end pharmaceutical development investment fund (the Fund) that would, among other things, support research and drug development activities at M. D. Anderson's Institute of Applied Cancer Science (IACS).

The Fund, which would have a 10-year term with successive one-year renewal options up to a maximum of five years, will seek to raise between \$300 to \$600 million in aggregate capital commitments, although the General Partner will have the right to have an initial closing on a smaller amount. ORIX Health and its affiliated entities anticipate committing capital to the Fund equal to the greater of (a) \$30 million, and (b) 10% of all commitments to the Fund, but not to exceed \$50 million unless ORIX has obtained approval from its Board of Directors, and

M. D. Anderson anticipates committing \$5 million in initial capital. M. D. Anderson's fellow limited partners are likely to include pharmaceutical companies and other institutional investors.

The Fund's investment objective is to invest in pharmaceutical drugs at early stages of development that the Fund believes have strong potential of being successfully commercialized. Pursuant to certain agreements to be negotiated and executed between M. D. Anderson and an ORIX-affiliated management entity to make investment decisions for the Fund (the Management Company), the Fund intends to utilize the services of M. D. Anderson to provide a streamlined, end-to-end drug development process from the target discovery phase to the clinical development and commercialization phases. A significant portion of the Fund's initial \$200 million in capital is expected to be used to contract for research services undertaken by IACS.

The Fund's financial objective is to achieve long-term total return through the sale or licensing of the developed drugs/molecules. The Fund intends to form private special purpose vehicles, to which M. D. Anderson may provide services, each of which will purchase and/or license patents for a specific drug, conduct sponsored research agreements for clinical trials, and facilitate other activities in accordance with the Fund's investment objective.

An ORIX-affiliated entity will be the sole General Partner of the Fund. For purposes of limiting M. D. Anderson's potential liability, M. D. Anderson will be a special limited partner in the Fund. Under certain agreements, M. D. Anderson will also be an advisor and services provider to the Fund. The General Partner will have overall responsibility for the management and administration of the Fund's affairs. The General Partner will appoint the Management Company to enter into an Investment Advisory Agreement with the Fund and be responsible for the conduct of the day-to-day operations of the Fund and provide portfolio management and administrative services to the Fund. M. D. Anderson will not participate in the management of the Fund or investment decisions of the Fund, as those will be the roles of the General Partner and the Management Company. The Management Company will be paid an annual Management Fee by the Fund in the amount of 2% of the Fund's aggregate commitments.

As a special limited partner and advisor to the Fund and the Management Company:

- The Management Company will pay M. D. Anderson a fee expected to be equal to 50% of the net profits of the Management Company (after deducting expenses of the Management Company, including business costs and expenses for back office services provided to the Management Company by an ORIX-affiliated entity on an arm's length basis).

- The General Partner will pay M. D. Anderson a share (expected to be 50%) of the total carried interest (50% of a 20% carried interest, or 10%) for its role as a special limited partner, subject to certain “clawback” obligations.
- M. D. Anderson will share in the distributions of the Fund in accordance with its positive capital account balance as a limited partner, with net profits allocated to limited partners in accordance with their percentage interests.
- M. D. Anderson will not be subject to any mandatory capital calls.
- M. D. Anderson will have the right to approve any use of its name in connection with any documents or other material used in connection with the raising of capital for the Fund.

Under certain agreements, M. D. Anderson will provide the Fund, and any special purpose vehicles the Fund establishes, with advisory and research services. The advisory services include assisting the Fund in evaluating potential drugs and proposed research. The research services will entail M. D. Anderson performing research activities contracted for by the Fund. The research services provided by M. D. Anderson will be on a work-for-hire basis such that any inventions by M. D. Anderson arising out of the research it performs for the Fund will be owned by the Fund. M. D. Anderson will realize value for those inventions through its participation as a limited partner in the Fund.

ORIX Health draws from a deep pool of company resources and experience. ORIX Health is a member of the ORIX Corporation family of businesses and is a subsidiary of ORIX USA Corporation, which is a subsidiary of ORIX Corporation:

- Based in Japan, ORIX Corporation is a global financial institution with offices in 28 countries and is one of the world’s largest providers of financial services. Founded in 1964, ORIX Corporation has over \$89 billion in assets.
- ORIX USA Corporation was founded in 1981 and has over \$5.4 billion in assets. Its U.S. operating subsidiaries have successful track records building, operating, investing in, and advising oncology and health care companies as well as investing in and administering fund vehicles.
- ORIX Health has over \$700 million of current balance sheet investments in health care.

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

Upon recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board approved that

- a. the Fiscal Year 2015 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be increased from \$689,365,138 to \$763,552,645 effective September 1, 2014. This distribution equates to 5.50% of the trailing 12-quarter average of the net asset value of the PUF;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0585 per unit to \$0.0597 per unit for Fiscal Year 2015 (effective with the November 30, 2014 distribution);
- c. the distribution rate for The University of Texas System Long Term Fund (LTF) be increased from \$0.3352 per unit to \$0.3423 per unit for Fiscal Year 2015 (effective with the November 30, 2014 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2015.

The PUF Investment Policy states that UTIMCO shall recommend an annual distribution from the PUF to the AUF equal to 4.75% of the trailing 12-quarter average of the net asset value of the Fund for the quarter ending February of each fiscal year unless the average annual rate of return of the PUF investments over the trailing 12 quarters exceeds the Expected Return by 25 basis points or more, in which case UTIMCO shall recommend a distribution amount equal to 5.0% of the trailing 12-quarter average. "Expected Return" is the Expected Annual Return or Benchmarks set out in Exhibit A to the PUF Investment Policy Statement.

As shown in the table below, the average annual return of the PUF investments for the trailing 12 quarters ending February 28, 2014, has not exceeded the Expected Return by 25 basis points or more ($\geq 25\%$). Therefore, as outlined in the PUF Investment Policy, the "default" distribution rate for Fiscal Year 2014-2015 would be 4.75%, or \$659,431,829.

	Trailing 12 Quarters Ending February 28, 2014	Expected or Benchmark	Excess (Deficit)
Average Annual Rate of Return	7.11%	7.40%	-0.29%

However, the Board of Regents has the authority to distribute an amount that it deems appropriate up to a maximum rate of 7.0% (except as necessary to pay PUF bond debt service). Due to continued strong royalty income, the Chancellor and the Executive Vice Chancellor for Business Affairs recommended that the

distribution from the PUF to the AUF for Fiscal Year 2015 be \$763,552,645 or 5.50% of the trailing 12-quarter average of the net asset value of the Fund. This calculation is shown below:

<u>Quarter Ended</u>	<u>Net Asset Value</u>
5/31/2011	12,908,189,971
8/31/2011	12,687,945,718
11/30/2011	12,389,608,519
2/29/2012	12,971,283,084
5/31/2012	12,843,337,655
8/31/2012	13,470,262,684
11/30/2012	13,686,958,344
2/28/2013	14,241,921,929
5/31/2013	14,630,924,697
8/31/2013	14,852,538,510
11/30/2013	15,625,425,857
2/28/2014	16,284,907,290
	\$166,593,304,258
Number of quarters	12
Average Net Asset Value	\$ 13,882,775,355
Distribution Percentage	5.50%
FY 2014-15 Distribution	\$ 763,552,645

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

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The distribution of \$763,552,645 is substantially greater than PUF bond debt service of \$250,800,000 projected for FY 2014-2015.

<u>System</u>	<u>Debt Service</u>
U. T.	\$ 165,900,000
TAMU	84,900,000
Total:	\$ 250,800,000

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

2. The Board of Regents may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved.

As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 28, 2014, was 4.70%, which indicates that the purchasing power test was met.

Average Annual	Percent
Rate of Total Return, Net of Investment Manager Fees	7.34%
Mineral Interest Receipts	4.39%
Expense Rate	(0.17) ⁽¹⁾
Inflation Rate	(2.36)%
Distribution Rate	(4.50)%
Net Real Return	4.70%

(1) The expense rate as shown is a 10-year annualized average and includes PUF Management Fees and PUF Land expenses, paid directly by the PUF. Management fees that are netted from asset valuations, and are not paid directly by the PUF, are not included, as they are a reduction to the Rate of Total Return.

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

Value of PUF Investments (1)	Distribution	Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$13,882,775,355	\$763,552,645	5.50%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to

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

The spending formula under the PHF Investment Policy Statement and the LTF Investment Policy Statement increases distributions at the rate of inflation subject to a distribution range of 3.5% to 5.5% of the average market value of the PHF assets and LTF assets for each fund's respective trailing 12 fiscal quarters.

The 2.1% increase in the PHF distribution rate of \$0.0585 to \$0.0597 per unit was based on the PHF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.9%, within the range of 3.5% to 5.5% set forth in the PHF Investment Policy Statement.

The 2.1% increase in the LTF distribution rate from \$0.3352 to \$0.3423 per unit was based on the LTF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The LTF's distribution rate calculated using the prior 12-quarter average value of the LTF is 5.1%, within the range of 3.5% to 5.5% set forth in the LTF Investment Policy Statement. The increase in the consumer price index for the prior three years as of November 30, 2013, was 2.1%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. System Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. Continuation of a distribution rate of 3.0% was recommended for Fiscal Year 2015.

Regent Cranberg said this is an important first step toward securing more AUF funding for the U. T. System institutions, particularly given yesterday's (May 14, 2014) decision to look at resident graduate and undergraduate tuition with the expectation and hope of keeping them constant. If the University Lands continue to be fortunate with oil and gas prices and volumes, he can see tuition remaining fixed for a long time. He thinks the move to 5.5% is a good first step, and he hopes that more can be done over time depending upon additional assessments of that resource.

Vice Chairman Hicks pointed out that the amount to be approved is per policy -- 5.5% of the 12-quarter trailing average value of the PUF, but that as of today's value, it is under 5%.

Regent Cranberg noted that the student tuition increase requested for The University of Texas at Austin could be offset by a .17% increase in distribution from PUF to the AUF, meaning that at a future time, assuming a base policy of a 4.75% distribution rate, a 4.91% distribution rate would be sufficient to completely offset the student tuition increase.

16. U. T. System: Recommendations concerning Systemwide policy and practice changes in admissions procedures

This item was taken up earlier, immediately after adjourning the Executive Session.

Chancellor Cigarroa made recommendations for policy and practice changes in admissions procedures across the U. T. System for consideration by the Board as follows:

Remarks by Chancellor Cigarroa

In the fall of 2013, I asked Dr. Pedro Reyes to meet with admissions directors from across the nine academic campuses to discuss current admission processes, to learn best practices, and to gain a better understanding of the challenges faced by our admissions staff. The impetus behind this summit were concerns raised related to possible outside influences in the admissions practices at U. T. Austin, and also the fact that such a meeting with admissions officers had not occurred at U. T. System in recent history.

As a system of higher education responsible for over 200,000 students, I felt it was of upmost importance to recognize best practices, not only across the University of Texas System, but across our nation. In many cases, students interact with the U. T. System for the very first time through the admissions office. We must therefore get it right, and we must assure that we maintain the public trust.

Based upon the U. T. Austin's admissions inquiry report and the input that Academic Affairs received from the summit of admissions officers, Dr. Pedro Reyes, Dr. Wanda Mercer, and I drafted a white paper, which is still in draft format, with proposed recommendations to the Board to enhance our practices in admissions policies across the U. T. System. As I have stated, this draft paper still requires input from our 15 presidents and admissions officers, but the highlights of the recommendation, in my opinion, I believe are sound, and I will convey that to you, Mr. Chairman.

