



# SCHEDULE OF EVENTS FOR BOARD OF REGENTS' MEETING

**May 2-3, 2012**  
Austin, Texas

*U. T. System Administration, Ashbel Smith Hall, 9th Floor, 201 West Seventh Street  
Office of the Board of Regents: 512.499.4402*

## **Wednesday, May 2, 2012**

Audit, Compliance, and Management Review Committee .....	9:00 a.m.
Technology Transfer and Research Committee .....	10:00 a.m.
Meeting of the Board – Executive Session .....	11:00 a.m.
Meeting of the Board – Open Session .....	1:30 p.m.
Academic Affairs Committee .....	2:00 p.m.
Health Affairs Committee .....	3:15 p.m.
Facilities Planning and Construction Committee .....	4:30 p.m.
Recess .....	5:30 p.m.

## **Thursday, May 3, 2012**

Finance and Planning Committee .....	8:00 a.m.
Meeting of the Board – Open Session .....	8:30 a.m.
Adjourn .....	12:45 p.m. <i>approximately</i>



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May 2-3, 2012  
Austin, Texas

### Wednesday, May 2, 2012

A. COMMITTEE MEETINGS

Audit, Compliance, and Management Review Committee .....	9:00 a.m.
Technology Transfer and Research Committee .....	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) 11:00 a.m.

1. 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 on pending legal issues**
  - b. **U. T. Medical Branch - Galveston: Discussion and appropriate action regarding legal issues concerning the provision of correctional managed care**
  - c. **U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to establishment of medical schools in Austin and South Texas**
  - d. **U. T. System: Discussion and appropriate action related to review of legal issues concerning pending taxation matters and Internal Revenue Service**
2. Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property – Section 551.072
3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074
  - a. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees**

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<p>b. <b>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</b></p>	
<p>4. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073</p> <p style="padding-left: 40px;"><b>U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features</b></p>	<p><i>Dr. Safady</i></p>
<p>5. Deliberation Regarding Security Devices or Security Audits - Section 551.076</p> <p style="padding-left: 40px;"><b>U. T. System Board of Regents: Discussion and appropriate action regarding update on safety, well-being, and security</b></p>	<p><i>Dr. Kelley</i> <i>Police Director Heidingsfield</i></p>
<p>C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEMS</p>	<p><i>1:30 p.m.</i></p>
<p style="padding-left: 40px;">1. <b>U. T. Medical Branch - Galveston: Discussion and appropriate action concerning the provision of correctional managed care</b></p>	<p><i>President Callender</i> <i>Dr. Shine</i></p>
<p style="padding-left: 40px;">2. <b>U. T. System Board of Regents: Approval of Consent Agenda items and referral of any items to the full Board or to Committee</b></p>	<p><b>6</b></p>
<p>D. RECESS FOR COMMITTEE MEETINGS</p> <p style="padding-left: 40px;"><i>Academic Affairs Committee</i> .....</p> <p style="padding-left: 40px;"><i>Health Affairs Committee</i> .....</p> <p style="padding-left: 40px;"><i>Facilities Planning and Construction Committee</i> .....</p>	<p><i>2:00 p.m.</i></p> <p><i>2:00 p.m.</i></p> <p><i>3:15 p.m.</i></p> <p><i>4:30 p.m.</i></p>
<p>E. RECESS</p>	<p><i>5:30 p.m.</i></p>

<u>Thursday, May 3, 2012</u>	<b>Board/Committee Meetings</b>	<b>Page</b>
F. COMMITTEE MEETING		
Finance and Planning Committee .....	8:00 a.m.	
G. RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS	8:30 a.m.	
3. U. T. System Board of Regents: Approval and appropriate action of any Consent Agenda items referred for Board consideration	8:30 a.m. <b>Action</b>	<b>7</b>
4. U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council	8:35 a.m. <b>Report/Discussion</b> <i>Ms. Samantha Dallefeld, Chair</i>	<b>8</b>
5. U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities - inaugural presentation and possible performance	9:35 a.m. <b>Action</b>	<b>17</b>
6. U. T. System Board of Regents: Discussion and appropriate action regarding establishment of medical schools in Austin and South Texas	9:40 a.m. <b>Action</b>	<b>18</b>
7. U. T. System Board of Regents: Discussion of security and safety issues, including report from national expert on prevention of hazing	10:00 a.m. <b>Report/Discussion</b> <i>Professor Hank Nuwer, Franklin College</i>	<b>19</b>
8. U. T. System Board of Regents: Proposed amendments to the Regents' <i>Rules and Regulations</i> , Rule 50101, regarding Student Conduct and Discipline	10:30 a.m. <b>Action</b>	<b>20</b>
9. U. T. System Board of Regents: Proposed amendments to the Regents' <i>Rules and Regulations</i> , Rule 80111, regarding Smoke Free Facilities	10:35 a.m. <b>Action</b>	<b>34</b>
10. U. T. System: Discussion and appropriate action regarding proposed tuition and fee plans for a) the academic institutions for the 2012-2013 Academic Years and b) the health institutions for Academic Years starting in Fall 2012 and Fall 2013 and other sources of funding for institutional support	10:50 a.m. <b>Action</b> <i>Chancellor Cigarroa Dr. Reyes Dr. Shine</i>	<b>36</b>
H. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD	12:30 p.m.	
I. RECONVENE AS COMMITTEE OF THE WHOLE	12:35 p.m.	
11. U. T. System Board of Regents: Certificate of appreciation to Regent John Davis Rutkauskas	12:35 p.m. <b>Action</b>	<b>43</b>
J. ADJOURN	12:45 p.m.	



1. **U. T. Medical Branch - Galveston: Discussion and appropriate action concerning the provision of correctional managed care**

**REPORT AND RECOMMENDATION**

Executive Vice Chancellor Shine and President Callender will provide an update on the status of the provision of correctional managed care by U. T. Medical Branch - Galveston (UTMB) and may recommend appropriate action by the Board concerning UTMB's involvement in the provision of correctional managed care.

**BACKGROUND INFORMATION**

On October 31, 2011, the Board of Regents delegated to President Callender, in collaboration with the Chancellor, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel, the authority to

- negotiate and enter into an Amended and Restated Interim Agreement, extending for a single 30-day period the Interim Agreement negotiated with the Texas Department of Criminal Justice (TDCJ) on September 1, 2011, for the delivery of correctional health care services until December 1, 2011; and
- negotiate, in the event a new correctional health care services contract for the period through December 31, 2012, is not successfully accomplished prior to December 1, 2011, a transition plan and agreement to limit or terminate the role of UTMB in provision of correctional health care services not later than December 31, 2012.

On December 5, 2011, the Board approved a Second Amended and Restated Interim Agreement between UTMB and the TDCJ for correctional health care services for Fiscal Year 2012. This interim agreement became effective December 1, 2011, and will continue to August 31, 2012.

2. **U. T. System Board of Regents: Approval of Consent Agenda items and referral of any items to the full Board or to Committee**

The Board will be asked to approve Consent Agenda items located at the end of the book under the Consent Agenda tab.

**3. U. T. System Board of Regents: Approval and appropriate action of any Consent Agenda items referred for Board consideration**

The proposed Consent Agenda is at the end of the book.

4. **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 9 - 16](#).

**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: Ms. Samantha Dallefeld**, U. T. Medical Branch - Galveston, School of Medicine

**Academic Affairs Committee: Mr. George Galindo**, U. T. Pan American, Secondary Education/English

**Student Involvement and Campus Life Committee: Ms. Normalinda Reyna**, U. T. Brownsville, Communications

**Health and Graduate Affairs Committee: Ms. Katie Taylor**, U. T. Medical Branch - Galveston, Biomedical Sciences

**Financial and Legislative Affairs Committee: Ms. Natalie Butler**, U. T. Austin, Political Communications/Plan II Honors

**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.



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

Office of Academic Affairs  
601 Colorado Street, Austin, TX 78701  
Phone: 512-499-4233 Fax: 512-499-4240

March 23, 2012

Francisco G. Cigarroa, M.D.  
Chancellor  
The University of Texas System  
601 Colorado St.  
Austin, TX 78701-2982

Dear Chancellor Cigarroa:

On behalf of The University of Texas System Student Advisory Council and the over 200,000 students we are fortunate to represent, we would like to express our appreciation to the Board of Regents for providing us with the opportunity to present our recommendations for the 2011-2012 academic year.

The Council provides a platform for student leaders from every institution to meet and exchange ideas. We seek to advance recommendations that will positively impact students' experiences and education throughout the institutions in the System. The students' dedication to higher education is noteworthy, and the perspective we are privileged to provide is taken seriously. Significant time, effort, and energy is spent by each member to adequately represent the entire System.

In our work this year, it has been our pleasure to cooperate more closely with the Faculty Advisory Council and to serve as representatives on committees addressing various aspects of the Chancellor's Framework for Success. Our work is ongoing in these matters, and we are grateful to be included in vital discussions impacting current and future students in our System, and in some cases, our state and beyond.

The 2011-2012 Student Advisory Council members would like to express our sincere gratitude to Dr. Edward Baldwin, Dr. Wanda Mercer, Ms. Pam Cole, Ms. Meredith Goode, Mr. Chris Lyons, and the many System staff who have assisted us in the past year.

With this letter, we are submitting recommendations passed by the council during our February meeting. We are honored to be invited to discuss them in more detail with the Board in May.

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

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

[www.utsystem.edu](http://www.utsystem.edu)

With sincere appreciation,



Samantha Dallefeld  
Chair, Student Advisory Council  
The University of Texas System

Enclosures

cc: Dr. Pedro Reyes  
Dr. Kenneth I. Shine  
Dr. Wanda L. Mercer

**THE UNIVERSITY OF TEXAS SYSTEM STUDENT ADVISORY COUNCIL  
RECOMMENDATIONS TO THE BOARD OF REGENTS OF THE UNIVERSITY OF  
TEXAS SYSTEM**

After careful consideration, we, the members of The University of Texas System Student Advisory Council (SAC), respectfully submit the following recommendations to the U. T. Board of Regents. These recommendations concern a wide variety of students at multiple institutions in the U. T. System.

**Financial and Legislative Affairs**

Recommendation 1

Recognizing the unique nature of each U. T. institution, SAC is concerned that the focus on 4-year graduation rates does not provide an accurate measurement of institutional success. Given that only about 30% (excluding UT Austin) of U. T. System students are included in the calculation for 4-year graduation rates, SAC recommends that the Board of Regents modify the definition of the current 4-year graduation rate used by the System or focus on other metrics that provide a more complete picture of institutions.

While current 4-year graduation rates are measured against peer institutions, given the large portion of students left out of that statistic, SAC recommends a more comprehensive evaluation of institutions that takes into account the diversity of each student body. There are growing numbers of nontraditional students matriculating in the U. T. System, and they are being marginalized by this measure. Preferred metrics include, but are not limited to, degrees conferred, transfer rates, acceptance rates to graduate and law schools, and board pass rates as they relate to each institution's mission.

SAC further recommends that these comprehensive metrics be considered by the Board in regard to tuition decisions because they provide a clearer understanding of the needs of each institution for improvement, in addition to a more well-rounded definition of quality. We believe this comprehensive focus is consistent with the Chancellor's call for improving value and quality, while respecting the individuality of each institution.

## Recommendation 2

Recognizing that the U. T. System is comprised of a heterogeneous group of campuses requiring tailored action to their specific agendas, SAC is concerned that several avenues for student input regarding tuition and fee setting are not being adequately heard. Therefore, SAC recommends that student opinion, including perspectives expressed in campus-wide referenda and student input in the campus' tuition recommendation process, be given greater consideration by the Board of Regents. This is increasingly important as the state and federal contributions to higher education continue to fall.

While student success and access to affordable higher education should be priorities, there are instances of pressing student initiatives needing to be addressed that are not directly related to graduation rates. These include interest in new student unions, facilities, and sustainability initiatives. In the recent tuition setting cycle, students were asked to consider graduation rates and containing costs related to our tuition recommendations. This stymied the ability to discuss other institutional goals, such as seeking Tier One status, transportation needs, the quality of student life, or becoming the nation's best public research institution.

Student representatives are attuned to the diverse needs of their respective campuses and take the responsibility of communicating important issues to the Board of Regents for consideration seriously. We ask that the U. T. System Board of Regents remain open-minded to student-led initiatives and fee proposals backed by a majority vote of the student population at the individual campuses and to the student input given in matters of tuition setting.



## Academic Affairs

### Recommendation 3

In January of 2012, the U.S. Department of Education reported that hybrid courses are “increasing the availability of learning experiences,”<sup>1</sup> reflecting the positive influence these courses have on students. Some benefits of these courses include accommodating a variety of learning styles and scheduling needs.

Hybrid courses combine traditional classroom and Internet instruction with significant portions of the class activities occurring online. Hybrid courses promote optimal space utilization for campuses experiencing a space deficit, aid a significant population of nontraditional students, and enhance learning outcomes across student populations.

To ensure our students receive the highest quality education, in conjunction with continued opportunity for educational advancement of technology within the classroom, SAC recommends that the U. T. System Board of Regents continue the further development and research of hybrid courses that will meet the needs, missions, and goals of each institution.

### Recommendation 4

In 2006, SAC proposed the creation of an online degree audit program. The Chancellor acknowledged this recommendation as an ongoing process.

Effective outlining of course requirements is an essential component of timely degree completion. The Council requests revisiting progress made on this recommendation since in some cases the creation of online degree plans has yet to be fully implemented. The Council further recommends full utilization of online tools to aid in academic advising. Specifically, this should include the following:

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<sup>1</sup> Bakia, M., Shear, L., Toyama, Y., and Lassetter, A. (2012). "Understanding the Implications of Online Learning for Educational Productivity" U.S. Department of Education.  
<http://gsehd.gwu.edu/documents/users/juliestella/implications-online-learning.pdf>

- Creation of program specific online degree plans
- Online scheduling of appointments between student and advisor
- Degree plans adaptable to individual student progress and planning
- Student accessibility to degree audit.

## **Health and Graduate Affairs**

### **Recommendation 5**

U. T. System has been very active in improving the quality of care at student health centers. However, patient experience with student health care services has been unsatisfactory at multiple institutions. As such, SAC recommends that each institution implement a means of evaluating patient satisfaction of student health care.

In order to further improve the standard of care received by students at The University of Texas System institutions, we recommend each institution:

- Develop a Student Health Advisory Committee or appoint a student representative in any existing committee to serve as a liaison between the Health Advisory Committee and the student body
- Create a patient satisfaction evaluation process
- Ensure oversight of the evaluation process with periodic reviews by the U. T. System.

### **Recommendation 6**

Given the rising cost of living near many of the U. T. System campuses, SAC recommends that the Board of Regents establish a cost-of-living evaluation system for graduate students on each campus. Evaluation for graduate stipends differs widely across the U. T. System and is based on competitiveness, cost-of-living, or a combination thereof. This issue is of particular importance to non-STEM fields where no stipend levels are set by a federal agency. There should be a minimum standard to ensure the U. T. System will continue to attract high quality students.

In addition, implementation of a cost-of-living evaluation system will aid tuition and fee discussions, and help determine allocation of graduate and professional school loans. This measure will help relieve the student debt burden, especially with the recent loss of subsidized loans and changes in the management of unsubsidized loans for graduate and professional students. Therefore, we request a cost-of-living evaluation system be implemented across the U. T. System.

### **Student Involvement and Campus Life**

#### Recommendation 7

Multiple institutions of the U. T. System have more than 1,000 students who receive military and/or veteran benefits. In light of current events, there is evidence that various institutions will be increasing their military and/or veteran enrollment, such as U. T. Pan American estimating a 25% increase for Fall 2012.

By providing military and veteran-dedicated personnel in a centralized location to assist with advising, financial aid, counseling, and registration, we will ensure that our United States military personnel and/or veterans and their dependents are receiving the highest quality of educational experience that each of our respective universities has to offer.

In the 82nd Legislative Session, Senate Bill 1621 was proposed to establish regional military and/or veteran affairs offices. The bill did not pass due to potential negative fiscal impact. However, we recommend the creation of institutional centers within the U. T. System schools, which will meet the needs of each campus.

This will encourage our military personnel, veterans, and their dependents to obtain an education with the U. T. System institutions. Adoption of this initiative will justify the application for grants to aid in providing the best educational services to our respective military personnel and/or veterans and their dependents.

Therefore, in order to accommodate the needs of the U. T. System population at-large, the members of SAC propose the creation of a population-based center to enhance the

services provided to our United States military personnel and/or veterans and their dependents.

#### Recommendation 8

Current research shows that student stress levels are increasing in higher education. Students face the rigors of demanding workloads, difficult classes, and time-consuming extracurricular activities, which easily can lead to mental and behavioral problems affecting student success. Various institutions in the U. T. System have adopted successful intervention teams to address circumstances resulting from the negative impacts of stress, and these teams have been largely effective in managing troublesome situations.

SAC recommends that the Board of Regents encourage all U. T. System institutions to form behavioral intervention teams and market this preventative mechanism for central reporting of disruptive, threatening, or concerning student behavior.

Effective team implementation includes the following:

- Gathers and manages reported information from concerned faculty and staff
- Assesses the level of threat a student's behavior poses to persons or property in the University community or to disruption of University activities in accord with policies stated in the Student Code of Conduct
- Consults with administration, faculty, staff and other students affected by inappropriate behaviors
- Develops strategy to manage the threatening behavior with regard to safety and rights of others and minimize the negative impact to the University community
- Intervenes, as necessary, with students and connects them to support services.

5. **U. T. System Board of Regents: Award of Regents' Outstanding Student Awards in Arts and Humanities - inaugural presentation and possible performance**

REPORT

Executive Vice Chancellor ad interim Reyes will report on the results of the inaugural Regents' Outstanding Student Awards in Arts and Humanities.

BACKGROUND INFORMATION

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

The nominees were evaluated on the following elements: tone production, technique, rhythm, intonation, interpretation, overall quality of performance, and diction (for vocalists), with the following recognitions:

- Mr. Joseph Choi, pianist, U. T. Austin, for outstanding instrumental performance by an individual/duo
- Hill-Country Reed Trio: Mr. Jonathon Pearson Altizer, bassoon; Ms. Angela Park, oboe; and Ms. Stephanie Chung, clarinet, U. T. Austin, for outstanding instrumental performance by a group

One or both of the award winners will be asked to perform at the Board meeting.

6. **U. T. System Board of Regents: Discussion and appropriate action regarding establishment of medical schools in Austin and South Texas**

RECOMMENDATION

Executive Vice Chancellor Shine and Executive Vice Chancellor Kelley will provide the Board with an update on the status of the establishment of medical schools in Austin and South Texas and may make recommendations to the Board. (See related Agenda Item 1c in Executive Session.)

7. **U. T. System Board of Regents: Discussion of security and safety issues, including report from national expert on prevention of hazing**

REPORT/DISCUSSION

Chancellor Cigarroa will introduce Professor Hank Nuwer who will address the Board and lead a discussion on why hazing occurs and how best to work to achieve a hazing-free environment.

BACKGROUND INFORMATION

The health and safety of students is of paramount concern to the Chairman, the Board, the Chancellor, U. T. System Presidents, and indeed the entire University of Texas System community. It is tragic and senseless that nearly every year at least one student death resulting from hazing occurs somewhere across the country.

In Texas, the Legislature has enacted a clear criminal law defining and prohibiting hazing, Regents' Rules and institutional policies subject students and organizations to disciplinary action including expulsion for hazing violations, and U. T. System institutions conduct aggressive education and preventive programs; however, hazing still occurs, and most instances of hazing go unreported.

With a goal of eliminating hazing, its disregard for others, and its dangerous consequences, and in the spirit of continuous improvement in this extraordinarily important and serious matter, Chancellor Cigarroa asked the Office of Academic Affairs and the Office of General Counsel to review policies and practices to identify any actions that could be taken to further address the elimination of hazing at U. T. System institutions. The two offices recommended inviting a nationally recognized expert on the topic, Professor Hank Nuwer, to address the University community at a public Board meeting. He is an Associate Professor at Franklin College in Franklin, Indiana, has been studying and writing about hazing since the 1970s, and authored 25 books on a variety of topics, including four specifically dealing with hazing:

*The Hazing Reader*

*Wrongs of Passage: Fraternities, Sororities, Hazing and Binge Drinking*

*High School Hazing: When Rites Become Wrongs*

*Broken Pledges: The Deadly Rite of Hazing*

Professor Nuwer conducts hazing workshops for students and administrators at universities across the country and hosts a hazing tracking website and a daily *HazingPrevention* blog. Most recently, Professor Nuwer was featured on a *CBS News Sunday Morning* report on hazing at university campuses. A graduate of the University of Nevada-Reno and the New Mexico Highlands University, in 2006, Professor Nuwer was awarded an honorary Doctor of Humane Letters by the State University of New York's Buffalo State College in recognition of his long career as a hazing historian and researcher.

8. **U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Rule 50101, regarding Student Conduct and Discipline**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Rule 50101, regarding Student Conduct and Discipline, be amended to read as set forth on [Page 22](#).

**BACKGROUND INFORMATION**

The proposed revision replaces current Rule 50101 with a statement of policy regarding student conduct and discipline. Under the proposed new Rule, each U. T. System institution is required to adopt a student discipline policy, to be reviewed and approved by the Office of General Counsel and the appropriate Executive Vice Chancellor.

The specific requirements for each institution's policy is to be consistent with a new Office of General Counsel Model Policy, based upon the current Rule 50101 which is attached for ease of reference on [Pages 23 - 33](#). This recommended approval is consistent with the policy and procedure structure of other Regents' Rules, including Rule 30105 regarding Sexual Harassment and Misconduct.

Details of the Model Policy were discussed in recent meetings of institutional judicial affairs officers, the U. T. System Associate Vice Chancellor for Student Affairs, and representatives of the Office of General Counsel. Specifically, the proposed Model Policy would provide for a more efficient hearing process, while complying with due process requirements. These amendments have been presented to U. T. System Student Advisory Council representatives without objection.

Significant changes addressed in the Model Policy include the following:

- Clarify that a student is subject to discipline for prohibited conduct that occurs on or off campus, and redundant language will be removed.
- Include a statement that students who knowingly fail to report hazing are subject to discipline.
- Require a student who has been suspended or expelled for disciplinary reasons, but is requesting approval to be present on a U. T. System institution campus, to disclose in writing to the chief student affairs officer information regarding each institution from which the individual has been suspended or expelled and the conduct leading to the disciplinary action.
- Authorize a streamlined hearing process for those cases in which the intended disciplinary sanction does not involve suspension, academic sanctions, or expulsion.



- Include a provision (in accordance with Title IX of the Education Amendments of 1972, its implementing regulations, and Department of Education guidance) to outline the rights of an alleged victim of sexual harassment or sexual violence during a student disciplinary hearing.
- Authorize the president of the institution to appoint a delegate to hear student discipline appeals.

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 50101**

**1. Title**

Student Conduct and Discipline

**2. Rule and Regulation**

Sec. 1 Standards of Conduct. All students are expected and required to obey federal, State, and local laws; to comply with the Regents' *Rules and Regulations*, with The University of Texas System and institutional rules and regulations, and with directives issued by administrative officials of the U. T. System or U. T. System institution in the course of their authorized duties; and to observe standards of conduct appropriate for an academic institution.

Sec. 2 Institutional Rules. Each U. T. System institution shall adopt rules and regulations concerning student conduct and discipline. Such rules shall be in accordance with a model policy developed by the Office of General Counsel that complies with State and federal law, Regents' Rules, and U. T. System policies. Institutional rules shall become effective upon review and approval by the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs, as appropriate, and by the Vice Chancellor and General Counsel. Each student is deemed to have notice of the provisions of the Regents' *Rules and Regulations* and institutional policies.

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 50101**

**1. Title**

Student Conduct and Discipline

**2. Rule and Regulation**

Sec. 1 Institutional Rules. The institutions shall adopt rules and regulations concerning student conduct and discipline. Such rules shall be in compliance with the Regents' *Rules and Regulations* and shall become effective upon review and approval by the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs. Each student is responsible for notice of and compliance with the provisions of the Regents' *Rules and Regulations* and the rules of the institution.

Sec. 2 Standards of Conduct. All students are expected and required to obey federal, State, and local laws, to comply with the Regents' *Rules and Regulations*, with The University of Texas System and institutional rules and regulations, with directives issued by an administrative official of the U. T. System or institution in the course of his or her authorized duties, and to observe standards of conduct appropriate for an academic institution.

2.1 Who is Subject to Discipline. Any student who engages in conduct that violates the Regents' *Rules and Regulations*, the U. T. System or institutional rules and regulations, specific instructions issued by an administrative official of the institution or the U. T. System acting in the course of his or her authorized duties, or federal, State, or local laws is subject to discipline whether such conduct takes place on or off campus or whether civil or criminal penalties are also imposed for such conduct.

