Wednesday, May 13, 2009

A. OATH OF OFFICE CEREMONY FOR NEW REGENTS
   [Ashbel Smith Hall (ASH) 9th Floor Board Room] 10:00 a.m.

B. CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 (working lunch) (ASH 2 Meeting Room) 11:15 a.m.

1. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
   U. T. Pan American: Discussion and appropriate action concerning negotiations to purchase real property improved with an office building and adjacent related surface parking located at 4302 South Sugar Road in Edinburg, Hidalgo County, Texas, from Windrose Edinburg Properties, LLC, a Delaware limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals, for use as office space and future programmed development of campus expansion, and resolution regarding parity debt

   President Sorber
   Ms. Mayne

2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
   a. U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

   President Powers
   Dr. Safady

   b. U. T. Medical Branch – Galveston: Discussion and appropriate action regarding a proposed negotiated gift with a potential naming feature

   President Callender
   Dr. Safady

3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074

   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
4. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071

   a. U. T. System Board of Regents: Discussion with Counsel regarding legal matters – Mr. Burgdorf

   b. U. T. System: Discussion of legal issues related to updating and enhancing research conflicts of interest policies, procedures, and enforcement at U. T. System institutions – Mr. Burgdorf

C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEMS, IF ANY, APPROVAL OF MINUTES, AND CONSIDER AGENDA ITEMS (ASH 2 Meeting Room) 12:00 p.m.

1. U. T. System Board of Regents: Recommendation to approve Chairman’s appointment of Chairmen of Board Committees and Regental Representatives, including appointments to the Board for Lease, Texas Growth Fund, and the M. D. Anderson Services Corporation; and notification of appointments to Standing Committees and Liaison roles for the record (Regents’ Rules and Regulations, Rule 10402, regarding Committees and Other Appointments) – Action 1

Chairman Huffines

2. U. T. System Board of Regents: Approval to amend the resolution regarding the list of individuals authorized to negotiate, execute, and administer classified government contracts (Key Management Personnel) – Action 3

D. RECESS FOR COMMITTEE MEETINGS 12:15 p.m.

Audit, Compliance, and Management Review Committee (ASH 2 Meeting Room) 12:15 p.m.

Finance and Planning Committee (ASH 2 Meeting Room) 1:15 p.m.

Facilities Planning and Construction Committee (ASH 2 Meeting Room) 2:15 p.m.

Academic Affairs Committee (ASH 2 Meeting Room) 3:15 p.m.

Health Affairs Committee (ASH 2 Meeting Room) 4:15 p.m.

Student, Faculty, and Staff Campus Life Committee (ASH 2 Meeting Room) 5:15 p.m.

E. RECESS 6:00 p.m.
Thursday, May 14, 2009

F. RECONVENE THE BOARD IN OPEN SESSION TO RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD (ASH 9 Board Room)

Audit, Compliance, and Management Review Committee
Finance and Planning Committee
Academic Affairs Committee
Health Affairs Committee
Facilities Planning and Construction Committee

G. RECONVENE AS A COMMITTEE OF THE WHOLE TO RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 (working lunch)

Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074

U. T. Health Science Center – San Antonio: Discussion and appropriate action regarding individual personnel matters related to the presidential search, including individual candidate interviews and possible naming of finalists

H. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEM, IF ANY

I. ADJOURN
1. **U. T. System Board of Regents: Recommendation to approve Chairman’s appointment of Chairmen of Board Committees and Regental Representatives, including appointments to the Board for Lease, Texas Growth Fund, and the M. D. Anderson Services Corporation; and notification of appointments to Standing Committees and Liaison roles for the record (Regents’ *Rules and Regulations*, Rule 10402, regarding Committees and Other Appointments)**

**RECOMMENDATION**

In accordance with the requirements of the Regents’ *Rules and Regulations*, Rule 10402, Chairman Huffines requests the concurrence of the U. T. System Board of Regents on recommended appointments of Chairmen to Board Committees and Regental Representatives to the Board for Lease of University Lands, the Board of Trustees of the Texas Growth Fund, and the Board of Directors of the M. D. Anderson Services Corporation as set forth below. All appointments will be effective immediately upon approval by the Board.

Committee membership on all committees is listed below for the record. Unless otherwise noted, these appointments will remain in effect until the succeeding Board Chairman reconstitutes the committees.

**Committees**

**Academic Affairs Committee**
- Janiece Longoria, Chairman
- Paul Foster
- Colleen McHugh
- Robert Stillwell

**Audit, Compliance, and Management Review Committee**
- R. Steven Hicks, Chairman
- Paul Foster
- Janiece Longoria
- Robert Stillwell

**Facilities Planning and Construction Committee**
- Printice Gary, Chairman
- James Dannenbaum
- R. Steven Hicks
- Wm. Eugene Powell

**Finance and Planning Committee**
- Paul Foster, Chairman
- Printice Gary
- Wm. Eugene Powell
- Robert Stillwell
Health Affairs Committee
  Colleen McHugh, Chairman
  James Dannenbaum
  Janiece Longoria
  Wm. Eugene Powell

Student, Faculty, and Staff Campus Life Committee
  James Dannenbaum, Chairman
  Printice Gary
  R. Steven Hicks
  Robert Stillwell

The University of Texas at Brownsville/Texas Southmost College (UTB/TSC)
Partnership Advisory Committee (PAC)
  Janiece Longoria, Chairman
  Paul Foster
  Colleen McHugh
  Robert Stillwell

Regental Representatives

Athletics Liaison
  Colleen McHugh

Board for Lease of University Lands
  James Dannenbaum
  Robert Stillwell
  Printice Gary, Alternate

Liaison to Governor’s Office on Technology Transfer and Commercialization Issues
  James Dannenbaum

M. D. Anderson Services Corporation Board of Directors
  Janiece Longoria

Texas Growth Fund Board of Trustees
  Wm. Eugene Powell

The Type 2 Diabetes Risk Assessment Program Advisory Committee
  Colleen McHugh
BACKGROUND INFORMATION

Board for Lease of University Lands and Texas Growth Fund
Appointments of members of the Board of Regents to the external entities of the Board for Lease of University Lands and the Board of Trustees of the Texas Growth Fund are consistent with State law and applicable provisions of the Regents’ Rules and Regulations, Rule 10402.

M. D. Anderson Services Corporation
Appointment of a Regent to the Board of Directors of M. D. Anderson Services Corporation (formerly M. D. Anderson Cancer Center Outreach Corporation) is consistent with corporate bylaws previously approved by the Board of Regents. Establishment of the not-for-profit corporation was approved in April 1989 to enhance revenues of U. T. M. D. Anderson Cancer Center through initiation of joint ventures in selected markets, providing additional referrals to the institution, contracting for delivery of inpatient and outpatient management, utilizing existing reference laboratory services, and fostering additional philanthropy in distant areas. Section 2 of the Services Corporation bylaws relates to the Board of Directors, which currently consists of seven directors. The President of U. T. M. D. Anderson Cancer Center may appoint four directors, provided that such appointments receive the prior approval of the Board of Regents. The Board of Regents may appoint three directors, one of whom shall be a Regent and two of whom shall be administrative officers of the U. T. System.

The other members of the Board of Directors of the M. D. Anderson Services Corporation are as follows:

Mr. Leon J. Leach, Chairman of the Board of Directors
Mr. Dan Fontaine
Mr. Mitch Latinkic
Mr. Patrick Oxford
Kenneth I. Shine, M.D. (Board appointee)
Dr. Scott C. Kelley (Board appointee)

2. U. T. System Board of Regents: Approval to amend the resolution regarding the list of individuals authorized to negotiate, execute, and administer classified government contracts (Key Management Personnel)

RECOMMENDATION

It is recommended the Resolution regarding the list of individuals authorized to negotiate, execute, and administer classified government contracts [Key Management Personnel (KMP)] be amended to update the list of members of the Board of Regents as set forth on the following page to comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements. The Resolution was last adopted by the Board on March 26, 2008.
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 KMPs 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:

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 The University of Texas System and do not occupy positions that would enable them to affect adversely the policies and practices of The University of Texas System in the performance of classified contracts for the Department of Defense or User Agencies of its Industrial Security Program, and need not be processed for a personnel clearance:

Members of the U. T. System Board of Regents:
James R. Huffines, Chairman
Colleen McHugh, Vice Chairman
Paul Foster, Vice Chairman
James D. Dannenbaum, Regent
Printice L. Gary, Regent
R. Steven Hicks, Regent
Janiece Longoria, Regent
Wm. Eugene Powell, Regent
Robert L. Stillwell, Regent

BACKGROUND INFORMATION

The Student Regent is not listed because he is a nonvoting member. On February 12, 2009, Regents Hicks, Powell, and Stillwell were appointed to the Board and Regent Huffines was reappointed to the Board. These Regents were subsequently confirmed by the Senate.
TABLE OF CONTENTS
FOR
AUDIT, COMPLIANCE, AND MANAGEMENT
REVIEW COMMITTEE

Committee Meeting: 5/13/2009
Austin, Texas

R. Steven Hicks, Chairman*
Paul Foster
Janiece Longoria
Robert Stillwell

<table>
<thead>
<tr>
<th>Committee Meeting</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Convene</td>
<td>12:15 p.m.</td>
</tr>
<tr>
<td>Chairman Hicks</td>
<td></td>
</tr>
<tr>
<td>1. U. T. System: Internal Audit Department reports for U. T. Health Science Center – Houston and U. T. M. D. Anderson Cancer Center</td>
<td>5</td>
</tr>
<tr>
<td>Report Ms. Lois Pierson, U. T. Health Science Center – Houston Mr. Michael Peppers, U. T. M. D. Anderson Cancer Center</td>
<td></td>
</tr>
<tr>
<td>Report Mr. Chaffin</td>
<td></td>
</tr>
<tr>
<td>3. U. T. System: Report on efforts to update and enhance research conflicts of interest policies, procedures, and enforcement at U. T. System institutions</td>
<td>10</td>
</tr>
<tr>
<td>Report Mr. Plutko Mr. Burgdorf Mr. Steve Collins</td>
<td></td>
</tr>
<tr>
<td>Report Mr. Plutko</td>
<td></td>
</tr>
</tbody>
</table>

* Pending approval by Board
B. RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551

1. Personnel matters relating to appointment, employment, evaluation, assignment, duties, discipline, or dismissal of officers or employees - *Texas Government Code* Section 551.074

   Discussion with institutional auditors and compliance officers concerning evaluation and duties of individual System Administration and institutional employees involved in internal audit and compliance functions

   12:55 p.m.

   Ms. Lois Pierson,
   U. T. Health Science Center – Houston
   Mr. Mike Peppers,
   U. T. M. D. Anderson Cancer Center
   Mr. Chaffin
   Mr. Plutko

C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO ADJOURN

   1:15 p.m.
1. **U. T. System: Internal Audit Department reports for U. T. Health Science Center – Houston and U. T. M. D. Anderson Cancer Center**

   **REPORT**

   Ms. Lois Pierson, Assistant Vice President, Auditing & Advisory Services, U. T. Health Science Center – Houston, will make a presentation on the role of external members in internal audit committees.

   Mr. Michael Peppers, Associate Vice President & Chief Audit Officer, U. T. M. D. Anderson Cancer Center, will report on the information technology governance program at the institution.

   **Supplemental Materials:**
   - U. T. Health Science Center – Houston PowerPoint presentation on Pages 1 – 10 of Volume 2.
   - U. T. M. D. Anderson Cancer Center PowerPoint presentation on Pages 11 – 20 of Volume 2.


   **REPORT**

   Mr. Charles Chaffin, Chief Audit Executive, will present the results of the management review conducted at U. T. Pan American. He will also report on the audit performed by the State Auditor's Office of the Code of Ethics Policy at The University of Texas Investment Management Company (UTIMCO).

   Additionally, Mr. Chaffin will report on the implementation status of significant audit recommendations. The second quarter activity report on the Implementation Status of Outstanding Significant Findings/Recommendations is set forth on Pages 6 – 7. Satisfactory progress is being made on the implementation of all significant recommendations. Additionally, a list of other audit reports issued by the Systemwide audit program and the annual internal audit plan status as of February 28, 2009, follows on Pages 8 – 9.

   **BACKGROUND INFORMATION**

   Significant audit findings/recommendations are tracked by the U. T. System Audit Office. Quarterly, chief business officers provide the status of implementation, which is reviewed by the internal audit directors. A quarterly summary report is provided to the Audit, Compliance, and Management Review Committee of the U. T. System Board of Regents. Additionally, Committee members receive a detailed summary of new significant findings and related recommendations quarterly.
<table>
<thead>
<tr>
<th>Audit Institution</th>
<th>Report Date</th>
<th># of Significant Findings</th>
<th>Targeted Implementation Date</th>
<th>Overall Progress Towards Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-06 UTARL</td>
<td>1</td>
<td>1</td>
<td>4/30/2009</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>2007-07 UTARL</td>
<td>1</td>
<td>1</td>
<td>3/31/2009</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>2008-01 UTARL</td>
<td>1</td>
<td>1</td>
<td>12/31/2009</td>
<td>Implemented</td>
</tr>
<tr>
<td>2007-05 UTARL</td>
<td>1</td>
<td>1</td>
<td>2/10/2009</td>
<td>Implemented</td>
</tr>
<tr>
<td>2007-06 UTAUS</td>
<td>1</td>
<td>1</td>
<td>4/30/2009</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>2007-08 UTAUS</td>
<td>1</td>
<td>1</td>
<td>12/31/2009</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>2004-03 UTB</td>
<td>1</td>
<td>1</td>
<td>3/31/2009</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>2004-06 UTB</td>
<td>1</td>
<td>0</td>
<td>3/31/2009</td>
<td>Implemented</td>
</tr>
<tr>
<td>2008-08 UTB</td>
<td>1</td>
<td>0</td>
<td>2/13/2009</td>
<td>Implemented</td>
</tr>
<tr>
<td>2009-02 UTB</td>
<td>1</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2009-02 UTB</td>
<td>1</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2009-02 UTB</td>
<td>3</td>
<td>9/1/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2009-01 UTD</td>
<td>1</td>
<td>11/30/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-09 UTD</td>
<td>1</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-11 UTD</td>
<td>2</td>
<td>11/30/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2007-09 UTHSC</td>
<td>1</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-10 UTHSC</td>
<td>1</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-11 UTHSC</td>
<td>3</td>
<td>11/30/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2007-09 UTHSC</td>
<td>2</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-12 UTHSC</td>
<td>1</td>
<td>11/30/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-04 UTMB</td>
<td>1</td>
<td>3/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-05 UTMB</td>
<td>2</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-05 UTMB</td>
<td>2</td>
<td>2/28/2010</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>2008-08 UTMB</td>
<td>4</td>
<td>8/31/2009</td>
<td>Satisfactory</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Audit institutions and report dates are provided for each finding. The overall progress towards completion is indicated as Satisfactory or Implemented.
## Implementation Status of Outstanding Significant Findings/Recommendations

### The University of Texas System

#### Implementation Status Report

<table>
<thead>
<tr>
<th>Report Date</th>
<th>Institution</th>
<th>Audit</th>
<th>1st Quarter 2009</th>
<th>2nd Quarter 2009</th>
<th>Targeted Implementation Date</th>
<th>Overall Progress Towards Completion (Note)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ranking</td>
<td># of Significant Findings</td>
<td>Ranking</td>
<td># of Significant Findings</td>
</tr>
<tr>
<td>2001-08</td>
<td>UTMDACC - Houston</td>
<td>Lotus Notes Environment</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2007-06</td>
<td>UTMDACC - Houston</td>
<td>Conflict of Interest</td>
<td>Yellow</td>
<td>2</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2007-09</td>
<td>UTMDACC - Houston</td>
<td>Maintenance and Security of Biological Research Materials</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2007-10</td>
<td>UTMDACC - Houston</td>
<td>Research Compliance Design Review</td>
<td>Yellow</td>
<td>2</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2008-05</td>
<td>UTMDACC - Houston</td>
<td>Lab Safety</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2008-05</td>
<td>UTMDACC - Houston</td>
<td>Clinical Trial Research</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2008-05</td>
<td>UTMDACC - Houston</td>
<td>Advance Beneficiary Notice Implementation Review</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2005-04</td>
<td>UTHSC - Tyler</td>
<td>Texas Administrative Code 202 Compliance Audit</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2008-11</td>
<td>UTHSC - Tyler</td>
<td>The University Health Clinic Audit</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>0</td>
</tr>
<tr>
<td>2005-12</td>
<td>UTSYS ADM</td>
<td>Systemwide Financial Audit FY 2005</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2006-06</td>
<td>UTSYS ADM</td>
<td>UTIMCO Institutional Investment and Compliance Audits</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2008-08</td>
<td>UTSYS ADM</td>
<td>FileNet Audit</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
</tbody>
</table>

**Totals**: 56 65

### State Auditor's Office Audits

<table>
<thead>
<tr>
<th>Report Date</th>
<th>Institution</th>
<th>Audit</th>
<th>1st Quarter 2009</th>
<th>2nd Quarter 2009</th>
<th>Targeted Implementation Date</th>
<th>Overall Progress Towards Completion (Note)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ranking</td>
<td># of Significant Findings</td>
<td>Ranking</td>
<td># of Significant Findings</td>
</tr>
<tr>
<td>2007-03</td>
<td>UTPB</td>
<td>2006 Statewide Single Audit - Student Financial Aid Cluster</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>2008-09</td>
<td>UTSA</td>
<td>State Auditor's - Student Fees at Selected Higher Education Institutions</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>0</td>
</tr>
<tr>
<td>2007-05</td>
<td>UTSYS ADM</td>
<td>Charity Care at Health-Related Institutions</td>
<td>Yellow</td>
<td>1</td>
<td>Yellow</td>
<td>1</td>
</tr>
</tbody>
</table>

**Totals**: 5 2

### Color Legend:

- **Yellow**: Either a new significant finding for which corrective action will be taken in the subsequent quarter or a previous significant finding for which no/limited progress was made towards implementation.
- **Satisfactory**: Significant finding for which substantial progress towards implementation was made during the quarter that the significant finding was first reported.
- **Unsatisfactory**: Significant finding for which substantial progress towards implementation was made during the quarter.
- **Implemented**: Significant finding was appropriately implemented during the quarter and will no longer be tracked.