They are:

- To ensure transparency throughout the admissions process including the process for an appeal;
- To identify for prospective students the specific criteria used in a holistic review;
- Programs to publish profiles of students admitted in prior years, including average SATs and SAT scores by class rank and other similar scores from professional schools. This information will provide prospective students with the basis for comparison when preparing their applications. We want to promote consistency in a holistic reviews process. That is, subjective criteria should be evaluated consistently and fairly;

- We must train and test reviewers routinely to help ensure that the holistic review process is consistently applied across all applicants and across all disciplines;
- We must uphold the integrity of the admissions process by eliminating external influences and perceived or real conflicts of interest. University policies must be in place to prohibit undue external influences in the admissions process. Admissions committees should be of adequate size to mitigate any possible outside influence;
- Additionally, letters of recommendation that are not submitted by the applicant through the formally prescribed process will not be considered as part of the applicant's file, and an accountable person must maintain a clear buffer between outside individuals and the admissions committee. In essence, a firewall needs to be constructed around the admissions committee preventing anyone, even those within university administration, from indirectly or directly influencing admissions decisions. Any letter of recommendation submitted outside the formal admissions process is kept out of the applicant's file and is not considered by the admissions committee. Furthermore, to prevent conflicts of interest, admissions personnel should not be permitted to review applications from perspective students that they know well;
- Additionally, encourage accurate and timely communication between students and admissions staff;
- Establish appropriate policies that address perspective students' rights to privacy; and
- Also to provide a way for students that are denied admission to gain information that will guide them in strengthening a future application.

What I am asking, Mr. Chairman, is to ask this Board to authorize me to work with the Presidents across the U. T. System to refine these guiding principles over the next few weeks, and then present to the Board as soon thereafter to request approval of these admissions practices and principles across the U. T. System. We do not believe this will take a very long time to get the additional input necessary to implement these policies.

Chairman Foster agreed that this is vitally important task as it relates directly to students and the public trust.

17. U. T. System Board of Regents: Creation of the University Lands Advisory Board

The Board approved creation of a new six-member advisory body titled the University Lands Advisory Board (ULAB). It was recommended that the ULAB be composed of the following:

- Two (2) Regents from The University of Texas System
- One (1) Representative from The Texas A&M University System
- Two (2) Outside Members with Industry Experience
- The Executive Vice Chancellor for Business Affairs of the U. T. System (Ex officio and nonvoting)

Chairman Foster modified the recommendation to “three appointments by the Board of Regents” rather than two Regents and one external member, and the Board approved the recommendation.

Following the vote, Chairman Foster said he had asked Regents Cranberg and Hildebrand to serve on the advisory board, and he reported the A&M University System advised they will name a representative to the Board. He said he hoped to have recommendations for the two additional members for consideration by the Board of Regents at the next meeting. He added that the ideal candidates will be individuals with knowledge of the oil and gas industry, particularly related to mid-stream marketing and minerals management and with a willingness to assist in maximizing the value of the University Lands assets.

The Permanent University Fund Lands (PUF Lands or University Lands) are an extraordinary resource for the U. T. System and the Texas A&M System and, over the years, have provided billions of dollars of revenue in support of higher education excellence in Texas. The availability of PUF monies has enabled both Systems to rise in prominence and to distinguish themselves nationally as preeminent public higher education institutions.

Recently, with the emergence of shale resource plays in the Permian Basin and a new understanding of the extent of potential recoverable reserves on PUF Lands, the future value of the PUF Lands resource has multiplied at an unprecedented rate. In a period when virtually all higher education institutions (both public and private) are seeing revenues severely constrained, the potential future resources generated from PUF Lands could differentiate the U. T. and Texas A&M University Systems in a way that will be unmatched by any higher education institution anywhere and could allow them to achieve an unparalleled standard of excellence.

Given the particular and growing importance of PUF Lands to the future of higher education in the state, the U. T. System Board of Regents (Board) asked U. T. System staff to review the current structure and operations of PUF Lands management. A University Lands Advisory Committee was created and a consultant (Opportune LLP) was engaged to provide input and advice.

The Advisory Committee brought forward a number of recommendations to the Board in November 2013. The feedback received from both the Advisory Committee and the Board suggested that the exceptional growth in value of this resource required rethinking how it is managed. The strategic priority must be to create an organizational and administrative structure that will maximize the benefit of PUF Lands in the short, medium, and long terms.

The ULAB will be structured as follows:

- ULAB meets at least four times per year.
- University Lands will continue to be managed by U. T. System; University Lands staff will remain U. T. System employees and will remain a department within the U. T. System Office of Business Affairs.
- ULAB will advise the Board on operations and management of the University Lands Office, including the hiring of the Chief Executive, reviewing and recommending budgets to the Board, and providing strategic direction.

Duties to be delegated to ULAB by Board rule may include:

- Developing and recommending policy for Board approval;
- Providing advice on the approval of routine contracts and contract forms by the Executive Vice Chancellor for Business Affairs;
- Promulgating policies and procedures for daily operations;
- Providing advice concerning staffing changes, including hiring the University Lands Chief Executive with approval by the Board and routine staffing with approval by the Executive Vice Chancellor for Business Affairs;
- Setting compensation levels within parameters set by the Board;
- Reviewing performance and making recommendations about compensation for the University Lands Chief Executive consistent with Board policy;
- Advising on the strategic direction for University Lands;
- Developing and recommending policy to the Board for Lease of University Lands (Board for Lease);

- Recommending changes in oil and gas development terms and conditions to the Board for Lease; and
- Reviewing and overseeing operations as appropriate.

The Board of Regents would retain its statutory responsibility and authority to:

- Approve budgets;
- Appoint members of ULAB (ratifying the appointment of The Texas A&M University System representative, who will be appointed by The Texas A&M University System Board of Regents);
- Purchase and sell any property;
- Approve policy recommendations and set policy for University Lands;
- Approve decisions critical to the mission of University Lands, including compensation parameters;
- Modify delegations to ULAB; and
- Approve ULAB recommendations related to the hiring and compensation of the University Lands Chief Executive Officer.

It is anticipated that the names of recommended Advisory Board members and proposed Regents' Rules necessary to implement the work of the ULAB will be submitted to the Board at the next Board of Regents' meeting.

18. U. T. System Board of Regents: Discussion and possible action concerning Regental request to expand listing of Texas Public Information Act (TPIA) requests and responsive information on U. T. System Administration and U. T. System institution websites

The Board had an opportunity to discuss a request from Regent Hall related to expansion of The University of Texas System Administration and institutional Texas Public Information Act (TPIA) request websites.

Chancellor Cigarroa said he is looking forward to working with Vice Chancellor and General Counsel Sharphorn and others to expand the TPIA websites across the U. T. System. He indicated that the U. T. System TPIA website seems to be the model, and he thinks it can be replicated at the institutions. He also suggested a pilot program at U. T. System for linking the TPIA website to responsive information.

19. U. T. System Board of Regents: Remarks by Chairman Foster regarding the role of the governing board and governing board members and recommended best practices for Board operations, oversight, and engagement, including possible revisions to the Regents' *Rules and Regulations*

Chairman Foster provided the following remarks regarding the role of the governing board and governing board members and best practices for Board operations, oversight, and engagement.

Remarks by Chairman Foster

Serving as the Chairman of this Board is a great honor. It is also one of the most challenging jobs I have ever undertaken. A good Chairman must work constantly to strengthen the Board's effectiveness for the benefit of the U. T. System, and I am determined to be a good Chairman! Recent evidence of the effectiveness of this Board, when it has acted as a whole, is not hard to find. In just the past 12 months, the Board has overseen not only the approval and creation of the first new major university in the 21st century with our U. T. Rio Grande Valley, but the creation of two medical schools of the First Class. We have worked closely with the Chancellor to develop and implement the Chancellor's Framework for Excellence, and it has received national acclaim. I am extraordinarily proud of this Board's accomplishments and the Chancellor's accomplishments. These accomplishments do not belong exclusively to the Board and would not have been possible without the work and support of the Legislature, Chancellor Cigarroa, and the hundreds of University of Texas employees, supporters, and volunteers that have been involved. These accomplishments illustrate what can be accomplished when the Board works collectively, rather than individually, to turn big, mutual goals into reality.

There is much to be done in the coming months and years, and we are charged with selecting a new Chancellor to continue the important initiatives just authorized. The work will require an intensely focused and effective governing board and a nimble and effective U. T. System staff supporting the Chancellor. As Regents, we cannot control the focus of others, but this Board can and must control its collective focus. I am committed to leading a period of renewed focus that begins right now.

Bold, tangible change is needed, and I urge each member of the Board to start fresh today and agree to put the U. T. System above individual concerns and individual initiatives. Personal agendas have no place in the governance of any public system of higher education, particularly a system which embraces its leadership role and is blessed with countless advantages and opportunities such as ours. I am convinced that the true strength of a governing board is in the diversity of experiences and opinions of its members. And though opinions may differ, members are not excused from observing ground rules of basic civility, common sense,

and impeccable judgment in their roles as representatives of this Board and in their interactions with one another and U. T. System staff. Debate can, and should at times, be spirited, but it must be respectful and should be conducted with transparency in the Board Room, not attempted by default through the selective release of information. We cannot expect to enjoy the respect and trust of the public and the students whose futures are in our stewardship if respect and trust are not present in all our dealings with one another. In summary, everyone is going to be heard, but the majority must rule. We are not going to shy away from the possibility of split votes, but once a vote is taken, it will be respected. We have too much to do to act differently.

There are many other ways we can work toward our mutual and overarching responsibility of maintaining, supporting, and directing The University of Texas System as is our charge in the Texas Constitution. I acknowledge what members of this Board have done and want to work with you to do more. To that end, I have no choice but to speak very directly about the most difficult and challenging issue facing this Board's effectiveness and future. Let me start with an honest acknowledgement of the hard work done by Regent Wallace Hall. I do not know anyone who has devoted more time per day, per week or per year than he has spent on U. T. issues; this intensity may have contributed to some of the controversy that surrounds his role as a Regent. Regent Hall, you have asked some very legitimate questions based upon some very valid concerns. Those concerns in some cases, in fact several cases, have led to needed policy changes; however, I believe in other cases the intensity of your actions and an unwillingness to accept the conclusions of others actually delayed or prevented needed change or detracted from the activities identified by Board vote as the System's strategic priorities. The seven other voting members of this Board and the Student Regent who serve with us are incredibly talented and competent individuals; acting as a Board, they are capable of assuring accountability, transparency, and protection of taxpayer interests. This does not fall to any one individual Regent; it is the time-honored role of the Board. That role has been effectively discharged before we were appointed, and I know it will be discharged effectively after we all leave.

I have watched the proceedings of the House Transparency Committee (House Select Committee on Transparency in State Agency Operations) and their message is quite clear to me. It has been urged that this Board vote on a motion of no-confidence in your continued role as a Regent. I do not believe you have violated current Board rules or policy, and I do not believe that a vote on your service is appropriate for Board consideration. However, something must change, and I urge you to take a selfless step to benefit the U. T. System and to resign from the Board.

I am very mindful of the personal sacrifices you have made in the name of Board service and as I have told you many times, I admire your tenacity and your passion. I believe this step would be the most beneficial action you could take at this time. You have been quoted as saying that you are responsible for your actions, but not the consequences of your actions, and I completely disagree. You are responsible for both, and I implore you to deal with the results of actions that now have the potential for significant consequence for the U. T. System.

I am also dismayed by the actions of several members of this Board with respect the leaking, recording, and misuse of confidential information from our Executive Sessions. If a Board cannot trust that its private deliberations will remain private, it cannot expect to function as a Board should function. Trust is something that is earned, and once violated, it is very, very difficult to ever regain that trust.

I want to offer an opportunity for comments by other members of the Board. After that, I will ask for the Board's consideration of a series of recommended changes to the Board's *Rules and Regulations* to underscore that the decisions and work of the Board of Regents are conducted as a collective body and that the concepts of reasonableness and responsibility must be engrained in all activities undertaken by members of the Board. The proposed Rules make clear that the role of a Regent is to act at a high level to implement policy and oversee operations of the U. T. System, through the Chancellor -- not in an investigative or in a hands-on way.

The proposed Rules will be emailed to you in a day or two. I do not have them here, and I do not want to spring them on you. I realize I have not provided sufficient time for you to review them, so we will distribute them after the meeting. I will assure they are posted for discussion and vote at our next meeting on May 20 (2014), and I will appreciate any questions you have on them between now and then.

REPORT FOR THE RECORD.--

U. T. Rio Grande Valley: Report concerning appointment of the Presidential Search Advisory Committee

The membership of the Presidential Search Advisory Committee for The University of Texas Rio Grande Valley is reported for the record. This Committee has been constituted pursuant to the Regents' *Rules and Regulations*, Rule 20201.