2.2 Scholastic Dishonesty. Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.

**The University of Texas System  
Rules and Regulations of the Board of Regents**

**Rule: 50101**

- 2.3 Drugs. Any student who is found responsible for the illegal use, possession and/or sale of a drug or narcotic on the campus of an institution is subject to discipline. If a student is found responsible for the illegal use, possession, and/or sale of a drug or narcotic on campus, the sanction assessed shall be suspension from the institution for a specified period of time and/or suspension of rights and privileges.
- 2.4 Health or Safety. Any student who engages in conduct that endangers the health or safety of any person on the campus of an institution or on any property, or in any building or facility owned or controlled by the U. T. System or institution is subject to discipline.
- 2.5 Disruptions. Any student who, acting singly or in concert with others, obstructs, disrupts, or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity or public performance authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by the U. T. System or institution is subject to discipline. Obstruction or disruption includes but is not limited to any act that interrupts, modifies, or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records or computer networks accessible through the university's computer resources.
- 2.6 Inciting Lawless Action. Any student who engages in speech, either orally or in writing, which is directed to inciting or producing imminent lawless action and is likely to incite or produce such action is subject to discipline.
- 2.7 Unauthorized Use of Property. Any student who engages in the unauthorized use of property, equipment, supplies, buildings, or facilities owned or controlled by the U. T. System or institution is subject to discipline.
- 2.8 Hazing. Any student who, acting singly or in concert with others, engages in hazing is subject to discipline. Hazing in State educational institutions is prohibited by State law (*Texas Education Code* [Section 51.936](#)). Hazing with or without the consent of a student whether on or off

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campus is prohibited, and a violation of that prohibition renders both the person inflicting the hazing and the person submitting to the hazing subject to discipline. Initiations or activities of organizations may include no feature that is dangerous, harmful, or degrading to the student, and a violation of this prohibition renders both the organization and participating individuals subject to discipline.

- 2.9 Altering of Official Documents. A student who alters or assists in the altering of any official record of the U. T. System or institution or who submits false information or omits requested information that is required for or related to an application for admission, the award of a degree, or any official record of the U. T. System or institution is subject to discipline. A former student who engages in such conduct is subject to bar against readmission, revocation of degree, and withdrawal of diploma.
- 2.10 Vandalism. Any student who defaces, mutilates, destroys, or takes unauthorized possession of any property, equipment, supplies, buildings, or facilities owned or controlled by an institution or the U. T. System is subject to discipline.
- 2.11 Prohibited Conduct. A student is subject to discipline for prohibited conduct that occurs while participating in off-campus activities sponsored by an institution or the U. T. System including field trips, internships, rotations, or clinical assignments.
- 2.12 Use of Explosives, Weapons or Hazardous Chemicals. Unless authorized by federal, State, or local laws, a student who possesses or uses any type of explosive, firearm, imitation firearm, ammunition, hazardous chemical, or weapon as defined by State or federal law, while on campus or on any property or in any building or facility owned or controlled by the U. T. System or institution, is subject to discipline.
- 2.13 Prohibited Conduct During Suspension. A student who receives a period of suspension as a disciplinary penalty is subject to further disciplinary action for prohibited conduct that takes place on campus during the period of suspension.

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- Sec. 3 Bar from Campus. A former student who has been suspended or expelled for disciplinary reasons is prohibited from being on the campus of any institution during the period of such suspension or expulsion without prior written approval of the chief student affairs officer of the institution at which the suspended or expelled student wishes to be present.
- Sec. 4 Disciplinary Process. Disciplinary charges will be investigated by the Dean or the Dean's designee. Any student may be summoned by written request of the Dean for a meeting for purposes of the investigation and/or to discuss the allegations. The written request shall specify a place for the meeting and a time at least three weekdays after the date of the written request if the request is sent regular mail, or at least two weekdays after the date of the request if the request is sent by e-mail or hand delivered. The written request may be mailed to the address appearing in the records of the registrar, e-mailed to the student at the e-mail address on record with the U. T. System institution, or may be hand delivered to the student. If a student fails to appear without good cause, as determined by the Dean, the Dean may bar or cancel the student's enrollment or otherwise alter the status of the student until the student complies with the summons, or the Dean may proceed to implement the disciplinary procedures provided for in Section 5 of this Rule. The refusal of a student to accept delivery of the notice, the failure to maintain a current address with the registrar, or failure to read mail or e-mail shall not be good cause for the failure to respond to a summons.
- 4.1 Interim Disciplinary Action. Pending a hearing or other disposition of the allegations against a student, the Dean may take such immediate interim disciplinary action as is appropriate to the circumstances when such action is in the best interest of the institution. This includes but is not limited to a suspension and bar from the campus when it reasonably appears to the Dean from the circumstances that the continuing presence of the student poses a potential danger to persons or property or a potential threat for disrupting any activity authorized by the institution.
- 4.2 Timeliness of Hearing. When interim disciplinary action has been taken by the Dean under Section 4.1 above, a hearing of the charges against the student will be held

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under the procedures specified in Section 5 below. A hearing following interim disciplinary action will generally be held within 10 days after the interim disciplinary action was taken; however, at the discretion of the Dean of Students the 10-day period may be extended for a period not to exceed an additional 10 days.

4.3 Withholding Transcripts, Grades, Degrees. Notwithstanding the above, the Dean may withhold the issuance of an official transcript, grade, diploma, certificate, or degree to a student alleged to have violated a rule or regulation of the U. T. System or the institutions that would reasonably allow the imposition of such penalty. The Dean may take such action pending a hearing, resolution by administrative disposition, and/or exhaustion of appellate rights if the Dean has provided the student an opportunity to provide a preliminary response to the allegations and in the opinion of the Dean, the best interests of the U. T. System or the institution would be served by this action.

4.4 Administrative Disposition.

(a) In any case where the accused student elects not to dispute the facts upon which the charges are based and agrees to the sanctions the Dean assesses, the student may execute a written waiver of the hearing procedures specified in Section 5 below. This administrative disposition shall be final and there shall be no subsequent proceedings regarding the charges.

(b) In any case where the accused student elects not to dispute the facts upon which the charges are based, but does not agree with the sanctions assessed by the Dean, the student may execute a written waiver of the hearing procedures specified in Section 5 below yet retain the right to appeal the decision of the Dean only on the issue of penalty. The appeal regarding the penalty will be to the president of an institution.

Sec. 5 Hearing Process. In those cases in which the accused student disputes the facts upon which the charges are based, such charges shall be heard and determined by a fair and impartial Hearing Officer.

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- 5.1 Notice of Hearing. Except in those cases where immediate interim disciplinary action has been taken, the accused student shall be given at least 10 days written notice of the date, time, and place for such hearing and the name of the Hearing Officer. The notice shall include a statement of the charge(s) and a summary statement of the evidence supporting such charge(s). The notice shall be delivered in person to the student or mailed to the student at the address appearing in the registrar's records. A notice sent by mail will be considered to have been received on the third day after the date of mailing, excluding any intervening Sunday. The date for a hearing may be postponed by the Hearing Officer for good cause or by agreement of the student and Dean.
- 5.2 Impartiality of the Hearing Officer. The accused student may challenge the impartiality of the Hearing Officer. The challenge must be in writing, state the reasons for the challenge, and be submitted to the Hearing Officer through the Office of the Dean at least three days prior to the hearing. The Hearing Officer shall be the sole judge of whether he or she can serve with fairness and objectivity. In the event the Hearing Officer disqualifies himself or herself, a substitute will be chosen in accordance with procedures of the institution.
- 5.3 Burden of Proof. Upon a hearing of the charges, the Dean or other institutional representative has the burden of going forward with the evidence and has the burden of proving the charges by the greater weight of the credible evidence.
- 5.4 Duties of Hearing Officer. The Hearing Officer is responsible for conducting the hearing in an orderly manner and controlling the conduct of the witnesses and participants in the hearing. The Hearing Officer shall rule on all procedural matters and on objections regarding exhibits and testimony of witnesses, may question witnesses, and is entitled to have the advice and assistance of legal counsel from the Office of General Counsel of the System. The Hearing Officer shall render and send to the Dean and the accused student a written decision that contains findings of fact and a conclusion as to whether the accused student is responsible for the violations as charged. Upon a finding of responsibility the



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Hearing Officer shall assess a penalty or penalties specified in Section 6 below. When an accused student is found responsible for the illegal use, possession, or sale of a drug or narcotic on campus, the assessment of a minimum penalty provided in Section 2.3 above is required.

- 5.5 Minimal Rights. The hearing shall be conducted in accordance with procedures adopted by the institution that assure the institutional representative and the accused student the following minimal rights:
- (a) Each party shall provide the other party a list of witnesses, a brief summary of the testimony to be given by each, and a copy of documents to be introduced at the hearing at least five days prior to the hearing.
  - (b) Each party shall have the right to appear, present testimony of witnesses and documentary evidence, cross-examine witnesses, and be assisted by an advisor of choice. The advisor may be an attorney. If the accused student's advisor is an attorney, the Dean's advisor may be an attorney from the Office of General Counsel of the System. An advisor may confer with and advise the Dean or accused student, but shall not be permitted to question witnesses, introduce evidence, make objections, or present argument to the Hearing Officer.
  - (c) The Dean may recommend a penalty to be assessed by the Hearing Officer. The recommendation may be based upon past practice of the institution for violations of a similar nature, the past disciplinary record of the student, or other factors deemed relevant by the Dean. The accused student shall be entitled to respond to the recommendation of the Dean.
  - (d) The hearing will be recorded. If either party desires to appeal the decision of the Hearing Officer, the official record will consist of the recording of the hearing, the documents received in evidence, and the decision of the Hearing Officer. At the request of the president of an institution the recording of the hearing will be

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transcribed and both parties will be furnished a copy of the transcript.

Sec. 6 Penalties. The following penalties may be assessed by the Dean pursuant to Section 4.3 above or by the Hearing Officer after a hearing in accordance with the procedures specified in Section 5.5 above:

- 6.1 Disciplinary probation.
- 6.2 Withholding of grades, official transcript, and/or degree.
- 6.3 Bar against readmission.
- 6.4 Restitution or reimbursement for damage to or misappropriation of institutional or U. T. System property.
- 6.5 Suspension of rights and privileges, including participation in athletic or extracurricular activities.
- 6.6 Failing grade for an examination or assignment or for a course and/or cancellation of all or any portion of prior course credit.
- 6.7 Denial of degree.
- 6.8 Suspension from the institution for a specified period of time.
- 6.9 Expulsion (permanent separation from the institution).
- 6.10 Revocation of degree and withdrawal of diploma.
- 6.11 Other penalty as deemed appropriate under the circumstances.

Sec. 7 Appeal. A student may appeal a disciplinary sanction assessed by the Dean in accordance with Section 4.4(b) above. Either the Dean or the student may appeal the decision of the Hearing Officer. An appeal shall be in accordance with the following procedures:

- 7.1 Appeal Procedures. The appealing party must submit a written appeal stating the specific reasons for the appeal and any argument to the president of the institution with a

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copy to the other party. The appeal must be stamped as received by the President's Office no later than 14 days after the appealing party has been notified of the sanction assessed by the Dean or the decision of the Hearing Officer. If the notice of penalty assessed by the Dean or the decision of the Hearing Officer is sent by mail, the date the notice or decision is mailed initiates the 14-day period for the appeal. The non-appealing party may submit a response to the appeal, which must be received by the President's Office no later than five days after receipt of the appeal, with a copy to the other party. An appeal of the sanction assessed by the Dean in accordance with Section 4.4(b) above will be reviewed solely on the basis of the written argument of the student and the Dean. The appeal of the decision of the Hearing Officer will be reviewed solely on the basis of the record from the hearing. The Dean will submit the record from the hearing to the president as soon as it is available to the Dean. At the discretion of the president, both parties may present oral argument in an appeal from the decision of the Hearing Officer.

7.2 **President's Authority.** The president may approve, reject, or modify the decision in question or may require that the original hearing be reopened for the presentation of additional evidence and reconsideration of the decision. It is provided, however, that upon a finding of responsibility in a case involving the illegal use, possession, and/or sale of a drug or narcotic on campus, the sanction may not be reduced below the sanction as prescribed by Section 2.3 above.

7.3 **Communication of Decision.** The action of the president shall be communicated in writing to the student and the Dean within 30 days after the appeal and related documents have been received. The decision of the president is the final appellate review.

Sec. 8 **Disciplinary Record.** Each institution shall maintain a permanent written disciplinary record for every student assessed a sanction of suspension, expulsion, denial or revocation of degree, and/or withdrawal of diploma. A record of scholastic dishonesty shall be maintained for at least five years unless the record is permanent in conjunction with the above stated penalties. A disciplinary record shall reflect the nature of

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the charge, the disposition of the charge, the penalty assessed, and any other pertinent information. This disciplinary record shall be maintained by the Office of the Dean of Students. It shall be treated as confidential, and shall not be accessible to or used by anyone other than the Dean or university officials with legitimate educational interests, except upon written authorization of the student or in accordance with applicable State or federal laws or court order or subpoena.

**3. Definitions**

Campus – Consists of all real property, buildings, or facilities owned or controlled by the institution.

Chief Student Affairs Officer – The administrative officer primarily responsible for the development and administration of policies relating to students, for the development and implementation of services to students, and for the initial preparation of institutional regulations that will implement the policies and regulations set forth in this rule.

Dean or Dean of Students – Refers to the administrative officer or officers responsible for the administration of the disciplinary process at each institution.

Hearing Officer – An individual or individuals selected in accordance with procedures adopted by the institution pursuant to the recommendation of the Chief Student Affairs Officer to hear disciplinary charges, make findings of fact, and, upon a finding of guilt, impose an appropriate sanction(s).

Student – The following persons shall be considered students for purposes of these policies and regulations:

1. A person currently enrolled at an institution of the U. T. System.
2. A person accepted for admission or readmission to an institution of the U. T. System.
3. A person who has been enrolled at an institution of the U. T. System in a prior semester or summer session and is eligible to continue enrollment in the semester or summer session that immediately follows.
4. A person who engaged in prohibited conduct at a time when he or she met the criteria of 1, 2, or 3 above.

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Day – A calendar day except for days on which the University is officially closed or when regularly scheduled classes are suspended due to emergent situations.

Weekday – Monday through Friday, excluding any day that is an official holiday of the institution or when regularly scheduled classes are suspended due to emergent situations.

**4. Relevant Federal and State Statutes**

*Texas Education Code* [Section 51.936](#) – Hazing

**5. Relevant System Policies, Procedures, and Forms**

None

**6. Who Should Know**

Administrators  
Dean of Students  
Hearing Officers  
Students  
Office of General Counsel

**7. System Administration Office(s) Responsible for Rule**

Office of Academic Affairs  
Office of Health Affairs

**8. Dates Approved or Amended**

August 14, 2008  
December 10, 2004

**9. Contact Information**

Questions or comments regarding this Rule should be directed to:

- [bor@utsystem.edu](mailto:bor@utsystem.edu)

9. **U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Rule 80111, regarding Smoke Free Facilities**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Rule 80111, be amended as set forth in congressional style on [Page 35](#), and retitled as "Smoke Free or Tobacco Free Policies."

BACKGROUND INFORMATION

The U. T. System Board of Regents is aware of the significant health hazard caused by tobacco use. In furtherance of U. T. System's commitment to tobacco use prevention and cessation, the U. T. System Board of Regents adopted Regents' Rule 80111 in December 2004, providing for Smoke Free Facilities. The current Rule declares all facilities of the U. T. System or any of its institutions smoke free and prohibits the sale of tobacco on U. T. System campuses or at University-sponsored events.

A proposed revision to the Rule would allow U. T. System institutions to adopt smoke free or tobacco free policies in accordance with this Rule.

Many of the U. T. System institutions conduct research on tobacco prevention and cessation, some of which is funded by Cancer Prevention and Research Institute of Texas (CPRIT) grant funding. The proposed amendments will assure needed flexibility to comply with grant requirements, including CPRIT rules and regulations, and will further demonstrate U. T. System's commitment to cancer research.

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Rules and Regulations of the Board of Regents**

**Rule: 80111**

**1. Title**

Smoke Free or Tobacco Free Policies Facilities

**2. Rule and Regulation**

Sec. 1 ~~Smoke Free Facilities.~~ Policies. The institutions of the U. T. System and System Administration may adopt smoke free or tobacco free policies. Such policies shall be reviewed by the Office of General Counsel and shall be consistent with State law. ~~All facilities of The University of Texas System or any of the institutions are declared to be smoke free; however, appropriate individual medical exceptions, particularly in clinical treatment situations, will be considered.~~

Sec. 2 Tobacco Use Cessation Services. The U. T. System and U. T. System institutions may provide employees with tobacco use cessation services or make referrals to such services.

Sec. 3 Prohibition of Tobacco Sales. Tobacco sales are prohibited on U. T. System campuses or at University-sponsored events.

**3. Definitions**

None

**4. Relevant Federal and State Statutes**

*Texas Penal Code* Section 48.01 – Smoking Tobacco

10. **U. T. System: Discussion and appropriate action regarding proposed tuition and fee plans for a) the academic institutions for the 2012-2013 Academic Years and b) the health institutions for Academic Years starting in Fall 2012 and Fall 2013 and other sources of funding for institutional support**

#### RECOMMENDATION

The U. T. System Board of Regents will be asked to take appropriate action regarding the proposed tuition and fee plans for each U. T. System institution. Chancellor Cigarroa will introduce the discussion with comments on the deliberative process used to review the institutions' proposals. Executive Vice Chancellor ad interim Reyes and Executive Vice Chancellor Shine will outline the institutions' proposals and recommendations.

The Board may also discuss and take appropriate action regarding other sources of funding for institutional support.

#### BACKGROUND INFORMATION

Charts included on [Pages 37 - 42](#) provide reference information on the proposals submitted by the U. T. institutions for review by the Chancellor and Executive Vice Chancellors.



THE UNIVERSITY OF TEXAS SYSTEM ACADEMIC CAMPUSES									
SUMMARY OF PROPOSED TUITION AND FEE INCREASES / UNDERGRADUATE									
FOR ACADEMIC YEARS 2012-2013 AND 2013-2014									
	(Current) Fall 2011 Total Academic Costs	Proposed Fall 2012 Total Academic Costs	% Over 2011	Cost of increase to student per semester	Proposed Fall 2013 Total Academic Costs	% Over Proposed 2012	Cost of semester increase to student from AY 2012 to AY 2013	Projected Total Revenue Increase (both resident and nonresident)	TOTAL Additional Revenue as % of 2010-2011 E&G Operating Budget (2 Year Estimation)
<b>U. T. Arlington</b>									
Resident	\$4,646	\$4,646	0.00%	\$ -	\$4,767	2.60%	\$ 121	\$8,800,000	2.14%
Nonresident	\$4,646	\$4,646	0.00%	\$ -	\$4,767	2.60%	\$ 121		
<b>U. T. Austin</b>									
Resident	\$4,896	\$5,023	2.59%	\$ 127	\$5,154	2.61%	\$ 131	\$25,700,000	1.83%
Nonresident	\$16,190	\$16,773	3.60%	\$ 583	\$17,377	3.60%	\$ 604		
<b>U. T. Brownsville</b>									
Resident	\$3,055	\$3,135	2.62%	\$ 80	\$3,216	2.58%	\$ 81	\$1,200,000	0.67%
Nonresident	\$3,055	\$3,135	2.62%	\$ 80	\$3,216	2.58%	\$ 81		
<b>U. T. Dallas</b>									
Resident	\$5,507	\$5,716	3.80%	\$ 209	\$5,933	3.80%	\$ 217	\$1,800,000	0.58%
<b>U. T. El Paso</b>									
Resident	\$3,479	\$3,570	2.62%	\$ 91	\$3,663	2.61%	\$ 93	\$5,057,064	1.55%
Nonresident	\$3,479	\$3,605	3.63%	\$ 126	\$3,735	3.61%	\$ 130		
<b>U. T. Pan American</b>									
Resident	\$3,055	\$3,133	2.55%	\$ 78	\$3,214	2.59%	\$ 81	\$4,244,000	1.27%
Nonresident	\$3,055	\$3,133	2.55%	\$ 78	\$3,214	2.59%	\$ 81		
<b>U. T. Permian Basin</b>									
Resident	\$3,226	\$3,309	2.57%	\$ 83	\$3,396	2.63%	\$ 87	\$1,350,000	1.89%
Nonresident	\$3,226	\$3,309	2.57%	\$ 83	\$3,396	2.63%	\$ 87		
<b>U. T. San Antonio</b>									
Resident	\$4,403	\$4,518	2.61%	\$ 115	\$4,636	2.61%	\$ 118	\$10,470,357	2.41%
Nonresident	\$4,403	\$4,518	2.61%	\$ 115	\$4,636	2.61%	\$ 118		
<b>U. T. Tyler</b>									
Resident	\$3,532	\$3,626	2.66%	\$ 94	\$3,716	2.48%	\$ 90	\$1,200,000	1.27%
Nonresident	\$3,532	\$3,626	2.66%	\$ 94	\$3,716	2.48%	\$ 90		

NOTES:

- Total academic costs include statutory tuition, designated tuition, mandatory fees and average college/course fees, but do not include mandatory increase in tuition rate for non-resident and foreign students as required by Texas Education Code 54.051(d), announced in February 2012 by the Texas Higher Education Coordinating Board.
- 15 Semester Credit Hours are considered average for undergraduate students.
- Data projections vary slightly from one-year projections noted in *Estimated Net Tuition Revenue Resulting From Potential Tuition Increases* in the following ways:
  - U. T. Austin: Revenue projections do not include professional programs such as MBA, Pharmacy, and Law.
  - U. T. Dallas uses a Guaranteed Tuition Model, introducing a 3.8% one-time increase, equating to approx 1.5% annual increases.
  - Other reporting differences in total projected revenue increases could vary due to assumptions regarding financial aid set-asides, enrollment growth, differences in net/gross revenue, and other assumptions about waivers, exemption, etc.
- Data on Operating Budget Percentages are from the Board Approved Operating Budgets, 2010-2011 Recommended Educational and General Funds Total

**The University of Texas System Academic Institutions  
Proposed Tuition and Fee Increases for Fall 2012 and Fall 2013  
Proposed Use of Funds for Student Success Initiatives**

<b>Institution</b>	Expansion or Improved Delivery of Academic Advising	Tutoring and Supplemental Instruction	Early Warning System Development or Enhancement	Mentoring and Peer Mentoring	Overall Improved Enrollment Management	Develop or Enhance University College Model/Program	On Campus Student Employment Initiative	Gateway Course Enhancement Course Redesign	Expansion or Improvement of Core Course Offerings	Enhanced College Readiness Programs	Improved Career Services	Financial Incentives for On-Time Graduation	Other Student Success Initiatives <sup>4</sup>	Investments from Proposed Tuition and Fee Increases: 2012 - 2014
U. T. Arlington <sup>1</sup>	\$1,500,000	\$800,000	\$1,000,000			\$2,000,000		\$1,500,000			\$1,000,000		\$1,000,000	\$8,800,000
U. T. Austin	\$2,056,000		\$1,028,000					\$5,911,000	\$7,710,000	\$4,369,000	\$2,056,000		\$2,570,000	\$25,700,000
U. T. Brownsville <sup>2</sup>		\$900,000		\$300,000										\$1,200,000
U. T. Dallas	\$300,000							\$400,000		\$1,100,000				\$1,800,000
U. T. El Paso	\$1,100,000				\$1,920,064					\$1,100,000		\$937,000		\$5,057,064
U. T. Pan American	\$393,000							\$200,000	\$1,530,000	\$338,000	\$1,468,000	\$315,000		\$4,244,000
U. T. Permian Basin		\$60,000		\$256,000			\$434,000			\$93,000			\$247,000	\$1,090,000
U. T. San Antonio		\$162,000	\$43,000			\$184,000			\$4,764,000	\$65,000	\$1,912,500	\$1,712,013		\$8,842,513
U. T. Tyler <sup>3</sup>	\$164,000	\$164,000	\$164,000	\$164,000				\$544,000						\$1,200,000

- Notes:
- U. T. Arlington proposed tuition increases in Year Two, on an as needed basis, therefore the investments are contingent.
  - U. T. Brownsville expects an initial investment of \$1.2M in Year One and the additional \$1.2M in Year Two to sustain the proposed programs.
  - Although U. T. Tyler plans to invest in a combination of tutoring, advising, early warning, and mentoring, the money for the programs is allocated equally among the four initiatives as it was not specifically allocated in their proposal.
  - Other student success initiatives can include a variety of programs centered around special populations (e.g., Veterans).