**Note:**
- **Implemented**: The Internal Audit Director deems the significant finding has been appropriately addressed/resolved and should no longer be tracked.
- **Satisfactory**: The Internal Audit Director deems that the significant finding is in the process of being addressed in a timely and appropriate manner.
- **Unsatisfactory**: The Internal Audit Director deems that the significant finding is not being addressed in a timely and appropriate manner.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>UTARL</td>
<td>Payroll and Payables Data Files Audit</td>
</tr>
<tr>
<td>UTARL</td>
<td>Advanced Research Program/Advanced Technology Program Grants</td>
</tr>
<tr>
<td>UTAUS</td>
<td>NCAA Football Attendance Certification</td>
</tr>
<tr>
<td>UTAUS</td>
<td>Change in Management - Department of Astronomy</td>
</tr>
<tr>
<td>UTAUS</td>
<td>Imaging Research Center</td>
</tr>
<tr>
<td>UTAUS</td>
<td>Health Insurance Portability and Accountability Act (HIPAA) - Intercollegiate Athletics</td>
</tr>
<tr>
<td>UTB</td>
<td>Joint Admission Medical Program - Fiscal Year 2009</td>
</tr>
<tr>
<td>UTB</td>
<td>Fiscal Year 2009 Audit of Fiscal Year 2008 Annual Financial Report</td>
</tr>
<tr>
<td>UTD</td>
<td>Advanced Research Program Grants</td>
</tr>
<tr>
<td>UTD</td>
<td>Presidential Travel and Entertainment</td>
</tr>
<tr>
<td>UTD</td>
<td>Follow-up of Prior Audit Recommendations</td>
</tr>
<tr>
<td>UTPA</td>
<td>Deans Office-College of Business</td>
</tr>
<tr>
<td>UTPA</td>
<td>Art Department Chair</td>
</tr>
<tr>
<td>UTPA</td>
<td>President's Travel, Entertainment, &amp; Housing Expenses</td>
</tr>
<tr>
<td>UTPA</td>
<td>Joint Admission Medical Program Grant</td>
</tr>
<tr>
<td>UTPA</td>
<td>Deans Office-College of Education</td>
</tr>
<tr>
<td>UTPB</td>
<td>Presidential Travel and Expense Audit</td>
</tr>
<tr>
<td>UTPB</td>
<td>Texas Comptroller of Public Accounts--Post Payment Audit</td>
</tr>
<tr>
<td>UTSWMC - Dallas</td>
<td>President's Travel, Entertainment, &amp; Housing Expenses</td>
</tr>
<tr>
<td>UTMB - Galveston</td>
<td>Fiscal Year 08 Financial Statement Audit</td>
</tr>
<tr>
<td>UTMB - Galveston</td>
<td>Internal Service Centers Review</td>
</tr>
<tr>
<td>UTMB - Galveston</td>
<td>Joint Admission Medical Program Review</td>
</tr>
<tr>
<td>UTMB - Galveston</td>
<td>Family Practice Residency Program Grant Review</td>
</tr>
<tr>
<td>UTMB - Galveston</td>
<td>Primary Care Residency Program Grant Review</td>
</tr>
<tr>
<td>UTMB - Galveston</td>
<td>Student Fees Audit</td>
</tr>
<tr>
<td>UTHSC - Houston</td>
<td>Texas Higher Education Coordinating Board Obstetrics and Gynecology Residency Program at LBJ General Hospital Fiscal Year 2008 Annual Financial Report</td>
</tr>
<tr>
<td>UTHSC - Houston</td>
<td>Texas Higher Education Coordinating Board Internal Medicine Residency Program Fiscal Year 2008 Annual Financial Report</td>
</tr>
<tr>
<td>UTHSC - Houston</td>
<td>Follow-up on Open Recommendations</td>
</tr>
<tr>
<td>UTHSC - Houston</td>
<td>Texas Higher Education Coordinating Board Family Practice Residency Program Fiscal Year 2008 Annual Financial Report</td>
</tr>
<tr>
<td>UTHSC - Houston</td>
<td>Texas Higher Education Coordinating Board Obstetrics and Gynecology Residency Program at Memorial Hermann Hospital Fiscal Year 2008 Annual Financial Report</td>
</tr>
<tr>
<td>UTHSC - San Antonio</td>
<td>Cost Sharing Audit</td>
</tr>
<tr>
<td>UTMDACC - Houston</td>
<td>Clinical Trials Application Security</td>
</tr>
<tr>
<td>UTMDACC - Houston</td>
<td>Business Associates Agreements</td>
</tr>
<tr>
<td>UTMDACC - Houston</td>
<td>MosaiQ Application Security</td>
</tr>
<tr>
<td>UTMDACC - Houston</td>
<td>ClinicStation Change Management</td>
</tr>
<tr>
<td>UTMDACC - Houston</td>
<td>President's Travel and Business Entertainment Expenditures</td>
</tr>
<tr>
<td>UTMDACC - Houston</td>
<td>Off-Site Radiation Treatment Centers</td>
</tr>
<tr>
<td>UTHSC - Tyler</td>
<td>Presidential Travel and Entertainment Audit</td>
</tr>
<tr>
<td>UTHSC - Tyler</td>
<td>Family Practice Residency Program - Fiscal Year 08/31/08</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>University Lands Operator Audit (J. Cleo Thompson)</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>UT Southwestern Office of the President</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>Joint Admission Medical Program - Financial</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>Joint Admission Medical Program - Compliance</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>UT San Antonio National Collegiate Athletic Association (NCAA) Agreed-upon Procedures for Fiscal Year 2008</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>UT Arlington National Collegiate Athletic Association (NCAA) Agreed-upon Procedures for Fiscal Year 2008</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>UT Pan American National Collegiate Athletic Association (NCAA) Agreed-upon Procedures for Fiscal Year 2008</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>UT El Paso National Collegiate Athletic Association (NCAA) Agreed-upon Procedures for Fiscal Year 2008</td>
</tr>
<tr>
<td>UTSYS ADM</td>
<td>Chancellor's Change in Management</td>
</tr>
</tbody>
</table>
### U. T. Systemwide FY 2009 Annual Internal Audit Plan Status
(as of February 28, 2009)

<table>
<thead>
<tr>
<th>Financial</th>
<th>Operational</th>
<th>Compliance</th>
<th>Information Technology</th>
<th>Follow-up</th>
<th>Projects</th>
<th>Total Actual Hours (Note 1)</th>
<th>Total Priority Budget Hours (approximately 80-85% of total budget hours)</th>
<th>Variance (Hours)</th>
<th>Percentage Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. T. System Administration</td>
<td>5,508</td>
<td>1,689</td>
<td>442</td>
<td>339</td>
<td>206</td>
<td>1,197</td>
<td>9,381</td>
<td>18,205</td>
<td>8,824</td>
</tr>
<tr>
<td><strong>Large Institutions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U. T. Austin</td>
<td>1,407</td>
<td>1,445</td>
<td>545</td>
<td>275</td>
<td>124</td>
<td>3,691</td>
<td>7,485</td>
<td>16,540</td>
<td>9,055</td>
</tr>
<tr>
<td>U. T. Southwestern</td>
<td>4,350</td>
<td>1,725</td>
<td>1,272</td>
<td>717</td>
<td>3</td>
<td>1,422</td>
<td>9,489</td>
<td>15,510</td>
<td>6,021</td>
</tr>
<tr>
<td>U. T. Medical Branch - Galveston</td>
<td>1,030</td>
<td>321</td>
<td>417</td>
<td>335</td>
<td>124</td>
<td>1,270</td>
<td>3,691</td>
<td>7,485</td>
<td>3,902</td>
</tr>
<tr>
<td>U. T. HSC - Houston</td>
<td>1,570</td>
<td>481</td>
<td>673</td>
<td>824</td>
<td>262</td>
<td>1,026</td>
<td>4,835</td>
<td>7,204</td>
<td>2,369</td>
</tr>
<tr>
<td>U. T. HSC - San Antonio</td>
<td>1,390</td>
<td>891</td>
<td>450</td>
<td>297</td>
<td>210</td>
<td>3,691</td>
<td>7,485</td>
<td>16,540</td>
<td>9,055</td>
</tr>
<tr>
<td>U. T. M. D. Anderson Cancer Center</td>
<td>1,030</td>
<td>321</td>
<td>417</td>
<td>335</td>
<td>124</td>
<td>1,270</td>
<td>3,691</td>
<td>7,485</td>
<td>3,902</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>11,747</td>
<td>8,662</td>
<td>4,126</td>
<td>3,143</td>
<td>1,140</td>
<td>9,023</td>
<td>37,840</td>
<td>71,812</td>
<td>33,972</td>
</tr>
<tr>
<td><strong>Mid-size Institutions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U. T. Arlington</td>
<td>1,090</td>
<td>210</td>
<td>779</td>
<td>884</td>
<td>144</td>
<td>788</td>
<td>3,895</td>
<td>6,130</td>
<td>2,235</td>
</tr>
<tr>
<td>U. T. Brownsville</td>
<td>714</td>
<td>442</td>
<td>171</td>
<td>253</td>
<td>90</td>
<td>540</td>
<td>2,159</td>
<td>4,030</td>
<td>1,871</td>
</tr>
<tr>
<td>U. T. Dallas</td>
<td>1,263</td>
<td>1,003</td>
<td>416</td>
<td>313</td>
<td>132</td>
<td>67</td>
<td>3,193</td>
<td>4,520</td>
<td>1,327</td>
</tr>
<tr>
<td>U. T. El Paso</td>
<td>1,468</td>
<td>1,982</td>
<td>798</td>
<td>429</td>
<td>207</td>
<td>781</td>
<td>5,663</td>
<td>8,756</td>
<td>3,093</td>
</tr>
<tr>
<td>U. T. Pan American</td>
<td>990</td>
<td>660</td>
<td>115</td>
<td>-</td>
<td>10</td>
<td>774</td>
<td>2,549</td>
<td>5,110</td>
<td>2,561</td>
</tr>
<tr>
<td>U. T. San Antonio</td>
<td>1,165</td>
<td>289</td>
<td>982</td>
<td>694</td>
<td>192</td>
<td>861</td>
<td>4,182</td>
<td>6,264</td>
<td>2,083</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>6,689</td>
<td>4,565</td>
<td>3,280</td>
<td>2,572</td>
<td>725</td>
<td>3,810</td>
<td>21,640</td>
<td>34,810</td>
<td>13,170</td>
</tr>
<tr>
<td><strong>Small Institutions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U. T. Permian Basin</td>
<td>429</td>
<td>908</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>123</td>
<td>1,483</td>
<td>1,250</td>
<td>(233)</td>
</tr>
<tr>
<td>U. T. Tyler</td>
<td>463</td>
<td>294</td>
<td>124</td>
<td>3</td>
<td>53</td>
<td>347</td>
<td>1,284</td>
<td>2,668</td>
<td>1,384</td>
</tr>
<tr>
<td>U. T. HSC - Tyler</td>
<td>785</td>
<td>408</td>
<td>166</td>
<td>-</td>
<td>83</td>
<td>131</td>
<td>1,573</td>
<td>3,030</td>
<td>1,458</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,677</td>
<td>1,610</td>
<td>290</td>
<td>3</td>
<td>159</td>
<td>601</td>
<td>4,340</td>
<td>6,948</td>
<td>2,609</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>20,113</td>
<td>14,857</td>
<td>7,675</td>
<td>5,717</td>
<td>2,024</td>
<td>13,433</td>
<td>63,819</td>
<td>113,570</td>
<td>49,751</td>
</tr>
<tr>
<td><strong>Percentage of Total</strong></td>
<td>32%</td>
<td>23%</td>
<td>12%</td>
<td>9%</td>
<td>3%</td>
<td>21%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note 1:**
"Total Actual Hours" are total actual hours for the six months from 9/1/08 through 2/28/09, which represents 50% of the audit plan year.

**Note 2:**
"Total Priority Budget Hours" (approximately 80-85% of total budget hours) reflect budgeted hours approved by the ACMR Committee for priority projects.

* Total Priority Budget Hours for UT Medical Branch - Galveston was adjusted from 11,805 to 7,490 hours due to the impact of Hurricane Ike.
The revised priority hours were approved by the ACMR Committee during the February 2009 meeting.

** Large number of hours is due to students performing audit work.

** Large number of hours is due to students performing audit work.
3. **U. T. System: Report on efforts to update and enhance research conflicts of interest policies, procedures, and enforcement at U. T. System institutions**

   **REPORT**

   Mr. Lawrence Plutko, Systemwide Compliance Officer; Mr. Barry Burgdorf, Vice Chancellor and General Counsel; and Mr. Steven Collins, Associate Vice Chancellor for Governmental Relations and Special Counsel, will report on the progress of the Research Conflicts of Interest Committee.


   **REPORT**

   Mr. Lawrence Plutko, Systemwide Compliance Officer, will brief the Audit, Compliance, and Management Review Committee on the second quarter report of the Systemwide Compliance Program. The Summary Report is included on Pages 11 – 15.
The University of Texas System
Institutional Compliance Program Report Summary
Second Quarter, Fiscal Year 2009

Background
The University of Texas (U. T.) Systemwide Institutional Compliance Program (Program) was established in 1998 to ensure that the entire U. T. System, including its 15 institutions, System Administration, and UTIMCO, operates in compliance with all applicable laws, policies, and regulations governing higher education institutions. The responsibilities for the Program are outlined in the Action Plan to Ensure Institutional Compliance (Action Plan) approved by the Board of Regents in 1998 and updated in 2003. The Action Plan delegates to the Systemwide Compliance Officer the responsibility for apprising the Chancellor and the Board of Regents of the compliance programs and activities at System Administration and at each of the institutions. The Action Plan also provides that the Compliance Officers at System Administration and at each institution are responsible for a risk-based process that builds compliance consciousness into daily business processes, monitors the effectiveness of those processes, and communicates instances of noncompliance to appropriate administrative officers for corrective, restorative, and/or disciplinary action.

As of September 29, 2008, the Systemwide Compliance Officer is Mr. Larry Plutko.

Systemwide Program Activity
As outlined in the Action Plan, the Systemwide Compliance Office provides support to the institutional compliance officers by:

- Facilitating best practice identification
- Providing training and support to each institution on those practices
- Identifying emerging issues
- Working with institutions on reported instances of noncompliance
- Reporting Systemwide compliance activities
- Coordinating Systemwide compliance efforts
- Advancing the discipline of compliance in higher education/health care

During the second quarter of Fiscal Year 2009 (Q209), the Systemwide Program focused its efforts in the following areas:

1. **Systemwide Compliance Program planning documents**
   The Systemwide Compliance Office has prepared several draft documents for review and ratification by the Systemwide Executive Compliance Committee (ECC) and the Board of Regents (BOR). These foundational documents include an expanded vision of the Systemwide Compliance Program; a Systemwide Compliance Charter; an Environmental Assessment of compliance trends, new laws and regulations; and an FY10/FY11 Work
Plan for Systemwide Compliance and Information Security. These draft documents will be reviewed by the Systemwide ECC and the BOR during the next two quarters.

2. **Coordinating the Systemwide information security initiative**
   Following completion of contract negotiations for purchase of configuration management software, U. T. System Information Security Office staff contacted each U. T. institution to provide information about contract terms and to assess each institution’s interest in deployment. All institutions expressed interest in using the software. Staff then began working with each institution to establish scope of implementation, determine hardware requirements, develop deployment plans, and establish time tables for coordination of installation services provided as part of the contract. The first installation is scheduled to start in late April at U. T. Dallas.

   Follow-up consultations continued with the chief information security officer at each institution following submission of their quarterly reports. In addition, staff collaborated with Educause on development of E-discovery procedural guidelines, worked with Texas A & M University to improve the Information Security Awareness Assessment and Compliance risk assessment tool that twelve U. T. institutions are using, and worked with the Texas Department of Information Resources to revise state security rules and encryption guidelines. Additional work was done on development of an information security program index for assessing U. T. System information security programs.

3. **Research Conflicts of Interest Committee**
   The Office of the Chancellor has charged the Research Conflicts of Interest Committee with studying and making recommendations with regard to the policy, practice, procedure, and enforcement of The University of Texas System institutions’ research conflicts of interest compliance. The institutional presidents have appointed members to the Committee, which conducted a compliance effectiveness review of existing research conflicts of interest policies. The Committee will continue to review a set of performance standards/principles and a standardized framework that will guide the writing of a revised model policy for the institutions.

4. **Other activities during the quarter included:**
   - Collaborating with Research and Technology Transfer and the Office of General Counsel to develop a model UT System Export Controls program for the benefit of the institutions
   - Continuing collaboration with Health Affairs on medical billing education and guidance through the work of the Medical Billing Compliance Advisory Committee
   - Attending executive compliance committee meetings at the majority of the institutions
   - Site visit to meet with key leadership and compliance stakeholders at U. T. M. D. Anderson Cancer Center
   - Planning for the Seventh Conference for Effective Compliance Systems in Higher Education to be held in Austin, May 31 – June 3, 2009
   - Identifying and highlighting emerging compliance issues through *In the News* email publication
• Conducting a trial run with our proposed web-based training tool

**Institutional Program Activity**

Per the Action Plan, the compliance officers at System Administration and each institution have the following responsibilities:

- Actively engage an institutional Executive Compliance Committee that meets at least quarterly
- Perform annual compliance risk assessments
- Provide campus-wide compliance training and promote compliance awareness
- Assist in specialized training for high-risk compliance areas
- Continuously monitor and inspect the institution’s high-risk compliance activities
- Manage the institution’s confidential reporting mechanisms (hotline, etc.)
- Report compliance activities and significant compliance issues to executive management, the Systemwide Compliance Officer, and the Board of Regents

Following is a summary of institutional progress in implementing these elements of an effective compliance program:

**Executive Compliance Committees**

Each institution has an Executive Compliance Committee (ECC) that meets at least quarterly to oversee its institutional compliance program. Quarterly meetings were held at each institution, with the exception of the U. T. Health Science Center – Houston which holds monthly meetings. During the period, Systemwide Compliance Office representatives attended ECC meetings at U. T. Arlington, U. T. Dallas, and U. T. System Administration in order to support the compliance officers in enhancing the role of the ECC.