Presidential Search Advisory Committee
for
U. T. Rio Grande Valley

Executive Vice Chancellor for Academic Affairs Pedro Reyes (Chairman)
Vice Chairman Wm. Eugene Powell
Regent Ernest Aliseda
Regent Robert L. Stillwell
William L. Henrich, M.D., President, The University of Texas Health Science
Center at San Antonio
Diana S. Natalicio, Ph.D., President, The University of Texas at El Paso
Dr. Elizabeth Heise, Immediate Past-President of the Faculty Senate, The
University of Texas at Brownsville
Dr. Marie Mora, Professor, The University of Texas-Pan American
Dr. Bobette Morgan, Faculty Senate President, U. T. Brownsville
Dr. Thomas White, Faculty Senate Chairman, U. T. Pan American
Carmelita A. Teeter, M.D., Associate Professor, U. T. Health Science Center -
San Antonio Regional Academic Health Center (RAHC)
Dr. Dahlia Guerra, Dean, College of Arts and Humanities, U. T. Pan American
Danny O. Jacobs, M.D., Dean of Medicine, The University of Texas Medical
Branch at Galveston
Dr. Javier Martinez, Dean, College of Liberal Arts, U. T. Brownsville
Mr. Aaron Barreiro, President, Student Government Association, U. T. Pan
American
Ms. Stephanie Mendez, President, Student Government Association, U. T.
Brownsville
Mr. Arnaldo Mata, President, Alumni Association, U. T. Pan American
Ms. Teri Alarcon, President, Alumni Association, U. T. Brownsville
Ms. Liana Ryan, Chair, Staff Senate, U. T. Pan American
Mr. Jaime Villanueva, President, Staff Senate, U. T. Brownsville
Mr. Cullen Looney
Ricardo D. Martinez, M.D.
Mr. David Oliveira
Mrs. Anne Shepard

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on
July 9-10, 2014, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:29 p.m.

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

August 21, 2014



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

Committee and Board Meetings:
May 14-15, 2014
Austin, Texas

	Page
U. T. SYSTEM ADMINISTRATION	
1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on February 5-6, 2014; and the special called meetings held on February 28, 2014, March 7, 2014, and April 28, 2014	155
2. UTIMCO Committee Appointment - U. T. System Board of Regents: Proposed appointment of members to the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)	155
3. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect appointment of Board of Regents' Officers and name and term of new Student Regent	155
4. Contract (funds going out) - U. T. System: Jacobs Project Management Co. to perform professional project management and construction support services	157
5. Contract (funds going out) - U. T. System: Broaddus & Associates, Inc. to perform professional project management and construction support services	157
6. Transfer of Funds - U. T. System: Transfer \$2,200,000 from Available University Funds to Facilities Management to lease space and to fund other expenses related to moving staff being relocated due to demolition of existing building, and construction of new U. T. System Administration consolidated office building (RBC No. 156)	158
7. Transfer of Funds - U. T. System: Transfer \$368,000 from Available University Funds to fund one-half of direct audit expenses related to auditing of Cancer Prevention and Research Institute of Texas grants for Fiscal Year 2010-2013. Total cost of the audit is \$787,200, including expenses with the amount not covered by U. T. System to be funded from the individual institutions being audited. (RBC No. 157)	158
8. Transfer of Funds - U. T. System: Approval to transfer \$5 million of Permanent University Fund (PUF) Bond Proceeds to U. T. Health Science Center - San Antonio (RBC No.158)	158

	Page
9. Real Estate Report - U. T. System : Summary Report of Separately Invested Assets managed by U. T. System	159
10. Report - U. T. System Academic Institutions : Fiscal Year 2013 Post-Tenure Review	159
11. Report - U. T. System Health Institutions : Fiscal Year 2013 Post-Tenure Review	162

ACADEMIC INSTITUTIONS

12. Lease - U. T. Arlington : Authorization to renew and extend a lease of space in the institution's Continuing Education Workforce Development Center located at 140 W. Mitchell Street, Arlington, Texas, to the Tarrant County Workforce Development Board, for office use	165
13. Contract (funds coming in) - U. T. Austin : Seton Healthcare Family on behalf of the Seton/U. T. Southwestern Clinical Research Institute will provide funding for the services of U. T. Austin faculty member, Todd Olmstead, to develop research projects	165
14. Contract (funds coming in) - U. T. Austin : Trademark and Domain Name License to Fanatics Retail Group Chicago, Inc. (Licensee) authorizing Licensee to use U. T. Austin's trademarks and domain names in connection with Licensee's Online and Retail Athletic Merchandise Stores that sell U. T. Austin's licensed athletic merchandise	166
15. Contract (funds going out) - U. T. Austin : Daniller + Company will provide membership services for marketing campaigns for the Lady Bird Johnson Wildflower Center	166
16. Contract (funds going out) - U. T. Austin : Ian McEwan Unlimited will sell to the Harry Ransom Humanities Research Center, materials from the Ian McEwan Archive	167
17. Foreign Contract (funds coming in) - U. T. Austin : University of Adelaide, Australia, Executive Education Program, will receive leadership training services from the Governor's Center for Management Development, LBJ School of Public Affairs	167
18. Request for Budget Change - U. T. Austin : Transfer \$1,060,000 from VPBA-Research Infusion Operating Income account to PMCS-ARC-Dr. Gore and Dr. Crews Lab Renovations All Expenses account to provide funding for Vivarium Capital Project (RBC No. 5811) -- amendment to the 2013-2014 budget	168

	Page
19. Request for Budget Change - U. T. Austin : Transfer \$1,072,000 from TEXU-Texas Union Auxiliary Services Operating Income account and TEXU-Texas Union General Services Operating Income account to TEXU-Texas Union Reserve for Renew/Repair Allocated for Budget account for University Dining Services Maintenance (RBC No. 5341) -- amendment to the 2013-2014 budget	168
20. Request for Budget Change - U. T. Austin : Transfer \$500,000 from UTIL-Utility Plant Operating Income account to UTIL-PPE Overhaul Parts All Expenses account to provide supplemental funding for GT8 turbine parts (RBC No. 5343) -- amendment to the 2013-2014 budget	168
21. Tenure Appointment - U. T. Austin : Amendment to the 2013-2014 budget	168
22. Emeritus Appointment - U. T. Austin : Appointment of Roger D. Renwick, from Professor to Professor Emeritus, Department of English (RBC No. 5765) -- amendment to the 2010-2011 budget	169
23. Employment Agreement - U. T. Austin : Amendment to Head Women's Swimming and Diving Coach Agreement for Carol Capitani	169
24. Lease - U. T. Austin : Authorization to lease space at 1717 West 6th Street, Austin, Travis County, Texas, from Lake Austin Commons Ltd. for administrative office use	170
25. Emeritus Appointments - U. T. Brownsville : Approval of emeritus titles	171
26. Contract (funds going out) - U. T. Dallas : CherryRoad Technologies Inc., to provide hosting and managed services and disaster recovery to support PeopleSoft application suite to include 24x7 monitoring for the hardware, operating system and operational services, database administration services, system administration services, and disaster recovery services	171
27. Contract (funds going out) - U. T. Dallas : Extension of contract to allow ViaWest, Inc. to continue to provide collocation data center resources for academic and research applications and systems (non-PeopleSoft environments)	172
28. Admissions Criteria - U. T. Dallas : Changes to Admission Criteria for First-Time Freshmen and Transfer Students	173
29. Request for Budget Change - U. T. El Paso : Transfer \$1,161,000 from Conference USA Tournament Miscellaneous Income account to Conference USA Tournament All Expenses account to reflect Conference USA income and expense activity (RBC No. 5793) -- amendment to the 2013-2014 budget	174
30. Tenure Appointment - U. T. Pan American : Amendment to the 2013-2014 budget	174

	Page
31. Gift - U. T. Pan American : Authorization to accept the gift of approximately 9 acres improved with a baseball stadium located at 920 North Sugar Road, beside the main campus of the institution in Edinburg, Hidalgo County, Texas, from the City of Edinburg, a Texas home rule city, for use as an athletic facility	174
32. Approval of Dual Position of Honor, Trust, or Profit - U. T. Pan American : Appointment by Governor Perry of Rene Gonzalez, Ph.D., CRC, Assistant Professor, Department of Rehabilitation, as Member of the Rehabilitation Council of Texas	175
33. Approval of Dual Position of Honor, Trust, or Profit - U. T. Pan American : Appointment by Michael Williams, Commissioner of Education, of Leila Hernandez, Ph.D., Associate Professor, Department of Art, as Member of the Expanded Learning Opportunities Council	176
34. Tenure Appointment - U. T. Permian Basin : Amendment to the 2013-2014 budget	177
35. Purchase - U. T. Permian Basin : Allocation of \$1.5 million of Permanent University Fund Debt proceeds and authorization to purchase and install three specially configured modular buildings from BOXX Modular of Houston, Texas, for the U. T. Permian Basin Science, Technology, Engineering, and Mathematics (STEM) Academy Charter School	177
36. Request for Budget Change - U. T. San Antonio : Transfer \$500,000 from Project Reserves account to Ximenes Avenue Modification account for the construction of the single monument sign at the newly realigned Ximenes Avenue intersection with UTSA Blvd. (RBC No. 5825) -- amendment to the 2013-2014 budget	177
37. Request for Budget Change - U. T. San Antonio : Transfer \$500,000 from University Housing Office account to New Locker room for Baseball account to provide two structures: men's baseball locker room and women's softball locker room, located near their respective fields for players, coaches, and referees (RBC No. 5827) -- amendment to the 2013-2014 budget	178
38. Request for Budget Change - U. T. San Antonio : Transfer \$886,000 from Utilities account to Science Building HVAC Rehabilitation account to perform HVAC renovations to 22 laboratories by replacing air distribution mixing boxes, installing direct digital controls, and adding exhaust where required to create a negative air pressure environment within the lab (RBC No. 5828) -- amendment to the 2013-2014 budget	178
39. Request for Budget Change - U. T. San Antonio : Transfer \$2,300,000 from Recreation Center Fee account to Recreation Center Pool Reconstruction account for the future construction of the Recreation Center Pool Facilities (RBC No. 5829) -- amendment to the 2013-2014 budget	178

	Page
40. Request for Budget Change - U. T. Tyler : Transfer \$1,200,000 from Patriots Applying Technology for Success and Savings (PATSS) account to Palestine Nursing Skills Site Work, Palestine Nursing Skills Lab Modular Building, and Longview Site Work accounts for course and faculty development, marketing, software licensing, and other miscellaneous expenses (RBC No. 5768) -- amendment to the 2013-2014 budget	178

HEALTH INSTITUTIONS

41. Foreign Contract (funds coming in) - U. T. Southwestern Medical Center : Faculty from U. T. Southwestern Medical Center Divisions of Nephrology, Radiology, and Surgical Transplantation will provide educational and training activities in the areas of kidney transplant, radiology, and nephrology at Delta State University Teaching Hospital (DELSUTH) in Nigeria and on the campus of U. T. Southwestern Medical Center	179
42. Logo - U. T. Southwestern Medical Center : Refresh logo	179
43. Contract (funds coming in) - U. T. Medical Branch - Galveston : Texas Commission on State Emergency Communications	180
44. Contract (funds coming in) - U. T. Medical Branch - Galveston : Texas Juvenile Justice Department	180
45. Contract (funds going out) - U. T. Medical Branch - Galveston : Daniel J. Edelman, Inc.	181
46. Contract (funds going out) - U. T. Medical Branch - Galveston : Broaddus & Associates	181
47. Contract (funds going out) - U. T. Medical Branch - Galveston : Ceres Environmental Services	181
48. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston : Appointment by Kathleen Sebelius, U.S. Secretary of Health and Human Services, of George R. Saade, M.D., Professor of Ob/Gyn and Cell Biology, as Member of the National Advisory Child Health and Human Development Council	182
49. Contract (funds coming in) - U. T. Health Science Center - Houston : Professional Services and Support Agreement with Memorial Hermann Health System (MHHS) to provide physician support, emergency call coverage, and medical directors for an orthopedic service line at MHHS hospitals	183
50. Emeritus Appointments - U. T. Health Science Center - Houston : Approval of emeritus titles	183