Prepared by Office of Academic Affairs (March 2012)

The University of Texas System Health Institutions Proposed Use of Funds FY 2012-2013								
	Faculty Salaries	Scholarships	Student Services / Programs	Library	Information Resources	Administrative Support	Other	Total
<b>Medical Schools</b>								
UT Southwestern	\$169,965	\$71,517	\$235,298					\$476,780
UTMB		\$31,050	\$175,950					\$207,000
UTHSC H	\$125,000	\$100,000	\$1,690			\$80,000		\$306,690
UTHSC SA	\$85,125	\$17,025				\$9,768	\$11,350	\$123,268
<b>Dental Schools</b>								
UTHSC H	\$257,385	\$45,420	\$44,286					\$347,091
UTHSC SA	\$146,040	\$29,208				\$32,000	\$19,472	\$226,720
<b>Nursing Schools</b>								
UTMB	\$204,610							\$204,610
UTHSC H	\$78,574	\$28,622	\$26,191		\$26,191		\$26,191	\$185,769
UTHSC SA	\$120,683	\$34,481					\$17,240	\$172,404
<b>Health Professions</b>								
UT Southwestern	\$42,599	\$14,655	\$40,447					\$97,701
UTMB	\$135,942	\$33,986					\$56,642	\$226,570
UTHSC SA						\$67,900		\$67,900
<b>Biomedical Sciences</b>								
UT Southwestern	\$85,207	\$27,792	\$72,278					\$185,277
UTMB		\$40,500	\$18,000	\$6,000	\$9,000			\$73,500
UTHSC H			\$15,236					\$15,236
UTHSC SA		\$5,648			\$28,242		\$3,766	\$37,656
<b>Biomedical Informatics</b>								
UTHSC H					\$30,000			\$30,000
<b>Public Health</b>								
UTHSC H	\$154,190	\$12,838	\$37,181					\$204,209
<b>TOTAL</b>								
UT Southwestern	\$297,771	\$113,964	\$348,023	\$0	\$0	\$0	\$0	\$759,758
UTMB	\$340,552	\$105,536	\$193,950	\$6,000	\$9,000	\$0	\$56,642	\$711,680
UTHSC H	\$615,149	\$186,880	\$124,584	\$0	\$56,191	\$80,000	\$26,191	\$1,088,995
UTHSC SA	\$351,848	\$86,362	\$0	\$0	\$28,242	\$109,668	\$51,828	\$627,948

Prepared by the Office of Health Affairs | March 2012

The University of Texas System Health Institutions								
Proposed Use of Funds								
FY 2013-2014								
	Faculty Salaries	Scholarships	Student Services / Programs	Library	Information Resources	Administrative Support	Other	Total
<b>Medical Schools</b>								
UT Southwestern	\$201,964	\$80,784	\$255,812					\$538,560
UTMB		\$62,100	\$270,000			\$81,900		\$414,000
UTHSC H	\$100,000		\$100,000		\$50,000			\$250,000
UTHSC SA	\$83,625	\$16,725				\$9,768	\$11,150	\$121,268
<b>Dental Schools</b>								
UTHSC H	\$266,727	\$47,069						\$313,796
UTHSC SA	\$55,928	\$11,186				\$64,000	\$7,457	\$138,571
<b>Nursing Schools</b>								
UTMB	\$351,938							\$351,938
UTHSC H	\$159,973	\$62,785	\$53,324		\$53,324		\$53,324	\$382,730
UTHSC SA	\$120,683	\$34,481					\$17,240	\$172,404
<b>Health Professions</b>								
UT Southwestern	\$41,534	\$15,133	\$44,218					\$100,885
UTMB	\$94,762	\$23,691					\$39,484	\$157,937
UTHSC SA						\$67,900		\$67,900
<b>Biomedical Sciences</b>								
UT Southwestern	\$83,671	\$28,769	\$79,356					\$191,796
UTMB		\$40,500		\$6,000	\$9,600			\$56,100
UTHSC H								\$0
UTHSC SA		\$11,858			\$59,292		\$7,906	\$79,056
<b>Biomedical Informatics</b>								
UTHSC H					\$35,000			\$35,000
<b>Public Health</b>								
UTHSC H	\$153,011		\$12,838					\$165,849
<b>TOTAL</b>								
UT Southwestern	\$327,169	\$124,686	\$379,386	\$0	\$0	\$0	\$0	\$831,241
UTMB	\$446,700	\$126,291	\$270,000	\$6,000	\$9,600	\$81,900	\$39,484	\$979,975
UTHSC H	\$679,711	\$109,854	\$166,162	\$0	\$138,324	\$0	\$53,324	\$1,147,375
UTHSC SA	\$260,236	\$74,250	\$0	\$0	\$59,292	\$141,668	\$43,753	\$579,199

Prepared by the Office of Health Affairs | March 2012

The University of Texas System Health Institutions Summary of Proposed Tuition and Fee Increases FY 2012-13								
	2011 Resident Total Academic Costs	Proposed 2012 Resident Total Academic Costs	% Over 2011	2011 Non-Resident Total Academic Costs	Proposed 2012 Non-Resident Total Academic Costs *	% Over 2011	TOTAL Additional Revenue	TOTAL Additional Revenue as % of 2011 E&G Budget
<b>Medical Schools</b>								
UT Southwestern	\$16,640	\$17,231	3.6%	\$29,740	\$30,331	2.0%	\$476,780	
UTMB	\$13,975	\$14,200	1.6%	\$27,075	\$27,300	0.8%	\$207,000	
UTHSC H	\$16,413	\$16,718	1.9%	\$29,513	\$29,818	1.0%	\$305,000	
UTHSC H (Graduate)	\$2,748	\$2,774	0.9%	\$9,947	\$9,973	0.3%	\$1,690	
UTHSC SA	\$17,033	\$17,167	0.8%	\$31,440	\$31,574	0.4%	\$123,268	
<b>Dental Schools</b>								
UTHSC H-Hygiene	\$6,229	\$6,255	0.4%	\$14,367	\$14,393	0.2%	\$1,950	
UTHSC H-Graduate	\$11,373	\$11,499	1.1%	\$19,637	\$19,637	0.0%	\$42,336	
UTHSC H-Professional	\$23,980	\$24,843	3.6%	\$34,780	\$36,032	3.6%	\$302,805	
UTHSC SA	\$23,185	\$24,028	3.6%	\$33,485	\$34,328	2.5%	\$226,720	
<b>Nursing Schools</b>								
Undergraduate UTMB (15 SCH)	\$4,121	\$4,134	0.3%	\$8,771	\$8,829	0.7%	\$66,543	
UTHSC H (30 SCH)	\$6,274	\$6,436	2.6%	\$22,170	\$22,726	2.5%	\$91,430	
UTHSC SA (29 SCH)	\$6,985	\$7,161	2.5%	\$18,179	\$18,355	1.0%	\$107,820	
Graduate UTMB (9 SCH)	\$4,159	\$4,253	2.3%	\$6,949	\$7,070	1.7%	\$138,067	
UTHSC H (24 SCH)	\$5,942	\$6,152	3.5%	\$18,592	\$19,232	3.4%	\$94,339	
UTHSC SA (15 SCH)	\$5,785	\$5,968	3.2%	\$11,703	\$11,885	1.6%	\$64,584	
<b>Health Professions</b>								
Undergraduate UT Southwestern	\$5,225	\$5,358	2.5%	\$14,615	\$14,748	0.9%	\$13,329	
UTMB	\$7,730	\$7,930	2.6%	\$11,172	\$11,455	2.5%	\$33,892	
UTHSC SA	\$7,739	\$7,791	0.7%	\$16,878	\$16,930	0.3%	\$8,880	
UTMDACC				No Increase Proposed				
Graduate UT Southwestern	\$6,662	\$6,898	3.5%	\$12,974	\$13,210	1.8%	\$84,372	
UTMB	\$8,409	\$8,658	3.0%	\$12,243	\$12,665	3.4%	\$192,679	
UTHSC SA	\$7,042	\$7,164	1.7%	\$16,147	\$16,270	0.8%	\$59,020	
<b>Biomedical Sciences</b>								
UT Southwestern	\$6,662	\$6,898	3.5%	\$12,974	\$13,210	1.8%	\$185,277	
UTMB	\$7,394	\$7,529	1.8%	\$14,009	\$14,254	1.7%	\$73,500	
UTHSC H	\$3,761	\$3,787	0.7%	\$11,273	\$11,299	0.2%	\$15,236	
UTHSC SA	\$4,695	\$4,770	1.6%	\$13,623	\$13,698	0.6%	\$37,656	
<b>Biomedical Informatics</b>								
UTHSC H	\$6,590	\$6,816	3.4%	\$17,009	\$17,235	1.3%	\$30,000	
<b>Public Health</b>								
UTHSC Houston	\$5,385	\$5,549	3.0%	\$16,609	\$17,187	3.5%	\$204,209	
<b>TOTAL</b>								
UT Southwestern							\$759,758	0.39%
UTMB							\$711,681	0.10%
UTHSC Houston							\$1,088,995	0.44%
UTHSC San Antonio							\$627,948	0.30%

Total academic costs include statutory tuition, designated tuition, mandatory fees and relevant course fees, but do not include mandatory increase in tuition rate for non-resident and foreign students as required by Texas Education Code 54.051(d), announced in February 2012 by the Texas Higher Education Coordinating Board.

**The University of Texas System Health Institutions**  
**Summary of Proposed Tuition and Fee Increases**  
**FY 2013-14**

	2012 Resident Total Academic Costs	Proposed 2013 Resident Total Academic Costs	% Over 2012	2012 Non-Resident Total Academic Costs	Proposed 2013 Non-Resident Total Academic Costs *	% Over 2012	TOTAL Additional Revenue	TOTAL Additional Revenue as % of 2011 E&G Budget
<b>Medical Schools</b>								
UT Southwestern	\$17,231	\$17,843	3.6%	\$30,331	\$30,943	2.0%	\$538,560	
UTMB	\$14,200	\$14,650	3.2%	\$27,300	\$27,750	1.6%	\$414,000	
UTHSC H	\$16,718	\$16,968	1.5%	\$29,818	\$30,068	0.8%	\$250,000	
UTHSC SA	\$17,167	\$17,314	0.9%	\$31,574	\$31,721	0.5%	\$121,268	
<b>Dental Schools</b>								
UTHSC H-Hygiene	\$6,255	\$6,255	0.0%	\$14,393	\$14,393	0.0%	\$0	
UTHSC H-Graduate	\$11,499	\$11,499	0.0%	\$19,637	\$19,637	0.0%	\$0	
UTHSC H-Professional	\$24,843	\$25,738	3.6%	\$36,032	\$37,329	3.6%	\$313,796	
UTHSC SA	\$24,028	\$24,900	3.6%	\$34,328	\$35,195	2.5%	\$138,571	
<b>Nursing Schools</b>								
Undergraduate UTMB (15 SCH)	\$4,134	\$4,213	1.9%	\$8,829	\$8,908	0.9%	\$156,630	
UTHSC H (30 SCH)	\$6,436	\$6,600	2.5%	\$22,726	\$23,310	2.6%	\$200,846	
UTHSC SA (29 SCH)	\$7,161	\$7,338	2.5%	\$18,355	\$18,532	1.0%	\$107,820	
Graduate UTMB (9 SCH)	\$4,253	\$4,355	2.4%	\$7,070	\$7,172	1.4%	\$195,308	
UTHSC H (24 SCH)	\$6,152	\$6,348	3.2%	\$19,232	\$19,884	3.4%	\$181,883	
UTHSC SA (15 SCH)	\$5,968	\$6,150	3.0%	\$11,885	\$12,068	1.5%	\$64,584	
<b>Health Professions</b>								
Undergraduate UT Southwestern	\$5,358	\$5,495	2.6%	\$14,748	\$14,885	0.9%	\$13,689	
UTMB	\$7,930	\$8,055	1.6%	\$11,455	\$11,704	2.2%	\$26,421	
UTHSC SA	\$7,791	\$7,812	0.3%	\$16,930	\$16,950	0.1%	\$8,880	
UTMDACC				No Increase Proposed				
Graduate UT Southwestern	\$6,898	\$7,143	3.6%	\$13,210	\$13,455	1.9%	\$87,196	
UTMB	\$8,658	\$8,846	2.2%	\$12,665	\$12,974	2.4%	\$131,516	
UTHSC SA	\$7,164	\$7,190	0.4%	\$16,270	\$16,296	0.2%	\$59,020	
<b>Biomedical Sciences</b>								
UT Southwestern	\$6,898	\$7,143	3.6%	\$13,210	\$13,455	1.9%	\$191,796	
UTMB	\$7,529	\$7,664	1.8%	\$14,254	\$14,441	1.3%	\$56,100	
UTHSC H	\$3,787	\$3,787	0.0%	\$11,299	\$11,299	0.0%	\$0	
UTHSC SA	\$4,770	\$4,844	1.6%	\$13,698	\$13,772	0.5%	\$79,056	
<b>Biomedical Informatics</b>								
UTHSC H	\$6,816	\$7,016	2.9%	\$17,235	\$17,435	1.2%	\$35,000	
<b>Public Health</b>								
UTHSC Houston	\$5,549	\$5,687	2.5%	\$17,187	\$17,739	3.2%	\$165,849	
<small>Total academic costs include statutory tuition, designated tuition, mandatory fees and relevant course fees, but do not include mandatory increase in tuition rate for non-resident and foreign students as required by Texas Education Code 54.051(d), announced in February 2012 by the Texas Higher Education Coordinating Board.</small>								
<b>TOTAL</b>								
UT Southwestern							\$831,241	0.43%
UTMB							\$979,975	0.14%
UTHSC Houston							\$1,147,374	0.46%
UTHSC San Antonio							\$579,199	0.27%

11. **U. T. System Board of Regents: Certificate of appreciation to Regent John Davis Rutkauskas**



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FOR  
AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW  
COMMITTEE**

**Committee Meeting: 5/2/2012**

**Board Meeting: 5/3/2012**  
Austin, Texas

*Brenda Pejovich, Chairman*  
*Paul L. Foster, Vice Chairman*  
*Alex M. Cranberg*  
*Wallace L. Hall, Jr.*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	9:00 a.m. <i>Chairman Pejovich</i>		
1. <b>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</b>	9:00 a.m. <b>Action</b>	<b>Action</b>	<b>45</b>
2. <b>U. T. System Board of Regents: Approval to authorize negotiations with Deloitte &amp; Touche LLP to provide stand-alone financial audit services at U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler for Fiscal Year 2012 and Fiscal Year 2013</b>	9:03 a.m. <b>Action</b> <i>Mr. Martinez</i> <i>Ms. Vicki Keiser,</i> <i>Deloitte &amp; Touche</i>	<b>Action</b>	<b>46</b>
3. <b>U. T. System: Report on the Systemwide internal audit activities, including a summary of the State Auditor's Office issued audit reports and the implementation status of significant audit recommendations</b>	9:12 a.m. <b>Report/Discussion</b> <i>Mr. Martinez</i>	Not on Agenda	<b>47</b>
4. <b>U. T. System: Report on Privacy Compliance at the U. T. System institutions</b>	9:20 a.m. <b>Report/Discussion</b> <i>Ms. Holthaus</i>	Not on Agenda	<b>58</b>
5. <b>U. T. System: Report on the U. T. System Information Security Assurance Initiative</b>	9:40 a.m. <b>Report/Discussion</b> <i>Mr. Plutko</i> <i>Mr. Watkins</i>	Not on Agenda	<b>70</b>
<b>Adjourn</b>	10:00 a.m.		



1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

(The proposed Consent Agenda is at the end of the book.)

2. **U. T. System Board of Regents: Approval to authorize negotiations with Deloitte & Touche LLP to provide stand-alone financial audit services at U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler for Fiscal Year 2012 and Fiscal Year 2013**

**RECOMMENDATION**

Approval is requested for U. T. System staff to negotiate and enter into an auditing services contract amendment with Deloitte & Touche LLP to perform stand-alone financial statement audits of U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler [to meet the Southern Association of Colleges and Schools (SACS) accreditation requirements] for Fiscal Year 2012 and Fiscal Year 2013, as part of the overall U. T. System audit, pursuant to delegation of authority from the Texas State Auditor's Office.

**BACKGROUND INFORMATION**

On August 12, 2010, the Board of Regents authorized U. T. System staff to negotiate and enter into an auditing services contract with Deloitte & Touche LLP to perform the audit of the U. T. System financial statements, the stand-alone audit of the U. T. M. D. Anderson Cancer Center financial statements, and the stand-alone audit of The University of Texas Investment Management Company (UTIMCO) managed funds financial statements for Fiscal Year 2011. The original contract, entered into as of February 15, 2011, was for one year with the option to renew for four additional one-year terms.

On February 9, 2012, the Board of Regents authorized renewal of the auditing services contract with Deloitte & Touche LLP to provide the audit of the U. T. System financial statements, the stand-alone audit of the U. T. M. D. Anderson Cancer Center financial statements, and the stand-alone audit of UTIMCO managed funds financial statements for two additional years, Fiscal Year 2012 and Fiscal Year 2013, if approved by the Texas State Auditor's Office.

The source of funding for this contract is Available University Funds, as approved for the prior contracts.

3. **U. T. System: Report on the Systemwide internal audit activities, including a summary of the State Auditor's Office issued audit reports and the implementation status of significant audit recommendations**

REPORT

Mr. Art Martinez, Executive Director for Board Services, will report on the State Auditor's Office State of Texas Federal and Financial Portion of the Statewide Single Audit Reports for Fiscal Year 2011. A summary of the audit reports and findings by institution are set forth on [Pages 48 - 52](#).

Mr. Martinez will also 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 53 - 54](#). 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 is on [Pages 55 - 56](#). The annual internal audit plan status as of March 31, 2012, follows on [Page 57](#).

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.

**The University of Texas (UT) System**  
**State Auditor's Office FY 2011 Statewide Single Audit Reports**  
**Summary of Results for UT Institutions**

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**Federal Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31, 2011**

As a condition for receiving federal funding, the U.S. Office of Management and Budget (OMB) Circular A-133 requires nonfederal entities that expend at least \$500,000 in federal awards in a fiscal year (FY) to obtain annual Single Audits. To supplement the audit procedures performed by KPMG for the FY 2011 State of Texas **Federal** Portion of the Statewide Single Audit, the Texas State Auditor's Office (SAO) audited student financial aid at UT Arlington, UT Austin, and UT San Antonio and audited research and development programs at UT Arlington, UT Austin, UT Southwestern Medical Center, UT Medical Branch - Galveston, UT Health Science Center - San Antonio, and UT Health Science Center - Tyler. The SAO performs this audit every year, and institutions are chosen on a rotational basis with the size of their programs factored into the selection process. The SAO's procedures included assessing compliance with regulatory requirements, assessing internal controls over federal funds, and performing follow-up audit procedures on outstanding findings from previous year audits.

The SAO classifies findings in the categories of control deficiency, significant deficiency, and material weakness, the latter of which indicates a more serious reportable issue.

- *Control Deficiency*: the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.
- *Significant Deficiency*: deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- *Material Weakness*: deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

***Compliance with Federal Requirements for the Student Financial Assistance Cluster of Programs***

The Student Financial Assistance Cluster audits test compliance with federal requirements in 14 areas, such as eligibility and reporting. The State of Texas complied in all material respects with the federal requirements for the Student Financial Assistance Cluster of federal programs in FY 2011. The audit resulted in a total of 14 findings (questioned cost: \$63,039) at the three UT institutions, which are outlined below. All of the findings are categorized as significant deficiencies. Institutional management has responded appropriately to the related recommendations, and several have already taken steps towards implementation.

***UT Arlington (Total Questioned Cost: \$7,248)***

1. Inaccurate calculation of Cost of Attendance; Failure to cancel an Academic Competitiveness Grant award (Significant Deficiency and Non-Compliance/Questioned Cost: \$188)
2. Untimely reporting of Pell disbursements to Department of Education's Common Origination and Disbursement (COD); Untimely process to identify and correct errors (between the scheduled award and disbursed amounts) in the financial aid system (Significant Deficiency and Non-Compliance/ Questioned Cost: \$0)
3. Inadequate controls to verify and correct Free Application for Federal Student Aid information; Incomplete policies and procedures (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
4. Untimely notification to Teacher Education Assistance for College and Higher Education (TEACH) grant recipients (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
5. Untimely and/or inaccurate return of Title IV funds (Significant Deficiency and Non-Compliance/ Questioned Cost: \$7,060)
6. Untimely identification of Direct Loan Servicing System submission errors; Untimely reporting of direct loan disbursements to COD; lack of reconciliation of COD School Account Statements to institutional financial records (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)

**The University of Texas (UT) System  
State Auditor's Office FY 2011 Statewide Single Audit Reports  
Summary of Results for UT Institutions**

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*UT Austin (Total Questioned Cost: \$51,625)*

1. Instances of students' non-compliance in Satisfactory Academic Progress due to system program errors; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/Questioned Cost: \$48,271)
2. Untimely reporting COD System; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
3. Failure to submit disbursement notifications to TEACH grant recipients; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/ Questioned Cost: \$0)
4. Lack of evidence to show student semester attendance; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/Questioned Cost: \$3,354)
5. Inadequate controls over loan deferments/cancellations and defaulted borrowers (exit interviews, overdue notices, and reporting default status to credit bureau); Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)

*UT San Antonio (Total Questioned Cost: \$4,166)*

1. Over awarded National Science and Mathematics Access to Retain Talent grant recipients; Inappropriate access to operating environment of student financial aid system (Significant Deficiency and Non-Compliance/Questioned Cost: \$4,000)
2. Inadequate controls over student withdrawal and the related return of Title IV funds; Inappropriate access to operating environment of student financial aid system (Significant Deficiency and Non-Compliance/Questioned Cost: \$166)
3. Untimely reporting of student status changes to National Student Loan Data System; Inappropriate access to operating environment of student financial aid system (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)

*Status of Prior Year Student Financial Assistance Cluster Audits*

The SAO found that corrective actions were taken for several findings from previous Student Financial Assistance Cluster audits, and management provided updated corrective action plans for the remaining open recommendations. Some of the recommendations were reissued as new findings in the FY 2011 audit report. See details below:

- UT Arlington – 1 implemented; 3 partially implemented (reissued)
- UT Austin – 3 partially implemented (reissued)
- UT Dallas – 1 implemented
- UT El Paso – 2 partially implemented
- UT Health Science Center - Houston – 2 implemented
- UT Medical Branch - Galveston – 1 partially implemented
- UT Pan American – 1 implemented
- UT Permian Basin – 2 implemented
- UT San Antonio – 4 implemented; 1 partially implemented (reissued)
- UT Southwestern Medical Center – 2 partially implemented
- UT Tyler – 2 implemented

***Compliance with Federal Requirements for the Research and Development Cluster of Programs***

The Research and Development Cluster audits test compliance with federal requirements in 14 areas, such as allowable costs and procurement. The State of Texas complied in all material respects with the federal requirements for the Research and Development Cluster of federal programs in FY 2011. The audit resulted in a total of 15 findings (questioned cost: \$168,124) at the six UT institutions, which are outlined below. All of the findings are categorized as significant deficiencies; except for one material weakness found at UT Health Science Center - Tyler. Institutional management has responded appropriately to the related recommendations, and several institutions have already taken steps towards implementation.

**The University of Texas (UT) System  
State Auditor's Office FY 2011 Statewide Single Audit Reports  
Summary of Results for UT Institutions**

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*UT Arlington (Total Questioned Cost: \$305)*

1. Charging unallowable costs; Untimely submission of disclosure statements; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/ Questioned Cost: \$305)
2. Unsigned subrecipient agreements; Failure to submit required notifications to Recovery Act subrecipients; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)

*UT Austin (Total Questioned Cost: \$122,856)*

1. Lack of policies and procedures related to cost of services provided by specialized service facilities; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
2. Incomplete equipment property records; Inadequate controls to prevent loss, damage, or theft of equipment; Lack of formal change management process to make system changes (Significant Deficiency and Non-Compliance/Questioned Cost: \$122,856)

*UT Southwestern Medical Center (Total Questioned Cost: \$0)*

1. Incomplete or inaccurate equipment property records; Inappropriate access to system based on job duties or to maintain segregation of duties; Sharing of administrator account passwords (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
2. Untimely submission of reports to awarding agencies; Inappropriate access to system to maintain segregation of duties; Sharing of administrator account passwords (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)

*UT Medical Branch - Galveston (Total Questioned Cost: \$0)*

1. Failure to maintain proper equipment disposition forms or required documented approvals (Significant Deficiency/Questioned Cost: \$ 0)
2. Untimely submission of financial reports to awarding entities (Significant Deficiency and Non-Compliance/Questioned Cost: \$ 0)

*UT Health Science Center - San Antonio (Total Questioned Cost: \$0)*

1. Inadequate process to collect certified payrolls from construction contractors when required (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
2. Inaccurate equipment property records; Inadequate controls to safeguard assets, including procedures for conducting annual equipment inventory; Inappropriate access to information systems based on job duties and/or employment status, such as terminated employees (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
3. Failure to verify that construction contractor was not suspended or debarred; Failure to include Buy American provision in contract (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)

*UT Health Science Center - Tyler (Total Questioned Cost: \$44,963)*

1. Overcharged indirect costs to a federal award; Incomplete effort certifications; Incorrect approval for subrecipient payments; Payment from National Institutes of Health funds over the salary limit; Inaccurate indirect cost calculation; Inadequate documentation of internal service charges rates (Significant Deficiency and Non-Compliance/Questioned Cost: \$4,743)
2. Improper inclusion of accounts payable in draw down reports; Inadequate review and approval of draw down reports (Significant Deficiency and Non-Compliance/Questioned Cost: \$0)
3. Inadequate controls over obligating funds past the grant funding period; Inadequate review of adjustments to federal grant expenditures (Significant Deficiency and Non-Compliance/Questioned Cost: \$3)

**The University of Texas (UT) System**  
**State Auditor's Office FY 2011 Statewide Single Audit Reports**  
**Summary of Results for UT Institutions**

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4. Inadequate justification documented to support limited competition procurements; Failure to secure bids or document the rationale for the method used to procure services for procurements that required bidding; Failure to document that vendor and subrecipient were not suspended or debarred (Material Weakness and Non-Compliance/Questioned Cost: \$40,220)

*Status of Prior Year Research and Development Cluster Audits*

The SAO found that corrective actions were taken for several findings from previous Research and Development Cluster audits, and management provided updated corrective action plans for the remaining open recommendations. Some of the recommendations were reissued as new findings in the FY 2011 audit report. See details below:

- UT Austin – 1 partially implemented (reissued)
- UT Brownsville – 1 partially implemented
- UT Southwestern Medical Center – 4 implemented; 1 partially implemented (reissued)
- UT Medical Branch - Galveston – 1 partially implemented (reissued)
- UT Health Science Center - Houston – 2 implemented; 2 partially implemented
- UT M. D. Anderson Cancer Center – 2 implemented; 2 partially implemented

**State of Texas Compliance with Federal Requirements for Selected Major Programs at UT Medical Branch - Galveston for the Fiscal Year Ended August 31, 2011**

Overall, the State of Texas complied in all material respects with the federal requirements for the Hazard Mitigation Grant Program and the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program in FY 2011. UT Medical Branch - Galveston (UTMB) had some weaknesses in its control structure and instances of non-compliance for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program. The SAO identified three significant deficiencies and non-compliance at UTMB related to allowable costs, controls over safeguarding equipment, and procurements made after Hurricane Ike (questioned cost: \$131,438). UTMB management has responded appropriately to the related recommendations, and has already taken several steps towards implementation.