**Risk Assessments**

ECCs review their institution’s identified compliance risks and approve the designation of "institutionally significant" compliance risks – risks that, if realized, would have a significant impact on the ability to achieve the goals and objectives of the institution. Most institutions have identified between eight and fifteen institutionally significant areas of high risk, with multiple high-risk exposures contained within those areas. Common risk areas of focus during the quarter included: information security, conflicts of interest, medical billing, clinical research, patient privacy (HIPAA), environmental health and safety (including hazardous materials, lab safety, fire safety, campus safety, select agents), export control, animal care, human subject care, endowment management, fiscal/financial and asset management, time and effort reporting, cost sharing, construction procurement, financial aid, family educational rights and privacy (FERPA), human resources, contract management, and investment management.

**Training and Awareness**

General compliance training is conducted using a variety of formats including online, classroom, and written materials. Employees are typically scheduled to receive general compliance training.

---

1 Details regarding activities at the institutional level are published in the *Institutional Compliance Program 2nd Quarter Status Report for Fiscal Year 2009.*
during new employee orientation, and refresher training thereafter on an annual or biannual basis. All institutions provide a Standards of Conduct guide to new employees either electronically or in hardcopy form. During the quarter, compliance officers have been effective at ensuring that general compliance training and Standards of Conduct guides are delivered to the appropriate personnel in a timely manner.

Specialized Training
During the quarter, institutions conducted specialized training in many high compliance risk areas, including: endowments, research, contracts and grants, confidential information, human subjects research and ethics, storm water pollution prevention, construction safety, information security, account management, purchasing, conflicts of interest, lab safety, hazardous waste, biosafety, radiation safety, fair labor standards, FERPA, select agents, campus security, risk management, fire safety, and cash handling.

Monitoring Activities
A designated individual is assigned accountability for each high-risk compliance area and is responsible for creating a risk management process that evaluates current activities and identifies changes that will improve the assurance of compliance as necessary. That process should include monitoring activities, which are procedures performed to verify that the risk management process for a compliance institutional high risk is being carried out as designed on a continual basis.

Compliance effectiveness reviews were conducted in many of the high-risk areas during the second quarter of FY 2009, including: medical billing, research involving human subjects, animal care, clinical research, cost sharing, time and effort reporting, export controls, select agents, hazardous chemicals, campus and lab safety, fire safety, financial controls, asset management, financial aid, HIPAA, hospital compliance, endowment compliance, investment due diligence, investment risk management, investment compliance, and information security.

In addition, various assurance activities (e.g. internal audits and subject matter peer reviews) were performed on many of the high-risk compliance areas to verify and validate that operations are performing in compliance with applicable laws, regulations, policies and procedures.

Institutional Organizational Matters
The U. T. Medical Branch at Galveston reports that the Assistant Compliance Director position was vacated with no current plans to backfill the position, bringing the compliance office to 8 FTEs. In addition, Research Administration is down from 6 directors to 3. The Associate Dean for Research Administration plans to bring in a director to oversee controls, monitoring, and oversight activities as soon as possible.

The U. T. Health Science Center at Houston re-organized its Institutional Compliance program by separating the compliance function from the general counsel’s area. As a result, the Director of Institutional Compliance was appointed Assistant Vice President and Chief Compliance Officer. In addition, a Compliance Program Manager was hired to coordinate the university’s Institutional and Research Conflict of Interest Program.

U. T. Southwestern Medical Center at Dallas reports hiring compliance personnel during the quarter, though various other compliance positions remain open including the Privacy Officer.
Institutional Action Plan Activities
At the beginning of each fiscal year, institutional compliance officers prepare an Action Plan, identifying areas in which the compliance office will focus its attention and activities. During the second quarter of FY 2009, action plan activities included the following: consulting with high-risk area responsible parties, facilitating risk assessments in high-risk areas, reviewing and updating risk management and monitoring plans, performing compliance effectiveness reviews and obtaining certification letters of high-risk compliance areas, facilitating general compliance training, managing investigations of alleged noncompliance, developing marketing plans for the compliance hotline, revising compliance websites, updating standards of conduct guides, and publishing a compliance newsletter.
# TABLE OF CONTENTS
## FOR
### FINANCE AND PLANNING COMMITTEE

**Committee Meeting:** 5/13/2009  
**Board Meeting:** 5/14/2009  
Austin, Texas  

Chairman Paul Foster*  
Printice Gary  
Wm. Eugene Powell  
Robert Stillwell  

<table>
<thead>
<tr>
<th>Committee Meeting</th>
<th>Board Meeting</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Convene</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1:15 p.m.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman Foster</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1. U. T. System: Discussion and appropriate action related to approval of Docket No. 138</strong></td>
<td>1:15 p.m.</td>
<td>Action 16</td>
</tr>
<tr>
<td>Discussion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Kelley</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Kelley</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Wallace</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. U. T. System Board of Regents: Adoption of an Amended and Restated Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds, authorization to designate all or a portion of the bonds as Build America Bonds, and authorization to complete all related transactions</strong></td>
<td>1:35 p.m.</td>
<td>Action 28</td>
</tr>
<tr>
<td>Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Aldridge</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds, authorization to designate all or a portion of the bonds as Build America Bonds, and authorization to complete all related transactions</strong></td>
<td>1:37 p.m.</td>
<td>Action 29</td>
</tr>
<tr>
<td>Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Aldridge</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. 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</strong></td>
<td>1:40 p.m.</td>
<td>Action 31</td>
</tr>
<tr>
<td>Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Zimmerman</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7. 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, 2009</strong></td>
<td>1:45 p.m.</td>
<td>Report 34</td>
</tr>
<tr>
<td>Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Zimmerman</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Pending approval by Board*
8. **U. T. System:** Discussion with representative chief business officers of U. T. System health institutions regarding the business challenges and opportunities of partnership contracts and relationships

Adjourn

Committee Meeting

<table>
<thead>
<tr>
<th>Time</th>
<th>Discussion</th>
<th>Board Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1:50 p.m.</td>
<td>Discussion</td>
<td>Not on Agenda</td>
</tr>
<tr>
<td></td>
<td>Dr. Kelley</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr. Kevin Dillon, U. T. Health Science Center - Houston</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr. John Roan, U. T. Southwestern Medical Center – Dallas</td>
<td></td>
</tr>
</tbody>
</table>

2:15 p.m.
1. **U. T. System: Discussion and appropriate action related to approval of Docket No. 138**

**RECOMMENDATION**

It is recommended that *Docket No. 138* be approved.

It is also recommended that the Board confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to appropriate officials of the respective institution involved.

**Supplemental Materials:** Green pages following the Docket tab at the back of Volume 2.


**REPORT**

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will discuss the Key Financial Indicators Report, as set forth on Pages 17 - 24 that follow, and the March Monthly Financial Report included in Volume 2. The reports represent the consolidated and individual operating results of the U. T. System institutions.

The Key Financial Indicators Report compares the Systemwide quarterly results of operations, key revenues and expenses, reserves, and key financial ratios in a graphical presentation from Fiscal Year 2005 through February 2009. Ratios requiring balance sheet data are provided for Fiscal Year 2004 through Fiscal Year 2008.

The Monthly Financial Report is provided as support for the Key Financial Indicators. The Report includes the detailed numbers behind the Operating Margin by Institution graph as well as detail for each individual institution as of March 2009.

THE UNIVERSITY OF TEXAS SYSTEM

QUARTERLY KEY FINANCIAL INDICATORS REPORT

2ND QUARTER FY 2009
KEY INDICATORS OF REVENUES
ACTUAL 2005 THROUGH 2008
PROJECTED 2009
YEAR-TO-DATE 2008 AND 2009 FROM FEBRUARY MONTHLY FINANCIAL REPORT

In Millions
State Appropriations and HEAF

In Millions
State Net Revenues

In Millions
Gross Tuition and Fees

In Millions
Clinical Revenues

In Millions
Sponsored Programs

In Millions
Auxiliary Enterprises and Sales and Services of Educational Activities

In Millions
Investment Income
(Excludes Realized and Unrealized Gains and Losses)

In Millions
Gift Contributions for Operations

Office of the Controller
May 2009
KEY INDICATORS OF FINANCIAL HEALTH
2004 THROUGH 2008

Composite Financial Index (CFI)

*Restated to reflect appreciation on endowments as restricted expendable net assets as a result of the 2006 external audit

Scale for Charting CFI Performance

-1 0 1 2 3 4 5 6 7 8 9 10

- Assess institutional viability to survive
- Re-engineer the institution
- Direct institutional resources to allow transformation
- Focus resources to compete in future state
- Allow experimentation with new initiatives
- Deploy resources to achieve a robust mission
KEY INDICATORS OF RESERVES
YEAR-TO-DATE 2008 AND 2009 FROM MARCH MONTHLY FINANCIAL REPORT
PROJECTED 2009 YEAR-END MARGIN

Operating Margin by Institution
(Excludes Realized and Unrealized Gains and Losses)

Operating Margin as a Percentage of Year-end Revenue by Institution
(Excludes Realized and Unrealized Gains and Losses)
3. **U. T. System: Approval of the Fiscal Year 2010 Budget Preparation Policies and Calendar**

**RECOMMENDATION**

With the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs, and in consultation with Vice Chairman Foster and Regent Hicks pursuant to Chairman Huffines' April 13, 2009 directive to work with the Chancellor on reviewing the System's budget, the Chancellor recommends that the U. T. System Board of Regents approve the Budget Preparation Policies and Calendar for use in preparing the Fiscal Year 2010 Operating Budget for the U. T. System as set out below:

**U. T. System Fiscal Year 2010 Budget Preparation Policies**

General Guidelines - The regulations and directives that will be included in the General Appropriations Act to be enacted by the 81st Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the Fiscal Year 2010 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. Following legislative approval of the General Appropriations Act, the Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

Overall budget totals, including reasonable reserves, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:

1. **Salaries Proportional by Fund** - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009 (a) and (c), shall be proportional to the source of funds.

2. **Merit Increases and Promotions** - Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

   Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

   Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

   To be eligible for a merit increase, administrative and professional staff and classified staff must have been employed by the institution for at least six
consecutive months ending August 31, 2009, and at least six months must have elapsed since the employee's last merit salary increase.

3. **Other Increases** - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Chancellor, such increases should be noted and explained in the supplemental data accompanying the budget.

4. **New Positions** - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.

5. **Reporting** - The Chancellor will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' Rules 20203 and 20204 along with those staff receiving significant changes in compensation.

Staff Benefits Guidelines - Recommendations regarding the State contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. Upon approval of this legislation, the Chancellor will issue instructions regarding the implementation of the benefits into the budget process.

Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.

Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.

Budget Reductions and Limitations - The General Appropriations Act may contain provisions requiring budget reductions and budget restrictions. Upon approval of this legislation, instructions will be issued regarding the implementation of any reductions and limitations into the budgeting process.

**BACKGROUND INFORMATION**

The U. T. System FY 2010 Budget Preparation Policies will be consistent with the regulations and directives included in the General Appropriations Act to be enacted by the 81st Texas Legislature. As written, this policy provides general direction to the U. T. System institutions and may be modified as necessary to conform to the legislation, as finally passed.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 14, 2009</td>
<td>U. T. System Board of Regents takes appropriate action on budget preparation policies</td>
</tr>
<tr>
<td>June 1 - 12, 2009</td>
<td>Major goals, priorities, and resource allocation hearings with U. T. System Administration</td>
</tr>
<tr>
<td>June 29, 2009</td>
<td>Draft budget documents due to U. T. System</td>
</tr>
<tr>
<td>June 29, 2009</td>
<td>High-ranking staff covered by Regent’s Rules 20203 and 20204 and top-ten salary reports due to U. T. System</td>
</tr>
<tr>
<td>July 2 - 8, 2009</td>
<td>Technical budget review with U. T. System</td>
</tr>
<tr>
<td>July 8 - 9, 2009</td>
<td>U. T. System Board of Regents’ Special Compensation Committee to evaluate Presidents and Executive Officers</td>
</tr>
<tr>
<td>July 15, 2009</td>
<td>Final budget documents due to U. T. System</td>
</tr>
<tr>
<td>July 31, 2009</td>
<td>Operating Budget Summaries mailed to the U. T. System Board of Regents</td>
</tr>
<tr>
<td>August 14, 2009</td>
<td>Salary change report due to U. T. System Administration</td>
</tr>
<tr>
<td>August 20, 2009</td>
<td>U. T. System Board of Regents takes appropriate action on Operating Budget</td>
</tr>
</tbody>
</table>
4. **U. T. System Board of Regents: Adoption of an Amended and Restated Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds, authorization to designate all or a portion of the bonds as Build America Bonds, and authorization to complete all related transactions**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

a. adopt an Amended and Restated Resolution, substantially in the form previously approved by the U. T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed $500 million to be used to refund certain outstanding PUF Bonds, to refund all or a portion of the then outstanding PUF Flexible Rate Notes, Series A, to refund PUF Commercial Paper Notes, to provide new money to fund construction and acquisition costs and to pay the costs of issuance; and

b. authorize appropriate officers and employees of U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

**BACKGROUND INFORMATION**

On August 14, 2008, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds during Fiscal Year 2009 in an amount not to exceed $450 million. The majority of this authority was utilized with the issuance of $400.9 million PUF Bonds, Series 2008A, that were issued on October 30, 2008. The Series 2008A Bonds were issued for the purpose of refunding all of the Board's outstanding PUF Flexible Rate Notes, Series A.

On November 13, 2008, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds during the remainder of Fiscal Year 2009 in an amount not to exceed $500 million. Adoption of this Resolution would amend and restate the resolution approved by the Board of Regents in November, but would provide the same authorized amount and purposes as the prior resolution with the added flexibility to issue a portion of the bonds as taxable bonds and to designate such bonds as Build America Bonds.

The American Recovery and Reinvestment Act of 2009 made a significant change to federal tax law by providing municipal issuers with a new financing alternative known as Build America Bonds. Governmental issuers may elect to issue any bond otherwise
eligible for carrying tax-exempt interest as a taxable bond, termed Build America Bonds, which entitles the bondholder to receive a federal income tax credit equal to 35 percent of each interest payment. Alternatively, an issuer may elect to have such tax credit refunded from the United States Treasury to the issuer rather than refunded to the bondholder. Depending on the relationship between taxable and tax-exempt interest rates, issuing all or a portion of a financing as taxable Build America Bonds, with the accompanying refundable 35 percent tax credit, may achieve a lower net effective interest cost than issuing entirely traditional tax-exempt bonds.

Adoption of the Resolution would authorize appropriate officers and employees of U. T. System to take any and all actions, including making appropriate elections required by federal tax law, necessary to cause the issuance of all or a portion of the proposed bonds as taxable Build America Bonds. The determination of whether to designate any bonds as Build America Bonds would be made by the appropriate officer based on what is most cost-effective at the time of pricing. The Resolution also authorizes the issuance of taxable bonds, without designating such taxable bonds as Build America Bonds, which may be necessary to manage the federal arbitrage limit applicable to the PUF. Adoption of the Resolution would also authorize appropriate officers and employees of U. T. System to take any and all actions, including making appropriate elections required by federal tax law, necessary to cause the allowable credit to be refunded to U. T. System in the event that all or a portion of the proposed financing is issued as taxable Build America Bonds.

The proposed resolution has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

Note: The proposed resolution is available online at http://www.utsystem.edu/bor/AgendaBook/May09/5-09Vol2AB.htm.

5. **U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds, authorization to designate all or a portion of the bonds as Build America Bonds, and authorization to complete all related transactions**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents

a. adopt a Supplemental Resolution, substantially in the form previously approved by the U. T. System Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed $700 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects
in the Capital Improvement Program (CIP) and to pay the costs of issuance; and

b. authorize appropriate officers and employees of U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such Bonds.

BACKGROUND INFORMATION

On August 14, 2008, the Board of Regents adopted a resolution authorizing the issuance of RFS Bonds during Fiscal Year 2009 in an amount not to exceed $800 million. A portion of this authority was utilized with the issuance of $256.7 million RFS Bonds, Series 2008A, that were issued on January 6, 2009. The Series 2008A Bonds were issued for the purpose of refunding a portion of the Board’s outstanding RFS Commercial Paper Notes, Series A.

Adoption of this Resolution would rescind the remaining issuance authority under the resolution approved by the Board of Regents in August, but would provide a similar authorized amount and purposes as the prior resolution with the added flexibility to issue a portion of the bonds as taxable bonds and to designate such bonds as Build America Bonds.

The American Recovery and Reinvestment Act of 2009 made a significant change to federal tax law by providing municipal issuers with a new financing alternative known as Build America Bonds. Governmental issuers may elect to issue any bond otherwise eligible for carrying tax exempt interest as a taxable bond, termed Build America Bonds, which entitles the bondholder to receive a federal income tax credit equal to 35 percent of each interest payment. Alternatively, an issuer may elect to have such tax credit refunded from the United States Treasury to the issuer rather than refunded to the bondholder. Depending on the relationship between taxable and tax-exempt interest rates, issuing all or a portion of a financing as taxable Build America Bonds, with the accompanying refundable 35 percent tax credit, may achieve a lower net effective interest cost than issuing entirely traditional tax-exempt bonds.

Adoption of the Resolution would authorize appropriate officers and employees of U. T. System to take any and all actions, including making appropriate elections required by federal tax law, necessary to cause the issuance of all or a portion of the proposed bonds as taxable Build America Bonds. The determination of whether to designate any bonds as Build America Bonds would be made by the appropriate officer based on what is most cost-effective at the time of pricing. The Resolution also authorizes the issuance of taxable bonds, without designating such taxable bonds as Build America Bonds, which may be necessary due to the use of certain facilities. Adoption of the Resolution would also authorize appropriate officers and employees of U. T. System to take any and all actions, including making appropriate elections required by federal tax law, necessary
to cause the allowable credit to be refunded to U. T. System in the event that all or a portion of the proposed financing is issued as taxable Build America Bonds.

The proposed Resolution has been reviewed by outside bond counsel and the U. T. System Office of General Counsel.