	Page
51. Lease - U. T. Health Science Center - Houston : Authorization to lease space located at 6410 Fannin Street, Houston, Texas, to UT Physicians for clinic and medical office use	183
52. Contract (funds going out) - U. T. Health Science Center - San Antonio : The Richards Group, Inc. to provide brand advertising services	184
53. Tenure Appointments - U. T. Health Science Center - San Antonio : Amendment to the 2013-2014 budget	185
54. Lease - U. T. Health Science Center - San Antonio : Authorization to extend the lease of space located at 7550 IH 10 West, San Antonio, Texas, from Westdale Northwest Center, L.P. for clinical research use	185
55. Lease - U. T. Health Science Center - San Antonio : Authorization to lease space located at Bandera Road and Loop 1604, San Antonio, Texas, from HEB Grocery Company, L.P. for clinic and medical office use	186
56. Approval of Dual Position of Honor, Trust, or Profit - U. T. Health Science Center - San Antonio : Appointment by Governor Perry of Brian John Eastbridge, M.D., Professor, Department of Surgery, as Member of the Advisory Council on Emergency Medical Services	186
57. Contract (funds coming in) - U. T. M. D. Anderson Cancer Center : Participate as hospital provider in the Memorial Hermann Health Solutions, Inc. (MHHSI) PPO plan	187
58. Contract (funds coming in) - U. T. M. D. Anderson Cancer Center : Cancer Center Physicians Referral Service to participate as a physician provider in the Memorial Hermann Health Solutions, Inc. (MHHSI) PPO plan	188
59. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : AMN Healthcare, Inc., to provide temporary nurse staffing services	188
60. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Project change request for International Business Machines (IBM) Corporation for refinements and enhancements to U. T. M. D. Anderson's Oncology Expert Adviser (MDA-OEA) powered by IBM Watson and enablement required for network democratization	189
61. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Computer Sciences Corporation to provide project management support services for various institutional technology projects	189
62. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Inter-Medical, Inc. to provide dialysis services	190

	Page
63. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Cactus Builders, Incorporated, to provide job order contracting services	190
64. Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Linbeck Group, LLC, to provide job order contracting services	191
65. Lease - U. T. M. D. Anderson Cancer Center : Authorization to extend the lease of space located at 2121 West Holcombe Boulevard, Houston, Texas, from the Board of Regents of The Texas A&M University System for medical research use	191
66. Approval of Dual Position of Honor, Trust, or Profit - U. T. M. D. Anderson Cancer Center : Appointment by Governor Perry of Thomas W. Feeley, M.D., Head, Division of Anesthesiology and Critical Care, as Member of the Texas Institute for Health Care Quality and Efficiency Board of Directors	192
67. Contract (funds going out) - U. T. Health Science Center - Tyler : Garrett & Associates to provide construction and renovation services	193
68. Emeritus Appointment - U. T. Health Science Center - Tyler : Appointment of Peter F. Barnes, from Professor to Professor Emeritus, Department of Microbiology and Immunology (RBC No. 5794) -- amendment to the 2013-2014 budget	193

U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held on February 5-6, 2014; and the special called meetings held on February 28, 2014, March 7, 2014, and April 28, 2014
2. UTIMCO Committee Appointment - U. T. System Board of Regents: Proposed appointment of members to the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

The University of Texas Investment Management Company (UTIMCO) Board of Directors recommends that the U. T. System Board of Regents approve the appointment of John D. White, and the reappointment of R. Steven Hicks and Robert L. Stillwell to the Audit and Ethics Committee of the UTIMCO Board of Directors.

Section 66.08 of the *Texas Education Code* requires that the U. T. System Board of Regents approve the appointment of members to the Audit and Ethics Committee of the UTIMCO Board of Directors. The UTIMCO Board of Directors is expected to recommend these appointments at their meeting to be held on May 7, 2014, conditioned on the approval of the U. T. System Board of Regents.

3. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect appointment of Board of Regents' Officers and name and term of new Student Regent

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, the Board of Regents approved the revised resolution set forth below regarding exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. The revision reflects the appointment of Board of Regents' Officers and the name and term of the new Student Regent.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on July 10, 2013.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the senior management official and the Facility Security Officer must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

RESOLUTION

BE IT RESOLVED:

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of Department of Defense (DoD) or User Agency contracts, as described in DoD 5220.22-M, "National Industrial Security Program Operating Manual" (NISPOM):

Francisco G. Cigarroa, M.D., Chancellor, The University of Texas System
William C. Powers, Jr., President, The University of Texas at Austin
Juan Miguel Sanchez, Vice President for Research, The University of Texas at Austin

Susan W. Sedwick, Associate Vice President for Research and Director,
Office of Sponsored Projects, The University of Texas at Austin
Neil S. Fox II, Facility Security Officer, The University of Texas System

The Chief Executive Officer (i.e., the Chancellor) and the members of the Managerial Group have been processed, or will be processed, for a personnel security clearance for access to classified information to the level of the facility security clearance granted to this institution, as provided for in the NISPOM.

The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the DoD or User Agencies of the NISPOM awarded to U. T. System, including U. T. Austin.

- b. That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U. T. System, including U. T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of the U. T. System, including U. T. Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to the U. T. System, including U. T. Austin, and need not be processed for a personnel security clearance:

Members of the U. T. System Board of Regents:

Paul L. Foster, Chairman
William Eugene Powell, Vice Chairman
R. Steven Hicks, Vice Chairman
Ernest Aliseda
Alex M. Cranberg
Wallace L. Hall, Jr.

Jeffery D. Hildebrand
Brenda Pejovich
Robert L. Stillwell
Nash M. Horne, Student Regent from June 1, 2013 to May 31, 2014 (nonvoting)
David Maximilian Richards, Student Regent from June 1, 2014 to
May 31, 2015 (nonvoting)

4. Contract (funds going out) - U. T. System: Jacobs Project Management Co. to perform professional project management and construction support services

Agency: Jacobs Project Management Co.

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: February 21, 2011 through February 20, 2017
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Jacobs Project Management Co. to perform miscellaneous professional project management and construction support services on a job order basis. Services were competitively procured.

5. Contract (funds going out) - U. T. System: Broaddus & Associates, Inc. to perform professional project management and construction support services

Agency: Broaddus & Associates, 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: February 21, 2011 through February 20, 2017
(Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Broaddus & Associates, Inc., to perform miscellaneous professional project management and construction support services on a job order basis. Services were competitively procured.

6. Transfer of Funds - U. T. System: Transfer \$2,200,000 from Available University Funds to Facilities Management to lease space and to fund other expenses related to moving staff being relocated due to demolition of existing building, and construction of new U. T. System Administration consolidated office building (RBC No. 156)

7. Transfer of Funds - U. T. System: Transfer \$368,000 from Available University Funds to fund one-half of direct audit expenses related to auditing of Cancer Prevention and Research Institute of Texas grants for Fiscal Year 2010-2013. Total cost of the audit is \$787,200, including expenses with the amount not covered by U. T. System to be funded from the individual institutions being audited. (RBC No. 157)

8. Transfer of Funds - U. T. System: Approval to transfer \$5 million of Permanent University Fund (PUF) Bond Proceeds to U. T. Health Science Center - San Antonio (RBC No.158)

On December 6, 2012, the Board of Regents approved \$100 million of PUF Bond Proceeds to be used for start-up costs for the U. T. Rio Grande Valley Medical School. For Fiscal Year 2014, requested approval is to transfer \$5 million of these funds 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.

9. 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 February 28, 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 11/30/2013	\$ 1,735,491	\$ 11,830,602	\$ 97,989,385	\$ 266,556,743	\$ 1,601,467	\$ 3,033,085	\$ 101,326,343	\$ 281,420,430
Increase or Decrease	1	1	1	86,048	-	-	2	86,049
Ending Value 02/28/2014	\$ 1,735,492	\$ 11,830,603	\$ 97,989,386	\$ 266,642,791	\$ 1,601,467	\$ 3,033,085	\$ 101,326,345	\$ 281,506,479
Other Real Estate:								
Ending Value 11/30/2013	\$ 22,713	\$ 22,713	\$ 13,547	\$ 13,547	\$ -	\$ -	\$ 36,260	\$ 36,260
Increase or Decrease	(2,085)	(2,085)	-	-	-	-	(2,085)	(2,085)
Ending Value 02/28/2014	\$ 20,628	\$ 20,628	\$ 13,547	\$ 13,547	\$ -	\$ -	\$ 34,175	\$ 34,175

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.

10. Report - U. T. System Academic Institutions: Fiscal Year 2013 Post-Tenure Review

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2013 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs.

During Fiscal Year 2013, 465 tenured faculty members at the nine academic institutions with tenured faculty were subject to post-tenure review. Of the 465 faculty members subject to review, 442 or 95.1% were evaluated as Meets or Exceeds Expectations; 20 or 4.3% Did Not Meet Expectations; and 3 or 0.6% received Unsatisfactory evaluations. There were 15 faculty members who retired or resigned before their review was performed. The following summary tables provide additional details of the post-tenure review results.

Summary of Post-Tenure Review Results

	Total Actually Reviewed	Total Exceeding Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resign Before Review
U. T. Arlington	50	30	18	2	0	1
U. T. Austin	247	80	153	12	2	13
U. T. Brownsville	7	3	2	2	0	0
U. T. Dallas	36	17	19	0	0	0
U. T. El Paso	26	25	1	0	0	0
U. T. Pan American	36	22	12	2	0	0
U. T. Permian Basin	4	0	4	0	0	0
U. T. San Antonio	49	0	46	2	1	1
U. T. Tyler	10	7	3	0	0	0
Total	465	184	258	20	3	0
		39.6%	55.5%	4.3%	0.6%	15

Post-Tenure Review Results by Gender

	Actually Reviewed		Exceeding Expectations		Meets Expectations		Does Not Meet Expectations		Unsatisfactory		Decided to Retire or Resign Before Review	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
U. T. Arlington	44	6	25	5	17	1	2	0	0	0	1	0
U. T. Austin	195	52	60	20	122	31	11	1	2	0	10	3
U. T. Brownsville	3	4	1	2	1	1	1	1	0	0	0	0
U. T. Dallas	29	7	15	2	14	5	0	0	0	0	0	0
U. T. El Paso	20	6	19	6	1	0	0	0	0	0	0	0
U. T. Pan American	26	10	15	7	10	2	1	1	0	0	0	0
U. T. Permian Basin	4	0	0	0	4	0	0	0	0	0	0	0
U. T. San Antonio	38	11	0	0	35	11	2	0	1	0	1	0
U. T. Tyler	5	5	3	4	2	1	0	0	0	0	0	0
Total	364	101	138	46	206	52	17	3	3	0	12	3

Post-Tenure Review Results by Ethnicity

	Total Actually Reviewed					Exceeds Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	37	0	0	13	0	22	0	0	8	0
U. T. Austin	212	7	9	19	0	66	2	3	9	0
U. T. Brownsville	4	0	3	0	0	1	0	2	0	0
U. T. Dallas	25	2	2	6	1	12	1	0	4	0
U. T. El Paso	15	0	10	1	0	14	0	10	1	0
U. T. Pan American	21	0	8	4	3	11	0	7	2	2
U. T. Permian Basin	3	0	0	1	0	0	0	0	0	0
U. T. San Antonio	31	4	5	9	0	0	0	0	0	0
U. T. Tyler	9	0	0	1	0	6	0	0	1	0
Total	357	13	37	54	4	132	3	22	25	2

	Meets Expectations					Does Not Meet Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	14	0	0	4	0	1	0	0	1	0
U. T. Austin	136	4	4	9	0	9	1	1	1	0
U. T. Brownsville	2	0	0	0	0	1	0	1	0	0
U. T. Dallas	13	1	2	2	1	0	0	0	0	0
U. T. El Paso	1	0	0	0	0	0	0	0	0	0
U. T. Pan American	9	0	0	2	1	1	0	1	0	0
U. T. Permian Basin	3	0	0	1	0	0	0	0	0	0
U. T. San Antonio	29	3	5	9	0	1	1	0	0	0
U. T. Tyler	3	0	0	0	0	0	0	0	0	0
Total	210	8	11	27	2	13	2	3	2	0

	Unsatisfactory					Decided to Retire/Resign Before Review				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	0	0	0	0	0	0	0	0	1	0
U. T. Austin	1	0	1	0	0	11	1	1	0	0
U. T. Brownsville	0	0	0	0	0	0	0	0	0	0
U. T. Dallas	0	0	0	0	0	0	0	0	0	0
U. T. El Paso	0	0	0	0	0	0	0	0	0	0
U. T. Pan American	0	0	0	0	0	0	0	0	0	0
U. T. Permian Basin	0	0	0	0	0	0	0	0	0	0
U. T. San Antonio	1	0	0	0	0	1	0	0	0	0
U. T. Tyler	0	0	0	0	0	0	0	0	0	0
Total	2	0	1	0	0	12	1	1	1	0

PRESENT STATUS OF EACH PERFORMANCE THAT DOES NOT MEET EXPECTATIONS:

U. T. Arlington: For Professor, improvement plan presented, reviewed, and approved, but faculty member passed away. For Associate Professor, improvement plan received and reviewed by the Office of the Provost.