**Financial Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31, 2011**

The SAO did not conduct audit procedures on UT institutions' financial statements as part of the audit of the State of Texas Comprehensive Annual Financial Report for FY 2011, as they relied on the external audit of the UT System FY 2011 financial statements, which was performed by Deloitte & Touche LLP. However, as part of the State of Texas Financial Portion of the Statewide Single Audit (Financial Audit) report, the SAO made recommendations related to the completeness, accuracy, and review of the FY 2011 Schedules of Expenditures of Federal Awards (SEFAs) to UT Arlington, UT Austin, UT El Paso, UT Pan American, UT Southwestern Medical Center, and UT Health Science Center - San Antonio.

*Status of Prior Year Financial Portion of the Statewide Single Audit*

The SAO also performed follow-up audit procedures on outstanding findings from previous year Financial Audits. The SAO found that corrective actions were taken for several findings from the previous Financial Audits, and that management provided updated corrective action plans for the remaining open recommendations. Some recommendations, related to the SEFA, were reissued as new findings in the FY 2011 Financial Audit report. See details below:

- UT Arlington – 1 partially implemented (reissued)
- UT Austin – 2 implemented; 1 partially implemented (reissued)
- UT Brownsville – 1 implemented
- UT El Paso – 1 partially implemented (reissued)
- UT Pan American – 1 partially implemented (reissued)
- UT Southwestern Medical Center – 1 implemented; 1 partially implemented (reissued)

**The University of Texas (UT) System**  
**State Auditor's Office FY 2011 Statewide Single Audit Reports**  
**Summary of Results for UT Institutions**

---

- UT Medical Branch - Galveston – 3 implemented
- UT Health Science Center - Houston – 2 implemented
- UT Health Science Center - San Antonio – 1 partially implemented (reissued)
- UT M. D. Anderson Cancer Center – 1 implemented



**THE UNIVERSITY OF TEXAS SYSTEM**  
**Implementation Status of Outstanding Significant Findings/Recommendations**

Report Date	Institution	Audit	1st Quarter 2012		2nd Quarter 2012		Targeted Implementation Date	Overall Progress Towards Completion (Note)
			Ranking	# of Significant Findings	Ranking	# of Significant Findings		
<b>U. T. SYSTEM AUDITS</b>								
2011-10	UTD	Texas Administrative Code 202		1		1	8/31/2012	Satisfactory
2012-01	UTD	Environmental Health and Safety - Lab Safety				1	12/31/2012	Satisfactory
2012-02	UTD	Annual Financial Report for the Fiscal Year Ended August 31, 2011				5	8/31/2012	Satisfactory
2012-02	UTEP	Annual Financial Report for the Fiscal Year Ended August 31, 2011				1	3/31/2012	Satisfactory
2011-06	UTPA	Employee Assignments		1		1	3/30/2012	Satisfactory
2011-11	UTPA	Information Technology Change Management		1		0	1/31/2012	Implemented
2012-02	UTPA	High School to University Programs & Testing Services				2	8/31/2012	Satisfactory
2010-12	UTPB	Annual Financial Report for the Fiscal Year Ended August 31, 2010		1		1	7/31/2012	Satisfactory
2010-11	UTSA	Information Security Program		2		2	2/28/2013	Satisfactory
2011-07	UTSWMC	Patient Payments at Time of Service		1		0	3/31/2012	Implemented
2010-11	UTHSC - Houston	FY 2010 Financial Assurance Work		1		0	2/29/2012	Implemented
2010-05	UTHSC - San Antonio	UT Medicine Back End Billing Audit		1		0	11/30/2012	Implemented
2011-11	UTHSC - San Antonio	Data Center Physical Security Audit				4	7/31/2012	Satisfactory
2007-09	UTMDACC	Maintenance and Security of Biological Research Materials		1		1	9/30/2012	Satisfactory
2009-03	UTMDACC	Wireless and Firewall Remote Access Security Assessment		2		1	8/31/2012	Satisfactory
2009-05	UTMDACC	Business Continuity Plan Review		1		1	11/30/2012	Satisfactory
2010-12	UTMDACC	Human Resources Contingent Workforce		1		1	2/29/2012*	Satisfactory
2011-06	UTMDACC	Effort Reporting and Certification		1		1	5/31/2012	Satisfactory
2012-01	UTHSC - Tyler	Financial Statements as of and for the Year Ended August 31, 2011				1	6/1/2012	Satisfactory
2012-02	UT System Admin	UT Permian Basin Information Technology Governance Audit				2	8/31/2012	Satisfactory
Totals				<u>15</u>		<u>26</u>		

**THE UNIVERSITY OF TEXAS SYSTEM**  
**Implementation Status of Outstanding Significant Findings/Recommendations**

Report Date	Institution	Audit	1st Quarter 2012		2nd Quarter 2012		Targeted Implementation Date	Overall Progress Towards Completion (Note)
			Ranking	# of Significant Findings	Ranking	# of Significant Findings		
<b>STATE AUDITOR'S OFFICE AUDITS</b>								
2012-02	UTEP	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2011				1	2/28/2012**	Satisfactory
2012-02	UTPA	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2011				1	6/1/2012	Satisfactory
2011-02	UTPB	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2010		4		0	5/31/2011	Implemented
2011-02	UTSWMC	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2010		3		1	8/31/2012	Satisfactory
2012-02	UTSWMC	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2011				4	8/31/2013	Satisfactory
2012-02	UTSWMC	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2011				1	2/1/2012**	Satisfactory
2011-02	UTMB	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2010		2		0	9/1/2011	Implemented
2012-02	UTMB	Compliance with Federal Requirements for the Research & Development Cluster of Federal Programs for the Fiscal Year Ended August 31, 2011				2	8/31/2012	Satisfactory
2012-02	UTMB	Compliance with Federal Requirements for Selected Major Programs at the Department of Public Safety and The University of Texas Medical Branch at Galveston for the Fiscal Year Ended August 31, 2011				3	8/31/2012	Satisfactory
2012-02	UTHSC - San Antonio	Compliance with Federal Requirements for the Research & Development Cluster of Federal Programs for the Fiscal Year Ended August 31, 2011				3	7/31/2012	Satisfactory
2012-02	UTHSC - Tyler	Compliance with Federal Requirements for the Research & Development Cluster of Federal Programs for the Fiscal Year Ended August 31, 2011				0	9/30/2011	Implemented
Totals				<u>9</u>		<u>16</u>		

**Color Legend:**

- 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.
- Significant finding for which substantial progress towards implementation was made during the quarter that the significant finding was first reported.
- Significant finding for which substantial progress towards implementation was made during the quarter.
- 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.

\* Recommendation awaiting updated implementation status and date from the institution.

\*\* Recommendation deemed to be implemented per management and awaiting verification and validation by internal audit and/or the State Auditor's Office.

OTHER U. T. SYSTEM AUDIT REPORTS RECEIVED BY SYSTEM AUDIT 12/2011 through 2/2012	
Institution	Audit
UTAUS	National Collegiate Athletic Association Football Attendance - Intercollegiate Athletics
UTD	President's Travel and Entertainment Expenses
UTD	Information Security Program Index
UTD	Carolyn Lipsky Galerstein Women's Center
UTD	The Student Union
UTD	Office of the Vice President for Public Affairs
UTD	Norman Hackerman Advanced Research Program Grants
UTD	Conflict of Interest
UTEP	Desktop Use and Security
UTEP	Norman Hackerman Advanced Research Program
UTEP	Institutional Compliance
UTEP	Office of the Provost Change in Management
UTPA	Year-Round Pell Audit
UTSA	President's Travel, Entertainment, and Housing Expenses
UTSA	Athletics Department Internal Control Review
UTSA	Utility Billing
UTSA	Texas Higher Education Coordinating Board Facilities Audit
UTSA	Research Administration Information Technology General Controls
UTTY	Annual Follow-up
UTSMC	Presidential Travel and Entertainment Expenses
UTSMC	Effort Reporting
UTSMC	Epic Resolute Interface
UTMB - Galveston	Family Practice Residency Program
UTMB - Galveston	Primary Care/Internal Medicine Residency Program
UTMB - Galveston	Campus Security
UTMB - Galveston	Human Resources Change in Management
UTMB - Galveston	Dependent Eligibility
UTMB - Galveston	Student Information System Post-Implementation Review
UTMB - Galveston	Medical Service, Research and Development Plan Expenditure Review
UTMB - Galveston	Advanced Research Program/Advanced Technology Program Grants
UTMB - Galveston	Institutional Compliance Program Effectiveness
UTHSC - Houston	Advanced Research Program/Advanced Technology Program Grants
UTHSC - Houston	Interim Report on Faculty Recruitment and Hiring Process
UTHSC - Houston	Interim Review of Executive Travel and Entertainment
UTHSC - Houston	Follow-up on Open Recommendations
UTHSC - Houston	Family Practice Residency Program Fiscal Year (FY) 2011 Annual Financial Report (AFR)
UTHSC - Houston	Obstetrics and Gynecology Residency Program at Lyndon B. Johnson General Hospital FY 2011 AFR
UTHSC - Houston	Obstetrics and Gynecology Residency Program at Memorial Hermann Hospital FY 2011 AFR
UTHSC - Houston	Family Practice Preceptorship Program FY 2010 and 2011 Financial Status Report
UTHSC - Houston	Internal Medicine Residency Program FY 2011 AFR
UTHSC - San Antonio	EpicCare Application Security Audit
UTHSC - San Antonio	San Antonio Internal Medicine Residency Program
UTHSC - San Antonio	Regional Academic Health Center Internal Medicine Primary Care Residency Program
UTHSC - San Antonio	Family Practice Residency Program
UTHSC - San Antonio	Pediatrics Primary Care Residency Program
UTMDACC	Regional Care Centers
UTMDACC	Nursing Certification Incentive Pay Program
UTMDACC	Data Classification and Archival
UTMDACC	Job Order Contracts
UTHSC - Tyler	Family Medicine Residency Program Grant Audit for the Fiscal Year Ended August 31, 2011
UTHSC - Tyler	PeopleSoft Human Capital Management System - Texas Administrative Code § 202 Audit
UTSYS ADM	UT El Paso Office of the President
UTSYS ADM	Cimarex Energy, Co. Oil and Gas Producer Audit
UTSYS ADM	UT Arlington National Collegiate Athletic Association Agreed-Upon Procedures
UTSYS ADM	UT El Paso National Collegiate Athletic Association Agreed-Upon Procedures
UTSYS ADM	UT Pan American National Collegiate Athletic Association Agreed-Upon Procedures
UTSYS ADM	UT San Antonio National Collegiate Athletic Association Agreed-Upon Procedures
UTSYS ADM	Annual Financial Report for the Fiscal Year Ended August 31, 2011
UTSYS ADM	University Lands Wind Power Leases
UTSYS ADM	Dependent Eligibility
UTSYS ADM	University Lands Change in Management

STATE AUDITOR'S OFFICE AUDIT REPORTS ISSUED 12/2011 through 2/2012	
Institution	Audit
UTARL, UTAUS, UTB, UTEP, UTPA, UTSMC, UTMB, UTHSC - Houston, UTHSC - San Antonio, UTMACC	Financial Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31, 2011
UTARL, UTAUS, UTD, UTEP, UTPA, UTPB, UTSA, UTTY, UTSMC, UTMB, UTHSC - Houston	Compliance with Federal Requirements for the Student Financial Assistance Cluster of Federal Programs for the Fiscal Year Ended August 31, 2011
UTARL, UTAUS, UTB, UTSMC, UTMB, UTHSC - Houston, UTHSC - San Antonio, UTMACC, UTHSC - Tyler	Compliance with Federal Requirements for the Research and Development Cluster of Federal Programs for the Fiscal Year Ended August 31, 2011
UTARL, UTAUS, UTB, UTD, UTEP, UTPA, UTPB, UTSA, UTTY, UTSMC, UTMB, UTHSC - Houston, UTHSC - San Antonio, UTMACC, UTHSC - Tyler	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2011

**U. T. Systemwide Internal Audit Program  
FY 2012 Annual Internal Audit Plan Status  
(as of March 31, 2012)**

	Financial	Operational	Compliance	Information Technology	Follow-up	Projects	Credit for Priority Hours (Note 1)	Total Approved Priority Budget Hours (Note 2)	Variance (Hours)	Percentage Completion
U. T. System Administration	2,348	3,142	921	2,538	458	1,052	10,458	17,750	7,292	59%
<b>Large Institutions:</b>										
U. T. Austin	321	2,665	1,377	640	81	726	5,811	12,031	6,221	48%
U. T. Southwestern	850	961	2,266	606	500	531	5,714	11,000	5,286	52%
U. T. Medical Branch at Galveston	899	1,335	1,027	801	200	510	4,772	8,160	3,388	58%
U. T. HSC - Houston	763	965	836	547	211	410	3,730	7,294	3,564	51%
U. T. HSC - San Antonio	554	1,269	1,043	827	119	206	4,017	6,600	2,583	61%
U. T. MDA Cancer Center	2,513	1,553	1,200	-	670	74	6,009	10,805	4,796	56%
<b>Subtotal</b>	<b>5,900</b>	<b>8,747</b>	<b>7,748</b>	<b>3,421</b>	<b>1,781</b>	<b>2,456</b>	<b>30,052</b>	<b>55,890</b>	<b>25,838</b>	<b>54%</b>
<b>Mid-size Institutions:</b>										
U. T. Arlington	650	440	597	511	223	469	2,889	5,320	2,431	54%
U. T. Brownsville	406	532	410	277	150	440	2,214	4,176	1,962	53%
U. T. Dallas	626	1,268	309	362	56	75	2,695	5,890	3,195	46%
U. T. El Paso	1,430	1,358	398	374	413	136	4,109	8,464	4,355	49%
U. T. Pan American	472	1,070	624	418	191	536	3,311	5,825	2,514	57%
U. T. San Antonio	800	989	866	599	194	702	4,150	7,280	3,131	57%
<b>Subtotal</b>	<b>4,383</b>	<b>5,657</b>	<b>3,204</b>	<b>2,541</b>	<b>1,226</b>	<b>2,357</b>	<b>19,368</b>	<b>36,955</b>	<b>17,588</b>	<b>52%</b>
<b>Small Institutions:</b>										
U. T. Permian Basin	91	-	47	42	35	40	255	1,050	795	24%**
U. T. Tyler	240	424	167	253	56	397	1,537	2,375	838	65%
U. T. HSC at Tyler	325	271	441	300	143	118	1,597	2,761	1,165	58%
<b>Subtotal</b>	<b>656</b>	<b>695</b>	<b>655</b>	<b>595</b>	<b>234</b>	<b>555</b>	<b>3,389</b>	<b>6,186</b>	<b>2,797</b>	<b>55%</b>
<b>TOTAL</b>	<b>13,286</b>	<b>18,240</b>	<b>12,528</b>	<b>9,094</b>	<b>3,699</b>	<b>6,420</b>	<b>63,267</b>	<b>116,781</b>	<b>53,515</b>	<b>54%</b>
<b>Percentage of Total</b>	<b>21%</b>	<b>29%</b>	<b>20%</b>	<b>14%</b>	<b>6%</b>	<b>10%</b>	<b>100%</b>			

**NOTE 1:**

"Credit for Priority Hours" reflects the priority budgeted hours apportioned based on completion status of the audits/projects as of 3/31/2012. The time period from 9/1/2011 through 3/31/2012 represents approximately 58% of the annual audit plan year.

**NOTE 2:**

Original Total Priority Budget Hours, approved by the ACMRC for priority projects, was 118,038 hours. However, some institutions may change their Total Priority Budget Hours and/or the allocation of hours among the various categories due to changes in priorities and staffing resources during the fiscal year. These changes have been communicated to/approved by the institution's respective president and/or internal audit committee. The total priority budget hours are approximately 80-85% of total budget hours.

\*UT M. D. Anderson's total approved priority budget includes 2,845 hours of co-sourced hours that are not reflected above. This work generally is performed in the last two quarters and will be reported on during the next reporting period.

\*\*UT Permian Basin's low percent completion is due to the majority of the audit staff being temporarily assigned to the accounting department in order to complete the Annual Financial Report and other accounting functions when the accounting director and assistant director abruptly left their positions at the start of the fiscal year. The accounting director position was recently filled, and the director started in March 2012. At that time, one of the audit staff did resume her audit function and the other staff person is still in accounting.

4. **U. T. System: Report on Privacy Compliance at the U. T. System institutions**

REPORT

Ms. Barbara Holthaus, Senior Attorney and Privacy Coordinator in the Office of General Counsel, will report on privacy compliance at U. T. System institutions using the PowerPoint presentation set forth on the following pages.

# Systemwide Privacy Compliance

**Barbara Holthaus, Senior Attorney &  
Privacy Coordinator, Office of General Counsel**

Board of Regents' Meeting  
Audit, Compliance, and Management Review Committee  
May 2012



# Information Privacy Generally

- “Privacy” refers to the right of an individual to keep personal information from being disclosed
- Differs from “Information Security”
  - Privacy laws and policies dictate who can access personal data and why data can be accessed
  - Security implements privacy by limiting access to authorized staff and third parties through technological and physical controls

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# Examples of Privacy Law Categories

- **Medical confidentiality** – Health Insurance Portability and Accountability Act (HIPAA), state physician and mental health provider confidentiality laws, licensing board rules, House Bill 300 – 82nd Session of the Texas Legislature
- **Education records** – Family Educational Rights & Privacy Act (FERPA), Gramm Leach Bliley, Texas Public Information Act (TPIA)
- **Employment records** – Family and Medical Leave Act, Americans with Disabilities Act, Texas Public Information Act
- **Research data** – National Institutes of Health rules, HB 300
- **Breach Notification** – HIPAA/Health Information Technology for Economic and Clinical Health (HITECH) Act, Texas and other state breach notification laws

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# Drivers of Privacy as Compliance Issue

- Technological advances = ability to maintain and transmit massive amounts of electronic data
- Increasing value of data bits for identity theft and fraud – Social Security Numbers, Insurance ID cards, birthdates
- Heightened consumer and media awareness
- Increased outsourcing to third party vendors involving sensitive data

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# Breach Issues

- Legal definitions of a “breach” include any unauthorized access, not just hackers or rogue employees
- Increasing numbers of highly publicized breaches involve human error or lack of knowledge that data is subject to privacy laws
- Unnecessary collection and retention of high risk, obsolete, or low value data is frequent subject as it tends to fall off the radar

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# U. T. System Specific Privacy Issues

- All institutions house diverse categories of confidential and sensitive mission critical data
- Lack of centralized privacy function at academic institutions
- Health science institutions have HIPAA Privacy Programs/Officers but generally do not address nonmedical records
- Several security incidents generated by end user lack of privacy awareness



# Deloitte Security Program Review

- Cited lack of position with visibility and authority to effectuate required privacy policies and practices
- Recommended appointment of:
  - Privacy Officer for U. T. System Administration
  - Privacy Coordinator to create and oversee a Systemwide Privacy Council

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# U. T. System Privacy Coordinator

Appointed by Vice Chancellor and General Counsel on February 2012 to:

- Act as Privacy Officer for U. T. System Administration Offices
- Create a Systemwide Privacy Council with representatives from each U. T. System institution
- Provide dedicated direction and legal counsel to U. T. System offices and institutions on privacy issues

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# U. T. System Administration Initiatives

- Realignment of U. T. System Administration's current HIPAA Covered Entity (HITECH)
- Adoption of FERPA policy
- Adoption of formal breach response policy
- Development of employee privacy training required by HB 300





# Systemwide Privacy Council

- Establish best practices for privacy compliance
  - data collection and retention
  - breach response model policies and programs
- Develop privacy training and awareness programs for end users of confidential and sensitive data
- Ensure uniformity and consistency in common areas (FERPA, employee records)

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# Systemwide Privacy Council (cont.)

- Collaborate with InfoSec and Systemwide Security Program on issues with combined Privacy and Security Aspects
- Monitor HB 300 implementation and other Privacy legislation and trends affecting higher education

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5. **U. T. System: Report on the U. T. System Information Security Assurance Initiative**

REPORT

Mr. Larry Plutko, Systemwide Compliance Officer, and Mr. Lewis Watkins, Chief Information Security Officer, will provide an update on the U. T. System Information Security Assurance Initiative using the PowerPoint presentation set forth on the following pages.

# The University of Texas System Information Security Assurance Initiative (ISAI)

## Addressing Security Gaps Identified by the Deloitte & Touche Assessment

Lewis Watkins, CISSP  
May 2012



Board of Regents' Meeting

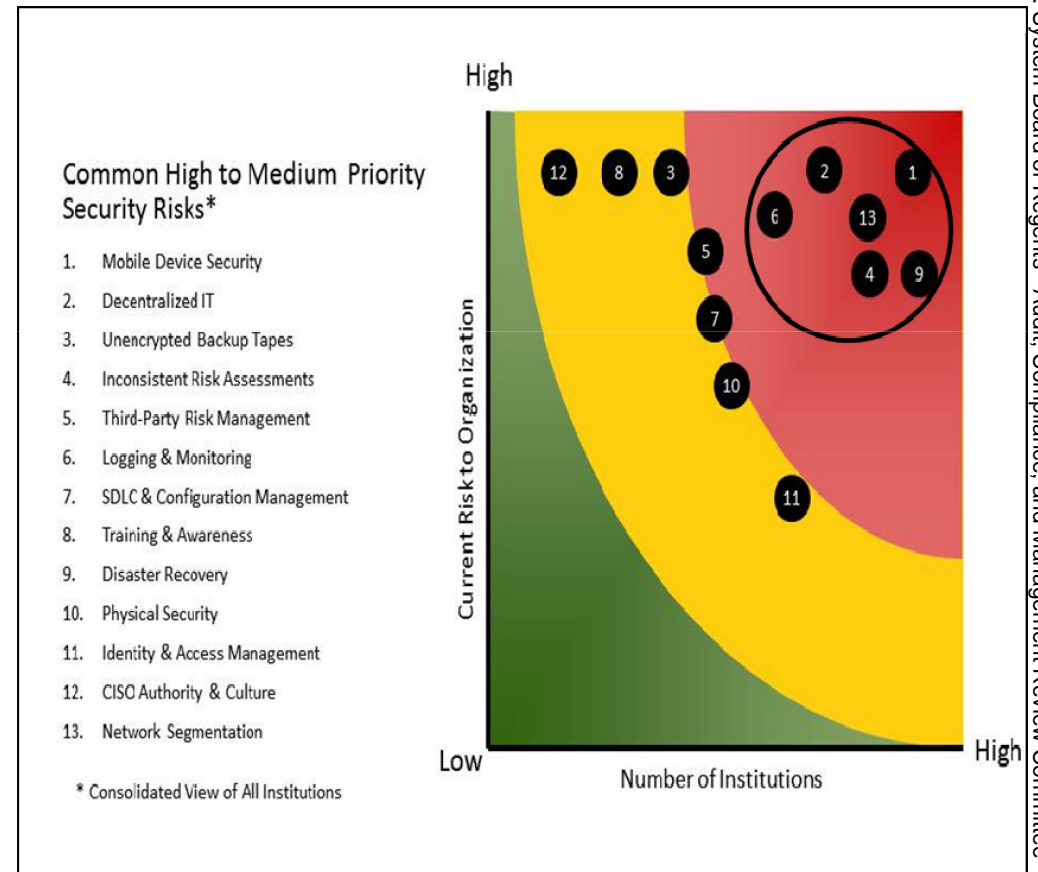
Audit, Compliance, and  
Management Review  
Committee



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

# Deloitte & Touche Security Gap Findings

- Deloitte & Touche defined 70 high priority initiatives to be addressed
- Some high risk gaps are common across multiple institutions.
  - Mobile Device Security
  - Disaster Recovery
  - Network Segmentation
  - Risk Assessment Process
  - Decentralized IT Risks
  - Logging and Monitoring
    - Server & Network
    - Monitoring of Access to Electronic Medical Records





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# Addressing the Gaps

- Institutions have submitted 470 project proposals
- U. T. System and Deloitte & Touche staff have assessed the proposals:
  - For fit with the Deloitte & Touche high risks and defined initiatives
  - To identify which gaps are best addressed centrally vs. institutionally
  - To determine relative priority of projects
  - To identify best approaches for sourcing the projects
- U. T. System staff are:
  - Establishing processes for tracking all projects and funds
  - Building organization and project plan to address the initiatives and assist the institutions
  - Launching initial Systemwide and institutional projects



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# Initiative Timeline and Management Plan