Note: The proposed resolution is available online at http://www.utsystem.edu/bor/AgendaBook/May09/5-09Vol2AB.htm

6. **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**

   **RECOMMENDATION**

The Chancellor and the Executive Vice Chancellor for Business Affairs concur in the recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO) that

a. the Fiscal Year 2010 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be decreased by 2.7% from $530,932,622 to $516,419,406 effective September 1, 2009. The distribution is an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF. The decrease in the distribution is a result of the distribution amount being calculated using 4.75% instead of 5.0% since the average annual rate of return of the PUF investments over the trailing 12 quarters did not exceed the Expected Return by 25 basis points or more. The Fiscal Year 2009 distribution amount of $530,932,622 was based on 5.0%;

b. the distribution rate for the Permanent Health Fund (PHF) be increased from $0.0528 per unit to $0.0541 per unit for Fiscal Year 2010 (effective with November 30, 2009 distribution);

c. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from $0.3024 per unit to $0.3098 per unit for Fiscal Year 2010 (effective with November 30, 2009 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 2010.

   **BACKGROUND INFORMATION**

The PUF Investment Policy states that the annual distribution from the PUF to the AUF shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each fiscal year 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 the distribution shall be 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, 2009, has not exceeded the Expected Return by 25 basis points or more (.25%).

<table>
<thead>
<tr>
<th>Trailing 12 Quarters Ending February 28, 2009</th>
<th>Expected or Benchmarks</th>
<th>Excess (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Annual Rate of Return</td>
<td>-5.31%</td>
<td>8.78%</td>
</tr>
</tbody>
</table>

Therefore, as outlined in the PUF Investment Policy, the amount to be distributed from the PUF for Fiscal Year 2009-2010 is $516,419,406 as calculated below:

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>Net Asset Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31/2006</td>
<td>10,028,861,545</td>
</tr>
<tr>
<td>8/31/2006</td>
<td>10,313,393,571</td>
</tr>
<tr>
<td>11/30/2006</td>
<td>10,760,220,191</td>
</tr>
<tr>
<td>2/28/2007</td>
<td>11,058,603,363</td>
</tr>
<tr>
<td>5/31/2007</td>
<td>11,763,605,335</td>
</tr>
<tr>
<td>8/31/2007</td>
<td>11,742,780,402</td>
</tr>
<tr>
<td>11/30/2007</td>
<td>12,160,738,716</td>
</tr>
<tr>
<td>2/29/2008</td>
<td>11,905,770,605</td>
</tr>
<tr>
<td>5/31/2008</td>
<td>12,245,951,162</td>
</tr>
<tr>
<td>8/31/2008</td>
<td>11,359,463,077</td>
</tr>
<tr>
<td>11/30/2008</td>
<td>8,837,574,480</td>
</tr>
<tr>
<td>2/28/2009</td>
<td>8,286,887,451</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>130,463,849,898</strong></td>
</tr>
</tbody>
</table>

Number of quarters 12
Average Net Asset Value $10,871,987,492
Distribution Percentage 4.75%
FYE 2009-2010 Distribution $516,419,406

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the U. T. System Board of Regents (U. T. Board) in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the U. T. Board’s 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 proposed distribution of $516,419,406 is substantially greater than PUF Bonds Debt Service of $161,591,411 projected for FYE 2009-2010.
2. The U. T. Board may not increase annual PUF distributions to the AUF (except as necessary to pay PUF bond 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 net real return rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 28, 2009, was a negative 1.30%, which indicates that the purchasing power has not been preserved. However, since the calculated distribution amount for FYE 2009-2010 of $516,419,406 is less than the prior year distribution of $530,932,622, the recommended distribution is within the guidelines established by the Constitution.

<table>
<thead>
<tr>
<th>Average Annual Percent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of Total Return</td>
<td>3.88%</td>
</tr>
<tr>
<td>Mineral Interest Receipts</td>
<td>2.07%</td>
</tr>
<tr>
<td>Expense Rate (1)</td>
<td>(0.27)%</td>
</tr>
<tr>
<td>Inflation Rate</td>
<td>(2.58)%</td>
</tr>
<tr>
<td>Distribution Rate</td>
<td>(4.40)%</td>
</tr>
<tr>
<td>Net Real Return (1)</td>
<td>(1.30)%</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Value of PUF Investments (1)</th>
<th>Proposed Distribution as a % of Value of PUF Investments</th>
<th>Maximum Allowed Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,871,987,492</td>
<td>$516,419,406</td>
<td>4.75%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.00%</td>
</tr>
</tbody>
</table>

(1) Source: UTIMCO
The spending policy objectives of the PHF and LTF are to

a. provide a predictable stable stream of distributions over time;

b. ensure that the inflation-adjusted value of the distributions is maintained over the long term; and

c. ensure that the inflation-adjusted value of the assets of the PHF and the LTF, as appropriate after distributions, is maintained over the long term.

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

The recommended 2.4% increase in the PHF distribution rate of $0.0528 to $0.0541 per unit is based on the PHF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 4.3%, within the range of 3.5% to 5.5% set forth in the PHF Investment Policy Statement.

The recommended 2.4% increase in the LTF distribution rate from $0.3024 to $0.3098 per unit was based on the LTF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The LTF's distribution rate calculated using the prior 12-quarter average value of the LTF is 4.4%, within the range of 3.5% to 5.5% set forth in the LTF Investment Policy Statement. The increase in the consumer price index for the prior three years as of November 30, 2008, was 2.4%.

The distribution rate for the ITF was set at 3.0% per annum for Fiscal Year 2007 by the UTIMCO Board and the U. T. System Board of Regents on March 30, 2006, and May 11, 2006, respectively.

7. **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, 2009**

   **REPORT**

The February 28, 2009 UTIMCO Performance Summary Report is attached on Page 36.

The Investment Reports for the fiscal quarter ended February 28, 2009, are set forth on Pages 37 - 40.
Item I on Page 37 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was (5.53%) and (26.94%) for the first half of the fiscal year versus its composite benchmark return of (6.49%) and (28.66%), respectively. The PUF’s net asset value decreased by $551 million since the beginning of the quarter to $8,287 million. This change in net asset value includes increases due to contributions from PUF land receipts, decreases due to net investment return, and the second payment of the annual distribution to the Available University Fund (AUF) of $133 million.

Item II on Page 38 reports activity for the General Endowment Fund (GEF) investments. The GEF’s net investment return for the quarter was (5.57%) and (27.11%) for the first half of the fiscal year versus its composite benchmark return of (6.49%) and (28.66%), respectively. The GEF’s net asset value decreased during the quarter to $4,557 million.

Item III on Page 39 reports activity for the Intermediate Term Fund (ITF). The ITF’s net investment return for the quarter was (4.15%) and (24.93%) for the first half of the fiscal year versus its composite benchmark return of (6.10%) and (26.94%), respectively. The net asset value has decreased to $2,927 million due to net investment return of ($124 million) and net distributions of $23 million. The decrease in net asset value was offset by $63 million net contributions.

For the PUF and GEF, Private Investments were above the maximum range. For the GEF, the More Correlated and Constrained Investment Type was below the minimum range. For the PUF, the Investment Grade Fixed Income Asset Class was above the maximum range. The ITF was within all of its investment type and asset class ranges. All of the funds’ liquidity was within policy.

Item IV on Page 40 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, increased by $80 million to $1,672 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: $27 million versus $24 million at the beginning of the period; equities: $33 million versus $46 million at the beginning of the period; and other investments: $.9 million versus $1 million at the beginning of the period.
## UTIMCO Performance Summary

**February 28, 2009**

### Net Asset Value

<table>
<thead>
<tr>
<th>ENDOWMENT FUNDS</th>
<th>2/28/2009 (in Millions)</th>
<th>Periods Ended February 28, 2009 (Returns for Periods Longer Than One Year are Annualized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent University Fund</td>
<td>$8,287</td>
<td>1 Mo: (4.47) 3 Mos: (5.53) Calendar: (6.57) Fiscal: (26.94) 1 Yr: (30.64) 3 Yrs: (5.31) 5 Yrs: 1.34 10 Yrs: 3.67</td>
</tr>
<tr>
<td>General Endowment Fund</td>
<td>(4.51) (5.57) (6.59) (27.11) (30.74) (5.14) 1.42 N/A</td>
<td></td>
</tr>
<tr>
<td>Permanent Health Fund</td>
<td>(4.53) (5.57) (6.56) (27.06) (30.74) (5.18) 1.36 N/A</td>
<td></td>
</tr>
<tr>
<td>Long Term Fund</td>
<td>3,830 (4.54) (5.57) (6.56) (27.06) (30.74) (5.18) 1.36 4.41</td>
<td></td>
</tr>
<tr>
<td>Separately Invested Funds</td>
<td>125 N/A N/A N/A N/A N/A N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Total Endowment Funds</strong></td>
<td><strong>12,969</strong></td>
<td></td>
</tr>
</tbody>
</table>

### OPERATING FUNDS

<table>
<thead>
<tr>
<th>Operating Funds</th>
<th>Short Term 1 Mo 3 Mos Year to Date Calendar Fiscal</th>
<th>Historic Returns 1 Yr 3 Yrs 5 Yrs 10 Yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term Fund</td>
<td>1,608 0.08 0.31 0.19 0.94 2.44 4.28 3.58 3.62</td>
<td></td>
</tr>
<tr>
<td>Intermediate Term Fund</td>
<td>2,927 (4.22) (4.15) (7.18) (24.93) (28.05) (5.13) N/A N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Funds</strong></td>
<td><strong>4,535</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$17,504</strong></td>
<td></td>
</tr>
</tbody>
</table>

### VALUE ADDED

<table>
<thead>
<tr>
<th>Operating Funds</th>
<th>Short Term (0.03) 0.96 1.31 1.72 2.52 1.89 1.08 1.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Endowment Fund</td>
<td>(0.07) 0.92 1.29 1.55 2.42 2.06 1.16 N/A</td>
</tr>
<tr>
<td>Short Term Fund</td>
<td>0.06 0.29 0.18 0.41 1.03 0.53 0.36 0.23</td>
</tr>
<tr>
<td>Intermediate Term Fund</td>
<td>0.95 1.95 2.15 2.01 3.09 2.68 N/A N/A</td>
</tr>
</tbody>
</table>

### VALUE ADDED ($ IN MILLIONS)

<table>
<thead>
<tr>
<th>Operating Funds</th>
<th>Permanent University Fund (3) 84 116 194 299 484 427 N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Endowment Fund</td>
<td>(3) 45 64 99 162 295 257 N/A</td>
</tr>
<tr>
<td>Intermediate Term Fund</td>
<td>29 59 68 78 124 234 N/A N/A</td>
</tr>
</tbody>
</table>

Footnotes available upon request.
I. PERMANENT UNIVERSITY FUND
Investment Reports for Periods Ended February 28, 2009
Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Fiscal Year Ended August 31, 2008</th>
<th>Quarter Ended February 28, 2009</th>
<th>Fiscal Year Ended August 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Assets</td>
<td>$11,742.8</td>
<td>$8,837.6</td>
<td>$11,359.5</td>
</tr>
<tr>
<td>PUF Lands Receipts</td>
<td>457.7</td>
<td>66.4</td>
<td>235.1</td>
</tr>
<tr>
<td>Investment Return</td>
<td>(339.5)</td>
<td>(476.4)</td>
<td>(3,027.1)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(52.6)</td>
<td>(7.9)</td>
<td>(15.1)</td>
</tr>
<tr>
<td>Distributions to AUF</td>
<td>(448.9)</td>
<td>(132.8)</td>
<td>(265.5)</td>
</tr>
<tr>
<td>Ending Net Assets</td>
<td>$11,359.5</td>
<td>$8,286.9</td>
<td>$8,286.9</td>
</tr>
</tbody>
</table>

Returns

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Policy Benchmark</th>
<th>From Asset Allocation</th>
<th>From Security Selection</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>More Correlated and Constrained:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade</td>
<td>-6.17%</td>
<td>-2.80%</td>
<td>0.85%</td>
<td>-0.23%</td>
</tr>
<tr>
<td>Credit-Related</td>
<td>-11.41%</td>
<td>-23.60%</td>
<td>0.18%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-54.82%</td>
<td>-55.35%</td>
<td>0.23%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>-50.58%</td>
<td>-44.80%</td>
<td>0.16%</td>
<td>-0.38%</td>
</tr>
<tr>
<td>Developed Country</td>
<td>-42.75%</td>
<td>-43.55%</td>
<td>0.83%</td>
<td>0.17%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>-50.29%</td>
<td>-47.28%</td>
<td>0.63%</td>
<td>-0.43%</td>
</tr>
<tr>
<td>Total More Correlated and Constrained</td>
<td>-37.87%</td>
<td>-40.17%</td>
<td>2.47%</td>
<td>-0.64%</td>
</tr>
<tr>
<td>Less Correlated and Constrained</td>
<td>-15.53%</td>
<td>-19.40%</td>
<td>-0.03%</td>
<td>1.11%</td>
</tr>
<tr>
<td>Private Investments</td>
<td>-17.52%</td>
<td>-5.21%</td>
<td>0.41%</td>
<td>-1.60%</td>
</tr>
<tr>
<td>Total</td>
<td>-26.94%</td>
<td>-28.66%</td>
<td>2.85%</td>
<td>-1.13%</td>
</tr>
</tbody>
</table>

---

Deviations From Asset Class Policy Targets Within Tactical Policy Ranges for PUF

Deviations From Investment Type Policy Targets Within Tactical Policy Ranges for PUF

Permanent University Fund
Actual Illiquidity vs. Trigger Zones

UTIMCO 3/30/2009
## II. GENERAL ENDOWMENT FUND
### Investment Reports for Periods Ended February 28, 2009
Prepared in accordance with Texas Education Code Sec. 51.0032

### Summary of Capital Flows

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Fiscal Year Ended August 31, 2008</th>
<th>Quarter Ended February 28, 2009</th>
<th>Fiscal Year Ended August 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Net Assets</strong></td>
<td>$6,433.1</td>
<td>$4,846.4</td>
<td>$6,310.4</td>
</tr>
<tr>
<td><strong>Contributions</strong></td>
<td>358.6</td>
<td>52.5</td>
<td>104.8</td>
</tr>
<tr>
<td><strong>Withdrawals</strong></td>
<td>(20.2)</td>
<td>(1.0)</td>
<td>(2.2)</td>
</tr>
<tr>
<td><strong>Distributions</strong></td>
<td>(259.0)</td>
<td>(69.5)</td>
<td>(138.3)</td>
</tr>
<tr>
<td><strong>Investment Return</strong></td>
<td>(180.8)</td>
<td>(269.1)</td>
<td>(1,713.3)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(21.3)</td>
<td>(2.2)</td>
<td>(4.3)</td>
</tr>
<tr>
<td><strong>Ending Net Assets</strong></td>
<td>$6,310.4</td>
<td>$4,557.1</td>
<td>$4,557.1</td>
</tr>
</tbody>
</table>

### Returns

<table>
<thead>
<tr>
<th>Fiscal Year to Date</th>
<th>Returns</th>
<th>Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Portfolio</strong></td>
<td><strong>Policy Benchmark</strong></td>
<td><strong>From Asset Allocation</strong></td>
</tr>
<tr>
<td><strong>More Correlated and Constrained:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade</td>
<td>-5.94%</td>
<td>-2.80%</td>
</tr>
<tr>
<td>Credit-Related</td>
<td>-11.46%</td>
<td>-23.60%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-54.91%</td>
<td>-55.35%</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>-49.94%</td>
<td>-44.80%</td>
</tr>
<tr>
<td>Developed Country</td>
<td>-42.99%</td>
<td>-43.55%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>-50.27%</td>
<td>-47.28%</td>
</tr>
<tr>
<td><strong>Total More Correlated and Constrained</strong></td>
<td>-38.38%</td>
<td>-40.17%</td>
</tr>
<tr>
<td><strong>Less Correlated and Constrained</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Investments</td>
<td>-17.49%</td>
<td>-5.21%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-27.11%</td>
<td>-28.66%</td>
</tr>
</tbody>
</table>

### Deviations From Asset Class Policy Targets Within Tactical Policy Ranges for GEF

### Deviations From Investment Type Policy Targets Within Tactical Policy Ranges for GEF

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

UTIMCO 3/30/2009
III. INTERMEDIATE TERM FUND
Investment Reports for Periods Ended February 28, 2009
Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows

($ millions)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year Ended August 31, 2008</th>
<th>Quarter Ended February 28, 2009</th>
<th>Fiscal Year Ended August 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Assets</td>
<td>$3,720.6</td>
<td>$3,010.5</td>
<td>$3,874.8</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,639.1</td>
<td>65.9</td>
<td>215.6</td>
</tr>
<tr>
<td>Withdrawals</td>
<td>(1,335.3)</td>
<td>(2.7)</td>
<td>(144.8)</td>
</tr>
<tr>
<td>Distributions</td>
<td>(118.6)</td>
<td>(23.0)</td>
<td>(49.6)</td>
</tr>
<tr>
<td>Investment Return</td>
<td>(7.5)</td>
<td>(120.0)</td>
<td>(962.3)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(23.5)</td>
<td>(3.7)</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Ending Net Assets</td>
<td>$3,874.8</td>
<td>$2,927.0</td>
<td>$2,927.0</td>
</tr>
</tbody>
</table>

More Correlated and Constrained:

- Investment Grade: -6.47% -2.80% 0.87% -1.01% -0.14%
- Credit-Related: -12.15% -23.60% 0.23% -0.07%
- Real Estate: -54.05% -55.35% 0.10% 0.38%
- Natural Resources: -47.43% -44.80% 0.09% -0.06%
- Developed Country: -40.87% -43.55% 0.34% 0.64%
- Emerging Markets: -50.43% -47.28% 0.17% -0.05%

Total More Correlated and Constrained: -28.08% -29.46% 1.45% -0.41% 1.04%

Less Correlated and Constrained:

- Total: -15.53% -19.40% -0.22% 1.19% 0.97%

Private Investments: 0.00% 0.00% 0.00% 0.00% 0.00%

Total: -24.93% -26.94% 1.23% 0.78% 2.01%

Returns Fiscal Year to Date Value Added

<table>
<thead>
<tr>
<th></th>
<th>Portfolio</th>
<th>Policy</th>
<th>From Asset Allocation</th>
<th>From Security Selection</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>More Correlated and Constrained</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade</td>
<td>-6.47%</td>
<td>-2.80%</td>
<td>0.87%</td>
<td>-1.01%</td>
<td>-0.14%</td>
</tr>
<tr>
<td>Credit-Related</td>
<td>-12.15%</td>
<td>-23.60%</td>
<td>0.23%</td>
<td>-0.30%</td>
<td>-0.07%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-54.05%</td>
<td>-55.35%</td>
<td>0.10%</td>
<td>0.28%</td>
<td>0.38%</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>-47.43%</td>
<td>-44.80%</td>
<td>0.09%</td>
<td>-0.15%</td>
<td>-0.06%</td>
</tr>
<tr>
<td>Developed Country</td>
<td>-40.87%</td>
<td>-43.55%</td>
<td>0.34%</td>
<td>0.64%</td>
<td>0.98%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>-50.43%</td>
<td>-47.28%</td>
<td>0.17%</td>
<td>-0.22%</td>
<td>-0.05%</td>
</tr>
<tr>
<td>Total More Correlated and Constrained</td>
<td>-28.08%</td>
<td>-29.46%</td>
<td>1.45%</td>
<td>-0.41%</td>
<td>1.04%</td>
</tr>
<tr>
<td>Less Correlated and Constrained</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-15.53%</td>
<td>-19.40%</td>
<td>-0.22%</td>
<td>1.19%</td>
<td>0.97%</td>
</tr>
<tr>
<td>Private Investments</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>-24.93%</td>
<td>-26.94%</td>
<td>1.23%</td>
<td>0.78%</td>
<td>2.01%</td>
</tr>
</tbody>
</table>

Deviations From Asset Class Policy Targets Within Tactical Policy Ranges for ITF

Deviations From Investment Type Policy Targets Within Tactical Policy Ranges for ITF

Intermediate Term Fund
Actual Illiquidity vs. Trigger Zones
### Summary Investment Report at February 28, 2009

Report prepared in accordance with Texas Education Code Sec. 51.0032

<table>
<thead>
<tr>
<th>ASSET TYPES</th>
<th>CURRENT PURPOSE</th>
<th>ENDOWMENT &amp; ANNuity &amp; LIFE</th>
<th>ANNUITY &amp; LIFE INCOME FUNDS</th>
<th>ANNUITY &amp; LIFE INCOME FUNDS</th>
<th>AGENCY FUNDS</th>
<th>TOTAL EXCLUDING OPERATING FUNDS</th>
<th>OPERATING FUNDS (SHORT TERM FUND)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DESIGNED</td>
<td>RESTRICTED</td>
<td>SIMILAR FUNDS</td>
<td>INCOME FUNDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Equivalents:</td>
<td>BOOK</td>
<td>MARKET</td>
<td>BOOK</td>
<td>MARKET</td>
<td>ENDOWMENT &amp; ANNUITY &amp; LIFE</td>
<td>BOOK</td>
<td>MARKET</td>
<td>ANNUITY &amp; LIFE INCOME FUNDS</td>
</tr>
<tr>
<td>Beginning value 11/30/08</td>
<td>53</td>
<td>53</td>
<td>2,326</td>
<td>2,326</td>
<td>51,523</td>
<td>51,523</td>
<td>1,588</td>
<td>1,588</td>
</tr>
<tr>
<td>Increase/(Decrease)</td>
<td>(47)</td>
<td>(47)</td>
<td>(215)</td>
<td>(215)</td>
<td>3,154</td>
<td>3,154</td>
<td>265</td>
<td>265</td>
</tr>
<tr>
<td>Ending value 02/28/09</td>
<td>6</td>
<td>6</td>
<td>2,111</td>
<td>2,111</td>
<td>54,677</td>
<td>54,677</td>
<td>1,853</td>
<td>1,853</td>
</tr>
</tbody>
</table>

### Debt Securities:

| Beginning value 11/30/08 | 6,522 | 529 | 469 | 30,382 | 22,689 | 24,369 | 15,844 | - | - | 23,625 | 24,017 | - | - | 23,625 | 24,017 |
| Increase/(Decrease) | - | - | - | (548) | (425) | 4,368 | 3,725 | - | - | 3,820 | 3,301 | - | - | 3,820 | 3,301 |

### Equity Securities:

| Beginning value 11/30/08 | 17 | 6,575 | 3,954 | 3,897 | 93,818 | 86,593 | 37,734 | 28,939 | 3,961 | 3,961 | 139,537 | 129,965 | 1,532,996 | 1,532,996 | 1,672,533 | 1,662,961 |
| Increase/(Decrease) | - | (3,034) | (66) | (51) | (2,122) | (4,448) | (5,360) | (5,377) | (7,548) | (12,910) | - | - | (7,548) | (12,910) |

### Other:

| Beginning value 11/30/08 | - | - | 834 | 834 | 9 | 9 | 321 | 130 | 265 | 265 | 1,429 | 1,238 | - | - | 1,429 | 1,238 |
| Increase/(Decrease) | - | - | (464) | (464) | (1) | (1) | 16 | 4 | 172 | 172 | (277) | (289) | - | - | (277) | (289) |
| Ending value 02/28/09 | - | - | 370 | 370 | 8 | 8 | 337 | 134 | 437 | 437 | 1,152 | 949 | - | - | 1,152 | 949 |

### Total Assets:

| Beginning value 11/30/08 | 70 | 6,575 | 3,954 | 3,897 | 93,818 | 86,593 | 37,734 | 28,939 | 3,961 | 3,961 | 139,537 | 129,965 | 1,532,996 | 1,532,996 | 1,672,533 | 1,662,961 |
| Increase/(Decrease) | (47) | (3,031) | (745) | (729) | 483 | (1,720) | (711) | (1,383) | 2,319 | 2,319 | 1,299 | (4,594) | 74,642 | 74,642 | 79,946 | 70,048 |
| Ending value 02/28/09 | 23 | 3,494 | 3,209 | 3,168 | 94,301 | 84,873 | 37,023 | 27,556 | 6,280 | 6,280 | 140,836 | 125,371 | 1,607,638 | 1,607,638 | 1,748,474 | 1,733,009 |

Details of individual assets by account furnished upon request.
8. **U. T. System: Discussion with representative chief business officers of U. T. System health institutions regarding the business challenges and opportunities of partnership contracts and relationships**

**PURPOSE**

Executive Vice Chancellor Kelley; Mr. Kevin Dillon, Executive Vice President, Chief Operating and Financial Officer at U. T. Health Science Center – Houston; and Mr. John Roan, Executive Vice President for Business Affairs at U. T. Southwestern Medical Center – Dallas, will lead a discussion regarding the business challenges and opportunities of partnership contracts and relationships that may be present for all U. T. System health institutions in these difficult economic times.
TABLE OF CONTENTS
FOR
ACADEMIC AFFAIRS COMMITTEE

Committee Meeting: 5/13/2009

Convene

1. U. T. Arlington: Authorization to enter into an agreement with and grant easements to the City of Arlington pertaining to approximately 5.392 acres on the U. T. Arlington campus along and near S. Center Street, Arlington, Tarrant County, Texas, to permit the design and construction of a pedestrian plaza and hiking trail as amenities for the east side of the U. T. Arlington campus, including the future Special Events Center

2. U. T. Dallas and U. T. Permian Basin: Authorization to grant licenses to Oncor Electric Delivery Company LLC, a Delaware limited liability company, to permit the licensee to place electrical distribution facilities on portions of the respective campuses to serve campus facilities

3. U. T. Austin: Approval of creation and honorific naming of the Lady Bird Johnson Center and renaming of the Lyndon B. Johnson Auditorium as the Lady Bird Johnson Auditorium

4. U. T. Austin: Approval of honorific naming of the Center for the Study of Core Texts and Ideas as the Thomas Jefferson Center for the Study of Core Texts and Ideas

5. U. T. System: Discussions on academic leadership matters related to interinstitutional collaboration

Adjourn

*Pending approval by Board

Board Meeting: 5/14/2009

Austin, Texas

Committee Meeting
Board Meeting
Page
3:15 p.m. Chairman Longoria
3:15 p.m. Action President Spaniolo
3:18 p.m. Action President Daniel
3:21 p.m. Action President Powers
3:26 p.m. Action President Powers
3:31 p.m. Discussion Dr. Prior
4:15 p.m.

42
45
46
47
48
4
1. **U. T. Arlington:** Authorization to enter into an agreement with and grant easements to the City of Arlington pertaining to approximately 5.392 acres on the U. T. Arlington campus along and near S. Center Street, Arlington, Tarrant County, Texas, to permit the design and construction of a pedestrian plaza and hiking trail as amenities for the east side of the U. T. Arlington campus, including the future Special Events Center

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Arlington, to

a. enter into an agreement with and grant easements for a 20-year term to the City of Arlington pertaining to approximately 5.392 acres on the U. T. Arlington campus along and near S. Center Street, Arlington, Tarrant County, Texas, to permit the design and construction of a pedestrian plaza and hiking trail as amenities for the east side of the U. T. Arlington campus, including the future Special Events Center; and

b. authorize the Executive Director of Real Estate to execute the agreement and the easements together with all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

**BACKGROUND INFORMATION**

U. T. Arlington and the City of Arlington (City) propose to jointly undertake the design and construction of a pedestrian plaza and hiking trail as part of a sustainable development project. Funding for this project is expected to come from grants from the North Central Texas Council of Governments (COG) and the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program. U. T. Arlington will grant easements to the City of Arlington for the location of the plaza and hiking trail and will contribute a maximum of $575,275 to the construction costs. COG and HUD will contribute the remaining construction costs, with the COG amount not to exceed $2,301,100. The amount to be contributed by HUD is yet to be determined.
The amenities to be constructed for the project include a landscaped pedestrian plaza and an approximately six-foot wide paved and lighted pedestrian way parallel to S. Center Street, UTA Boulevard, and Pecan Street. The project is near the U. T. Arlington Special Events Center that is to be constructed.

The City of Arlington will bid and enter into a contract or contracts for the construction of the project. Schrickel Rollins and Associates has been retained by the institution and the City to serve as the landscape architect and to prepare the plans for the project. The City will be responsible for interfacing with COG and HUD, paying the contractors for the costs of construction, and securing reimbursement for construction costs from COG and HUD.

The easements for the pedestrian plaza and hiking trail will each have a 20-year term. The easement for the pedestrian plaza will contain an early termination right in favor of U. T. Arlington upon the institution's payment of unamortized construction costs as determined on a straightline basis. U. T. Arlington will be responsible for maintenance of the pedestrian plaza and will apply its rules and regulations to the plaza.

Details of this transaction are summarized in the transaction summary below.

**Transaction Summary**

<table>
<thead>
<tr>
<th>Institution:</th>
<th>U. T. Arlington</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Transaction:</td>
<td>Easements for a 20-year term for pedestrian plaza and hiking trail</td>
</tr>
<tr>
<td>Total Area:</td>
<td>Approximately 5.392 acres</td>
</tr>
<tr>
<td>Improvements:</td>
<td>Pedestrian plaza and hiking trail to be constructed by the Grantee</td>
</tr>
<tr>
<td>Location:</td>
<td>U. T. Arlington campus along and near S. Center Street, Arlington, Tarrant County, Texas (see map on following page)</td>
</tr>
<tr>
<td>Grantee:</td>
<td>City of Arlington</td>
</tr>
<tr>
<td>Intended Use:</td>
<td>Amenity for east side of campus adjacent to planned Special Events Center</td>
</tr>
</tbody>
</table>
2. **U. T. Dallas and U. T. Permian Basin: Authorization to grant licenses to Oncor Electric Delivery Company LLC, a Delaware limited liability company, to permit the licensee to place electrical distribution facilities on portions of the respective campuses to serve campus facilities**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and Presidents Daniel and Watts that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Dallas and U. T. Permian Basin, to

a. grant licenses to Oncor Electric Delivery Company LLC, a Delaware limited liability company, to permit the licensee to place electrical distribution facilities on portions of the respective campuses to serve campus facilities; and

b. authorize the Executive Director of Real Estate to execute the licenses and such other related documents, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

**BACKGROUND INFORMATION**

Authorization is being sought to grant licenses as described below to facilitate campus construction projects:

**U. T. Dallas:** To grant a license to Oncor Electric Delivery Company LLC, a Delaware limited liability company, to permit the licensee to place electrical distribution facilities on the U. T. Dallas campus north of Synergy Park Boulevard and near the southwest corner of Synergy Park Boulevard and Rutford Avenue, Richardson, Collin County, Texas, to expand the capacity of the electrical service to the campus.

**U. T. Permian Basin:** To grant a license to Oncor Electric Delivery Company LLC, a Delaware limited liability company, to permit the licensee to place electrical distribution facilities on a portion of the institution’s 69.3-acre site located at the southeast corner of FM 1788 and State Highway 191, Midland, Midland County, Texas, to provide for permanent electrical service to The Wagner Noël Performing Arts Center, now under construction on the site. The facility is scheduled to be completed and begin occupancy in October 2011.
3. **U. T. Austin: Approval of creation and honorific naming of the Lady Bird Johnson Center and renaming of the Lyndon B. Johnson Auditorium as the Lady Bird Johnson Auditorium**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and President Powers that the U. T. System Board of Regents approve the creation and honorific naming of the Lady Bird Johnson Center and the renaming of the Lyndon B. Johnson (LBJ) Auditorium at U. T. Austin as the Lady Bird Johnson Auditorium.

**BACKGROUND INFORMATION**

The Lyndon Baines Johnson (LBJ) Library and Museum, located at 2313 Red River Street, was originally dedicated May 22, 1971. The building and grounds are currently undergoing extensive renovation and improvement to address condition and compliance issues. The plaza around the library will have the fountains replaced with gardens and landscape features to create a more inviting environment around the complex. The LBJ Auditorium is not part of the LBJ Library and thus is a U. T. Austin, rather than a federal, facility located beneath the LBJ Library. The Auditorium is used for lectures, forums, and events, both for U. T. Austin students and the public. Upgrades have been made to the audiovisual system and acoustics, and the flooring, ceiling treatments, and seating have been replaced. Two new classroom spaces have been built next to the Auditorium for use by the Library.

As proposed, the plaza-level garden areas, the LBJ Auditorium, and the new classrooms will collectively be named the Lady Bird Johnson Center. This Center will act as a functional bridge between the LBJ Library and the LBJ School of Public Affairs. To better unite and define the area of the Lady Bird Johnson Center, it is proposed that the LBJ Auditorium be renamed as the Lady Bird Johnson Auditorium. The Johnson family and the LBJ Library leadership have given their approval of these namings.

Lady Bird Johnson (Mrs. Claudia Taylor Johnson) was the wife of Lyndon Baines Johnson, the 36th President of the United States. A U. T. Austin alumna, she served on the U. T. System Board of Regents from 1971 to 1977. She played a key role in the plans to build the LBJ Library and Museum and the LBJ School of Public Affairs. In 1982, Mrs. Johnson co-founded the National Wildflower Research Center, which has since been renamed the Lady Bird Johnson Wildflower Center and adopted by U. T. Austin as an organized research unit.

The proposed naming is consistent with the Regents' *Rules and Regulations*, Rule 80307, relating to the honorific naming of facilities, as a tribute to the life and works of Lady Bird Johnson.
4. **U. T. Austin: Approval of honorific naming of the Center for the Study of Core Texts and Ideas as the Thomas Jefferson Center for the Study of Core Texts and Ideas**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and President Powers that the U. T. System Board of Regents approve the honorific naming of the Center for the Study of Core Texts and Ideas at U. T. Austin as the Thomas Jefferson Center for the Study of Core Texts and Ideas.

**BACKGROUND INFORMATION**

The Center for the Study of Core Texts and Ideas, formerly the Program in Western Civilizations and American Institutions, is located within the College of Liberal Arts.

The aim of the Center is to realize President Thomas Jefferson's vision of educating citizens and leaders to understand the meaning of liberty and to exercise it wisely. The Center embraces President Jefferson's conviction that one of the best ways to attain a liberal education, an education suited for a free individual in a free society, is through a serious study of the great books. In courses offered through the Center, students engage in a direct, respectful, but probing and critical study of major creative and theoretical works that have shaped human thought and history. The texts studied include major works of philosophy, religion, history, and literature, seminal writings in the sciences and social sciences, works of art, and major political documents and speeches. These works are distinguished both by their depth of insight of creative originality and by their influence on subsequent thought or history.

Thomas Jefferson (1743-1826) served as third President of the United States (1801-1809) and was the principal author of the Declaration of Independence. He wrote the Virginia Bill for the More General Diffusion of Knowledge (1778), which in a much revised version years later (1796) became a Virginia law as the Act to Establish Public Schools. He also wrote the Virginia Act for Establishing Religious Freedom (1786). He founded the University of Virginia, for which he chose all of the books in the library, defined the curriculum, and selected the faculty. Throughout his life, President Jefferson actively promoted education. It was he who commented that it “is impossible for a man who takes a survey of what is already known not to see what an immensity in every branch of science yet remains to be discovered . . .” His own library contained works from ancient writers (e.g., Aristotle, Homer, Thucydides) to works of what he called "the three greatest men the world has ever produced" (namely, Francis Bacon, Isaac Newton, and John Locke), to writers of his time. Included were books on history, philosophy, science, mathematics, ethics, religion, jurisprudence, literature, and fine arts. The 6,487 volumes that Congress acquired from him in 1815 became the kernel
of the Library of Congress. By adopting his name, the Center for the Study of Core Texts and Ideas wishes to communicate that the basic mission of the Center is a civic one and to acknowledge that it shares President Jefferson's vision of the contents of a good civic education.

In addition to course offerings, the Center offers a junior fellows program for undergraduates, teaching assistantships for graduate students, and postdoctoral teaching fellowships for young scholars committed to the interdisciplinary teaching of the great books. Beyond its academic programs, the Center also sponsors a lecture series for the university community and general public and outreach programs for local teachers and business and community leaders.

The proposed naming is consistent with the Regents' Rules and Regulations, Rule 80307, relating to the honorific naming of centers.