U. T. Austin: Department chairs and deans will monitor performance each year and provide feedback through the Annual Review process.

U. T. Brownsville: Both Associate Professors were granted three years to strengthen their performance, especially in the area of scholarship/publications. Each has worked with a committee consisting of the Department Chair and three faculty members to develop a professional development plan for improvement. Every full academic year, each will submit an updated portfolio that should demonstrate evidence of progress as outlined on the development plan. Each was notified that failure to meet the goals agreed upon can be cause for termination of tenure.

U. T. Pan American: Faculty members discussed the corresponding areas of concern with their Chair and Dean. They received feedback regarding their professional performance. Each faculty member is expected to take action on the weaknesses and issues identified by the Chair and/or Dean. A professional development plan was prepared for each faculty member.

U. T. San Antonio: Faculty member #1 was asked to meet with his Dean and Department Chair to review the post-tenure evaluation and outline a plan of action to strengthen his performance. His next review will occur during the normal six-year cycle (2018-2019). Faculty member #2 was asked to meet with his Dean and Department Chair to review the post-tenure evaluation and develop a research plan to strengthen his performance. The faculty member was also asked to meet with the Dean on an annual basis to assess his progress. His next review will occur in four years (2016-2017) instead of the normal six-year review cycle.

PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:

U. T. Austin: Department chairs and deans have established faculty development support plans for the faculty members placed in the unsatisfactory review category. These will be monitored on an annual basis.

U. T. San Antonio: The Department Chair and Dean have developed a short-term faculty development plan, which will be monitored by the Department Chair. The terms of the faculty development plan state that if the faculty member meets the expectations and actions outlined in the plan, the faculty member's next review will occur during the normal six-year review cycle (2018-2019).

PLANS FOR EVALUATION DURING THE CURRENT YEAR, FY 2014:

U. T. Austin: All faculty scheduled for post-tenure review in the 2013-2014 academic year will be evaluated and faculty development support plans for previous unsatisfactory reviews will be monitored.

U. T. Dallas: During the FY 2014 cycle of periodic performance evaluation (PPE), U. T. Dallas will use the electronic file format for ease of evaluation and records retention. It is anticipated that 50 faculty will be reviewed in the FY 2014 PPE cycle.

U. T. Pan American: The Department Chair will continue to monitor each faculty member, will review their progress in the areas of concern, and will provide additional guidance as needed. A teaching effectiveness/professional development plan was prepared for each faculty member and approved at the department and college level.

U. T. San Antonio: The Department Chair and Dean have developed a short-term faculty development plan, which will be monitored by the Department Chair. The terms of the faculty development plan state that if the faculty member meets the expectations and actions outlined in the plan, the faculty member's next review will occur during the normal six-year review cycle (2018-2019).

11. **Report - U. T. System Health Institutions: Fiscal Year 2013 Post-Tenure Review**

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2013 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2013, 214 tenured faculty members at the six health-related institutions received post-tenure reviews. Of the 214 faculty members reviewed, 73 or 34.1% were evaluated as Exceeds Expectations; 123 or 57.5% Met Expectations; seven or 3.3% received Does Not Meet Expectations; and 11 or 5.1% received Unsatisfactory evaluations. Five other faculty members retired or resigned before their post-tenure reviews. The following summary tables provide additional details of the post-tenure review results.

Summary of Post-Tenure Review Results

	Total Subject to Review	Total Exceeds Expectations	Total Meets Expectations	Total Does Not Meet Expectations	Total Unsatisfactory	Decided to Retire or Resigned Before Review
U. T. SWMC	48	28	16	3	1	1
U. T. MB - Galveston	28	9	17	1	1	0
U. T. HSC - Houston	21	9	12	0	0	0
U. T. HSC - San Antonio ¹	45	24	20	1	0	2
U. T. MDACC ²	72	3	58	2	9	2
U. T. HSC - Tyler ³	0	0	0	0	0	0
Total	214	73	123	7	11	5

Post-Tenure Review Results by Gender

	Subject to Review		Exceeds Expectations		Meets Expectations		Does Not Meet Expectations		Unsatisfactory		Decided to Retire or Resigned Before Review	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
U. T. SWMC	38	10	22	6	12	4	3	0	1	0	1	0
U. T. MB - Galveston	20	8	8	1	11	6	1	0	0	1	0	0
U. T. HSC - Houston	13	8	5	4	8	4	0	0	0	0	0	0
U. T. HSC - San Antonio	32	13	16	8	15	5	1	0	0	0	2	0
U. T. MDACC	54	18	2	1	44	14	1	1	7	2	1	1
U. T. HSC - Tyler	0	0	0	0	0	0	0	0	0	0	0	0
Total	157	57	53	20	90	33	6	1	8	3	4	1

¹ **U. T. Health Science Center - San Antonio:** Eight faculty members who would have otherwise been subject to post-tenure review currently hold administrative titles, which made them subject to administrative review rather than post-tenure review.

² **U. T. M. D. Anderson Cancer Center:** Offers "term tenure"

³ **U. T. Health Science Center - Tyler:** Tenure status is new and the first class of tenured faculty subject to post-tenure review will be in the summer/fall of 2014.

Post-Tenure Review Results by Ethnicity

	Total Actually Reviewed					Exceeds Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	38	0	1	9	0	21	0	1	6	0
U. T. MB - Galveston	20	0	0	8	0	8	0	0	1	0
U. T. HSC - Houston	16	1	1	3	0	7	1	1	0	0
U. T. HSC - San Antonio	34	0	1	7	3	18	0	0	6	0
U. T. MDACC	51	1	2	18	0	2	0	0	1	0
U. T. HSC - Tyler	0	0	0	0	0	0	0	0	0	0
Total	159	2	5	45	3	56	1	2	14	0

	Meets Expectations					Does Not Meet Expectations				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	13	0	0	3	0	3	0	0	0	0
U. T. MB - Galveston	10	0	0	7	0	1	0	0	0	0
U. T. HSC - Houston	9	0	0	3	0	0	0	0	0	0
U. T. HSC - San Antonio	15	0	1	1	3	1	0	0	0	0
U. T. MDACC	41	1	2	14	0	1	0	0	1	0
U. T. HSC - Tyler	0	0	0	0	0	0	0	0	0	0
Total	88	1	3	28	3	6	0	0	1	0

	Unsatisfactory					Decided to Retire/Resigned Before Review				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	1	0	0	0	0	1	0	0	0	0
U. T. MB - Galveston	1	0	0	0	0	0	0	0	0	0
U. T. HSC - Houston	0	0	0	0	0	0	0	0	0	0
U. T. HSC - San Antonio	0	0	0	0	0	2	0	0	0	0
U. T. MDACC	7	0	0	2	0	2	0	0	0	0
U. T. HSC - Tyler	0	0	0	0	0	0	0	0	0	0
Total	9	0	0	2	0	5	0	0	0	0

PRESENT STATUS OF DOES NOT MEET EXPECTATIONS

U. T. Southwestern Medical Center: Action plan in place and review scheduled for January/February 2015; two resigned.

U. T. Medical Branch - Galveston: Accepted retirement package.

U. T. Health Science Center - San Antonio: Remediation plan was developed but faculty member resigned.

U. T. M. D. Anderson Cancer Center: Two faculty will repeat 6th year.

UNSATISFACTORY

U. T. Southwestern Medical Center: Action plan in place and review scheduled for January/February 2015.

U. T. Medical Branch - Galveston: Accepted retirement package.

U. T. M. D. Anderson Cancer Center: One faculty retired; two switched to Clinical Faculty Appointment; and six will have position end at the 7th year.

ACADEMIC INSTITUTIONS

12. Lease - U. T. Arlington: Authorization to renew and extend a lease of space in the institution's Continuing Education Workforce Development Center located at 140 W. Mitchell Street, Arlington, Texas, to the Tarrant County Workforce Development Board, for office use

Description: Renew and extend the lease of approximately 39,067 rentable square feet at 140 W. Mitchell Street, Arlington, Texas. Tarrant County Workforce Development Board has leased space from the institution in this facility since 2004. Authorization is requested for the Executive Director of Real Estate to execute a renewal and extension of the term of the lease for an additional ten (10) years upon completion of negotiations, upon such terms and conditions as are approved by the Real Estate Office.

Lessee: Tarrant County Workforce Development Board, a governmental entity

Term: Ten (10) year renewal of the existing lease to commence April 1, 2014, with no options to renew

Lease Income: \$14 per square foot for an annual rental of \$546,945 with annual increases for any increased operating expenses. The institution is neither providing a tenant improvement allowance nor is it paying any brokerage commissions. The relationship between the institution's Division for Enterprise Development and the Lessee has been mutually beneficial with U. T. Arlington receiving payments totaling over \$750,000 over the last 16 months for training programs the institution provided to the Lessee's customers under separate contracts.

13. Contract (funds coming in) - U. T. Austin: Seton Healthcare Family on behalf of the Seton/U. T. Southwestern Clinical Research Institute will provide funding for the services of U. T. Austin faculty member, Todd Olmstead, to develop research projects

Agency: Seton Healthcare Family on behalf of the Seton/U. T. Southwestern Clinical Research Institute

Funds: \$1,117,977

Period: August 1, 2013 through August 31, 2020

Description: Seton Healthcare Family on behalf of the Seton/U. T. Southwestern Clinical Research Institute will provide funding for the services of U. T. Austin tenured faculty member, Todd Olmstead, as a part-time researcher to develop collaborative clinical research projects for the Seton/U. T. Southwestern Clinical Research Institute.

14. Contract (funds coming in) - U. T. Austin: Trademark and Domain Name License to Fanatics Retail Group Chicago, Inc. (Licensee) authorizing Licensee to use U. T. Austin's trademarks and domain names in connection with Licensee's Online and Retail Athletic Merchandise Stores that sell U. T. Austin's licensed athletic merchandise

Agency: Fanatics Retail Group Chicago, Inc.

Funds: Minimum \$8,400,000

Period: July 1, 2012 through June 30, 2019

Description: Fanatics Retail Group Chicago, Inc. (formerly Dreams, Inc.) will use U. T. Austin trademarks and domain names in connection with Licensee's online and retail outlets that sell U. T. Austin's licensed athletic merchandise. U. T. Austin will receive a royalty on Licensee's adjusted gross income as consideration for the use of U. T. Austin's trademarks and domain names. Fanatics Retail Group Chicago, Inc. was selected through the Request for Proposal process.

15. Contract (funds going out) - U. T. Austin: Daniller + Company will provide membership services for marketing campaigns for the Lady Bird Johnson Wildflower Center

Agency: Daniller + Company

Funds: Estimated total value of contract is \$3,637,311

Source of Funds: Restricted Funds

Period: September 1, 2014 through August 31, 2017, with option to renew for two additional three-year periods

Description: Daniller + Company will provide the Lady Bird Johnson Wildflower Center with membership services for direct mail and email marketing campaigns for membership acquisition and reactivation, monthly member renewal campaigns, quarterly member upgrade campaigns, and an option for supplemental services to expand new member acquisition opportunities. Daniller + Company was selected through the Request for Proposal process.