Initiative is managed with regular updates to executive management

## Planning:

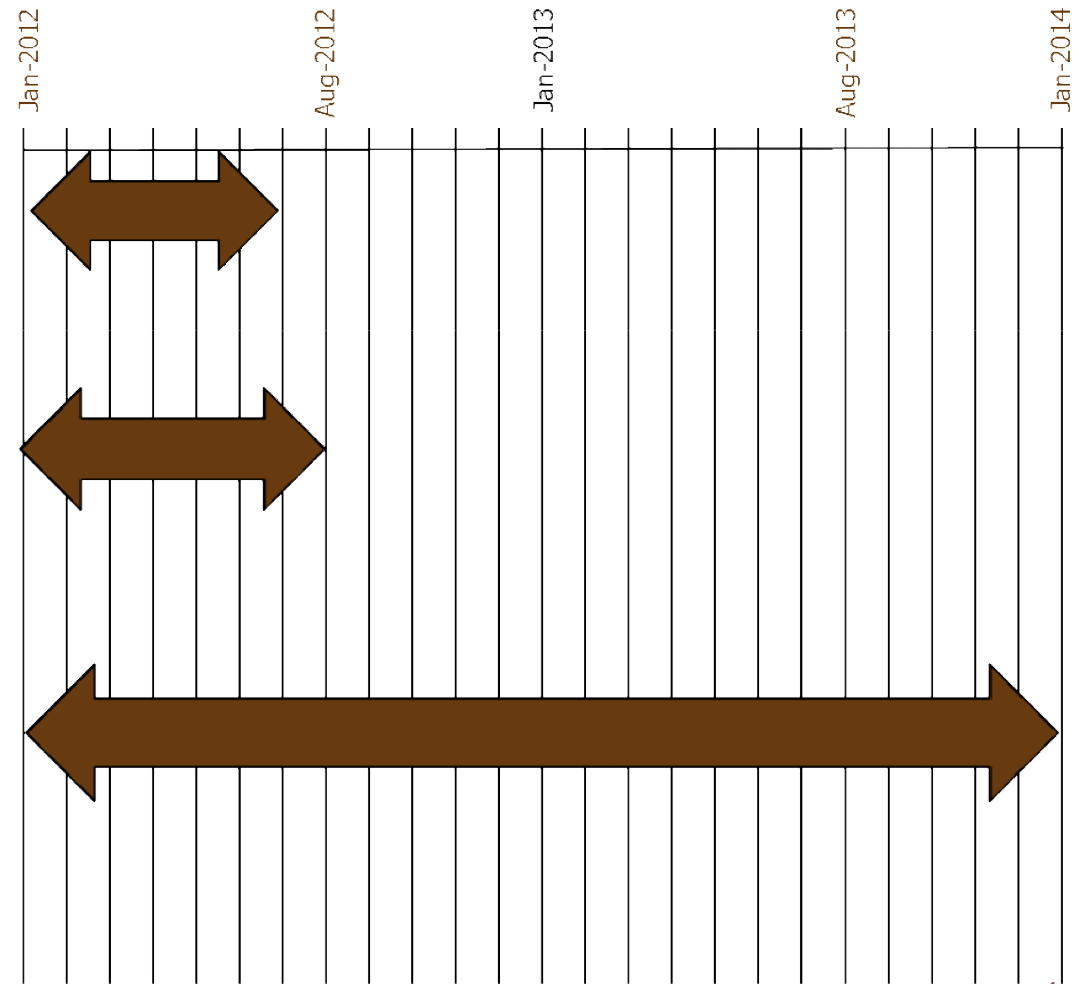
- Organize And Hire Staff
- Define Projects
- Establish Processes
- Develop Initial RFPs

## Phase 1: Short-term Projects:

- “Securing the Human” User Training
- Confidential Data Location Tool
- Encrypted USB Drives
- Laptop Encryption Licenses

## Phase 2: Long-term Projects:

- Mobile Device Management
- Risk Management
- Disaster Recovery
- Logging and Monitoring
- Many Others





# Information Security Assurance Initiative (ISAI) Goals & Measures

## Goals:

- Improve the security posture of:
  - The U. T. System as a whole
  - Each U. T. System institution
  - Shared resources such as data centers and networks
- Address high risk gaps identified by the Deloitte & Touche assessments
- Maximize the breadth and effectiveness of benefits achieved with funds

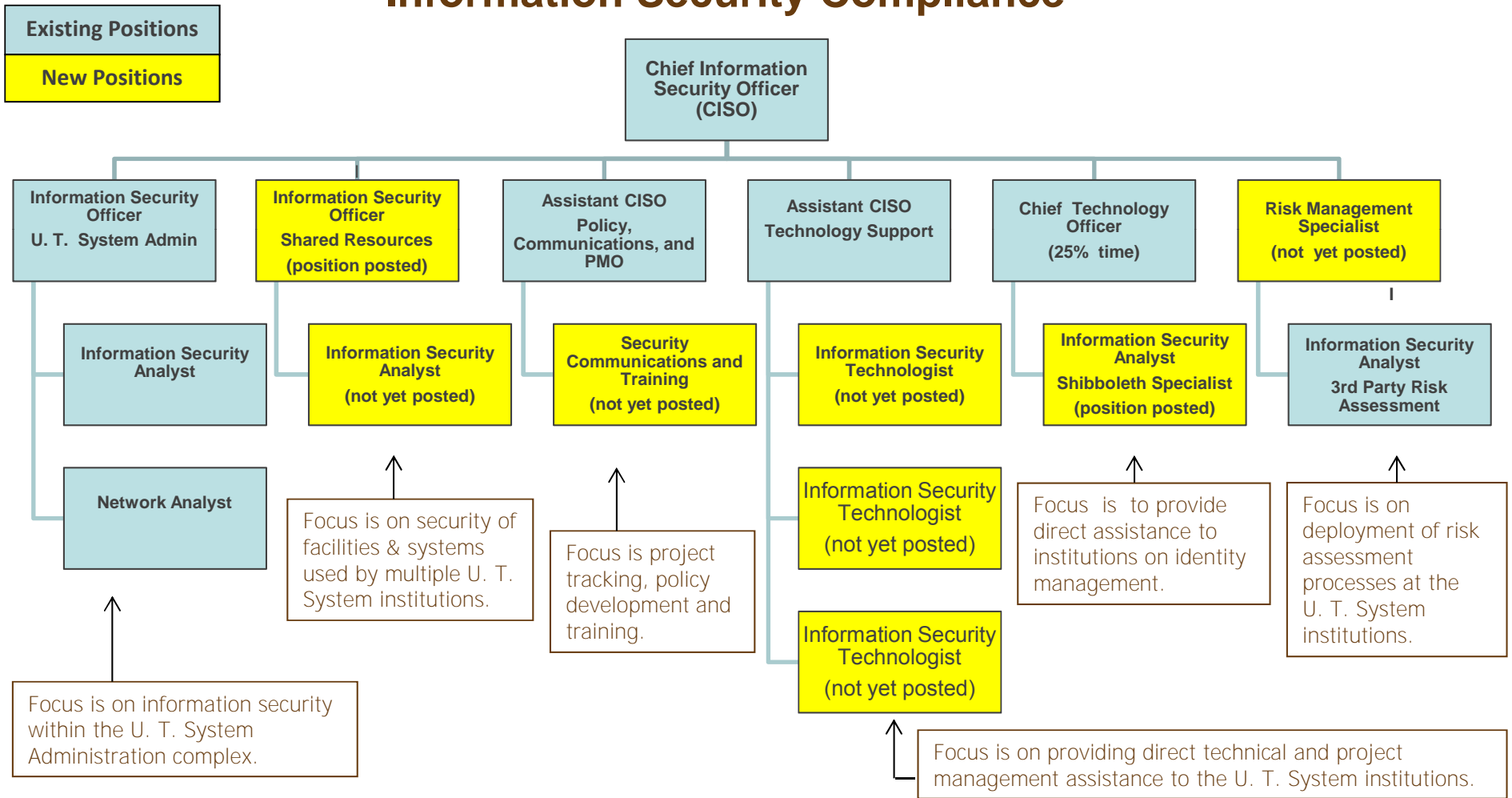
## Success Measures:

- Each defined project will be tracked for completion.
- Overall Initiative measures will include:
  - Number of high risks addressed
  - Number of high priority initiatives addressed as percent of those identified by Deloitte & Touche as needing to be addressed
  - Number of institutions participating in Systemwide security initiatives as a percent of those identified as having the need



# Organization Plan

## The University of Texas System Information Security Compliance



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# Central Program Activities and Projects Underway

## Start-up activities performed:

- Retained Deloitte & Touche as advisor to assist with program oversight
- Staff on-boarding continues
- Development and execution of memorandum of understandings and project planning documents and processes
- Deployment of Systemwide project management system
- Updates provided to Presidents and Executive Compliance Committee

## Projects that have been launched:

- Conducted day-long risk assessment workshop
- Conducted day-long information security metrics reporting workshop
- Launched Systemwide information security awareness training initiative
- Launched Electronic Medical Records monitoring system procurement
- Funded institutional faculty workstation backup and recovery project
- Funded institutional laptop encryption license purchase
- Funded institutional data discovery tool licensing purchase



## TABLE OF CONTENTS FOR FINANCE AND PLANNING COMMITTEE

**Committee Meeting: 5/3/2012**

**Board Meeting: 5/3/2012**  
Austin, Texas

Paul L. Foster, Chairman  
Printice L. Gary, Vice Chairman  
Alex M. Cranberg  
Wallace L. Hall, Jr.  
Brenda Pejovich

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	8:00 a.m. <i>Chairman Foster</i>		
1. <b>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</b>	8:00 a.m. <b>Action</b>	<b>Action</b>	<b>79</b>
2. <b>U. T. System: Key Financial Indicators Report and Monthly Financial Report</b>	8:05 a.m. <b>Report/Discussion</b> <i>Dr. Kelley</i>	Not on Agenda	<b>80</b>
3. <b>U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 29, 2012</b>	8:15 a.m. <b>Report/Discussion</b> <i>Mr. Zimmerman</i>	<b>Report</b>	<b>114</b>
4. <b>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</b>	8:25 a.m. <b>Action</b> <i>Chancellor Cigarroa</i> <i>Dr. Kelley</i>	<b>Action</b>	<b>120</b>
<b>Adjourn</b>	8:30 a.m.		

1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

(The proposed Consent Agenda is at the end of the book.)

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

REPORT

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, will discuss the Key Financial Indicators Report, as set forth on [Pages 81 - 88](#) and the March Monthly Financial Report on [Pages 89 - 113](#). The reports represent the consolidated and individual operating detail 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 2008 through February 2012. Ratios requiring balance sheet data are provided for Fiscal Year 2007 through Fiscal Year 2011.


















# THE UNIVERSITY OF TEXAS SYSTEM



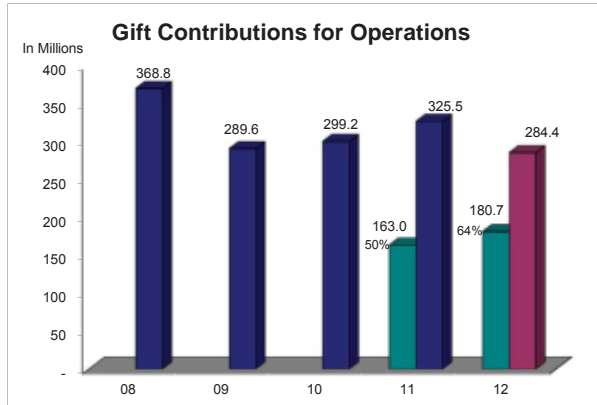
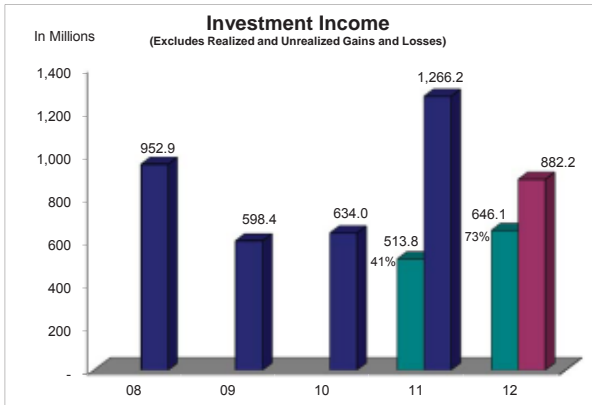
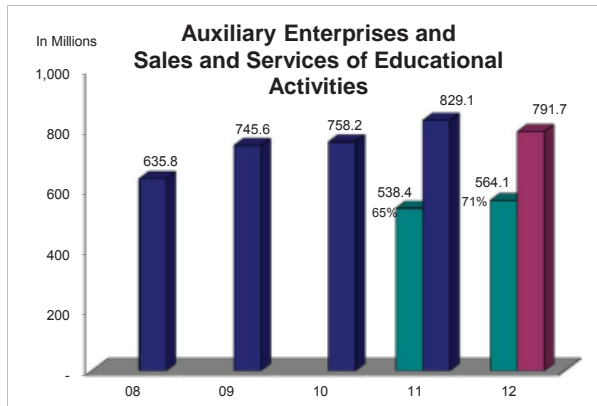
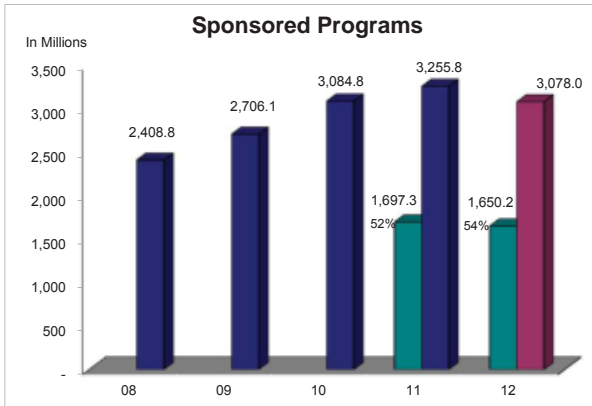
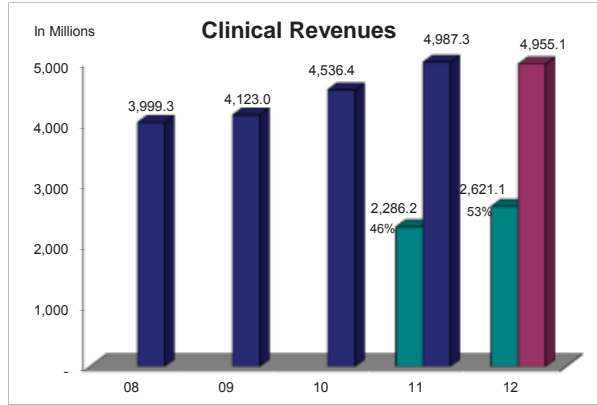
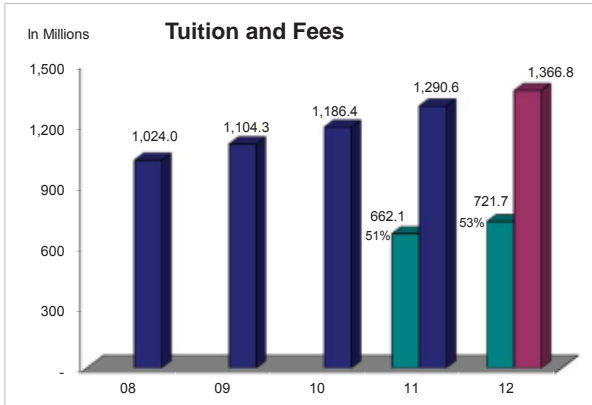
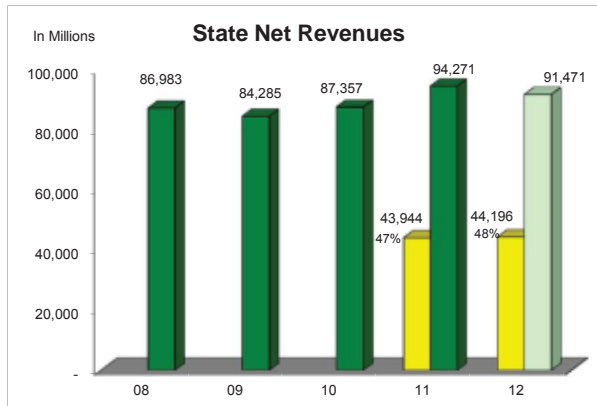
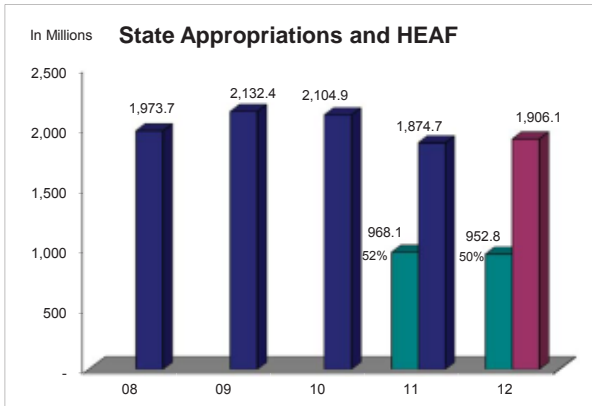
## KEY FINANCIAL INDICATORS REPORT

**2ND QUARTER FY 2012**

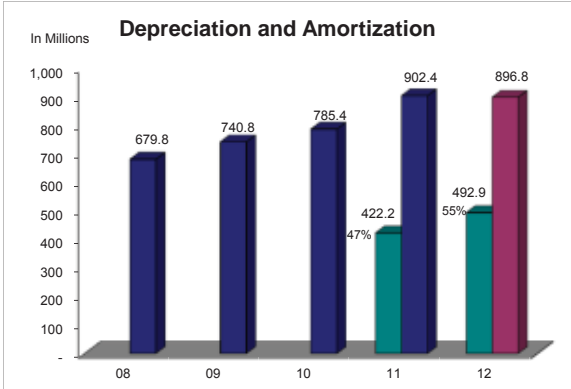
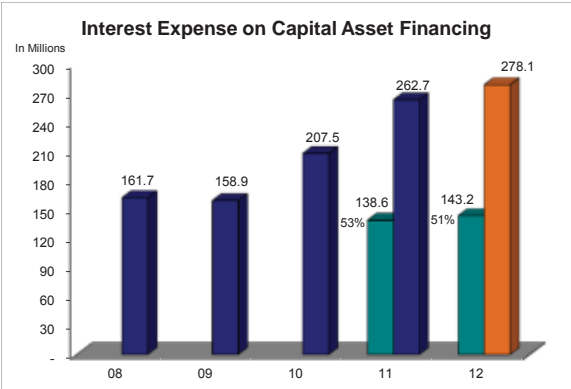
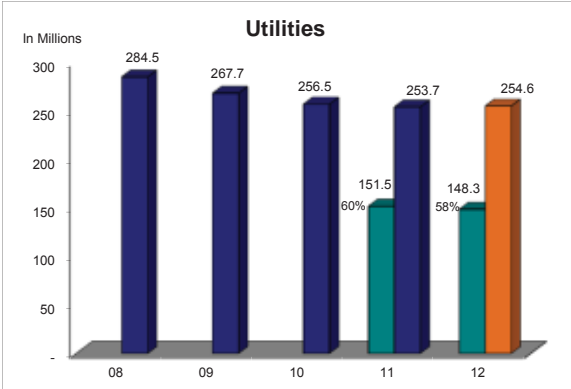
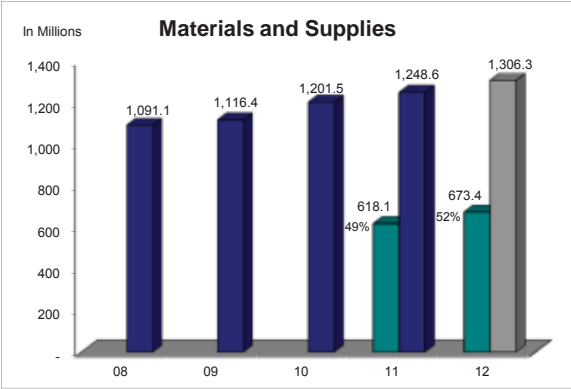
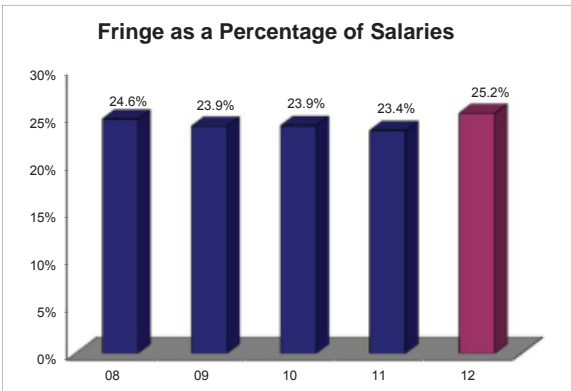
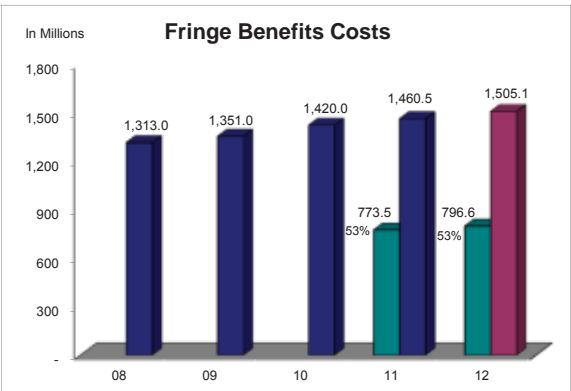
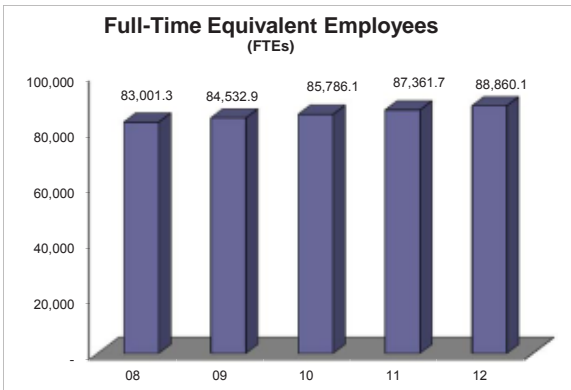
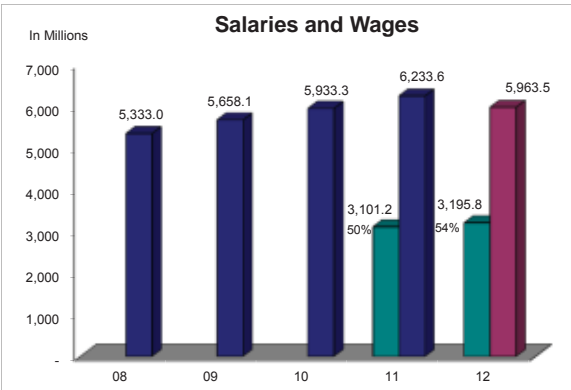
KEY

-  **Actual Annual Amounts**  
(SOURCE: Annual Financial Reports)
-  **Adjustment to Actual Annual Amounts to exclude the Increase in Net OPEB Obligation**  
(SOURCE: Annual Financial Reports)
-  **Budget amounts**  
(SOURCE: Operating Budget Summary)
-  **Projected Amounts based on the average change of the previous three years of data**
-  **Monthly Financial Report Year-to-Date Amounts**
-  **Annual State Net Revenue Collections**  
(SOURCE: Texas Revenue History by Source and Texas Net Revenue by Source, State Comptroller's Office)
-  **Year-to-Date State Net Revenue Collections**  
(SOURCE: State Comptroller's Office)
-  **Estimated State Revenue Collections**  
(SOURCE: Biennial Revenue Estimate, State Comptroller's Office)
-  **Annual and Quarterly Average of FTEs**  
(SOURCE: State Auditor's Office Quarterly FTE Report)
-  **Year-to-Date Margin**  
(SOURCE: Monthly Financial Report)
-  **Projected Amounts based on Monthly Financial Report**
-  **Year-to-Date Margin**  
(SOURCE: Monthly Financial Report)
-  **Target Normalized Rates**
-  **Aaa Median**  
(SOURCE: Moody's)
-  **A2 Median**  
(SOURCE: Moody's)
-  **Good Facilities Condition Index (Below 5%)**
-  **Fair Facilities Condition Index (5% - 10%)**

**KEY INDICATORS OF REVENUES  
ACTUAL 2008 THROUGH 2011  
PROJECTED 2012  
YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT**