5. **U. T. System: Discussions on academic leadership matters related to interinstitutional collaboration**

   **PURPOSE**

   Executive Vice Chancellor Prior will lead a presidential discussion and engagement with the Board of Regents on topics relating to interinstitutional collaboration.
TABLE OF CONTENTS
FOR
HEALTH AFFAIRS COMMITTEE

Committee Meeting: 5/13/2009
Board Meeting: 5/14/2009
Austin, Texas

Colleen McHugh, Chairman*
James D. Dannenbaum
Janiece Longoria
Wm. Eugene Powell

<table>
<thead>
<tr>
<th>Committee Meeting</th>
<th>Board Meeting</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convene</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. U. T. M. D. Anderson Cancer Center: Authorization to purchase Lot 2, Block 23, Institute Place Subdivision, Houston, Harris County, Texas, from Ms. Rosalyn Sadberry and any successors and assigns or other persons who may be determined to hold all or part of an interest in such land, for a purchase price not to exceed fair market value as established by an independent appraisal, for future use for campus administrative and support functions</td>
<td>4:15 p.m.</td>
<td>Action 49</td>
</tr>
<tr>
<td></td>
<td>Chairman</td>
<td>President Mendelsohn</td>
</tr>
<tr>
<td></td>
<td>McHugh</td>
<td>Ms. Mayne</td>
</tr>
<tr>
<td>2. U. T. Medical Branch – Galveston: Approval of a Ph.D. degree program in Rehabilitation Sciences</td>
<td>4:20 p.m.</td>
<td>Action 52</td>
</tr>
<tr>
<td></td>
<td>Action</td>
<td>President Callender</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dr. Shine</td>
</tr>
<tr>
<td>3. U. T. System: Discussion concerning the impact of the economic downturn on U. T. System health institutions</td>
<td>4:30 p.m.</td>
<td>Discussion 54</td>
</tr>
<tr>
<td></td>
<td>Discussion</td>
<td>Not on Agenda</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dr. Shine</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presidents</td>
</tr>
<tr>
<td>4. U. T. System: Discussion regarding the impact of federal legislation, including the economic stimulus package, and impending federal regulatory changes on U. T. System health institutions</td>
<td>4:45 p.m.</td>
<td>Discussion 54</td>
</tr>
<tr>
<td></td>
<td>Discussion</td>
<td>Not on Agenda</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dr. Shine</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presidents</td>
</tr>
<tr>
<td>5. U. T. System: Quarterly report on health matters, including educational initiatives in the health sciences, conflict of interest policies and programs, and electronic health record challenges</td>
<td>5:00 p.m.</td>
<td>Report 54</td>
</tr>
<tr>
<td></td>
<td>Report</td>
<td>Not on Agenda</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dr. Shine</td>
</tr>
<tr>
<td>Adjourn</td>
<td>5:15 p.m.</td>
<td></td>
</tr>
</tbody>
</table>

*Pending approval by Board
1. **U. T. M. D. Anderson Cancer Center: Authorization to purchase Lot 2, Block 23, Institute Place Subdivision, Houston, Harris County, Texas, from Ms. Rosalyn Sadberry and any successors and assigns or other persons who may be determined to hold all or part of an interest in such land, for a purchase price not to exceed fair market value as established by an independent appraisal, for future use for campus administrative and support functions**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Mendelsohn that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. M. D. Anderson Cancer Center, to

a. purchase Lot 2, Block 23, Institute Place Subdivision, Houston, Harris County, Texas, from Ms. Rosalyn Sadberry and any successors and assigns or other persons who may be determined to hold all or part of an interest in such land, for a purchase price not to exceed fair market value as established by an independent appraisal, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for future use for campus administrative and support functions; and

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

**BACKGROUND INFORMATION**

Acquisition of the subject property is part of the land assemblage in the east campus area being undertaken by U. T. M. D. Anderson Cancer Center to accommodate the relocation of important, but noncritical, functions that will allow greater use of core facilities in the Texas Medical Center for patient treatment and research.

U. T. M. D. Anderson Cancer Center has concluded that the main campus in the Texas Medical Center and south campus should be reserved for use for research and critical patient care functions. Accordingly, many administrative and support activities currently in the main and south campuses will be relocated to the area in which the subject property and adjacent tracts are located to allow expansion of the research and patient care functions on the main and south campuses.
Details of this acquisition, which will be funded with Local Hospital Revenues, are summarized in the transaction summary below.

**Transaction Summary**

<table>
<thead>
<tr>
<th>Institution</th>
<th>U. T. M. D. Anderson Cancer Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Transaction</td>
<td>Purchase</td>
</tr>
<tr>
<td>Total Area</td>
<td>Approximately 5,000 square feet, plus adjoining streets and alley</td>
</tr>
<tr>
<td>Improvements</td>
<td>None</td>
</tr>
<tr>
<td>Location</td>
<td>Lot 2, Block 23, Institute Place Subdivision, Houston, Harris County, Texas (see map on following page)</td>
</tr>
<tr>
<td>Seller</td>
<td>Ms. Rosalyn Sadberry and any successors and assigns or other persons who may be determined to hold all or part of an interest in such land</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>Not to exceed fair market value as established by an independent appraisal</td>
</tr>
<tr>
<td>Appraised Value</td>
<td>$140,000 (Edward B. Schulz &amp; Co., April 6, 2009)</td>
</tr>
<tr>
<td>Source of Funds</td>
<td>Local Hospital Revenues</td>
</tr>
<tr>
<td>Intended Use</td>
<td>Campus administrative and support functions</td>
</tr>
</tbody>
</table>
2. **U. T. Medical Branch – Galveston: Approval of a Ph.D. degree program in Rehabilitation Sciences**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Callender that authorization, pursuant to the Regents' *Rules and Regulations*, Rule 40307, related to academic program approval standards, be granted to

a. establish a Ph.D. degree program in Rehabilitation Sciences in the Graduate School of Biomedical Sciences at U. T. Medical Branch – Galveston; and

b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

**BACKGROUND INFORMATION**

**Program Description**

The Graduate School of Biomedical Sciences (GSBS) at U. T. Medical Branch – Galveston wishes to implement a Ph.D. degree program in Rehabilitation Sciences. The proposed doctoral program evolved from a curriculum in rehabilitation sciences that is currently part of the Graduate School's Program in Preventive Medicine and Community Health (PMCH). The PMCH program has been offered since 2001 to provide students with foundational knowledge and skills to advance rehabilitation science and foster research experiences, and training to improve the functional performance and quality of life for persons with disabilities and chronic disease. The new Ph.D. program would continue to be administered through PMCH as an interdisciplinary research degree rather than as a clinical or practice doctoral degree.

**Need and Student Demand**

The development of advanced graduate programs in rehabilitation science in the United States has expanded substantially in recent years, with approximately 16 doctoral programs nationwide. However, there is no Rehabilitation Sciences Ph.D. degree program currently offered in Texas, and U. T. Medical Branch – Galveston's PMCH program is the only program offering research training in rehabilitation science. Programs granting M.S. and B.S. degrees in rehabilitation-related fields offer clinical practice degrees and are not designed to train investigators to conduct independent research.
The new Ph.D. degree is planned to increase the number of researchers and physicians in Texas who are formally trained in rehabilitation and disability, and to improve strategies for prevention and treatment of disabilities. The 2007 report of the Institute of Medicine titled *The Future of Disability in America* identified the continuing need to strengthen research capacity and expand scientific knowledge in rehabilitation and disability, and reinforces the necessity for rehabilitation scientists trained in interdisciplinary programs to generate research and contribute to the education of future generations of rehabilitation practitioners and investigators. The need to increase the number of researchers in Texas who are formally trained in rehabilitation sciences is further bolstered by national demographics that suggest an increased population of persons 65 years and older who are more likely to have chronic disease and disabilities limiting their daily activities.

**Program Quality**

For the past 10 years, U. T. Medical Branch – Galveston has been developing the infrastructure, funding, and research teams necessary to implement a curriculum of independent graduate studies planned to provide the resources and research environment necessary to train the rehabilitation scientists of the future. The success of the institution's efforts recently received national recognition in the *Chronicle of Higher Education* (June 2007), which ranked U. T. Medical Branch – Galveston's rehabilitation sciences curriculum eighth in the United States in faculty productivity and research related to rehabilitation science based on an analysis of 375 graduate programs in kinesiology, exercise science, and rehabilitation science.

The core faculty currently includes 32 members from various academic departments including occupational therapy, physical therapy, internal medicine, geriatrics, surgery, endocrinology, orthopedic surgery and rehabilitation, and preventive medicine and community health. Interest in enrollment has been steady. Since its inception in 2001, 39 students have applied, 25 students have been accepted, and 10 Ph.D. degrees have been conferred to students completing the PMCH rehabilitation sciences curriculum. Funded rehabilitation research activity has expanded substantially over the past eight years, with significant increases in the number of externally funded awards received by core rehabilitation sciences faculty members.

The proposed Ph.D. degree in Rehabilitation Sciences has been endorsed by the appropriate institutional committees, including U. T. Medical Branch – Galveston's GSBS Executive Committee, Council of Academic Deans, and Council of Deans.

**Program Cost**

For the past eight years, faculty and staff salaries, benefits, and general operating costs have been integrated into existing budgets for the Department of Preventive Medicine and Community Health, the Division of Rehabilitation Sciences, and the Center for Rehabilitation Sciences. Graduate student stipends, tuition and fees, travel, and
research-related expenses have been budgeted within National Institutes of Health (NIH) training and research grants, the Center for Rehabilitation Sciences, endowment accounts, and other faculty-generated sources.

U. T. Medical Branch – Galveston will continue to support the majority of costs through reallocation, and will fund the new costs estimated at $136,562 for year one and $140,659 for year two through the Center for Rehabilitation Sciences, endowment, and grant funds. The institution is requesting legislative appropriation for the new costs for years three through five.

3. **U. T. System: Discussion concerning the impact of the economic downturn on U. T. System health institutions**

**PURPOSE**

Executive Vice Chancellor Shine and the U. T. System health institution presidents will discuss the impact of the economic downturn on the health institutions.

4. **U. T. System: Discussion regarding the impact of federal legislation, including the economic stimulus package, and impending federal regulatory changes on U. T. System health institutions**

**PURPOSE**

Executive Vice Chancellor Shine and the U. T. System health institution presidents will discuss the impact of federal legislation, including the economic stimulus package, and impending federal regulatory changes on the health institutions.

5. **U. T. System: Quarterly report on health matters, including educational initiatives in the health sciences, conflict of interest policies and programs, and electronic health record challenges**

**REPORT**

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System, including educational initiatives in the health sciences, conflict of interest policies and programs, and electronic health record challenges. This is a quarterly update to the Health Affairs Committee of the U. T. System Board of Regents.
TABLE OF CONTENTS
FOR
FACILITIES PLANNING AND CONSTRUCTION
COMMITTEE

Committee Meeting: 5/13/2009
Board Meeting: 5/14/2009
Austin, Texas

Printice Gary, Chairman*
James D. Dannenbaum
R. Steven Hicks
Wm. Eugene Powell

<table>
<thead>
<tr>
<th>Committee Meeting</th>
<th>Board Meeting</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2:15 p.m.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman Gary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Convene

Report

   2:15 p.m. Report Mr. O'Donnell Not on Agenda 55

Additions to the Capital Improvement Program

2. U. T. Arlington: Special Events Center (SEC) Parking Garage and Residence Hall - Amendment of the FY 2009-2014 Capital Improvement Program to include project (Preliminary Board approval)
   2:20 p.m. Action Mr. O'Donnell Action 55

3. U. T. Austin: Clark Field Renovation - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)
   2:24 p.m. Action Mr. O'Donnell Action 56

4. U. T. Austin: Outdoor Pool - Amendment of the FY 2009-2014 Capital Improvement Program to include project (Preliminary Board approval)
   2:29 p.m. Action Mr. O'Donnell Action 58

5. U. T. Austin: Whitaker Fields and Tennis Complex Renovation - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)
   2:33 p.m. Action Mr. O'Donnell Action 59

6. U. T. Dallas: Campus Services and Bookstore Building - Amendment of the FY 2009-2014 Capital Improvement Program to include project (Preliminary Board approval)
   2:38 p.m. Action Mr. O'Donnell Action 60

*Pending approval by Board
7. U.T. Dallas: Callier Center Renovations - Amendment of the FY 2009-2014 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)

2:42 p.m.  
Action  
Mr. O’Donnell

8. U.T. Dallas: Repairs and Major Maintenance of the Student Union - Amendment of the FY 2009-2014 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)

2:46 p.m.  
Action  
Mr. O’Donnell

9. U.T. El Paso: University Housing Expansion - Schuster Avenue Apartments - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt (Final Board approval)

2:51 p.m.  
Action  
Mr. O’Donnell

10. U.T. Southwestern Medical Center – Dallas: Remodel Level 8 St. Paul University Hospital - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)

2:55 p.m.  
Action  
Mr. O’Donnell

Design Development Approvals

11. U. T. Austin: MSI-NERR Headquarters and Laboratory Expansion - Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

3:00 p.m.  
Action  
Mr. O’Donnell

12. U. T. M. D. Anderson Cancer Center: Mid Campus Parking Facility - Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

3:05 p.m.  
Action  
Mr. O’Donnell
13. U. T. Health Science Center – Tyler: Academic Center – Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; redesignation as Phase I; allocation of Permanent University Fund Bond Proceeds; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

Modification to the Capital Improvement Program

14. U. T. M. D. Anderson Cancer Center: Pawnee Infrastructure Development - Amendment of the FY 2009-2014 Capital Improvement Program to increase total project cost and appropriation of funds and authorization of expenditure (Final Board approval)

Adjourn

<table>
<thead>
<tr>
<th>Committee Meeting</th>
<th>Board Meeting</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3:10 p.m.</td>
<td>Action 73</td>
<td>Mr. O'Donnell</td>
</tr>
<tr>
<td>3:15 p.m.</td>
<td>Action 76</td>
<td>Mr. O'Donnell</td>
</tr>
<tr>
<td>3:15 p.m.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

iii
1. **U. T. System: Impact of current economic trends on construction costs**

   **REPORT**

   Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will report on the impact of current economic trends on construction costs.

   Despite the unique resiliency of the State's economy, the current economic slowdown is affecting the U. T. System Capital Program. A short report will highlight some of the trends and associated impacts and future trends will be discussed.

2. **U. T. Arlington: Special Events Center (SEC) Parking Garage and Residence Hall - Amendment of the FY 2009-2014 Capital Improvement Program to include project (Preliminary Board approval)**

   **RECOMMENDATION**

   The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Special Events Center (SEC) Parking Garage and Residence Hall project at The University of Texas at Arlington as follows:

   **Project No.:** 301-493  
   **Project Delivery Method:** Design/Build  
   **Substantial Completion Date:** July 2012  
   **Total Project Cost:**  
   - **Source** Revenue Financing System Bond Proceeds  
   - **Proposed** $67,000,000  
   
   **Investment Metrics:** By 2012
   - Increase on-campus housing to aid total enrollment due to affordability
   - Retail and commercial space will bring needed amenities
   - Increase parking spaces on campus for faculty, staff, students, visitors, and event participants
   - Additional on-campus housing will increase student retention rate from freshman to sophomore year

   **BACKGROUND INFORMATION**

   The project consists of a 1,800 space parking structure to support the Special Events Center (SEC) and a connected residence hall structure wrapping three sides of the
parking structure. The residence hall will support the college town concept for this area of campus as presented in the Campus Master Plan. A total of 122,328 gross square feet (GSF) with 241 residence rooms plus 15 resident assistant rooms are included. Additional amenities will include laundry and vending areas, food preparation rooms, study rooms, multiuse common space, and a resident hall director’s apartment and office. In further support of this concept, 8,000 GSF of retail space will be provided on the first floor of the residence hall. The retail space will be capable of supporting commercial, restaurant, or office tenants. Also, 6,800 GSF of ground level shell office space is included, which may be utilized for campus offices or for private leasing.

The project will border and complement the City of Arlington's Center Street Pedestrian Trail project that will include pedestrian amenities such as nodes with benches along with artwork that will feature U. T. Arlington's historical narratives. A University police satellite office will be located within the residence hall. Funds are included for utility infrastructure improvements on West Second Street between South Pecan and South Center Streets. This block will be abandoned by the City of Arlington, become U. T. Arlington property, and be upgraded to an architecturally appealing plaza. The combined projects will bring an attractive and definitive boundary to the east border of the campus.

This proposed 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 for approval to the Board at a later date.

3. U. T. Austin: Clark Field Renovation - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Clark Field Renovation project at The University of Texas at Austin as follows:

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Delivery Method:</th>
<th>Substantial Completion Date:</th>
<th>Total Project Cost:</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-487</td>
<td>Construction Manager at Risk</td>
<td>April 2012</td>
<td>Source Gifts Proposed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$5,000,000</td>
<td></td>
</tr>
</tbody>
</table>
a. approve a total project cost of $5,000,000 with funding from Gifts; and
b. appropriate funds.

BACKGROUND INFORMATION

Project Description

In 1904, the Varsity Athletic field located at 24th Street and Speedway was renamed Clark Field, honoring Judge James Benjamin Clark, who served as proctor for U. T. Austin from 1885 until his death in 1908. In 1974, Clark Field was closed to make way for developing the College of Fine Arts. At the same time, the then existing Freshman Field, located along Waller Creek south of 21st Street, was officially renamed Clark Field and has served as a multipurpose outdoor field venue.

Clark Field is a unique and heavily used venue on the U. T. Austin campus that is in need of infrastructure upgrades and modernization. The four-acre outdoor facility is the last open space on central campus, serving the areas of recreation, academics, public service, and community-building.

The proposed Clark Field renovation will replace the existing natural grass with an artificial turf system; re-contour the field area to improve the grading and maximize the playing surface for the sports of lacrosse, flag football, and ultimate disc; refurbish the existing track and exercise stations; replace the existing sports lighting; add bleacher seating; and provide support facilities. Additional amenities will include a pedestrian bridge across Waller Creek, protective sports netting, scoreboards, and a new public address system.