16. Contract (funds going out) - U. T. Austin: Ian McEwan Unlimited will sell to the Harry Ransom Humanities Research Center materials from the Ian McEwan Archive

Agency: Ian McEwan Unlimited

Funds: \$2,000,000

Source of Funds: Restricted Funds

Period: From date of execution through March 31, 2016

Description: Ian McEwan Unlimited will sell from the Ian McEwan Archive working papers related to Ian McEwan's recent writing projects, a selection of photographs, a selection of printed material, born-digital files, and two notebooks and the two last pages of "yellow draft" of *On Chesil Beach* to the Harry Ransom Humanities Research Center.

17. Foreign Contract (funds coming in) - U. T. Austin: University of Adelaide, Australia, Executive Education Program, will receive leadership training services from the Governor's Center for Management Development, LBJ School of Public Affairs

Agency: University of Adelaide, Australia

Funds: Approximately \$18,077 USD [\$20,000 (AUD)]

Period: June 1, 2014 through December 31, 2014

Description: The Governor's Center for Management Development, a unit of the LBJ School of Public Affairs, will provide leadership training service and two keynote presentations to the University of Adelaide's Executive Education Program. Regents' *Rules and Regulations*, Rule 10501, Section 3.2, requires all contracts with foreign governments or agencies to be approved by the Board of Regents regardless of dollar amount.

18. Request for Budget Change - U. T. Austin: Transfer \$1,060,000 from VPBA-Research Infusion Operating Income account to PMCS-ARC-Dr. Gore and Dr. Crews Lab Renovations All Expenses account to provide funding for Vivarium Capital Project (RBC No. 5811) -- amendment to the 2013-2014 budget
19. Request for Budget Change - U. T. Austin: Transfer \$1,072,000 from TEXU-Texas Union Auxiliary Services Operating Income account and TEXU-Texas Union General Services Operating Income account to TEXU-Texas Union Reserve for Renew/Repair Allocated for Budget account for University Dining Services Maintenance (RBC No. 5341) -- amendment to the 2013-2014 budget

Description	\$ Amount	RBC #
TEXU-Texas Union Auxiliary Services		
TEXU-Texas Union General Services		
Amount of Transfer:	1,072,000	5341
From: Auxiliary Enterprises -		
TEXU-Texas Union Auxiliary Services	722,000	
TEXU-Texas Union General Services		
Operating Income	350,000	
To: Plant Funds -		
TEXU-Texas Union Reserve for		
Renew/Repair Allocated for Budget	1,072,000	

20. Request for Budget Change - U. T. Austin: Transfer \$500,000 from UTIL-Utility Plant Operating Income account to UTIL-PPE Overhaul Parts All Expenses account to provide supplemental funding for GT8 turbine parts (RBC No. 5343) -- amendment to the 2013-2014 budget
21. Tenure Appointment - U. T. Austin: Amendment to the 2013-2014 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 \$	
Dell Medical School					
Vice President of Medical Affairs, Dean of Medical School, and Professor					
S. Claiborne Johnston (T)	3/1 - 8/31	100	12	675,000	5812
	3/1 - 5/31	0	9	410,000	

22. Emeritus Appointment - U. T. Austin: Appointment of Roger D. Renwick, from Professor to Professor Emeritus, Department of English (RBC No. 5765) -- amendment to the 2010-2011 budget

Note: Appointment to be retroactive to September 1, 2010, to correct a clerical error in processing the recommendation.

23. Employment Agreement - U. T. Austin: Amendment to Head Women's Swimming and Diving Coach Agreement for Carol Capitani

The following Amendment No. 1 has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents. If Amendment No. 1 is approved, total annual compensation for Coach Capitani will be in excess of \$250,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such Constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12 - Athletic Employment Agreements).

Item: Head Women's Swimming and Diving Coach Agreement

From: **Guaranteed compensation:**

Annual Salary: \$135,580

Automobile: \$7,500

Product Endorsement: \$2,000

Nonguaranteed compensation:

Sports Camps: TBD (\$67,650, FY 2012/13)

Team Performance Incentives: \$35,000

Team Academic Performance Incentives: \$10,000

Coach of the Year Honors: \$7,000

To: **Guaranteed compensation:**
 Annual Salary: \$135,580
 Automobile: \$7,500
 Product Endorsement: \$2,000

Nonguaranteed compensation:
 Sports Camps: TBD (\$67,650, FY 2012/13)
 Team Performance Incentives: \$35,000
 Team Academic Performance Incentives: \$10,000
 Coach of the Year Honors: \$7,000
 Equipment Mfg. Agreement Performance Incentives and
 Sponsorship fees: \$37,500
 Honorary Head Coach Assignment: TBD (No assignments
 pending)

Guaranteed
 Compensation
 Percent
 Change: 0%

Nonguaranteed
 Compensation
 Change: 31%

Source of
 funds: Intercollegiate Athletics

Description: Amendment No. 1 to the Agreement for employment of Head
 Women's Swimming and Diving Coach Carol Capitani

Period: May 14, 2012 through August 31, 2017

24. Lease - U. T. Austin: Authorization to lease space at 1717 West 6th Street, Austin, Travis County, Texas, from Lake Austin Commons Ltd. for administrative office use

Description: Lease of approximately 13,667 square feet of space at
 1717 West 6th Street, Austin, Travis County, Texas, from
 Lake Austin Commons Ltd. for administrative office use by
 the Center for Social Work Research, Addiction Research
 Institute

Lessor: Lake Austin Commons Ltd., a Texas limited partnership

Term: The term commences on May 1, 2014 and expires on
 April 30, 2019

Lease Cost: Lease costs average \$37.28 per square foot annually for a total of \$2,547,521 in rent and estimated operating expenses over the term

Source of Funds: Indirect costs funds

25. Emeritus Appointments - U. T. Brownsville: Approval of emeritus titles

Eldon Nelson, from Professor of Bio Medicine to Professor Emeritus, College of Biomedical Sciences and Health Profession (RBC No. 5822) -- amendment to the 2013-2014 budget

Gayle Brogdon, from Associate Professor to Associate Professor Emeritus, College of Education (RBC No. 5823) -- amendment to the 2013-2014 budget

Terry Tomlin, from Professor of Music to Professor Emeritus, College of Liberal Arts (RBC No. 5824) -- amendment to the 2013-2014 budget

26. Contract (funds going out) - U. T. Dallas: CherryRoad Technologies Inc., to provide hosting and managed services and disaster recovery to support PeopleSoft application suite to include 24x7 monitoring for the hardware, operating system and operational services, database administration services, system administration services, and disaster recovery services

Agency: CherryRoad Technologies Inc.

Funds: \$996,000 annually for five years for a total of \$4,980,000

Source of Funds: Information Technology Fee and/or Business Services Fee

Period: May 1, 2014 through April 31, 2019

Description: This contract will provide disaster recovery services for PeopleSoft Applications which enable registration, billing, receipting, accounting, payroll, and human resource services to the campus and students. Without these services, the University runs the risk of having services to students, faculty, and staff interrupted for an extended period of time in the event of an outage or equipment failure in the current data center. The ongoing operation of these systems is critical to the successful operation of the academic and administrative services delivered by U. T. Dallas.

CherryRoad Technologies will provide managed support services for the U. T. Dallas PeopleSoft Application Suites (Student, Finance, Human Resources). The managed

support services (hosting) include the migration of U. T. Dallas Application Suites from the existing hardware and facilities to CherryRoad's Managed Services Center (MSC) facilities, followed by the ongoing operational support and maintenance of the environments. CherryRoad will host the production Application environments in the Northern New Jersey data center and the Disaster Recovery (DR) site and nonproduction environments in the California data center. The vendor was selected based on best value through the Request for Proposal process.

27. Contract (funds going out) - U. T. Dallas: Extension of contract to allow ViaWest, Inc. to continue to provide collocation data center resources for academic and research applications and systems (non-PeopleSoft environments)

Agency: ViaWest, Inc.

Funds: \$2,883,000 over the 39-month term of the agreement

Source of Funds: Information Technology Fee and/or Business Services Fee

Period: The extension term of 39 months will commence on or about June 1, 2014, and will continue until August 31, 2017.
U. T. Dallas will be charged approximately \$61,000 per month, with an annual escalator of \$7,000 for additional power.

Description: U. T. Dallas desires to extend its current contract with ViaWest for the provision of collocation data center resources for U. T. Dallas' academic and research applications and systems. ViaWest provides space, power, security, and other support services for these systems and is uniquely positioned to do so given the location of their facility along the northern boundary of the campus. ViaWest is an integral part of the U. T. Dallas Office of Information Resources redundancy strategy including data storage, backup, and recovery.

U. T. Dallas initially entered into the contract with ViaWest in Fall 2011. Given the term of the extension and due to increasing institutional need, U. T. Dallas seeks Board approval to extend the contract beyond a value of \$1 million.

28. Admissions Criteria - U. T. Dallas: Changes to Admission Criteria for First-Time Freshmen and Transfer Students

U. T. Dallas proposes changes to the admission requirements for First-Time Freshmen and Transfer Students. U. T. Dallas' policy is to admit applicants who are most able to benefit from and contribute to the University's academic and research mission. New admission policies will be effective beginning Fall 2014 for the Spring 2015, and future term admission periods. The changes have been reviewed and administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents.

Summary of Changes to Admission Criteria for First-Time Freshmen

The following table shows the minimum total scores required where applicable, based on high school rank-in-class, the combined SAT scores of Math and Critical Reading from the College Board, and the ACT assessment.*

High School Class Rank or Test Score	Type of Admission
Top 10% *	Automatic Admission
Top 15% * or SAT ≥ 1200 or ACT ≥ 26	Assured Admission Criteria (AAC)
Outside of AAC	Reviewed Admission (individual review) Composite achievement profile (high school class rank, SAT/ACT scores, essays, honors, and successful completion of high school curriculum)

The proposed changes to the minimum requirements are:

* Minimum completion of the Texas Recommended Curriculum Distinguished Program; or earn a Distinguished Level of Achievement (or its document equivalent); or satisfaction of ACT's College Readiness Benchmarks on the ACT assessment; or earning on the SAT assessment a combined score of at least 1500 on the Math, Critical Reading, and Writing sections is a requirement for all first-time freshmen admissions.

Summary of Changes to Admission Criteria for Transfer Students

U. T. Dallas accepts applications for admission from transfer students for the fall, spring, and summer semesters. U. T. Dallas welcomes applications from students who have begun their college work and are in good standing at other institutions of higher education.

In accordance with *Texas Education Code* Section 51.8035, U. T. Dallas added information about the grade point average needed by eligible transfer applicants under the automatic admission criteria. The grade point average needed is 2.500 on a 4.000 point scale, or the equivalent.

The proposed changes for the assured transfer admission criteria are the following:

The assured transfer admission criteria will indicate a change in the minimum cumulative transferable GPA of 2.700 on a 4.000 point scale and will add a new requirement by reviewing applicants' attempted semester credit hours (SCH) to ensure that they have fewer than 90 attempted SCH.

U. T. Dallas' transfer admission review procedures will not change.

- 29. Request for Budget Change - U. T. El Paso: Transfer \$1,161,000 from Conference USA Tournament Miscellaneous Income account to Conference USA Tournament All Expenses account to reflect Conference USA income and expense activity (RBC No. 5793) -- amendment to the 2013-2014 budget

- 30. Tenure Appointment - U. T. Pan American: Amendment to the 2013-2014 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 \$	
Engineering and Computer Sciences					
Manufacturing Engineering					
Professor					
Abdel Salam Makhoulouf (T)	2/17-5/31	100	9	100,000	5754

- 31. Gift - U. T. Pan American: Authorization to accept the gift of approximately 9 acres improved with a baseball stadium located at 920 North Sugar Road, beside the main campus of the institution in Edinburg, Hidalgo County, Texas, from the City of Edinburg, a Texas home rule city, for use as an athletic facility

Description: Accept the gift of approximately 9 acres improved with a baseball stadium located at 920 North Sugar Road, beside the main campus of the institution in Edinburg, Hidalgo County, Texas, and authorization for 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 receive the property. The property includes a baseball stadium built in 2001, with seating for approximately 4,000 spectators and including ancillary locker, box, and press facilities. The institution has leased the facility for use by its intercollegiate sports program. Ownership of the facility will give U. T. Pan American full control over the facility and its use.