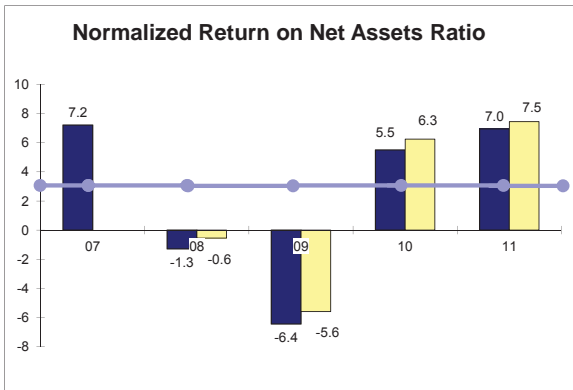
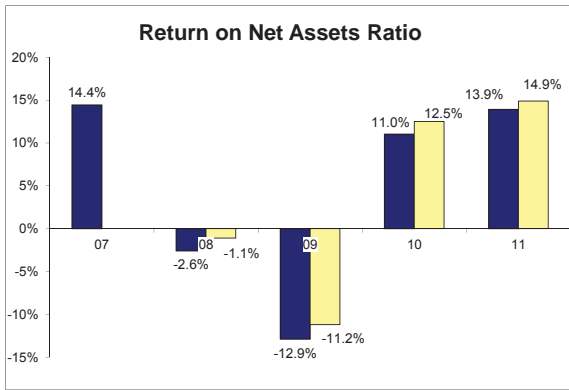
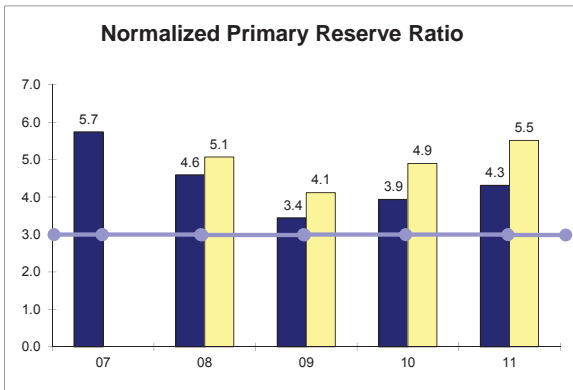
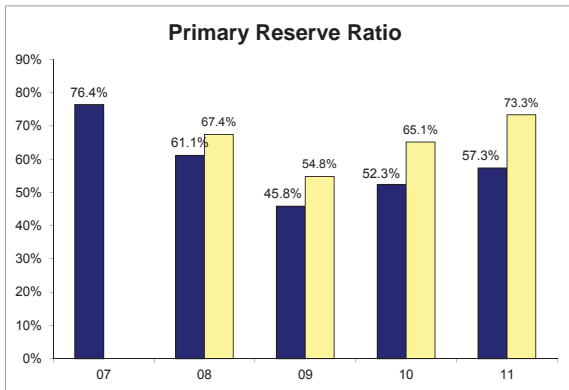
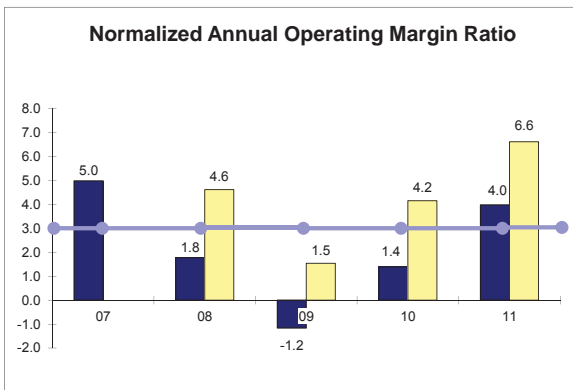
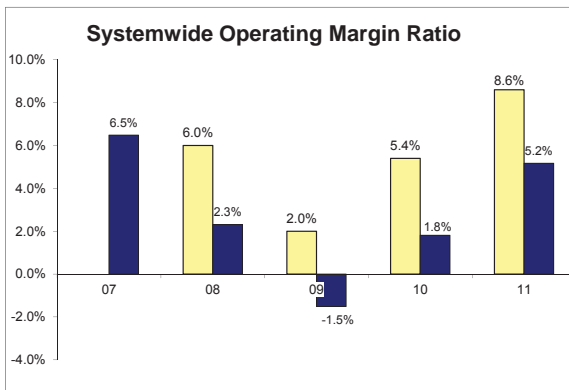
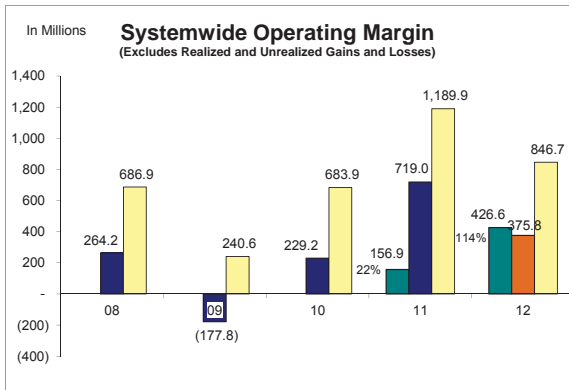


**KEY INDICATORS OF EXPENSES**  
**ACTUAL 2008 THROUGH 2011**  
**PROJECTED 2012**  
**YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT**

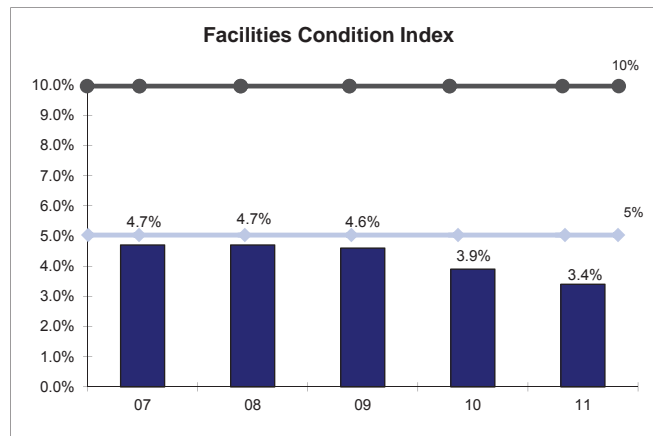
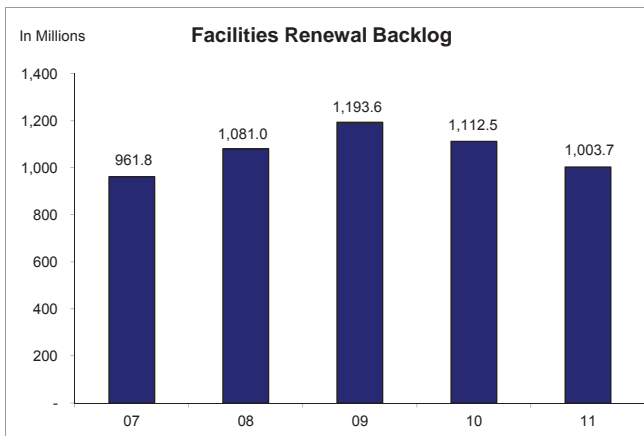
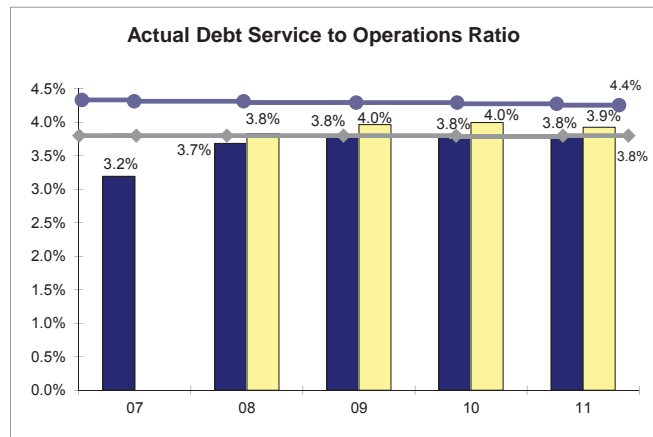
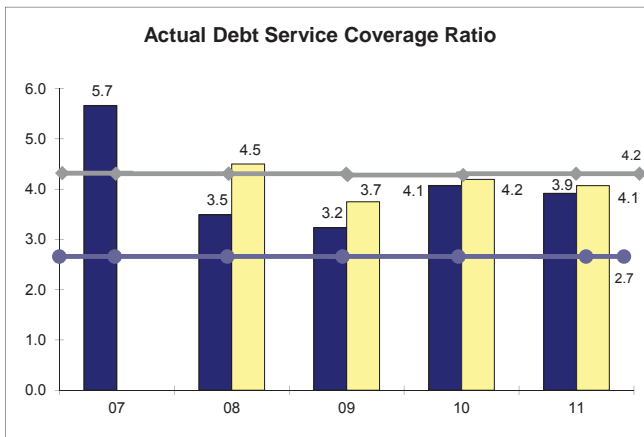
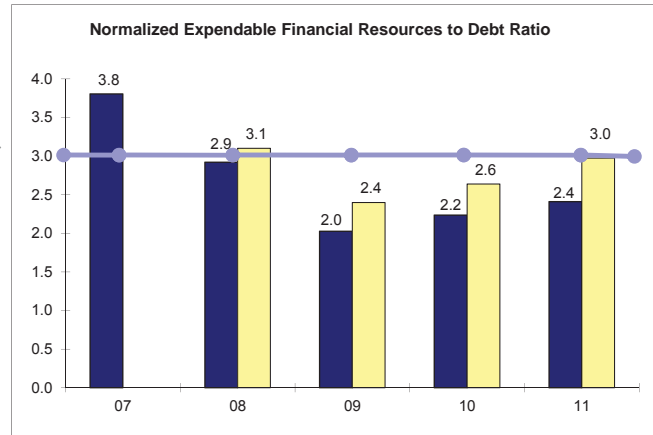
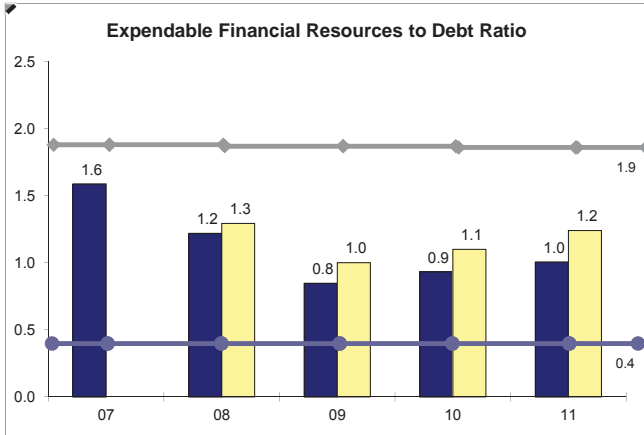




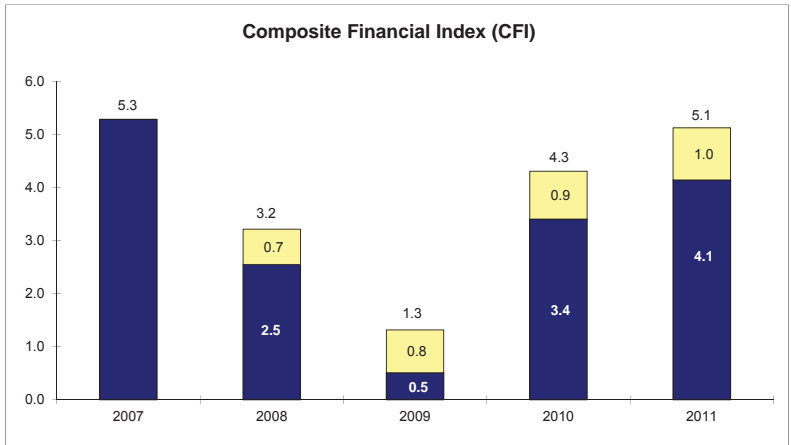
**KEY INDICATORS OF RESERVES**  
**ACTUAL 2007 THROUGH 2011**  
**PROJECTED 2012**  
**YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT**



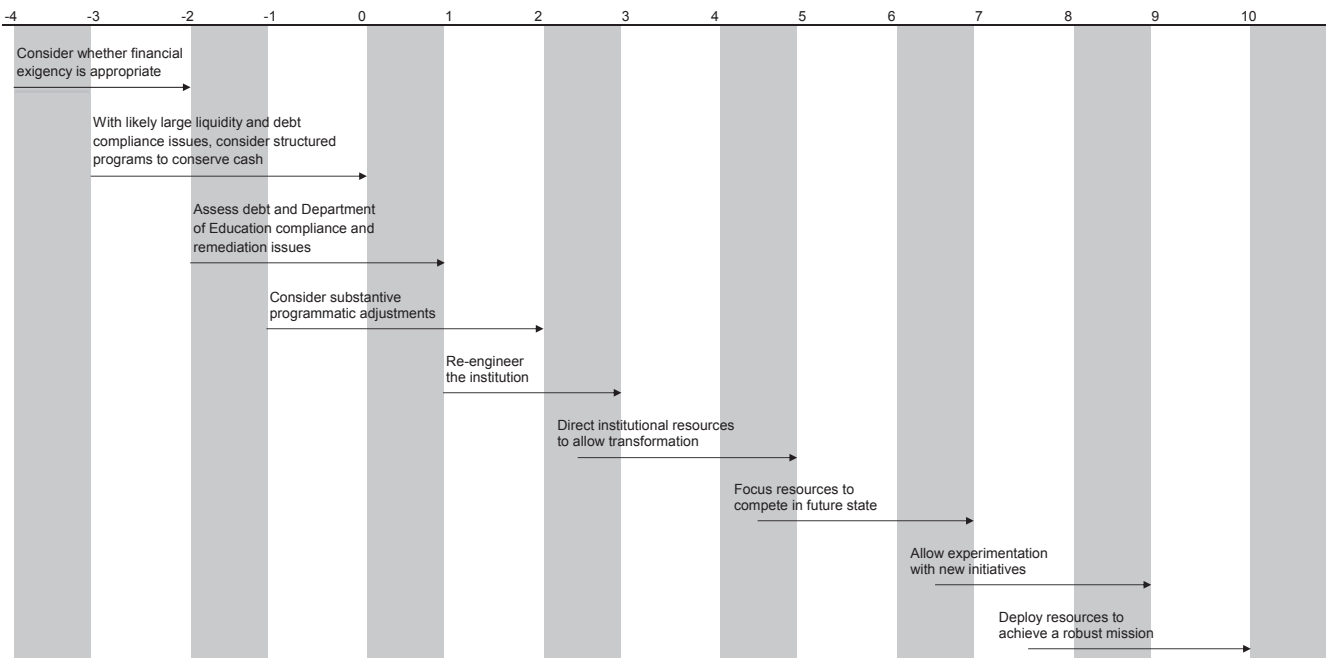
## KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY 2007 THROUGH 2011



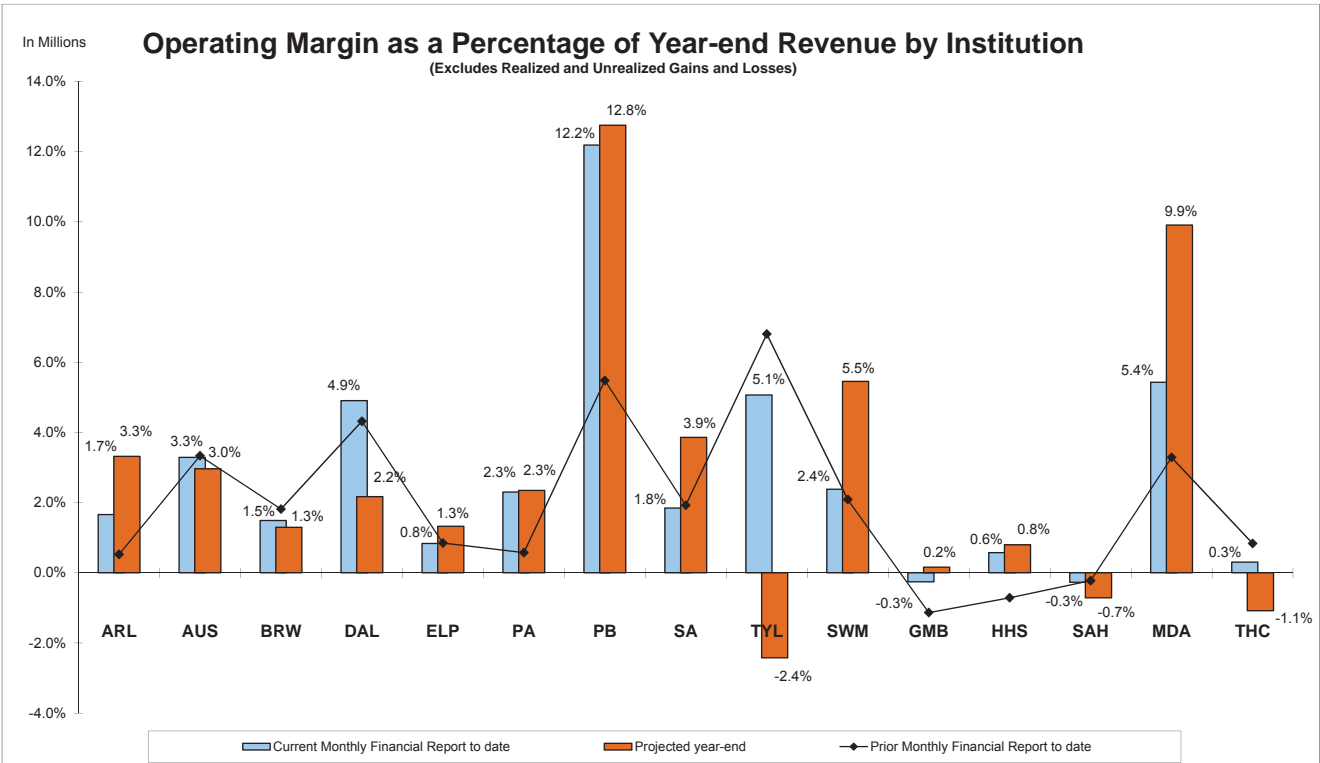
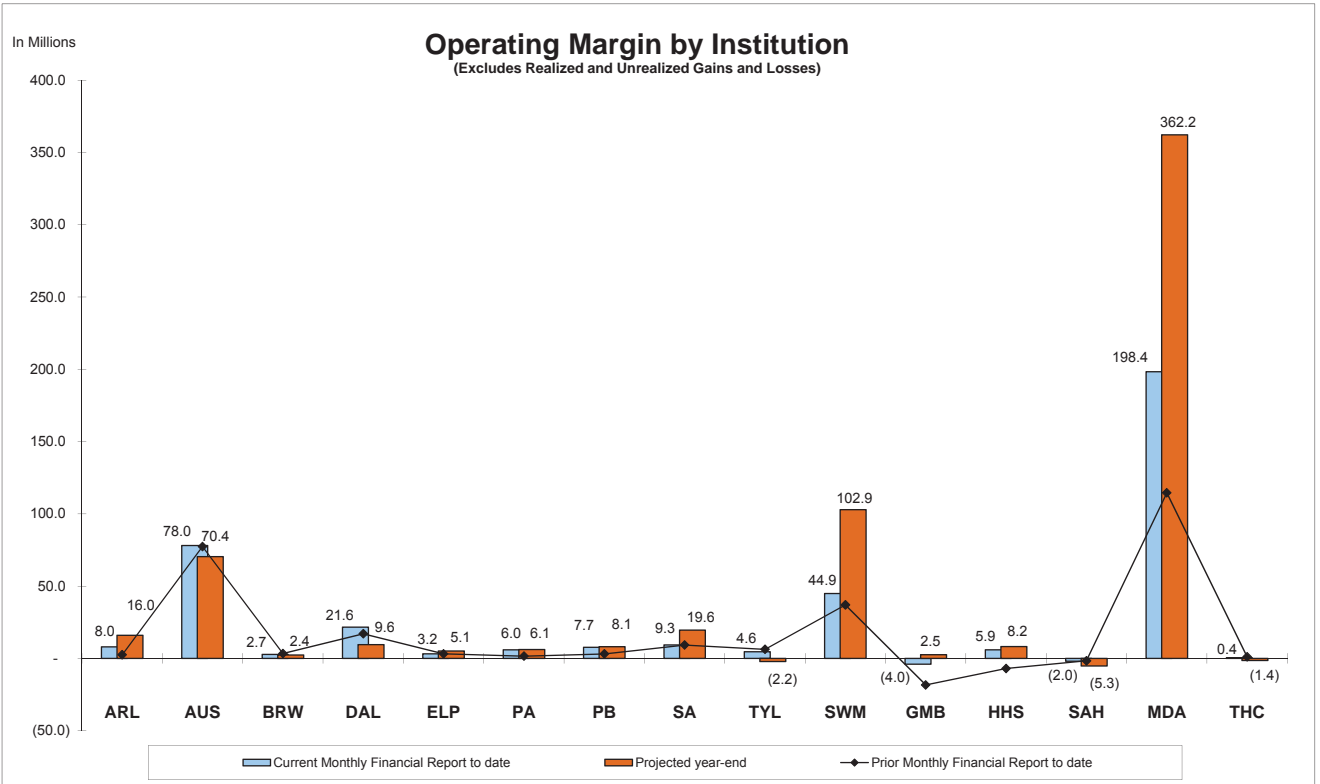
**KEY INDICATORS OF FINANCIAL HEALTH  
2007 THROUGH 2011**



**Scale for Charting CFI Performance**



**KEY INDICATORS OF RESERVES  
YEAR-TO-DATE 2011 AND 2012 FROM FEBRUARY MONTHLY FINANCIAL REPORT  
PROJECTED 2012 YEAR-END MARGIN**



THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE CONTROLLER

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MONTHLY FINANCIAL REPORT  
*(unaudited)*

MARCH 2012



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Austin, Texas 78701  
512.499.4527  
[www.utsystem.edu/cont](http://www.utsystem.edu/cont)

**THE UNIVERSITY OF TEXAS SYSTEM  
MONTHLY FINANCIAL REPORT  
(Unaudited)  
FOR THE SEVEN MONTHS ENDING  
MARCH 31, 2012**

**The University of Texas System  
Monthly Financial Report**

**Foreword**

The Monthly Financial Report (MFR) compares the results of operations between the current year-to-date cumulative amounts and the prior year-to-date cumulative amounts. Explanations are provided for institutions having the largest variances in Adjusted Income (Loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. In addition, although no significant variance may exist, institutions with losses may be discussed.

The data is reported in three sections: (1) Operating Revenues, (2) Operating Expenses and (3) Other Nonoperating Adjustments. Presentation of state appropriation revenues are required under GASB 35 to be reflected as nonoperating revenues, so all institutions will report an Operating Loss prior to this adjustment. The MFR provides an Adjusted Income (Loss), which takes into account the nonoperating adjustments associated with core operating activities. An Adjusted Margin (as a percentage of operating and nonoperating revenue adjustments) is calculated for each period and is intended to reflect relative operating contributions to financial health.

## UNAUDITED

The University of Texas System Consolidated  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	832,360,876.18	770,785,802.14	61,575,074.04	8.0%
Sponsored Programs	1,621,496,385.09	1,666,568,221.11	(45,071,836.02)	-2.7%
Net Sales and Services of Educational Activities	329,594,516.31	351,873,774.16	(22,279,257.85)	-6.3%
Net Sales and Services of Hospitals	2,382,840,853.04	2,042,977,954.74	339,862,898.30	16.6%
Net Professional Fees	701,880,575.57	673,846,068.85	28,034,506.72	4.2%
Net Auxiliary Enterprises	288,906,475.60	267,332,974.23	21,573,501.37	8.1%
Other Operating Revenues	93,655,695.23	100,772,134.06	(7,116,438.83)	-7.1%
<b>Total Operating Revenues</b>	<b>6,250,735,377.02</b>	<b>5,874,156,929.29</b>	<b>376,578,447.73</b>	<b>6.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	3,731,335,224.09	3,628,275,858.82	103,059,365.27	2.8%
Payroll Related Costs	932,641,511.07	911,748,526.34	20,892,984.73	2.3%
Cost of Goods Sold	58,870,350.22	55,142,582.08	3,727,768.14	6.8%
Professional Fees and Services	192,143,343.29	189,700,957.78	2,442,385.51	1.3%
Other Contracted Services	324,004,000.81	291,346,893.24	32,657,107.57	11.2%
Travel	73,114,415.47	69,839,800.42	3,274,615.05	4.7%
Materials and Supplies	793,454,729.94	736,178,433.96	57,276,295.98	7.8%
Utilities	170,998,309.27	174,137,388.36	(3,139,079.09)	-1.8%
Communications	69,660,898.48	75,881,722.23	(6,220,823.75)	-8.2%
Repairs and Maintenance	140,464,863.59	142,226,202.53	(1,761,338.94)	-1.2%
Rentals and Leases	78,941,422.89	81,562,290.35	(2,620,867.46)	-3.2%
Printing and Reproduction	15,642,475.07	18,382,190.21	(2,739,715.14)	-14.9%
Bad Debt Expense	1,225,376.63	349,080.12	876,296.51	251.0%
Claims and Losses	7,782,483.28	7,365,896.42	416,586.86	5.7%
Increase in Net OPEB Obligation	274,685,210.33	265,263,724.83	9,421,485.50	3.6%
Scholarships and Fellowships	325,656,956.77	328,677,265.73	(3,020,308.96)	-0.9%
Depreciation and Amortization	576,442,424.09	492,799,792.76	83,642,631.33	17.0%
Federal Sponsored Program Pass-Through to Other State Agencies	14,256,536.98	15,027,078.09	(770,541.11)	-5.1%
State Sponsored Program Pass-Through to Other State Agencies	476,948.88	1,089,457.63	(612,508.75)	-56.2%
Other Operating Expenses	184,478,208.21	204,153,192.69	(19,674,984.48)	-9.6%
<b>Total Operating Expenses</b>	<b>7,966,275,689.36</b>	<b>7,689,148,334.59</b>	<b>277,127,354.77</b>	<b>3.6%</b>
<b>Operating Loss</b>	<b>(1,715,540,312.34)</b>	<b>(1,814,991,405.30)</b>	<b>99,451,092.96</b>	<b>5.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	1,109,518,440.65	1,119,834,905.70	(10,316,465.05)	-0.9%
Nonexchange Sponsored Programs	271,311,505.63	285,153,004.66	(13,841,499.03)	-4.9%
Gift Contributions for Operations	209,364,308.03	192,605,120.21	16,759,187.82	8.7%
Net Investment Income	750,672,191.13	830,711,361.83	(80,039,170.70)	-9.6%
Interest Expense on Capital Asset Financings	(161,204,589.80)	(155,421,152.38)	(5,783,437.42)	-3.7%
<b>Net Other Nonoperating Adjustments</b>	<b>2,179,661,855.64</b>	<b>2,272,883,240.02</b>	<b>(93,221,384.38)</b>	<b>-4.1%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>464,121,543.30</b>	<b>457,891,834.72</b>	<b>6,229,708.58</b>	<b>1.4%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>5.4%</b>	<b>5.5%</b>		
Investment Gain (Losses)	213,459,076.14	2,852,104,265.88	(2,638,645,189.74)	-92.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>677,580,619.44</b>	<b>3,309,996,100.60</b>	<b>(2,632,415,481.16)</b>	<b>-79.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>7.7%</b>	<b>29.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>1,040,563,967.39</b>	<b>950,691,627.48</b>	<b>89,872,339.91</b>	<b>9.5%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>12.1%</b>	<b>11.5%</b>		