The renovation will enhance the site’s existing natural beauty along the creek, manicuring the planted edges and maximizing the open green space. The artificial turf and improved drainage will significantly increase the availability of Clark Field, as the field will not have to be closed as often during periods of inclement weather. The renovation will make the site more visible and better connected to the remainder of campus by providing improved circulation and adding a pedestrian bridge across Waller Creek at the north end of the site.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the Chancellor at a later date.
4. **U. T. Austin: Outdoor Pool - Amendment of the FY 2009-2014 Capital Improvement Program to include project (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Outdoor Pool project at The University of Texas at Austin as follows:

- **Project No.:** 102-489
- **Project Delivery Method:** Design/Build
- **Substantial Completion Date:** October 2011
- **Total Project Cost:**
  - Source
  - Gifts: $4,800,000
- **Investment Metrics:**
  - By 2011:
    - Add flexible pool space for use during routine maintenance and outages
    - Increase the water space by 50% to allow for additional classroom and practice space

**BACKGROUND INFORMATION**

The scope of the project will include an outdoor aboveground pool for men's and women's swim team training. Decking, lighting, security walls, gates, landscaping, irrigation, and a pump system will be included to support the pool. The proposed location will be on the west side of the Lee and Joe Jamail Texas Swimming Center in the grass area just east of Trinity Street.

Approximately 1,200 university students, faculty, and staff, as well as members of the Austin community use the Lee and Joe Jamail Swimming Center each day. Addition of the outdoor pool will benefit students by having more water space for use during training and will take some of the burden off the main pool and allow more time for use by all the user groups. Currently, the user groups utilizing the Swimming Center include Men's Swimming and Diving, Women's Swimming and Diving, Kinesiology and Health Education, and Longhorn Aquatics. In addition, other swim meets are held at the Swimming Center such as the University Interscholastic League (UIL) State Championships and other national youth and collegiate meets. The addition of the outdoor pool will benefit all groups and encourage a greater participation level than is currently possible.
This proposed 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 for approval to the Board at a later date.

5. **U. T. Austin: Whitaker Fields and Tennis Complex Renovation - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Whitaker Fields and Tennis Complex Renovation project at The University of Texas at Austin as shown on the following page:

<table>
<thead>
<tr>
<th>Project No.</th>
<th>102-488</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Delivery Method</td>
<td>Construction Manager at Risk</td>
</tr>
<tr>
<td>Substantial Completion Date</td>
<td>July 2015</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>Source</td>
</tr>
<tr>
<td>Gifts</td>
<td>$23,000,000</td>
</tr>
<tr>
<td>a.</td>
<td>approve a total project cost of $23,000,000 with funding from Gifts; and</td>
</tr>
<tr>
<td>b.</td>
<td>appropriate funds.</td>
</tr>
</tbody>
</table>

**BACKGROUND INFORMATION**

**Project Description**

The proposed project scope includes restoring existing grass fields and adding synthetic fields; replacing the irrigation, plumbing, electrical, lighting, and security systems; improving the drainage and grading systems; and demolishing and replacing the support facilities. Additional amenities will include new perimeter fencing, protective sports netting, landscaping, tennis court repairs, signage, scoreboards, bleacher seating, and a new public address system.

The Whitaker Fields and Tennis Complex is an important and heavily used venue that is in need of restoration and improvement. The Complex functions as the institution's primary venue for all outdoor field and court sports for the general student population and other members of the campus community, accommodating large participation each year in Recreational Sports' programs including Intramurals, Informal Recreation, and
Sport Clubs. In addition to recreation, the Complex also accommodates a variety of academic classes offered through the Department of Kinesiology and Health Education, along with campus and special events sponsored by U. T. Austin departments and student organizations.

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

6. **U. T. Dallas: Campus Services and Bookstore Building - Amendment of the FY 2009-2014 Capital Improvement Program to include project (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Campus Services and Bookstore Building project at The University of Texas at Dallas as follows:

- **Project No.:** 301-485
- **Project Delivery Method:** Competitive Sealed Proposals
- **Substantial Completion Date:** November 2010
- **Total Project Cost:**
  - Source: Revenue Financing System Bond Proceeds $6,250,000
  - Source: Unexpended Plant Funds $3,000,000
  - Total: $9,250,000
- **Investment Metrics:**
  - By 2010:
    - Support the University’s Strategic Plan Imperative of adding 5,000 full-time equivalent students
    - Strengthen the relationship to the surrounding community by creating another venue that will attract community members to the University campus

**BACKGROUND INFORMATION**

The proposed new Campus Services and Bookstore Building will be a two-story structure housing a vendor-operated retail bookstore facility, a campus visitor center, and other campus services, including a copy center, technology store, and coffee shop. It will be developed in a manner to attract both campus and community customers. Its location adjacent to the existing Student Activity Center will be a focal point on University property. The new building will include exterior features such as attractive parking, an outdoor trellis, and a connector road. The site of the new building, in the
heart of campus at the intersection of Drive A and Rutford Avenue, was selected due to the high level of student traffic through the area as well as its accessibility for community visitors.

The $9,250,000 total project cost includes built-out campus services space; exterior features; a built-out atrium; and shelled bookstore space. The build-out of the shelled bookstore space is expected to be completed by a bookstore operator to be selected through a Request for Proposals (RFP) process to manage and operate the future bookstore. $1,000,000 of Unexpended Plant Funds is expected to be repaid by vendor contract commissions.

This proposed 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 Board for approval at a later date.

7. **U. T. Dallas: Callier Center Renovations - Amendment of the FY 2009-2014 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)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Callier Center Renovations project at The University of Texas at Dallas as follows:

- **Project No.:** 302-496
- **Project Delivery Method:** Competitive Sealed Proposals
- **Institutionally Managed:** Yes ☒ No ☐
- **Substantial Completion Date:** May 2010
- **Total Project Cost:**
  - **Source:** Revenue Financing System Bond Proceeds
  - **Proposed:** $1,250,000

  a. approve a total project cost of $1,250,000 with funding from Revenue Financing System Bond Proceeds;

  b. authorize U. T. Dallas 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. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $1,250,000.

**BACKGROUND INFORMATION**

**Debt Service**

The $1,250,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the $1,250,000 Revenue Financing System debt is expected to be $109,000. The institution's debt service coverage is expected to be at least 1.7 times and average 2.3 times over FY 2009-2014.

**Project Description**

The Callier Center is an important part of U. T. Dallas and plays a vital role in the medical and educational systems of the Dallas/Fort Worth metroplex, serving the needs of those with communication disorders, and providing rich training and research opportunities for students and scientists in the Callier programs. There are three clinical areas represented within the Callier Center: audiology, psychology, and speech-language pathology.

The proposed Callier Center Renovations project involves renovation of interior space including the lobby area of the facility. The project is designed to make the available clinical spaces more productive and to add needed classroom space.

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

8. **U. T. Dallas: Repairs and Major Maintenance of the Student Union - Amendment of the FY 2009-2014 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)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Repairs and Major Maintenance of the Student Union project at The University of Texas at Dallas as follows:

<table>
<thead>
<tr>
<th>Project No.:</th>
<th>302-495</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Delivery Method:</td>
<td>Design/Build</td>
</tr>
<tr>
<td>Institutionally Managed:</td>
<td>Yes ☒ No ☐</td>
</tr>
<tr>
<td>Substantial Completion Date:</td>
<td>September 2009</td>
</tr>
<tr>
<td>Total Project Cost:</td>
<td>Source Revenue Financing System Bond Proceeds Proposed $1,000,000</td>
</tr>
</tbody>
</table>

a. approve a total project cost of $1,000,000 with funding from Revenue Financing System Bond Proceeds;

b. authorize U. T. Dallas 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. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $1,000,000.

BACKGROUND INFORMATION

Debt Service

The $1,000,000 in Revenue Financing System debt will be repaid from student fees. Annual debt service on the $1,000,000 Revenue Financing System debt is expected to be $135,000. Debt service coverage on the project is expected to be at least 1.3 times and average 1.4 times over FY 2009-2014. The student fee that is expected to support the Revenue Financing System debt was approved by the U. T. Dallas student body and approved by the 65th Texas Legislature in 1977.

Project Description

The proposed project will replace the roof of the Student Union as well as various other major maintenance projects such as replacement of aged heating, ventilation, and air conditioning (HVAC) coils and pumps. The roof and certain components of the HVAC system have reached the end of their useful life.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.
9. **U. T. El Paso: University Housing Expansion - Schuster Avenue Apartments - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the University Housing Expansion - Schuster Avenue Apartments project at The University of Texas at El Paso as follows:

- **Project No.:** 201-410
- **Project Delivery Method:** Design/Build
- **Substantial Completion Date:** June 2010
- **Total Project Cost:**
  - Source: Revenue Financing System Bond Proceeds
  - Proposed: $6,500,000
- **Investment Metrics:**
  - By 2010:
    - Renovation will include energy efficient appliances, mechanical and electrical systems, and building materials
    - Housing will increase to include space for at least 200 residents
    - Increasing the availability of student housing will increase enrollment by providing the opportunity for students to reside on campus

a. approve a total project cost of $6,500,000 with funding from Revenue Financing System Bond Proceeds;

b. appropriate funds; and

c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $6,500,000.

BACKGROUND INFORMATION

Debt Service

The $6,500,000 in Revenue Financing System debt will be repaid from rent income. Annual debt service on the $6,500,000 Revenue Financing System debt is expected to be $522,000. Debt service coverage on the project is expected to be at least 1.1 times and average 1.3 times over FY 2011-2016.

Project Description

The proposed project will include renovations and upgrades of two apartment complexes currently owned by U. T. El Paso for conversion to student housing on Schuster Avenue. Currently, Miner Village Student Housing has an inventory of 425 beds and consistently operates at capacity. This project will add approximately 205 beds to the housing inventory.

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

10. **U. T. Southwestern Medical Center – Dallas: Remodel Level 8 St. Paul University Hospital - Amendment of the FY 2009-2014 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Podolsky that the U. T. System Board of Regents amend the FY 2009-2014 Capital Improvement Program (CIP) to include the Remodel Level 8 St. Paul University Hospital project at The University of Texas Southwestern Medical Center at Dallas as shown on the following page.
Project Delivery Method: Competitive Sealed Proposals
Institutionally Managed: Yes ☑ No ☐
Substantial Completion Date: August 2010
Total Project Cost:

<table>
<thead>
<tr>
<th>Source</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Revenues</td>
<td>$9,200,000</td>
</tr>
</tbody>
</table>

Investment Metrics:
- Increase hospital admissions by 5,300 over a six year period beginning in FY 2011
  
a. approve a total project cost of $9,200,000 with funding from Hospital revenues;
  
b. authorize U. T. Southwestern Medical Center – Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
  
c. appropriate funds.

BACKGROUND INFORMATION

Project Description

The Remodel Level 8 St. Paul University Hospital project provides for the complete demolition of the interior space of approximately 27,000 gross square feet, and the creation of a 32-bed medical/surgical nursing unit.

The new nursing unit is needed to address bed capacity constraints anticipated by Fiscal Year 2011. The shortage of medical/surgical beds will result in 12,000 hospital discharges not being accommodated from Fiscal Years 2011-2016. The additional 32 beds will allow the hospital to accommodate 5,300 of these discharges over the six-year period.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Southwestern Medical Center – Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.
11. U. T. Austin: Marine Science Institute-National Estuarine Research Reserve (MSI-NERR) Headquarters and Laboratory Expansion - Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Marine Science Institute-National Estuarine Research Reserve (MSI-NERR) Headquarters and Laboratory Expansion project at The University of Texas at Austin as follows:

Project No.: 102-395
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: December 2010
Total Project Cost:

<table>
<thead>
<tr>
<th>Source</th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>$ 2,500,000</td>
<td>$ 795,000</td>
</tr>
<tr>
<td>Grants</td>
<td>$10,200,000</td>
<td>$ 9,475,000</td>
</tr>
<tr>
<td>Designated Funds</td>
<td>$ 6,500,000</td>
<td>---</td>
</tr>
<tr>
<td>Available University Funds</td>
<td>----</td>
<td>$ 1,600,000</td>
</tr>
<tr>
<td>Revenue Financing System Bond Proceeds</td>
<td>----</td>
<td>$ 9,480,000</td>
</tr>
<tr>
<td></td>
<td><strong>$19,200,000</strong></td>
<td><strong>$21,350,000</strong></td>
</tr>
</tbody>
</table>

Investment Metrics:

- This project will enable the NERR program to work with regional groups and local communities on natural resource management issues such as pollution, invasive species, and habitat restoration by 2010.
- Development of programs to work with K-12 will be enhanced by this project allowing actual field research exercises and assisting grade school teachers in establishing marine science programs within their education system through professional development programs by 2010.
- MSI facilities are fully occupied and dedicated to other uses. The laboratory expansion will include new offices and laboratories to accommodate expansion of faculty at MSI by 2010.

a. amend the FY 2009-2014 Capital Improvement Program (CIP) to increase the total project cost from $19,200,000 to $21,350,000;
b. revise the funding sources from $2,500,000 from Gifts, $10,200,000 from Grants, and $6,500,000 from Designated Funds to $795,000 from Gifts, $9,475,000 from Grants, $1,600,000 from Available University Funds (AUF), and $9,480,000 from Revenue Financing System Bond Proceeds;
c. approve design development plans;

d. appropriate funds and authorize expenditure of funds;

e. approve the evaluation of alternative energy economic feasibility; and

f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

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

- U. T. 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 $9,480,000.

BACKGROUND INFORMATION

Debt Service

The $9,480,000 in aggregate Revenue Financing System debt will be repaid from Gifts as received. Annual debt service on the $9,480,000 Revenue Financing System debt is expected to be $380,000. The institution's debt service coverage is expected to be at least 1.8 times and average 2.3 times over FY 2009-2014. Approximately $350,000 of the aggregate $9,480,000 Revenue Financing System debt proceeds is anticipated to be used for interest expense during construction.

Previous Board Action

On February 7, 2008, the project was included in the CIP with a total project cost of $19,200,000 with funding of $2,500,000 from Gifts, $10,200,000 from Grants, and $6,500,000 from Designated Funds.
Project Description

The project consists of a headquarters and research building for the Mission Aransas (MA) National Estuarine Research Reserve (NERR) located at the Marine Science Institute (MSI) in Port Aransas, Texas, along with laboratory expansion space for MSI research. The headquarters includes laboratories and offices for NERR administration, space for coastal training programs, research space, and stewardship space. The laboratory expansion will include space for MSI research laboratories and offices for permanent scientific staff and visiting scientists. The increase in total project cost will add a Resource Center on the second floor of the headquarters building. The Resource Center will contain an online research facility, breakout rooms for workshops, paper and digital information resource files, and also serve as an archive for all MA-NERR documents and products.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing buildings. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

The building frame, wall systems and windows are designed to withstand hurricane force winds in accordance with applicable codes and the Texas Department of Insurance. The first floor is set above the minimum elevation established by the Federal Emergency Management Agency (FEMA), and in the rare event of tidal forces above that elevation, the walls and partitions of the first floor are designed to break away before the primary structure is affected.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.
12. **U. T. M. D. Anderson Cancer Center: Mid Campus Parking Facility - Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Mendelsohn that the U. T. System Board of Regents approve the recommendations for the Mid Campus Parking Facility project at The University of Texas M. D. Anderson Cancer Center as follows:

- **Project No.:** 703-494
- **Project Delivery Method:** Design/Build
- **Institutionally Managed:** Yes ☒ No ☐
- **Substantial Completion Date:** June 2011
- **Total Project Cost:**
  - Source: Current $12,500,000 Proposed $12,232,000
    - Hospital Revenues
    - Revenue Financing System Bond Proceeds $20,000,000 $35,000,000
      $32,500,000 $47,232,000

- **Investment Metrics:**
  - Provide a minimum of 1,920 spaces by July 2011 to accommodate the Phase I and Phase II tenant occupancy of the Administrative Support Building
  - Provide a minimum of 2,546 spaces by July 2012 to accommodate the remaining tenant build-out of the Administrative Support Building
  - Provide a maximum number of 2,675 spaces by July 2012 for other parking needs

- **a.** Amend the FY 2009-2014 Capital Improvement Program (CIP) to increase the total project cost from $32,500,000 to $47,232,000;

- **b.** Approve design development plans;

- **c.** Appropriate funds and authorize expenditure of funds in the amount of $35,000,000 from Revenue Financing System Bond Proceeds and $12,232,000 from Hospital Revenues;

- **d.** Approve the evaluation of alternative energy economic feasibility; 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. 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 $35,000,000.

BACKGROUND INFORMATION

Debt Service

The $35,000,000 in Revenue Financing System debt will be repaid from parking fees. Annual debt service on the $35,000,000 Revenue Financing System Debt is expected to be $2,408,000. Debt service coverage on the project is expected to be at least 1.4 times and average 1.5 times over FY 2010-2015.

Previous Board Action

On August 11, 2005, the project was included in the CIP with a total project cost of $32,500,000 with funding of $20,000,000 from Revenue Financing System Bond Proceeds and $12,500,000 from Hospital Revenues.

Project Description

This project will provide additional parking for the Administrative Support Building on the mid-campus land. Originally, the project envisioned a new parking facility for approximately 2,000 vehicles. Subsequent studies have indicated the need for additional parking spaces in the mid-campus area. The approval to increase the total project cost will provide for a new 983,692 gross square foot, 11-level parking facility for approximately 2,700 vehicles.