Donor: City of Edinburg, Hidalgo County, Texas

Value: \$2,744,000 fair market value based on an appraisal by Aguirre & Patterson, Inc., February 28, 2014

32. Approval of Dual Position of Honor, Trust, or Profit - **U. T. Pan American:** Appointment by Governor Perry of Rene Gonzalez, Ph.D., CRC, Assistant Professor, Department of Rehabilitation, as Member of the Rehabilitation Council of Texas

The following item has been approved by the Executive Vice Chancellor for Academic 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-Pan American, 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: Rene Gonzalez, Ph.D., CRC

Title: Assistant Professor, Department of Rehabilitation

Position: Member, Rehabilitation Council of Texas

Period: March 4, 2014 through October 29, 2016

Compensation: None

Description: Governor Perry has appointed Dr. Gonzalez to the Rehabilitation Council of Texas. The Council partners with the Texas Department of Rehabilitation Services divisions of Rehabilitation Services and Blind Services to advocate

for people with disabilities during the vocational rehabilitation process. The Council also reviews, analyzes, and advises the Division of Rehabilitation Services and the Division for Blind Services on policy, scope, and effectiveness of Vocational Rehabilitation services and eligibility requirements, and works in partnership with the divisions to develop, agree to, and review State goals and priorities.

33. Approval of Dual Position of Honor, Trust, or Profit - U. T. Pan American: Appointment by Michael Williams, Commissioner of Education, of Leila Hernandez, Ph.D., Associate Professor, Department of Art, as Member of the Expanded Learning Opportunities Council

The following item has been approved by the Executive Vice Chancellor for Academic 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-Pan American, 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:	Leila Hernandez, Ph.D.
Title:	Associate Professor, Department of Art
Position:	Member, Expanded Learning Opportunities Council
Period:	Beginning March 1, 2014
Compensation:	None
Description:	Michael Williams, Commissioner of Education, has appointed Dr. Hernandez to the Expanded Learning Opportunities Council to study issues related to expanded learning opportunities and review structured programs outside of the regular school day. Members will develop a comprehensive statewide action plan that focuses on innovative, hands-on learning approaches to complement the current school curriculum.

34. Tenure Appointment - U. T. Permian Basin: Amendment to the 2013-2014 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 Arts and Science					
Provost and Vice President					
Professor					
Daniel J. Heimmermann (T)	6/9 - 8/31	100	12	180,000	5894
		0	9	93,000	

35. Purchase - U. T. Permian Basin: Allocation of \$1.5 million of Permanent University Fund Debt proceeds and authorization to purchase and install three specially configured modular buildings from BOXX Modular of Houston, Texas, for the U. T. Permian Basin Science, Technology, Engineering, and Mathematics (STEM) Academy Charter School

Description: Purchase and installation of two modular classroom buildings (8,064 sq. ft. each) and one modular administrative and teacher office building (1,960 sq. ft.). The buildings will be sited on the Permian Basin campus for use to accommodate grades K-6 of the STEM Academy which will commence classes in August 2014.

Seller: Boxx Modular, a Division of Black Diamond Group Limited of Houston, Texas

Purchase Price: Purchase price is estimated at \$785,000. The procurement follows State requirements and was priced through the Texas Multiple Award System (TXMAS) contracting process. Funding will also be used to cover site preparation and installation costs.

Source of Funds: Permanent University Fund Debt proceeds

36. Request for Budget Change - U. T. San Antonio: Transfer \$500,000 from Project Reserves account to Ximenes Avenue Modification account for the construction of the single monument sign at the newly realigned Ximenes Avenue intersection with UTSA Blvd. (RBC No. 5825) -- amendment to the 2013-2014 budget

37. Request for Budget Change - U. T. San Antonio: Transfer \$500,000 from University Housing Office account to New Locker room for Baseball account to provide two structures: men's baseball locker room and women's softball locker room, located near their respective fields for players, coaches, and referees (RBC No. 5827) -- amendment to the 2013-2014 budget
38. Request for Budget Change - U. T. San Antonio: Transfer \$886,000 from Utilities account to Science Building HVAC Rehabilitation account to perform HVAC renovations to 22 laboratories by replacing air distribution mixing boxes, installing direct digital controls, and adding exhaust where required to create a negative air pressure environment within the lab (RBC No. 5828) -- amendment to the 2013-2014 budget
39. Request for Budget Change - U. T. San Antonio: Transfer \$2,300,000 from Recreation Center Fee account to Recreation Center Pool Reconstruction account for the future construction of the Recreation Center Pool Facilities (RBC No. 5829) -- amendment to the 2013-2014 budget
40. Request for Budget Change - U. T. Tyler: Transfer \$1,200,000 from Patriots Applying Technology for Success and Savings (PATSS) account to Palestine Nursing Skills Site Work, Palestine Nursing Skills Lab Modular Building, and Longview Site Work accounts for course and faculty development, marketing, software licensing, and other miscellaneous expenses (RBC No. 5768) -- amendment to the 2013-2014 budget

Description	\$ Amount	RBC #
Patriots Applying Technology for Success and Savings (PATSS)		
Amount of Transfer:	1,200,000	5768
From: Patriots Applying Technology for Success and Savings (PATSS) Capital Outlay		
To: Palestine Nursing Skills Site Work	377,500	
Palestine Nursing Skills Lab Modular Building	422,500	
Longview Site Work	400,000	

HEALTH INSTITUTIONS

41. Foreign Contract (funds coming in) - U. T. Southwestern Medical Center: Faculty from U. T. Southwestern Medical Center Divisions of Nephrology, Radiology, and Surgical Transplantation will provide educational and training activities in the areas of kidney transplant, radiology, and nephrology at Delta State University Teaching Hospital (DELSUTH) in Nigeria and on the campus of U. T. Southwestern Medical Center

Agency: Delta State University Teaching Hospital and Delta State Government, Nigeria

Funds: \$520,000

Period: May 1, 2014 through April 30, 2019

Description: Faculty from U. T. Southwestern Medical Center will provide educational and training activities in the areas of kidney transplant, radiology, and nephrology at DELSUTH in Nigeria and on the campus of U. T. Southwestern Medical Center. The Office of Global Health has been providing education and training to Delta State University Teaching Hospital under a Memorandum of Understanding since 2012. Regents' *Rules and Regulations*, Rule 10501, Section 3.2, requires all contracts with foreign governments or agencies to be approved by the Board of Regents regardless of dollar amount.

42. Logo - U. T. Southwestern Medical Center: Refresh logo

The following proposed logo change has been approved by the Chancellor, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor for External Relations and is submitted for approval by the U. T. System Board of Regents in accordance with Regents' *Rules and Regulations*, Rule 40801.

U. T. Southwestern Medical Center requests the support and approval of The University of Texas System Board of Regents to refresh its logo with an updated font and style for use in marketing and branding.

The Pantone Matching System colors are PMS 2945 and Black.

New



Old



Fonts:

- UT Southwestern - Helvetica Neue Bold, caps and lower case
- Medical Center - Helvetica Neue Regular, caps and lower case

Colors:

- UT Southwestern - Blue PMS 2945
- Medical Center - 75% black

Fonts:

- UT - Helvetica Bold (with cross)
- Southwestern - Stone Sans Bold, all caps
- Medical Center - Stone Sans Bold Extended

Colors:

- UT Southwestern - Blue PMS 294
- Medical Center - 100% black

43. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Commission on State Emergency Communications

Agency: Texas Commission on State Emergency Communications

Funds: \$2,257,638

Period: September 1, 2013 through August 31, 2015

Description: U. T. Medical Branch - Galveston will promote the reduction of injuries occurring from poisons and toxic substances through public and professional education and seek to reduce medical costs incurred by Texas residents by providing treatment recommendations.

44. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Juvenile Justice Department

Agency: Texas Juvenile Justice Department (TJJD)

Funds: Not to exceed \$21,671,444

Period: March 1, 2014 through August 31, 2015

Description: U. T. Medical Branch - Galveston will provide comprehensive health care services to all youth in TJJD facilities.

45. Contract (funds going out) - U. T. Medical Branch - Galveston: Daniel J. Edelman, Inc.

Agency: Daniel J. Edelman, Inc. (DJE)

Funds: \$1,874,600

Source of Funds: Education and General, Hospital Patient Income

Period: April 1, 2014 through March 1, 2017, with possible two additional one-year renewals through March 1, 2019

Description: DJE to provide public relations strategic counsel to U. T. Medical Branch - Galveston in support of efforts to grow public awareness of U. T. Medical Branch - Galveston as a leader in transforming health.

46. Contract (funds going out) - U. T. Medical Branch - Galveston: Broaddus & Associates

Agency: Broaddus & Associates (Broaddus)

Funds: Unspecified; expected to be in excess of \$1,000,000 if activated

Source of Funds: Restricted Funds - Federal Emergency Management Agency (FEMA)

Period: April 1, 2014 through March 31, 2019

Description: Broaddus to supply to U. T. Medical Branch - Galveston debris removal monitoring services as needed in the event of a natural disaster or other catastrophic event.

47. Contract (funds going out) - U. T. Medical Branch - Galveston: Ceres Environmental Services

Agency: Ceres Environmental Services (Ceres)

Funds: Unspecified; expected to be in excess of \$1,000,000 if activated

Source of Funds: Restricted Funds - Federal Emergency Management Agency (FEMA)

Period: April 1, 2014 through March 31, 2019

Description: Ceres to supply to U. T. Medical Branch - Galveston debris removal services as needed in the event of a natural disaster or other catastrophic event.

48. Approval of Dual Position of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Kathleen Sebelius, U.S. Secretary of Health and Human Services, of George R. Saade, M.D., Professor, Ob/Gyn and Cell Biology, as Member of the National Advisory Child Health and Human Development Council

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: George R. Saade, M.D.

Title: Jennie Sealy Smith Distinguished Chair
Professor, Ob/Gyn & Cell Biology
Chief of Obstetrics & Maternal-Fetal Medicine
Director, Perinatal Research Division

Position: Member, National Advisory Child Health and Human Development Council

Period: February 3, 2014 through November 30, 2017

Compensation: Travel expenses only

Description: U.S. Secretary of Health and Human Services, Kathleen Sebelius, has appointed Dr. Saade as a member of the National Advisory Child Health and Human Development Council. Dr. Saade will work with other Council members to advise and consult with the director of the National Institute of Child Health and Human Development on research, support activities, and functions of the Institute.

Of the 18-member Council, Dr. Saade is one of 12 individuals selected from the leading representative of the health and scientific disciplines in the nation relevant to maternal and child health.

49. Contract (funds coming in) - U. T. Health Science Center - Houston: Professional Services and Support Agreement with Memorial Hermann Health System (MHHS) to provide physician support, emergency call coverage, and medical directors for an orthopedic service line at MHHS hospitals

Agency: Memorial Hermann Health System (MHHS)

Funds: Approximately \$32,550,804 annually

Period: July 1, 2014 through June 30, 2019

Description: U. T. Health Science Center - Houston will provide physician support, emergency call coverage, and medical directors for an orthopedic service line at MHHS hospitals.

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

Fernando R. Cabral, from Professor to Professor Emeritus, in the School of Medicine (RBC No. 5763) -- amendment to the 2013-2014 budget

Richard A. Meisch, from Adjunct Professor to Professor Emeritus, in the School of Medicine (RBC No. 5762) -- amendment to the 2013-2014 budget

William L. Risser, from Professor to Professor Emeritus, in the School of Medicine (RBC No. 5764) -- amendment to the 2013-2014 budget

51. Lease - U. T. Health Science Center - Houston: Authorization to lease space located at 6410 Fannin Street, Houston, Texas, to UT Physicians for clinic and medical office use

Description: Lease of approximately 169,863 rentable square feet at 6410 Fannin Street, Houston, Texas, to be used by Lessee as multispecialty medical clinic space. U. T. Health Science Center - Houston currently leases 158,071 square feet of space to Lessee pursuant to the initial lease and seven subsequent amendments. The proposed eighth amendment will add 11,792 square feet of leased space, to bring the total leased area to 169,863 square feet.