**The University of Texas System  
Comparison of Adjusted Income (Loss)  
For the Seven Months Ending March 31, 2012**

	<u>Including Depreciation and Amortization Expense</u>			Fluctuation Percentage
	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	
	\$	\$		
UT System Administration	152,468,202.39	269,969,343.09	(117,501,140.70)	(1) -43.5%
UT Arlington	8,263,101.76	2,402,862.01	5,860,239.75	(2) 243.9%
UT Austin	74,640,493.69	79,659,073.43	(5,018,579.74)	-6.3%
UT Brownsville	3,029,768.70	3,283,801.72	(254,033.02)	-7.7%
UT Dallas	15,175,295.44	7,339,636.17	7,835,659.27	(3) 106.8%
UT El Paso	3,675,878.48	5,325,317.50	(1,649,439.02)	(4) -31.0%
UT Pan American	7,695,828.62	1,209,606.78	6,486,221.84	(5) 536.2%
UT Permian Basin	7,760,492.16	2,188,635.50	5,571,856.66	(6) 254.6%
UT San Antonio	9,397,854.33	11,076,778.80	(1,678,924.47)	-15.2%
UT Tyler	5,263,905.24	5,063,810.95	200,094.29	(7) 4.0%
UT Southwestern Medical Center	46,583,607.03	46,903,789.86	(320,182.83)	-0.7%
UT Medical Branch - Galveston	(3,978,924.40)	(18,670,408.61)	14,691,484.21	(8) 78.7%
UT Health Science Center - Houston	7,576,215.68	(1,774,465.34)	9,350,681.02	(9) 527.0%
UT Health Science Center - San Antonio	(859,727.45)	3,646,799.62	(4,506,527.07)	(10) -123.6%
UT MD Anderson Cancer Center	231,227,199.08	141,187,286.39	90,039,912.69	(11) 63.8%
UT Health Science Center - Tyler	945,685.88	2,697,466.85	(1,751,780.97)	(12) -64.9%
Elimination of AUF Transfer	(104,743,333.33)	(103,617,500.00)	(1,125,833.33)	-1.1%
Total Adjusted Income (Loss)	464,121,543.30	457,891,834.72	6,229,708.58	1.4%
Investment Gains (Losses)	213,459,076.14	2,852,104,265.88	(2,638,645,189.74)	-92.5%
<b>Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization</b>	<b><u>\$ 677,580,619.44</u></b>	<b><u>\$ 3,309,996,100.60</u></b>	<b><u>\$ (2,632,415,481.16)</u></b>	<b><u>-79.5%</u></b>

	<u>Excluding Depreciation and Amortization Expense</u>			Fluctuation Percentage
	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	
	\$	\$		
UT System Administration	156,955,082.31	277,227,051.64	(120,271,969.33)	-43.4%
UT Arlington	28,481,200.60	19,734,448.09	8,746,752.51	44.3%
UT Austin	217,045,876.15	191,061,521.39	25,984,354.76	13.6%
UT Brownsville	7,603,570.86	6,629,940.65	973,630.21	14.7%
UT Dallas	37,088,893.07	26,019,719.50	11,069,173.57	42.5%
UT El Paso	18,036,712.36	16,293,828.81	1,742,883.55	10.7%
UT Pan American	15,912,877.01	9,512,036.12	6,400,840.89	67.3%
UT Permian Basin	14,505,613.09	5,458,984.56	9,046,628.53	165.7%
UT San Antonio	33,210,556.88	33,515,095.43	(304,538.55)	-0.9%
UT Tyler	11,872,676.11	11,415,491.62	457,184.49	4.0%
UT Southwestern Medical Center	105,440,001.42	97,575,845.72	7,864,155.70	8.1%
UT Medical Branch - Galveston	45,632,559.94	27,140,783.69	18,491,776.25	68.1%
UT Health Science Center - Houston	37,744,933.12	26,802,642.60	10,942,290.52	40.8%
UT Health Science Center - San Antonio	25,973,605.88	24,821,799.62	1,151,806.26	4.6%
UT MD Anderson Cancer Center	383,734,063.78	274,346,404.99	109,387,658.79	39.9%
UT Health Science Center - Tyler	6,069,078.14	6,753,533.05	(684,454.91)	-10.1%
Elimination of AUF Transfer	(104,743,333.33)	(103,617,500.00)	(1,125,833.33)	-1.1%
Total Adjusted Income (Loss)	1,040,563,967.39	950,691,627.48	89,872,339.91	9.5%
<b>Total Adjusted Income (Loss) Excluding Depreciation and Amortization</b>	<b><u>\$ 1,040,563,967.39</u></b>	<b><u>\$ 950,691,627.48</u></b>	<b><u>\$ 89,872,339.91</u></b>	<b><u>9.5%</u></b>

THE UNIVERSITY OF TEXAS SYSTEM  
EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT  
For the Seven Months Ending March 31, 2012

Explanations are provided for institutions having the largest variances in adjusted income (loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss and/or a projected year-to-date loss.

- (1) UT System Administration - The \$117.5 million (43.5%) decrease in adjusted income over the same period last year was primarily due to a decrease in net other operating revenues and in net investment income related to decreased oil and gas lease bonus sales in 2012. The decrease in net other operating revenues is due to an increase in inpatient medical care utilization for *UT System's* self-insured medical/dental plan, the Affordable Care Act expanding the population of insured, and *UT System* offering twice the amount of basic and accidental death and dismemberment insurance to employees. Excluding depreciation and amortization expense, *UT System Administration's* adjusted income was \$157.0 million or 29.3%. Although *UT System Administration* is currently reporting a positive margin of \$152.5 million, they anticipate ending the year with a \$20.0 million positive margin, which represents 3.0% of projected revenues and includes an accrual of \$470.9 million for Other Post Employment Benefits (OPEB) expense for the entire System.
- (2) UT Arlington - The \$5.8 million (243.9%) increase in adjusted income over the same period last year was primarily attributable to an increase in tuition and fees due to increased enrollment and an increase in sales and services of educational activities due to an increase in the Executive MBA Program. Excluding depreciation and amortization expense, *UT Arlington's* adjusted income was \$28.5 million or 10.2%.
- (3) UT Dallas - The \$7.8 million (106.8%) increase in adjusted income over the same period last year was primarily due to an increase in tuition and fees as a result of increased student enrollment of 10.1% in the fall. Excluding depreciation and amortization expense, *UT Dallas'* adjusted income was \$37.1 million or 14.6%.
- (4) UT El Paso - The \$1.6 million (31%) decrease in adjusted income over the same period last year was primarily due to a decrease in state appropriations resulting from the state-wide budget cuts mandated by the state's leadership. Excluding depreciation and amortization expense, *UT El Paso's* adjusted income was \$18 million or 7.4%.
- (5) UT Pan American - The \$6.5 million (536.2%) increase in adjusted income over the same period last year was primarily due to decreases in the following: a decrease in salaries and wages and payroll related costs as a result of the reduction in force and voluntary separation incentive program during the first quarter of 2011; a decrease in other operating expenses related to decreased information technology administrative support and fewer project expenses in 2012; a reduction in repairs and maintenance due to the Board of Regents not requiring the institutions to pay for the Microsoft license fee in 2012; and a reduction in utilities due to lower electric rates as a result of a new contract and energy supplier. In addition, gift contributions for operations increased over the prior year. Excluding depreciation and amortization expense, *UT Pan American's* adjusted income was \$15.9 million or 9.2%.
- (6) UT Permian Basin - The \$5.6 million (254.6%) increase in adjusted income over the same period last year was primarily due to a \$6.9 million reduction in scholarships and fellowships expense to correct an overstatement of these expenses which occurred in 2011. The correction was identified by specialists hired by *UT System Administration* after the 2011 AFR was completed. Excluding depreciation and amortization expense, *UT Permian Basin's* adjusted income was \$14.5 million or 37.3%. Due to the correction of the overstated scholarships and fellowships expense, *UT Permian Basin* is no longer forecasting a year-end loss.
- (7) UT Tyler - The \$200,000 (4.0%) increase in adjusted income over the same period last year was primarily attributable to an increase in net auxiliary enterprises due to an increase in housing income with more students living on campus. Excluding depreciation and amortization expense, *UT Tyler's* adjusted income was \$11.9 million or 20.1%. Although *UT Tyler* is currently reporting a positive margin, they anticipate ending the year with a \$4.3 million loss which represents -4.8% of projected revenues and includes \$11.3 million of depreciation and amortization expense. The projected loss is the result of the absence of ARRA funding in 2012, fewer gift contributions for operations and a number of campus renovation projects that will likely be expensed. *UT Tyler's* use

of prior year balances was approved by *UT System Administration* for 2012 for one-time nonrecurring expenses.

- (8) *UT Medical Branch - Galveston* - The \$14.7 million (78.7%) decrease in adjusted loss over the same period last year was primarily due to a decrease in overall total operating expenses. The decreases in expenses are mainly associated with Correctional Managed Care, patient care costs, and hospital contracts. Although total operating expenses decreased \$19.5 million, *UTMB* still incurred a year-to-date loss of \$4.0 million primarily due to lower than anticipated net patient care revenue, as well as higher than expected Hurricane *Ike* related operating expenses with lower than anticipated reimbursements. *UTMB* has asked the Legislative Budget Board (LBB) to approve use of the \$150 million *Ike* appropriation to offset non-Federal Emergency Management Agency (FEMA) reimbursed operating expenses incurred in 2012. In December, the LBB approved the use of the \$6.3 million remaining balance in the Supplemental Appropriations Request (SAR) from the previous biennium to offset year-to-date Texas Department of Criminal Justice (TDCJ) contract losses. The LBB also authorized TDCJ to draw on 2013 appropriations to cover 2012 contract losses. *UTMB* has recognized the entire \$6.3 million remaining SAR and \$3.2 million from the 2013 spend-forward funding. The TDCJ contract reflects a year-to-date loss of \$0.4 million, which is attributable to depreciation not reimbursable through either the spend-forward funding or the SAR. *UTMB* is forecasting a year-end margin of \$19,000, which represents 0% of projected revenues and includes \$81.8 million of depreciation expense. If *UTMB* is unsuccessful in gaining access to the *Ike* funds to cover non-FEMA reimbursed expenses, *UTMB's* year-end forecast would be reduced. *UTMB* is closely monitoring financial performance and may adjust the year-end forecast as more information is available.
- (9) *UT Health Science Center - Houston* - The \$9.4 million (527%) increase in adjusted income over the same period last year was primarily due to the following: recognition of \$2.6 million in loan forgiveness related to UT Physicians' loan with Memorial Hermann Hospital System (MHH); a \$2.9 million increase in tuition and fees related to a 13% increase in nonresident students and rate increases; a \$0.8 million increase in the Hemophilia/Thrombophilia Pharmacy Program due to price increases, increase in commercial payors and increased usage; and a \$1.6 million increase in gift contributions for operations. Excluding depreciation and amortization expense, *UTHSC-Houston's* adjusted income was \$37.7 million or 6.4%.
- (10) *UT Health Science Center - San Antonio* - The \$4.5 million (123.6%) decrease in adjusted income over the same period last year was primarily due to a decrease in state appropriations resulting from the state-wide budget cuts mandated by the state's leadership. As a result, *UTHSC-San Antonio* incurred a year-to-date loss of \$860,000. Excluding depreciation and amortization expense, *UTHSC-San Antonio's* adjusted income was \$26 million or 6.2%. *UTHSC-San Antonio* anticipates ending the year with a \$3.8 million loss due to the reductions in state appropriations imposed by the state's leadership for the 2012-2013 biennium. The projected loss of \$3.8 million represents -0.5% of projected revenues and includes \$46 million of depreciation and amortization expense.
- (11) *UT MD Anderson Cancer Center* - The \$90 million (63.8%) increase in adjusted income over the same period last year was primarily due to an increase in net sales and services of hospitals as a result of increased inpatient and outpatient visits. Excluding depreciation and amortization expense, *MD Anderson's* adjusted income was \$383.7 million or 17.9%.
- (12) *UT Health Science Center - Tyler* - The \$1.7 million (64.9%) decrease in adjusted income over the same period last year was primarily due to a decrease in net sales and services of hospitals attributable to a 25% decrease in hospital admissions mainly in cardiology. Excluding depreciation and amortization expense, *UTHSC-Tyler's* adjusted income was \$6.1 million or 8.4%. Although *UTHSC-Tyler* is currently reporting a positive margin, they are forecasting a year-end loss of \$479,000 which represents -0.4% of projected revenues and includes \$8.8 million of depreciation and amortization expense. The projected loss is a result of the additional depreciation expense associated with the new Academic Center.

## GLOSSARY OF TERMS

### OPERATING REVENUES:

**NET STUDENT TUITION** - All student tuition and fee revenues earned at the UT institution for educational purposes, net of tuition discounting.

**SPONSORED PROGRAMS** - Funding received from local, state and federal governments or private agencies, organizations or individuals, excluding Federal Pell Grant Program which is reported as nonoperating. Includes amounts received for services performed on grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-through federal and state grants.

**NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES** - Revenues that are related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that create goods and services that may be sold.

**NET SALES AND SERVICES OF HOSPITALS** - Revenues (net of discounts, allowances, and bad debt expense) generated from UT health institution's daily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.

**NET PROFESSIONAL FEES** - Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs at UT health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. Examples of such fees include doctor's fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.

**NET AUXILIARY ENTERPRISES** - Revenues derived from a service to students, faculty, or staff in which a fee is charged that is directly related to, although not necessarily equal to the cost of the service (e.g., bookstores, dormitories, dining halls, snack bars, inter-collegiate athletic programs, etc.).

**OTHER OPERATING REVENUES** - Other revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories (e.g., certified nonprofit healthcare company revenues, donated drugs, interest on student loans, etc.) Other receipts for settlements, judgments and lawsuits are considered nonoperating revenues.

### OPERATING EXPENSES:

**SALARIES AND WAGES** - Expenses for all salaries and wages of individuals employed by the institution including full-time, part-time, longevity, hourly, seasonal, etc. Includes salary augmentation and incentive compensation.

**PAYROLL RELATED COSTS** - Expenses for all employee benefits paid by the institution or paid by the state on behalf of the institution. Includes supplemental retirement annuities.

**COST OF GOODS SOLD** - Purchases of goods for resale and raw materials purchased for use in the manufacture of products intended for sale to others.

**PROFESSIONAL FEES AND SERVICES** - Payments for services rendered on a fee, contract, or other basis by a person, firm, corporation, or company recognized as possessing a high degree of learning and responsibility. Includes such items as services of a consultant, legal counsel, financial or audit fees, medical contracted services, guest lecturers (not employees) and expert witnesses.

**OTHER CONTRACTED SERVICES** - Payments for services rendered on a contractual basis by a person, firm, corporation or company that possess a lesser degree of learning and responsibility than that required for Professional Fees and Services. Includes such items as temporary employment expenses, janitorial services, dry cleaning services, etc.

**TRAVEL** - Payments for travel costs incurred by employees and board members for meetings and training.

**MATERIALS AND SUPPLIES** - Payments for consumable items. Includes, but is not limited to: computer consumables, office supplies, paper products, soap, lights, plants, fuels and lubricants, chemicals and gasses, medical supplies and copier supplies. Also includes postal services, and subscriptions and other publications not for permanent retention.

**UTILITIES** - Payments for the purchase of electricity, natural gas, water, and thermal energy.

**COMMUNICATIONS** - Electronically transmitted communications services (telephone, internet, computation center services, etc.).

**REPAIRS AND MAINTENANCE** - Payments for the maintenance and repair of equipment, furnishings, motor vehicles, buildings and other plant facilities, and waste disposal. Includes, but is not limited to repair and maintenance to copy machines, furnishings, equipment - including medical and laboratory equipment, office equipment and aircraft.

**RENTALS AND LEASES** - Payments for rentals or leases of furnishings and equipment, vehicles, land and office buildings (all rental of space).

**PRINTING AND REPRODUCTION** - Printing and reproduction costs associated with the printing/copying of the institution's documents and publications.

**BAD DEBT EXPENSE** - Expenses incurred by the university related to nonrevenue receivables such as non-payment of student loans.

CLAIMS AND LOSSES - Payments for claims from self-insurance programs. Other claims for settlements, judgments and lawsuits are considered nonoperating expenses.

INCREASE IN NET OPEB OBLIGATION - The change in the actuarially estimated liability of the cost of providing healthcare benefits to UT System's employees after they separate from employment (retire).

SCHOLARSHIPS AND FELLOWSHIPS - Payments made for scholarship grants to students authorized by law, net of tuition discounting.

FEDERAL SPONSORED PROGRAM PASS-THROUGHS TO OTHER STATE AGENCIES - Pass-throughs to other Texas state agencies, including other universities, of federal grants and contracts.

STATE SPONSORED PROGRAM PASS-THROUGHS TO OTHER STATE AGENCIES - Pass-throughs to other Texas state agencies, including Texas universities.

DEPRECIATION AND AMORTIZATION - Depreciation on capital assets and amortization expense on intangible assets.

OTHER OPERATING EXPENSES - Other operating expenses not identified in other line items above (e.g., certified non-profit healthcare company expenses, property taxes, insurance premiums, credit card fees, hazardous waste disposal expenses, meetings and conferences, etc.). Other claims for settlements, judgments and lawsuits are considered nonoperating expenses.

**OPERATING LOSS** - Total operating revenues less total operating expenses before other nonoperating adjustments like state appropriations.

**OTHER NONOPERATING ADJUSTMENTS:**

STATE APPROPRIATIONS - Appropriations from the State General Revenue fund, which supplement the UT institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support.

NONEXCHANGE SPONSORED PROGRAMS - Funding received for the Federal Pell Grant Program, the portion of "state appropriations" funded by the American Recovery and Reinvestment Act, Texas Research Incentive Program (TRIP) and Enrollment Growth funding.

GIFT CONTRIBUTIONS FOR OPERATIONS - Consist of gifts from donors received for use in current operations, excluding gifts for capital acquisition and endowment gifts. Gifts for capital acquisition which can only be used to build or buy capital assets are excluded because they cannot be used to support current operations. Endowment gifts must be held in perpetuity and cannot be spent. The distributed income from endowment gifts must be spent according to the donor's stipulations.

NET INVESTMENT INCOME (on institutions' sheets) - Interest and dividend income on treasury balances, bank accounts, Short Term Fund, Intermediate Term Fund and Long Term Fund. It also includes distributed earnings from the Permanent Health Fund and patent and royalty income.

NET INVESTMENT INCOME (on the consolidated sheet) - Interest and dividend earnings of the Permanent University Fund, Short Term Fund, Intermediate Term Fund, Long Term Fund and Permanent Health Fund. This line item also includes the Available University Fund surface income, oil and gas royalties, and mineral lease bonus sales.

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS - Interest expenses associated with bond and note borrowings utilized to finance capital improvement projects by an institution. This consists of the interest portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. PUF interest expense is reported on System Administration as the debt legally belongs to the Board of Regents.

**ADJUSTED INCOME (LOSS) including Depreciation and Amortization** - Total operating revenues less total operating expenses including depreciation and amortization expense plus net other nonoperating adjustments.

**ADJUSTED MARGIN % including Depreciation and Amortization** - Percentage of Adjusted Income (Loss) including depreciation and amortization expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.

AVAILABLE UNIVERSITY FUND TRANSFER - Includes Available University Fund (AUF) transfer to System Administration for Educational and General operations and to UT Austin for Excellence Funding. These transfers are funded by investment earnings from the Permanent University Fund (PUF), which are required by law to be reported in the PUF at System Administration. On the MFR, investment income for System Administration has been reduced for the amount of the System Administration transfer so as not to overstate investment income for System Administration. The AUF transfers are eliminated at the consolidated level to avoid overstating System-wide revenues, as the amounts will be reflected as transfers at year-end.

INVESTMENT GAINS (LOSSES) - Realized and unrealized gains and losses on investments.

**ADJUSTED INCOME (LOSS) excluding Depreciation and Amortization** - Total operating revenues less total operating expenses excluding depreciation and amortization expense plus net other nonoperating adjustments.

**ADJUSTED MARGIN % excluding Depreciation and Amortization** - Percentage of Adjusted Income (Loss) excluding depreciation and amortization expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.



## UNAUDITED

The University of Texas System Administration  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Sponsored Programs	12,311,770.65	8,435,205.35	3,876,565.30	46.0%
Net Sales and Services of Educational Activities	31,319,426.30	22,191,647.77	9,127,778.53	41.1%
Other Operating Revenues	10,577,173.91	47,348,195.45	(36,771,021.54)	-77.7%
<b>Total Operating Revenues</b>	<b>54,208,370.86</b>	<b>77,975,048.57</b>	<b>(23,766,677.71)</b>	<b>-30.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	19,580,234.14	20,300,031.71	(719,797.57)	-3.5%
Payroll Related Costs	4,844,211.89	5,186,750.75	(342,538.86)	-6.6%
Professional Fees and Services	2,094,545.86	883,894.10	1,210,651.76	137.0%
Other Contracted Services	6,190,837.14	3,827,584.06	2,363,253.08	61.7%
Travel	692,712.10	802,591.49	(109,879.39)	-13.7%
Materials and Supplies	8,400,560.42	1,994,278.95	6,406,281.47	321.2%
Utilities	289,139.12	273,661.42	15,477.70	5.7%
Communications	2,945,873.92	2,855,204.49	90,669.43	3.2%
Repairs and Maintenance	6,392,250.89	609,276.36	5,782,974.53	949.2%
Rentals and Leases	488,718.56	621,498.90	(132,780.34)	-21.4%
Printing and Reproduction	115,147.67	154,636.99	(39,489.32)	-25.5%
Claims and Losses	7,782,423.28	7,365,896.42	416,526.86	5.7%
Increase in Net OPEB Obligation	274,685,210.33	265,263,724.83	9,421,485.50	3.6%
Scholarships and Fellowships	361,050.00	541,250.00	(180,200.00)	-33.3%
Depreciation and Amortization	4,486,879.92	7,257,708.55	(2,770,828.63)	-38.2%
State Sponsored Program Pass-Through to Other State Agencies	476,948.88	1,079,098.64	(602,149.76)	-55.8%
Other Operating Expenses	6,948,556.90	5,188,661.49	1,759,895.41	33.9%
<b>Total Operating Expenses</b>	<b>346,775,301.02</b>	<b>324,205,749.15</b>	<b>22,569,551.87</b>	<b>7.0%</b>
<b>Operating Loss</b>	<b>(292,566,930.16)</b>	<b>(246,230,700.58)</b>	<b>(46,336,229.58)</b>	<b>-18.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	842,858.60	989,672.15	(146,813.55)	-14.8%
Nonexchange Sponsored Programs	14,869,897.21	14,896,208.61	(26,311.40)	-0.2%
Gift Contributions for Operations	724,718.62	567,730.23	156,988.39	27.7%
Net Investment Income	446,179,506.79	514,806,711.84	(68,627,205.05)	-13.3%
Interest Expense on Capital Asset Financings	(36,613,535.00)	(34,153,146.08)	(2,460,388.92)	-7.2%
<b>Net Other Nonoperating Adjustments</b>	<b>426,003,446.22</b>	<b>497,107,176.75</b>	<b>(71,103,730.53)</b>	<b>-14.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>133,436,516.06</b>	<b>250,876,476.17</b>	<b>(117,439,960.11)</b>	<b>-46.8%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>25.8%</b>	<b>41.2%</b>		
Available University Fund Transfer	19,031,686.33	19,092,866.92	(61,180.59)	-0.3%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>152,468,202.39</b>	<b>269,969,343.09</b>	<b>(117,501,140.70)</b>	<b>-43.5%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>28.5%</b>	<b>43.0%</b>		
Investment Gain (Losses)	279,103,625.06	1,860,456,045.40	(1,581,352,420.34)	-85.0%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$431,571,827.45</b>	<b>\$2,130,425,388.49</b>	<b>(1,698,853,561.04)</b>	<b>-79.7%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>53.0%</b>	<b>85.6%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>156,955,082.31</b>	<b>277,227,051.64</b>	<b>(120,271,969.33)</b>	<b>-43.4%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>29.3%</b>	<b>44.1%</b>		