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; however, the institutionally managed projects are subject to review by the Board of Regents for design development.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing buildings. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

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

13. **U. T. Health Science Center – Tyler: Academic Center – Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; redesignation as Phase I; allocation of Permanent University Fund Bond Proceeds; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Calhoun that the U. T. System Board of Regents approve the recommendations for the Academic Center project at The University of Texas Health Science Center at Tyler as follows:

**Project No.:** 801-361  
**Project Delivery Method:** Construction Manager at Risk  
**Substantial Completion Date:** August 2011
Total Project Cost:

<table>
<thead>
<tr>
<th>Source</th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition Revenue Bond Proceeds</td>
<td>$21,120,000</td>
<td>$21,120,000</td>
</tr>
<tr>
<td>Gifts</td>
<td>$ 2,000,000</td>
<td>----</td>
</tr>
<tr>
<td>Permanent University Fund Bond Proceeds</td>
<td>----</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Revenue Financing System Bond Proceeds</td>
<td>----</td>
<td>$ 5,880,000</td>
</tr>
<tr>
<td>Designated Funds</td>
<td>----</td>
<td>$ 5,000,000</td>
</tr>
<tr>
<td></td>
<td>$23,120,000</td>
<td>$42,000,000</td>
</tr>
</tbody>
</table>

Investment Metrics:

By 2011:
- Provide educational facilities of 180 seat amphitheatre, 2 each 30 seat classrooms, and 3 each 15 seat classrooms
- Provide educational, research, and clinical facilities to increase the number of Family Medicine Residents from 21 to 30
- Provide clinical facilities for a new program in radiation oncology and expand infusion therapy services

a. amend the FY 2009-2014 Capital Improvement Program (CIP) to increase the total project cost from $23,120,000 to $42,000,000;

b. revise the funding sources from $21,120,000 from Tuition Revenue Bond Proceeds, and $2,000,000 from Gifts to $21,120,000 from Tuition Revenue Bond Proceeds, $10,000,000 from Permanent University Fund (PUF) Bond Proceeds, $5,880,000 from Revenue Financing System Bond Proceeds, and $5,000,000 from Designated Funds;

c. approve design development plans;

d. redesignation of the project as the Academic Center - Phase I;

e. allocation of PUF Bond Proceeds;

f. appropriate funds and authorize expenditure of funds;

g. approve the evaluation of alternative energy economic feasibility; and

h. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project’s cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
U. T. Health Science Center – Tyler, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $27,000,000.

BACKGROUND INFORMATION

Debt Service

The 79th Legislature authorized $21,120,000 of Tuition Revenue Bonds for an academic center. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations. The $5,880,000 in Revenue Financing System debt will be repaid from patient revenues. Annual debt service on the $5,880,000 Revenue Financing System debt is expected to be $427,000. The institution’s debt service coverage is expected to be at least 1.6 times and average 2.1 times over FY 2009-2014.

As of March 31, 2009, the U. T. System’s Constitutional debt capacity for the PUF was approximately $20 million. The debt capacity is calculated as 20% of the cost value of the PUF endowment less PUF debt outstanding and authorized, but unissued.

Previous Board Action

On August 23, 2007, the project was included in the CIP with a total project cost of $23,121,000 with funding of $21,121,000 from Tuition Revenue Bond Proceeds and $2,000,000 from Gifts. It was subsequently determined that Tuition Revenue Bond Proceeds should have been in the amount of $21,120,000 as approved by the 79th Legislature. The CIP was administratively reduced by the $1,000 that was previously included in error.

Project Description

Since the project for the Academic Center was funded in 2006, the needs of the institution have changed. The Academic Center has transitioned from a purely academic project with limited clinical space to one that includes additional diagnostic and treatment space. The square footage has been increased and the project now includes the Cancer Research and Treatment Area.

The proposed new academic center will be a three-level structure of approximately 78,500 gross square feet (GSF) with a future two-level lobby pavilion of approximately 5,900 GSF that will connect to the existing main hospital complex. The first floor will be
completed for use as a modern, integrated clinical oncology area. The second and third floors will be shell space for future build-out of a family medicine clinic and residency program, an education and conference center, and a medical library.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

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

14. **U. T. M. D. Anderson Cancer Center: Pawnee Infrastructure Development - Amendment of the FY 2009-2014 Capital Improvement Program to increase total project cost and appropriation of funds and authorization of expenditure (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Mendelsohn that the U. T. System Board of Regents approve the recommendations for the Pawnee Infrastructure Development project at The University of Texas M. D. Anderson Cancer Center as follows:

<table>
<thead>
<tr>
<th>Project Delivery Method:</th>
<th>Competitive Sealed Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutionally Managed:</td>
<td>Yes ☑ No ☐</td>
</tr>
<tr>
<td>Substantial Completion Date:</td>
<td>May 2010</td>
</tr>
<tr>
<td>Total Project Cost:</td>
<td>Source Hospital Revenues Current $4,000,000 Proposed $7,700,000</td>
</tr>
</tbody>
</table>
a. amend the FY 2009-2014 Capital Improvement Program (CIP) to increase the total project cost from $4,000,000 to $7,700,000; and

b. appropriate funds and authorize expenditure in the amount of $7,700,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Board Action

On August 22, 2007, the project was included in the CIP with a total project cost of $4,000,000 with funding from Hospital Revenues.

Project Description

The roadway included in the infrastructure development project was originally anticipated to be 40 feet wide and approximately 1,000 linear feet. The project is now expected to be a 48-foot roadway of 1,750 linear feet and will include a new 12-inch water line, 8-inch wastewater line, and storm drainage. In addition, a new railroad crossing and a new traffic signal at the Almeda Road and Hepburn Street intersection are necessary. The additional scope of work necessitates an increase in the total project cost.

U. T. M. D. Anderson Cancer Center continues to acquire property for the East Campus area and is working with the City of Houston to re-plat the East Campus area into constructible sites for future expansion. Approval by the City of Houston is required for the abandonment of certain streets and alleys used by the City, in exchange for the additional right-of-way for a future road. The City of Houston is requiring that Hepburn Street and Pawnee Street be re-aligned and constructed within one year of the City Council's approval of the exchange. Completing this project will position U. T. M. D. Anderson Cancer Center to comply with the re-platting schedule and meet commitments by the City.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development.
TABLE OF CONTENTS
FOR
STUDENT, FACULTY, AND STAFF CAMPUS LIFE
COMMITTEE

Committee Meeting: 5/13/2009
Austin, Texas

James D. Dannenbaum, Chairman*
Printice L. Gary
R. Steven Hicks
Robert Stillwell
Michael Swindle, Chair, Employee Advisory Council
Mansour El-Kikhia, Chair, Faculty Advisory Council
Aaron Rosas, Chair, Student Advisory Council

<table>
<thead>
<tr>
<th>Committee Meeting</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convene</td>
<td></td>
</tr>
<tr>
<td>Committee Meeting</td>
<td></td>
</tr>
<tr>
<td>5:15 p.m. Chairman Dannenbaum</td>
<td></td>
</tr>
<tr>
<td>U. T. System: Annual Meeting with Officers of the U. T.</td>
<td>78</td>
</tr>
<tr>
<td>5:15 p.m. System Student Advisory Council</td>
<td></td>
</tr>
<tr>
<td>Report</td>
<td></td>
</tr>
<tr>
<td>6:00 p.m. Mr. Rosas</td>
<td></td>
</tr>
<tr>
<td>Adjourn</td>
<td></td>
</tr>
</tbody>
</table>

*Pending approval by Board
U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council

The U. T. System Student Advisory Council will meet with the Board of Regents to discuss accomplishments of the Council and plans for the future. The Council's recommendations are on Pages 80 - 83 and the Council's February 2009 resolution on Tuition Affordability and Financial Aid is on Pages 84 - 85.

AGENDA

1. Executive and Standing Committee Member Introductions
2. Chairperson's Report and Overview
3. Executive Committee and Standing Committee Remarks and Recommendations

Council members scheduled to attend are:

Chair: Mr. Aaron Rosas, U. T. El Paso, Graduate School, Public Administration

Academic Affairs: Ms. Kerrie Ambort, U. T. Tyler, Business

Student Involvement and Campus Life Committee: Mr. Raghuveer Puttagunta, U. T. Pan American, Chemistry

Health and Graduate Affairs Committee: Mr. Bradley Carpenter, U. T. Austin, Graduate School, Education Policy and Planning

Financial and Legislative Affairs Committee: Mr. Keshav Rajagopalan, U. T. Austin, Plan II/Communication Studies

BACKGROUND INFORMATION

The U. T. System Student Advisory Council was established in 1989 to provide input to the U. T. System Board of Regents working through and with the Chancellor and U. T. System Administration on issues of student concern. The operating guidelines of the Council require that recommendations have a multi-institutional focus and that the Council explore individual campus issues with institutional administrators prior to any consideration thereof. The Student Advisory Council consists of two student representatives from each U. T. System institution enrolling students, and meets three times yearly in Austin. The Standing Committees of the Council are: Academic Affairs, Student Involvement and Campus Life, Health and Graduate Affairs, and Financial and Legislative Affairs.
April 6, 2009

Dr. Francisco Cigarroa
Chancellor
The University of Texas System
601 Colorado St.
Austin, TX 78701

Dear Chancellor Cigarroa,

I would like to express my appreciation to the Board of Regents of The University of Texas System for giving us this opportunity to present our recommendations on how to improve the lives of our fellow students and improve the educational experience as a whole.

Year after year, the council works diligently to formulate recommendations to present to our Board of Regents. Attached you will find the formal recommendations of this year’s council. These recommendations, along with the Tuition Flexibility and Financial Aid Resolution that I forwarded to you and Chairman Caven this February, complete the Council’s work for this academic year. I would like to recognize the hard work that this Council has demonstrated. Together, we have developed recommendations which are aimed at improving multiple aspects of our institutions, with one goal in mind — improving the success of our students.

Words cannot convey the gratitude that the Council and I have for Dr. Edward Baldwin, Dr. James Studer, and all the System staff and fellow administrators for their tireless devotion to our success, endless support of the council, and superb guidance throughout the entire year. It is because of them, that the Council successfully puts forth strong recommendations, and I confidently speak on behalf of the Council in voicing how deeply grateful we are.

I thank you for the opportunity to share with you our recommendations and look forward to presenting our recommendations to the Board of Regents in May.

Sincerely,

Aaron Z. Rosas
Chair, Student Advisory Council
The University of Texas System

Attachment

The University of Texas at El Paso
500 W. University Ave.
El Paso, Tx. 79968
(915) 474-0220
azrosas@utep.edu
After careful consideration, we the members of The University of Texas System Student Advisory Council (SAC), respectfully submit the following recommendations to The University of Texas Board of Regents. These recommendations concern a wide variety of students at multiple institutions in The University of Texas System.

Academic Affairs Committee

Recommendation 1

The U. T. System Student Advisory Council is concerned that students may not be adequately involved in academic integrity disciplinary proceedings. As stakeholders in the integrity of our institutions and fellow students, we recommend that the Board of Regents facilitate student input in such proceedings. A possible solution is the inclusion of students on an advisory committee, which offers counsel to the dean of students or a designated hearing officer regarding sanctions imposed on students who have either admitted guilt or have been found guilty to a charge of academic dishonesty.

Recommendation 2

We recommend that the Board of Regents reinforce syllabi guidelines at all U. T. System academic institutions. The course syllabi, distributed by professors within the first week of classes, should include but are not limited to:

• The purpose and objectives of the course
• The semester in which the course is being offered
• Course prefix/number and title
• Course description in correlation with course catalog
• Prerequisites for course
• A list of required and recommended reading material and passages
• Class policies that pertain to grading, assignments, examinations, and absences
• Due dates for major assignments
• Professor contact information including email, phone number, office hours, and location
• Policies regarding student expectations
• Disability/Special accommodations statement
• A department or university honor code or statement of ethics
• An explanation or example of what constitutes plagiarism

Financial and Legislative Affairs Committee

Recommendation 3

The U. T. System Student Advisory Council recommends that each institution establish a service that educates the student population on financial literacy and financial management matters. This service
should target students in their first year of enrollment and should include financial literacy and financial management seminars that are performed throughout the year and a peer-to-peer type of educational advising system that counsels students on these issues.

Possible topics that should be covered include but are not limited to the following:

- Credit card responsibility
- Loan payment and consolidation
- Savings
- Budgeting
- Economic climate
- Consumer responsibility
  - Negotiation of loans
  - Insurance
  - Taxes
  - Liens
  - Investing
  - Bill payment
- Identity theft

Examples of these services are the Texas Tech University’s Red to Black program and the University of North Texas’ Student Money Management Center.

Health and Graduate Affairs Committee

Recommendation 4

Health insurance remains a critical problem for U. T. System students. In response to the 2007-2008 UTSSAC Recommendation 7, the Board of Regents suggested, “a health insurance survey be conducted for undergraduate and professional students.” As a result, the 2008-2009 UTSSAC conducted a System-wide survey in order to better identify and represent the diverse opinions of students on issues pertaining to health insurance.

We recommend that U. T. System consider these survey results when negotiating the bidding process for student health insurance contracts and services provided through these policies.

Recommendation 5

Emergency situations stemming from natural disasters can affect students’ accessibility to health care and student services. During Hurricane Ike, students from U. T. Medical Branch - Galveston were dispersed to campuses throughout the U. T. System. Some displaced students were unable to access needed medical attention and other student services at host institutions.

We recommend the Board of Regents ensure mechanisms are in place following a state of emergency that allow displaced students to receive adequate medical help and student services at any of the U. T. System campuses.

We also recommend that while this policy is in effect, it is well communicated to all involved students and healthcare administrators.
Student Involvement and Campus Life Committee

Recommendation 6

Environmental sustainability is an important issue for current and future students on all U. T. System campuses. The U. T. System Policy on Sustainability Practices promotes generalized goals but does not set comprehensive evaluation criteria and quantifiable standards such as those found on www.greenreportcard.org. This is evidenced by published reports where a “C” average was assigned to the only two evaluated UT institutions. We would like to improve our sustainability practices to work towards surpassing the standards set by our relevant competitors.

For example, GreenReportCard.org profiles and grades the sustainability efforts at 300 plus universities on the following categories: administration, climate change and energy, food and recycling, green building, student involvement, transportation, endowment transparency, investment priorities, shareholder engagement, and assigns an overall grade.

We recommend that The University of Texas System:

- take a more concerted action to promote environmentally responsible practices on each campus
- create an assessment tool (similar to www.greenreportcard.org) for evaluating each institution in order to gauge and promote progress towards environmentally responsible practices (Table 1)

Table 1: Sample Indicators used by the College Sustainability Report Card and The University of Texas System Policy on Sustainability Practices

<table>
<thead>
<tr>
<th>Administration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability Policies</td>
<td></td>
</tr>
<tr>
<td>Sustainability Staff</td>
<td></td>
</tr>
<tr>
<td>Green Purchasing Policies</td>
<td></td>
</tr>
<tr>
<td>Advisory Council</td>
<td></td>
</tr>
<tr>
<td>Maintenance of a Sustainability Department/Office</td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>Climate Change &amp; Energy</td>
<td></td>
</tr>
<tr>
<td>Carbon Emissions Inventory</td>
<td></td>
</tr>
<tr>
<td>Commitment to Emissions Reduction</td>
<td></td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td></td>
</tr>
<tr>
<td>Incentive Programs for Energy Conservation</td>
<td></td>
</tr>
<tr>
<td>Renewable Energy Purchase and Investment</td>
<td></td>
</tr>
<tr>
<td>Food &amp; Recycling</td>
<td></td>
</tr>
<tr>
<td>Local Food</td>
<td></td>
</tr>
<tr>
<td>Organic and Sustainably Produced Food</td>
<td></td>
</tr>
<tr>
<td>Reusable Dishware and Eco-friendly To-go Containers</td>
<td></td>
</tr>
<tr>
<td>Composting Food and Landscaping Waste</td>
<td></td>
</tr>
<tr>
<td>Recycling Program for Dining Halls &amp; Offices</td>
<td></td>
</tr>
<tr>
<td>Green Building</td>
<td></td>
</tr>
<tr>
<td>Green Building Policy and LEED Certification</td>
<td></td>
</tr>
<tr>
<td>Renovation and Retrofits</td>
<td></td>
</tr>
<tr>
<td>Student Involvement</td>
<td></td>
</tr>
<tr>
<td>New Student Orientation</td>
<td></td>
</tr>
<tr>
<td>Internships/Outreach Opportunities</td>
<td></td>
</tr>
<tr>
<td>Sustainability Challenges and Competitions</td>
<td></td>
</tr>
</tbody>
</table>
• include students as members of the U. T. System Sustainability Steering Committee and each institution's sustainability committee
• increase transparency of sustainability practices by publishing progress reports on institutional and U. T. System websites on an annual basis
February 17, 2009

Mr. H. Scott Caven, Jr.
Chairman, Board of Regents
The University of Texas System
201 W. 7th St., Suite 820
Austin, TX 78701-2981

Francisco G. Cigarroa, M.D.
Chancellor
The University of Texas System
601 Colorado Street
Austin, TX 78701-2981

Dear Chairman Caven and Chancellor Cigarroa,

As Chair of the UT System Student Advisory Council (SAC), I am writing to you today to formally introduce a resolution on behalf of the council. In our February meeting, the council passed one resolution that we would like to pass on to you prior to our presentation of our recommendations in May. Please find the wording of the resolution below. The resolution is concerning Tuition Flexibility and Need-Based Financial Aid.

TUITION FLEXIBILITY AND NEED-BASED FINANCIAL AID RESOLUTION

The UT System Student Advisory Council recommends that the UT System Board of Regents continue to support tuition flexibility and actively recognize the importance of state and federal need-based financial aid.

We understand the need for and are in full support of tuition deregulation. The ability for an institution to set its own tuition is paramount in today's climate of less-than-acceptable state funding for higher education. In order for our institutions to maintain their excellence and improve their programs, tuition flexibility is an important tool for them to have. It allows them to assess their own needs and set tuition in a transparent and accountable manner that includes students.
The UT System is also committed to maintaining educational accessibility for students and their families from any socio-economic background. Therefore, UT SAC recommends the UT System Board of Regents actively recognize the importance of need-based financial aid and pursue greater funding for need-based financial aid programs, both state and federal.

The resolution passed unanimously in favor of tuition flexibility. We look forward to presenting the remainder of our recommendation at the Board of Regents meeting in May. Please feel free to contact me if you have any questions. Thank you for your support.

Sincerely,

/s/
Aaron Rosas
2008-2009 UT System SAC Chair
The University of Texas at El Paso
915 474-0220

AR/plc

Cc: Dr. David Prior, Executive Vice Chancellor for Academic Affairs
    Kenneth Shine, M.D., Executive Vice Chancellor for Health Affairs
    Dr. James Studer, Associate Vice Chancellor for Academic Affairs
    Ms. Francie Frederick, General Counsel to the Board of Regents
    Dr. Edward Baldwin, Senior Policy Analyst, Academic Affairs