Throughout the term of the lease, space has been periodically added to or subtracted from the leased premises by amendments to the lease. The initial leased premises consisted of 142,778 rentable square feet. No record has been found of prior Board of Regents' approval.

Lessee: UT Physicians, a 501(c)(3) Texas nonprofit corporation affiliated with U. T. Health Science Center - Houston

Term: The initial term commenced January 1, 2009, and expires on December 31, 2018

Lease Income: Base rent over the initial 10-year term, accounting for space additions and reductions through the eighth amendment, totals approximately \$39,913,627. The initial base rental rate was \$24.00 per square foot per year; current base rental rate through the remaining term is \$26.00 per square foot per year. U. T. Health Science Center - Houston provides UT Physicians a tenant improvement allowance of up to \$30 per square foot for space on the first floor and above and \$20 per square foot for basement space; the allowance is paid out of the UT Professional Building capital improvement and tenant improvement reserves. To date, U. T. Health Science Center - Houston has paid a combined total of \$2,485,862 in tenant improvement allowances and, as of the eighth amendment, is obligated to pay an additional \$2,090,159 in accrued tenant improvement allowances.

52. Contract (funds going out) - U. T. Health Science Center - San Antonio: The Richards Group, Inc. to provide brand advertising services

Agency: The Richards Group, Inc.

Funds: Not to exceed \$3,000,000, including all renewal periods

Source of Funds: Practice Plan Revenue

Period: May 1, 2014 through April 30, 2015, with the option to renew for two 12-month renewal periods

Description: The Richards Group, Inc. will provide brand advertising services to U. T. Health Science Center - San Antonio based on terms and conditions consistent with U. T. System standard terms.

53. Tenure Appointments - U. T. Health Science Center - San Antonio: Amendment to the 2013-2014 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 Nursing					
Health Restoration and Care Systems Management					
Professor and Chair					
Elaine S. Marshall (T)	1/1-8/31	100	12	161,505	5725
School of Medicine					
Microbiology					
Professor and Chair					
Paolo Casali (T)	12/1-8/31	100	12	395,000	5726

54. Lease - U. T. Health Science Center - San Antonio: Authorization to extend the lease of space located at 7550 IH 10 West, San Antonio, Texas, from Westdale Northwest Center, L.P. for clinical research use

Description: Extension of lease of approximately 9,065 square feet of space at 7550 IH 10 West, San Antonio, Texas, for use as a clinical research facility

Lessor: Westdale Northwest Center, L.P., a Texas limited partnership

Term: The extension term will commence on June 1, 2014 and expire on May 31, 2019

Lease Cost: \$1,072,683.97 in rent and estimated operating expenses during the extension term. The initial rental rate is \$22.00 per square foot annually and increases \$0.50 per square foot each anniversary of the commencement date. The Lessor is providing a tenant allowance of approximately \$182,000 for improvements to the premises.

Source of Funds: Department of Defense Grant

55. Lease - U. T. Health Science Center - San Antonio: Authorization to lease space located at Bandera Road and Loop 1604, San Antonio, Texas, from HEB Grocery Company, L.P. for clinic and medical office use

Description: Lease of approximately 7,000 square feet of space at Bandera Road and Loop 1604, San Antonio, Texas, for use as a medical clinic for family medicine

Lessor: HEB Grocery Company, L.P., a Texas limited partnership

Term: The lease will commence 90 days after Lessor has delivered the premises estimated to be February 1, 2014, and the initial term is for a period of 60 months. U. T. Health Science Center - San Antonio has the option, exercisable in its discretion, to renew the lease for one five-year renewal term.

Lease Cost: \$1,008,103.36 in rent and estimated operating expenses during the initial term. During months 1 through 24, the rental rate is \$23.00 per square foot annually and during months 25 through 60, the rental rate is \$24.00 per square foot annually. Rent and estimated operating expenses for the renewal option period will be an additional \$1,163,107.70 (beginning at a rate of \$26 per square foot annually). The Lessor is providing a tenant allowance of approximately \$182,000 for improvements to the premises.

Source of Funds: Delivery System Reform Incentive Payments (DSRIP)

56. Approval of Dual Position of Honor, Trust, or Profit - U. T. Health Science Center - San Antonio: Appointment by Governor Perry of Brian John Eastbridge, M.D., Professor, Department of Surgery, as Member of the Advisory Council on Emergency Medical Services

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 Health Science Center at San Antonio, 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: Brian John Eastbridge, M.D.

Title: Professor, Department of Surgery

Position: Member, Advisory Council on Emergency Medical Services

Period: February 5, 2014 through January 1, 2020

Compensation: None

Description: Governor Perry has appointed Dr. Eastbridge to the Advisory Council on Emergency Medical Services. The Council helps federal, state, and local agencies develop and implement an integrated, statewide program for emergency medical services.

57. Contract (funds coming in) - U. T. M. D. Anderson Cancer Center: Participate as hospital provider in the Memorial Hermann Health Solutions, Inc. (MHHSI) PPO plan

Agency: Memorial Hermann Health Solutions, Inc.

Funds: Reimbursement rates will be determined as follows: care provided to adult patients will be reimbursed at 75% of billed charges (less applicable copayments, deductibles, and coinsurance amounts); care provided to pediatric patients will be reimbursed at 65% of billed charges (less applicable copayments, deductibles, and coinsurance amounts)

Period: The initial term of this agreement will be for 12 months, commencing on December 1, 2013 through November 30, 2014, with the option for one 12-month renewal period

Description: U. T. M. D. Anderson Cancer Center will provide care to persons covered by the Memorial Hermann Health Solutions, Inc. PPO plan.

58. Contract (funds coming in) - U. T. M. D. Anderson Cancer Center: Cancer Center Physicians Referral Service to participate as a physician provider in the Memorial Hermann Health Solutions, Inc. (MHHSI) PPO plan

Agency: Memorial Hermann Health Solutions, Inc.

Funds: Outpatient and inpatient physician services will be reimbursed at 75% of billed charges (less applicable copayments, deductibles, and coinsurance amounts)

Period: The initial term of this agreement will be for 12 months, commencing on December 1, 2013 through November 30, 2014, with the option for one 12-month renewal period

Description: U. T. M. D. Anderson Cancer Center physicians will provide care to persons covered by the Memorial Hermann Health Solutions, Inc. PPO plan.

59. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: AMN Healthcare, Inc., to provide temporary nurse staffing services

Agency: AMN Healthcare, Inc.

Funds: This fourth 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 September 1, 2011, and the current term ends on August 31, 2014. Amendment 4 extends the agreement for an additional 12 months, through August 31, 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.

60. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Project change request for International Business Machines (IBM) Corporation for refinements and enhancements to U. T. M. D. Anderson's Oncology Expert Adviser (MDA-OEA) powered by IBM Watson and enablement required for network democratization

Agency: International Business Machines Corporation

Funds: This fourth project change request increases the cap amount of the contract from \$17,400,000 to \$32,000,000.

Source of Funds: Restricted gift funds

Period: The project commenced on June 20, 2012. This project change request extends the term of the project to December 31, 2014.

Description: IBM and U. T. M. D. Anderson Cancer Center are engaged in the development of a pilot program to test the use of the advanced analytics capabilities of the IBM Watson technology as part of a strategy to accelerate the global fight against cancer. The initial focus of the pilot program was to identify insights on the cost and quality of care associated with treating patients who have lower risk myelodysplastic syndrome. The project was then expanded to include five additional types of leukemia. This project change request seeks to implement an operational instance and a cloud instance of the MDA-OEA system, along with mobile capability.

61. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Computer Sciences Corporation to provide project management support services for various institutional technology projects

Agency: Computer Sciences Corporation

Funds: Total fees under this contract, including all available renewal periods, will not exceed \$20,000,000

Source of Funds: Hospital patient income

Period: The term of the initial agreement will be for a period of 60 months, commencing on May 19, 2014 and continuing through May 18, 2019, with the option for three additional 12-month renewals

Description: Vendor will provide project management support to augment existing resources focused on various information technology projects, including the ICD-10 (10th revision of the International Statistical Classification of Diseases and Related Health Problems) and Electronic Health Record projects.

62. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Inter-Medical, Inc. to provide dialysis services

Agency: Inter-Medical, Inc.

Funds: This third amendment to the agreement increases the cap amount of the agreement from \$7,000,000 to \$13,000,000.

Source of Funds: Hospital patient income

Period: No change in contract term; current term ends February 28, 2015.

Description: Vendor will provide dialysis services for adult and pediatric patients.

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

Agency: Cactus Builders, Incorporated

Funds: For each job order, the Contractor shall establish a Guaranteed Maximum Price (GMP). Contractor will be compensated the actual, verifiable cost of work that Contractor incurs in completing the job order plus a job order fee, up to the accepted job order 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. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will act as a general contractor to provide general and specific construction services for renovation projects on a per-project basis. Vendor will provide all material, labor, equipment, and services necessary for completion of the project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required.

64. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Linbeck Group, LLC, to provide job order contracting services

Agency: Linbeck Group, LLC

Funds: For each job order, the Contractor shall establish a Guaranteed Maximum Price (GMP). Contractor will be compensated the actual, verifiable cost of work that Contractor incurs in completing the job order plus a job order fee, up to the accepted job order 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. Agreement may be renewed for three additional 12-month periods.

Description: A job order contracting agreement. Vendor will act as a general contractor to provide general and specific construction services for renovation projects on a per-project basis. Vendor will provide all material, labor, equipment, and services necessary for completion of the project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required.

65. Lease - U. T. M. D. Anderson Cancer Center: Authorization to extend the lease of space located at 2121 West Holcombe Boulevard, Houston, Texas, from the Board of Regents of The Texas A&M University System for medical research use

Description: Extension of lease of approximately 32,380 square feet of space at 2121 West Holcombe Boulevard, Houston, Texas, for use as a medical research facility

Lessor: The Texas A&M University System, an agency of the State of Texas

Term: The extension term will commence June 1, 2014, and expire on November 30, 2017. Lessor has the option to terminate the lease with 360 calendar days' prior written notice if Lessor determines that it needs the space.

Lease Cost: \$3,365,901 in rent plus increases in operating expenses over a 2014 base year (provided such increases do not exceed 103% of the adjusted operating expenses during the previous fiscal year). The rental rate is \$29.70 per square foot annually.

Source of Funds: Local hospital margins

66. Approval of Dual Position of Honor, Trust, or Profit - U. T. M. D. Anderson Cancer Center: Appointment by Governor Perry of Thomas W. Feeley, M.D., Head, Division of Anesthesiology and Critical Care, as Member of the Texas Institute for Health Care Quality and Efficiency Board of Directors

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 M. D. Anderson Cancer Center, 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 W. Feeley, M.D.

Title: Head, Division of Anesthesiology and Critical Care
Head, Institute for Cancer Care Innovation

Position: Member, Texas Institute for Health Care Quality and Efficiency Board of Directors

Period: February 1, 2014 through January 31, 2017

Compensation: None

Description: Governor Perry has appointed Dr. Feeley to the Texas Institute for Health Care Quality and Efficiency Board of Directors. The Institute improves health care quality, accountability, education, and cost to the State by encouraging health care provider collaboration, effective health care delivery models, and coordination of health care services.

67. Contract (funds going out) - U. T. Health Science Center - Tyler: Garrett & Associates to provide construction and renovation services

Agency: Garrett & Associates

Funds: Increase the cap amount from \$1,000,000 to \$5,000,000

Source of Funds: Library, Equipment, Repair and Rehabilitation (LERR)

Period: May 16, 2014 through March 31, 2019

Description: Garrett & Associates to provide construction and renovation services on a job order basis. Services were competitively procured.

68. Emeritus Appointment - U. T. Health Science Center - Tyler: Appointment of Peter F. Barnes, from Professor to Professor Emeritus, Department of Microbiology and Immunology (RBC No. 5794) -- amendment to the 2013-2014 budget