## UNAUDITED

The University of Texas at Arlington  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	108,126,948.09	94,535,538.40	13,591,409.69	14.4%
Sponsored Programs	42,958,755.11	41,002,883.92	1,955,871.19	4.8%
Net Sales and Services of Educational Activities	10,491,083.60	8,864,490.69	1,626,592.91	18.3%
Net Auxiliary Enterprises	16,599,407.05	15,353,659.86	1,245,747.19	8.1%
Other Operating Revenues	2,928,816.25	2,135,454.82	793,361.43	37.2%
<b>Total Operating Revenues</b>	<b>181,105,010.10</b>	<b>161,892,027.69</b>	<b>19,212,982.41</b>	<b>11.9%</b>
<b>Operating Expenses</b>				
Salaries and Wages	127,452,809.71	126,909,332.33	543,477.38	0.4%
Payroll Related Costs	30,457,957.47	29,960,138.51	497,818.96	1.7%
Cost of Goods Sold	5,862.13	180.00	5,682.13	3,156.7%
Professional Fees and Services	2,898,548.73	2,586,430.17	312,118.56	12.1%
Other Contracted Services	24,229,332.52	16,354,617.18	7,874,715.34	48.1%
Travel	3,629,021.44	3,322,847.99	306,173.45	9.2%
Materials and Supplies	14,453,127.64	13,996,821.02	456,306.62	3.3%
Utilities	5,512,514.09	6,770,594.34	(1,258,080.25)	-18.6%
Communications	4,137,124.95	4,505,320.25	(368,195.30)	-8.2%
Repairs and Maintenance	6,147,516.57	5,067,764.82	1,079,751.75	21.3%
Rentals and Leases	2,267,526.95	2,116,503.13	151,023.82	7.1%
Printing and Reproduction	1,238,301.83	1,587,011.21	(348,709.38)	-22.0%
Bad Debt Expense	70,161.35	41,118.70	29,042.65	70.6%
Scholarships and Fellowships	17,123,153.20	15,593,844.45	1,529,308.75	9.8%
Depreciation and Amortization	20,218,098.84	17,331,586.08	2,886,512.76	16.7%
Federal Sponsored Program Pass-Through to Other State Agencies	935,464.30	889,179.68	46,284.62	5.2%
State Sponsored Program Pass-Through to Other State Agencies	-	10,358.99	(10,358.99)	-100.0%
Other Operating Expenses	4,689,400.16	4,176,812.00	512,588.16	12.3%
<b>Total Operating Expenses</b>	<b>265,465,921.88</b>	<b>251,220,460.85</b>	<b>14,245,461.03</b>	<b>5.7%</b>
<b>Operating Loss</b>	<b>(84,360,911.78)</b>	<b>(89,328,433.16)</b>	<b>4,967,521.38</b>	<b>5.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	66,219,930.58	60,622,130.92	5,597,799.66	9.2%
Nonexchange Sponsored Programs	24,500,000.00	27,102,534.67	(2,602,534.67)	-9.6%
Gift Contributions for Operations	2,078,297.37	3,674,454.67	(1,596,157.30)	-43.4%
Net Investment Income	6,571,163.95	7,387,404.63	(816,240.68)	-11.0%
Interest Expense on Capital Asset Financings	(6,745,378.36)	(7,055,229.72)	309,851.36	4.4%
<b>Net Other Nonoperating Adjustments</b>	<b>92,624,013.54</b>	<b>91,731,295.17</b>	<b>892,718.37</b>	<b>1.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>8,263,101.76</b>	<b>2,402,862.01</b>	<b>5,860,239.75</b>	<b>243.9%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.9%</b>	<b>0.9%</b>		
Investment Gain (Losses)	(1,441,450.14)	24,371,416.80	(25,812,866.94)	-105.9%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>6,821,651.62</b>	<b>26,774,278.81</b>	<b>(19,952,627.19)</b>	<b>-74.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.4%</b>	<b>9.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>28,481,200.60</b>	<b>19,734,448.09</b>	<b>8,746,752.51</b>	<b>44.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>10.2%</b>	<b>7.6%</b>		

## UNAUDITED

The University of Texas at Austin  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	282,916,666.67	265,416,666.67	17,500,000.00	6.6%
Sponsored Programs	306,421,846.21	328,226,133.91	(21,804,287.70)	-6.6%
Net Sales and Services of Educational Activities	222,969,824.82	221,650,589.11	1,319,235.71	0.6%
Net Auxiliary Enterprises	163,862,802.01	153,519,376.45	10,343,425.56	6.7%
Other Operating Revenues	4,056,537.48	3,722,014.28	334,523.20	9.0%
<b>Total Operating Revenues</b>	<b>980,227,677.19</b>	<b>972,534,780.42</b>	<b>7,692,896.77</b>	<b>0.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	642,639,720.53	651,350,524.30	(8,710,803.77)	-1.3%
Payroll Related Costs	159,260,513.25	156,435,262.22	2,825,251.03	1.8%
Professional Fees and Services	19,904,022.84	17,009,312.89	2,894,709.95	17.0%
Other Contracted Services	78,818,029.41	72,415,618.66	6,402,410.75	8.8%
Travel	25,999,971.12	24,308,843.42	1,691,127.70	7.0%
Materials and Supplies	75,110,683.71	81,852,407.26	(6,741,723.55)	-8.2%
Utilities	52,937,190.60	60,014,763.73	(7,077,573.13)	-11.8%
Communications	31,881,106.69	35,070,649.50	(3,189,542.81)	-9.1%
Repairs and Maintenance	30,389,783.56	34,464,230.59	(4,074,447.03)	-11.8%
Rentals and Leases	10,196,897.92	10,775,344.23	(578,446.31)	-5.4%
Printing and Reproduction	5,760,539.03	5,790,209.21	(29,670.18)	-0.5%
Bad Debt Expense	660,121.07	-	660,121.07	100.0%
Claims and Losses	60.00	-	60.00	100.0%
Scholarships and Fellowships	70,058,333.33	68,587,342.33	1,470,991.00	2.1%
Depreciation and Amortization	142,405,382.46	111,402,447.96	31,002,934.50	27.8%
Federal Sponsored Program Pass-Through to Other State Agencies	1,772,084.77	1,668,285.65	103,799.12	6.2%
Other Operating Expenses	48,972,441.19	48,566,854.83	405,586.36	0.8%
<b>Total Operating Expenses</b>	<b>1,396,766,881.48</b>	<b>1,379,712,096.78</b>	<b>17,054,784.70</b>	<b>1.2%</b>
<b>Operating Loss</b>	<b>(416,539,204.29)</b>	<b>(407,177,316.36)</b>	<b>(9,361,887.93)</b>	<b>-2.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	177,291,639.69	186,672,972.78	(9,381,333.09)	-5.0%
Nonexchange Sponsored Programs	38,773,368.62	34,895,244.88	3,878,123.74	11.1%
Gift Contributions for Operations	85,890,411.68	70,129,968.88	15,760,442.80	22.5%
Net Investment Income	111,655,290.67	118,774,323.21	(7,119,032.54)	-6.0%
Interest Expense on Capital Asset Financings	(27,174,346.01)	(27,253,619.96)	79,273.95	0.3%
<b>Net Other Nonoperating Adjustments</b>	<b>386,436,364.65</b>	<b>383,218,889.79</b>	<b>3,217,474.86</b>	<b>0.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(30,102,839.64)</b>	<b>(23,958,426.57)</b>	<b>(6,144,413.07)</b>	<b>-25.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-2.2%</b>	<b>-1.7%</b>		
Available University Fund Transfer	104,743,333.33	103,617,500.00	1,125,833.33	1.1%
<b>Adjusted Income (Loss) with AUF Transfer</b>	<b>74,640,493.69</b>	<b>79,659,073.43</b>	<b>(5,018,579.74)</b>	<b>-6.3%</b>
<b>Adjusted Margin % with AUF Transfer</b>	<b>5.0%</b>	<b>5.4%</b>		
Investment Gain (Losses)	(43,717,724.28)	338,716,335.66	(382,434,059.94)	-112.9%
<b>Adj. Inc. (Loss) with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>\$30,922,769.41</b>	<b>\$418,375,409.09</b>	<b>(387,452,639.68)</b>	<b>-92.6%</b>
<b>Adj. Margin % with AUF Transfer &amp; Invest. Gains (Losses)</b>	<b>2.1%</b>	<b>22.9%</b>		
<b>Adjusted Income (Loss) with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>217,045,876.15</b>	<b>191,061,521.39</b>	<b>25,984,354.76</b>	<b>13.6%</b>
<b>Adjusted Margin % with AUF Transfer excluding Depreciation &amp; Amortization</b>	<b>14.5%</b>	<b>12.9%</b>		



## UNAUDITED

The University of Texas at Brownsville  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	14,355,162.27	12,885,773.84	1,469,388.43	11.4%
Sponsored Programs	46,906,348.23	51,829,695.98	(4,923,347.75)	-9.5%
Net Sales and Services of Educational Activities	1,460,193.91	1,410,828.33	49,365.58	3.5%
Net Auxiliary Enterprises	1,283,261.88	774,394.61	508,867.27	65.7%
Other Operating Revenues	6,021.36	61,054.35	(55,032.99)	-90.1%
<b>Total Operating Revenues</b>	<b>64,010,987.65</b>	<b>66,961,747.11</b>	<b>(2,950,759.46)</b>	<b>-4.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	40,564,084.04	43,199,634.27	(2,635,550.23)	-6.1%
Payroll Related Costs	11,148,413.05	11,700,066.40	(551,653.35)	-4.7%
Professional Fees and Services	271,704.69	259,536.31	12,168.38	4.7%
Other Contracted Services	696,365.14	561,700.43	134,664.71	24.0%
Travel	687,615.04	551,552.85	136,062.19	24.7%
Materials and Supplies	1,894,647.43	2,507,551.86	(612,904.43)	-24.4%
Utilities	2,228,013.31	2,113,990.65	114,022.66	5.4%
Communications	803,006.15	812,747.87	(9,741.72)	-1.2%
Repairs and Maintenance	1,177,975.63	1,241,030.97	(63,055.34)	-5.1%
Rentals and Leases	1,308,217.09	1,165,165.98	143,051.11	12.3%
Printing and Reproduction	151,199.34	181,604.72	(30,405.38)	-16.7%
Scholarships and Fellowships	47,322,203.95	50,224,362.78	(2,902,158.83)	-5.8%
Depreciation and Amortization	4,573,802.16	3,346,138.93	1,227,663.23	36.7%
Federal Sponsored Program Pass-Through to Other State Agencies	113,627.90	28,275.43	85,352.47	301.9%
Other Operating Expenses	3,341,723.37	3,380,838.78	(39,115.41)	-1.2%
<b>Total Operating Expenses</b>	<b>116,282,598.29</b>	<b>121,274,198.23</b>	<b>(4,991,599.94)</b>	<b>-4.1%</b>
<b>Operating Loss</b>	<b>(52,271,610.64)</b>	<b>(54,312,451.12)</b>	<b>2,040,840.48</b>	<b>3.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	21,200,925.08	22,635,752.94	(1,434,827.86)	-6.3%
Nonexchange Sponsored Programs	34,457,144.14	35,114,468.89	(657,324.75)	-1.9%
Gift Contributions for Operations	327,347.00	306,856.34	20,490.66	6.7%
Net Investment Income	781,929.02	744,985.64	36,943.38	5.0%
Interest Expense on Capital Asset Financings	(1,465,965.90)	(1,205,810.97)	(260,154.93)	-21.6%
<b>Net Other Nonoperating Adjustments</b>	<b>55,301,379.34</b>	<b>57,596,252.84</b>	<b>(2,294,873.50)</b>	<b>-4.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>3,029,768.70</b>	<b>3,283,801.72</b>	<b>(254,033.02)</b>	<b>-7.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>2.5%</b>	<b>2.6%</b>		
Investment Gain (Losses)	(201,882.61)	3,102,957.52	(3,304,840.13)	-106.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>2,827,886.09</b>	<b>6,386,759.24</b>	<b>(3,558,873.15)</b>	<b>-55.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.3%</b>	<b>5.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>7,603,570.86</b>	<b>6,629,940.65</b>	<b>973,630.21</b>	<b>14.7%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>6.3%</b>	<b>5.3%</b>		

## UNAUDITED

The University of Texas at Dallas  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	112,149,890.65	95,716,172.42	16,433,718.23	17.2%
Sponsored Programs	29,973,918.16	26,374,769.16	3,599,149.00	13.6%
Net Sales and Services of Educational Activities	3,733,417.37	9,142,477.74	(5,409,060.37)	-59.2%
Net Auxiliary Enterprises	7,892,819.34	4,986,486.50	2,906,332.84	58.3%
Other Operating Revenues	2,206,533.01	1,415,437.90	791,095.11	55.9%
<b>Total Operating Revenues</b>	<b>155,956,578.53</b>	<b>137,635,343.72</b>	<b>18,321,234.81</b>	<b>13.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	117,538,478.53	108,795,986.08	8,742,492.45	8.0%
Payroll Related Costs	24,682,823.98	24,336,615.19	346,208.79	1.4%
Professional Fees and Services	5,838,635.55	5,347,924.51	490,711.04	9.2%
Other Contracted Services	4,710,414.67	6,276,660.31	(1,566,245.64)	-25.0%
Travel	3,084,398.58	2,922,049.05	162,349.53	5.6%
Materials and Supplies	11,770,015.05	16,277,648.46	(4,507,633.41)	-27.7%
Utilities	4,871,241.49	5,258,242.86	(387,001.37)	-7.4%
Communications	235,522.55	823,962.66	(588,440.11)	-71.4%
Repairs and Maintenance	2,607,656.42	1,807,753.80	799,902.62	44.2%
Rentals and Leases	1,593,175.00	1,218,941.36	374,233.64	30.7%
Printing and Reproduction	942,008.97	825,869.09	116,139.88	14.1%
Scholarships and Fellowships	24,456,991.90	17,557,745.20	6,899,246.70	39.3%
Depreciation and Amortization	21,913,597.63	18,680,083.33	3,233,514.30	17.3%
Federal Sponsored Program Pass-Through to Other State Agencies	194,022.55	215,104.34	(21,081.79)	-9.8%
Other Operating Expenses	8,089,203.33	5,561,592.87	2,527,610.46	45.4%
<b>Total Operating Expenses</b>	<b>232,528,186.20</b>	<b>215,906,179.11</b>	<b>16,622,007.09</b>	<b>7.7%</b>
<b>Operating Loss</b>	<b>(76,571,607.67)</b>	<b>(78,270,835.39)</b>	<b>1,699,227.72</b>	<b>2.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	59,630,444.19	53,538,949.00	6,091,495.19	11.4%
Nonexchange Sponsored Programs	18,289,950.65	22,428,685.06	(4,138,734.41)	-18.5%
Gift Contributions for Operations	10,984,841.14	7,444,914.80	3,539,926.34	47.5%
Net Investment Income	9,213,791.14	8,490,754.00	723,037.14	8.5%
Interest Expense on Capital Asset Financings	(6,372,124.01)	(6,292,831.30)	(79,292.71)	-1.3%
<b>Net Other Nonoperating Adjustments</b>	<b>91,746,903.11</b>	<b>85,610,471.56</b>	<b>6,136,431.55</b>	<b>7.2%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>15,175,295.44</b>	<b>7,339,636.17</b>	<b>7,835,659.27</b>	<b>106.8%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>6.0%</b>	<b>3.2%</b>		
Investment Gain (Losses)	(3,423,745.47)	35,738,499.01	(39,162,244.48)	-109.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>11,751,549.97</b>	<b>43,078,135.18</b>	<b>(31,326,585.21)</b>	<b>-72.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>4.7%</b>	<b>16.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>37,088,893.07</b>	<b>26,019,719.50</b>	<b>11,069,173.57</b>	<b>42.5%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>14.6%</b>	<b>11.3%</b>		

## UNAUDITED

The University of Texas at El Paso  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	65,449,545.00	63,818,146.66	1,631,398.34	2.6%
Sponsored Programs	43,461,758.62	44,293,707.88	(831,949.26)	-1.9%
Net Sales and Services of Educational Activities	2,539,245.91	2,964,811.19	(425,565.28)	-14.4%
Net Auxiliary Enterprises	15,994,058.42	16,881,014.66	(886,956.24)	-5.3%
Other Operating Revenues	66,480.78	150,132.27	(83,651.49)	-55.7%
<b>Total Operating Revenues</b>	<b>127,511,088.73</b>	<b>128,107,812.66</b>	<b>(596,723.93)</b>	<b>-0.5%</b>
<b>Operating Expenses</b>				
Salaries and Wages	91,348,939.44	91,839,689.54	(490,750.10)	-0.5%
Payroll Related Costs	23,113,182.84	23,088,175.19	25,007.65	0.1%
Professional Fees and Services	802,114.67	601,755.11	200,359.56	33.3%
Other Contracted Services	11,766,601.98	10,220,455.61	1,546,146.37	15.1%
Travel	4,402,070.61	3,970,656.14	431,414.47	10.9%
Materials and Supplies	13,458,008.85	13,983,623.46	(525,614.61)	-3.8%
Utilities	3,976,757.50	3,752,585.99	224,171.51	6.0%
Communications	367,381.83	394,318.61	(26,936.78)	-6.8%
Repairs and Maintenance	2,303,340.96	2,939,093.91	(635,752.95)	-21.6%
Rentals and Leases	2,102,531.48	2,272,803.23	(170,271.75)	-7.5%
Printing and Reproduction	544,167.40	499,350.95	44,816.45	9.0%
Scholarships and Fellowships	62,448,964.42	64,678,077.73	(2,229,113.31)	-3.4%
Depreciation and Amortization	14,360,833.88	10,968,511.31	3,392,322.57	30.9%
Federal Sponsored Program Pass-Through to Other State Agencies	864,413.95	709,781.20	154,632.75	21.8%
Other Operating Expenses	3,747,399.24	3,535,850.27	211,548.97	6.0%
<b>Total Operating Expenses</b>	<b>235,606,709.05</b>	<b>233,454,728.25</b>	<b>2,151,980.80</b>	<b>0.9%</b>
<b>Operating Loss</b>	<b>(108,095,620.32)</b>	<b>(105,346,915.59)</b>	<b>(2,748,704.73)</b>	<b>-2.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	51,787,085.00	54,724,404.00	(2,937,319.00)	-5.4%
Nonexchange Sponsored Programs	47,894,920.40	48,633,254.53	(738,334.13)	-1.5%
Gift Contributions for Operations	9,479,525.12	4,612,114.95	4,867,410.17	105.5%
Net Investment Income	6,972,809.63	6,774,824.06	197,985.57	2.9%
Interest Expense on Capital Asset Financings	(4,362,841.35)	(4,072,364.45)	(290,476.90)	-7.1%
<b>Net Other Nonoperating Adjustments</b>	<b>111,771,498.80</b>	<b>110,672,233.09</b>	<b>1,099,265.71</b>	<b>1.0%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>3,675,878.48</b>	<b>5,325,317.50</b>	<b>(1,649,439.02)</b>	<b>-31.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.5%</b>	<b>2.2%</b>		
Investment Gain (Losses)	(2,053,241.34)	24,268,238.39	(26,321,479.73)	-108.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>1,622,637.14</b>	<b>29,593,555.89</b>	<b>(27,970,918.75)</b>	<b>-94.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>0.7%</b>	<b>11.1%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>18,036,712.36</b>	<b>16,293,828.81</b>	<b>1,742,883.55</b>	<b>10.7%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>7.4%</b>	<b>6.7%</b>		

## UNAUDITED

The University of Texas - Pan American  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	32,978,388.17	32,808,551.96	169,836.21	0.5%
Sponsored Programs	37,502,479.04	45,532,274.00	(8,029,794.96)	-17.6%
Net Sales and Services of Educational Activities	3,557,340.26	3,468,667.35	88,672.91	2.6%
Net Auxiliary Enterprises	5,602,878.67	5,248,244.24	354,634.43	6.8%
Other Operating Revenues	772,913.34	1,128,339.50	(355,426.16)	-31.5%
<b>Total Operating Revenues</b>	<b>80,413,999.48</b>	<b>88,186,077.05</b>	<b>(7,772,077.57)</b>	<b>-8.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	61,468,717.98	64,494,324.10	(3,025,606.12)	-4.7%
Payroll Related Costs	17,044,906.06	17,327,170.41	(282,264.35)	-1.6%
Cost of Goods Sold	333,193.47	305,970.08	27,223.39	8.9%
Professional Fees and Services	881,121.39	780,316.74	100,804.65	12.9%
Other Contracted Services	2,832,047.66	4,885,551.40	(2,053,503.74)	-42.0%
Travel	2,093,823.82	2,150,056.80	(56,232.98)	-2.6%
Materials and Supplies	7,374,241.82	6,874,219.01	500,022.81	7.3%
Utilities	2,992,973.67	3,204,173.83	(211,200.16)	-6.6%
Communications	568,082.44	285,685.34	282,397.10	98.8%
Repairs and Maintenance	1,918,258.81	2,257,930.30	(339,671.49)	-15.0%
Rentals and Leases	543,825.63	677,379.31	(133,553.68)	-19.7%
Printing and Reproduction	163,045.99	158,381.32	4,664.67	2.9%
Bad Debt Expense	53,047.12	69,460.96	(16,413.84)	-23.6%
Scholarships and Fellowships	54,255,336.38	61,754,122.78	(7,498,786.40)	-12.1%
Depreciation and Amortization	8,217,048.39	8,302,429.34	(85,380.95)	-1.0%
Federal Sponsored Program Pass-Through to Other State Agencies	119,495.54	137,061.43	(17,565.89)	-12.8%
Other Operating Expenses	1,739,043.94	2,461,487.95	(722,444.01)	-29.3%
<b>Total Operating Expenses</b>	<b>162,598,210.11</b>	<b>176,125,721.10</b>	<b>(13,527,510.99)</b>	<b>-7.7%</b>
<b>Operating Loss</b>	<b>(82,184,210.63)</b>	<b>(87,939,644.05)</b>	<b>5,755,433.42</b>	<b>6.5%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	41,180,041.58	41,379,868.15	(199,826.57)	-0.5%
Nonexchange Sponsored Programs	46,235,742.77	46,486,593.49	(250,850.72)	-0.5%
Gift Contributions for Operations	2,336,426.47	1,497,935.05	838,491.42	56.0%
Net Investment Income	2,333,358.54	2,112,005.47	221,353.07	10.5%
Interest Expense on Capital Asset Financings	(2,205,530.11)	(2,327,151.33)	121,621.22	5.2%
<b>Net Other Nonoperating Adjustments</b>	<b>89,880,039.25</b>	<b>89,149,250.83</b>	<b>730,788.42</b>	<b>0.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>7,695,828.62</b>	<b>1,209,606.78</b>	<b>6,486,221.84</b>	<b>536.2%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>4.5%</b>	<b>0.7%</b>		
Investment Gain (Losses)	(187,620.04)	6,061,561.17	(6,249,181.21)	-103.1%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>7,508,208.58</b>	<b>7,271,167.95</b>	<b>237,040.63</b>	<b>3.3%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>4.4%</b>	<b>3.9%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>15,912,877.01</b>	<b>9,512,036.12</b>	<b>6,400,840.89</b>	<b>67.3%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>9.2%</b>	<b>5.3%</b>		

## UNAUDITED

The University of Texas of the Permian Basin  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	10,184,883.47	8,878,258.75	1,306,624.72	14.7%
Sponsored Programs	922,162.40	2,128,125.39	(1,205,962.99)	-56.7%
Net Sales and Services of Educational Activities	23,894.38	236,097.34	(212,202.96)	-89.9%
Net Auxiliary Enterprises	3,332,647.00	2,417,433.88	915,213.12	37.9%
Other Operating Revenues	1,156,961.20	703,226.84	453,734.36	64.5%
<b>Total Operating Revenues</b>	<b>15,620,548.45</b>	<b>14,363,142.20</b>	<b>1,257,406.25</b>	<b>8.8%</b>
<b>Operating Expenses</b>				
Salaries and Wages	10,261,129.86	13,049,472.98	(2,788,343.12)	-21.4%
Payroll Related Costs	2,535,275.76	3,306,338.10	(771,062.34)	-23.3%
Professional Fees and Services	431,807.17	1,642,460.40	(1,210,653.23)	-73.7%
Other Contracted Services	2,421,587.50	941.00	2,420,646.50	257,241.9%
Travel	620,781.18	503,290.87	117,490.31	23.3%
Materials and Supplies	1,610,009.59	2,120,137.22	(510,127.63)	-24.1%
Utilities	1,450,127.02	1,385,249.47	64,877.55	4.7%
Communications	354,212.75	401,130.71	(46,917.96)	-11.7%
Repairs and Maintenance	419,383.47	459,917.28	(40,533.81)	-8.8%
Rentals and Leases	174,592.17	337,849.44	(163,257.27)	-48.3%
Printing and Reproduction	35,539.57	105,914.94	(70,375.37)	-66.4%
Bad Debt Expense	45,753.27	-	45,753.27	100.0%
Scholarships and Fellowships	383,083.72	4,790,406.72	(4,407,323.00)	-92.0%
Depreciation and Amortization	6,745,120.93	3,270,349.06	3,474,771.87	106.3%
Other Operating Expenses	601,881.94	385,649.53	216,232.41	56.1%
<b>Total Operating Expenses</b>	<b>28,090,285.90</b>	<b>31,759,107.72</b>	<b>(3,668,821.82)</b>	<b>-11.6%</b>
<b>Operating Loss</b>	<b>(12,469,737.45)</b>	<b>(17,395,965.52)</b>	<b>4,926,228.07</b>	<b>28.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	17,738,102.08	15,085,602.58	2,652,499.50	17.6%
Nonexchange Sponsored Programs	3,473,527.74	4,212,100.43	(738,572.69)	-17.5%
Gift Contributions for Operations	1,212,943.02	900,453.04	312,489.98	34.7%
Net Investment Income	893,135.92	1,493,465.06	(600,329.14)	-40.2%
Interest Expense on Capital Asset Financings	(3,087,479.15)	(2,107,020.09)	(980,459.06)	-46.5%
<b>Net Other Nonoperating Adjustments</b>	<b>20,230,229.61</b>	<b>19,584,601.02</b>	<b>645,628.59</b>	<b>3.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>7,760,492.16</b>	<b>2,188,635.50</b>	<b>5,571,856.66</b>	<b>254.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>19.9%</b>	<b>6.1%</b>		
Investment Gain (Losses)	(291,910.36)	3,394,760.87	(3,686,671.23)	-108.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>7,468,581.80</b>	<b>5,583,396.37</b>	<b>1,885,185.43</b>	<b>33.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>19.3%</b>	<b>14.2%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>14,505,613.09</b>	<b>5,458,984.56</b>	<b>9,046,628.53</b>	<b>165.7%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>37.3%</b>	<b>15.1%</b>		

## UNAUDITED

The University of Texas at San Antonio  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	117,911,789.86	112,124,526.83	5,787,263.03	5.2%
Sponsored Programs	45,792,348.58	41,564,148.79	4,228,199.79	10.2%
Net Sales and Services of Educational Activities	6,136,792.13	5,188,913.07	947,879.06	18.3%
Net Auxiliary Enterprises	18,311,696.92	15,153,638.46	3,158,058.46	20.8%
Other Operating Revenues	1,524,851.62	1,349,978.71	174,872.91	13.0%
<b>Total Operating Revenues</b>	<b>189,677,479.11</b>	<b>175,381,205.86</b>	<b>14,296,273.25</b>	<b>8.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	126,438,025.26	126,944,340.63	(506,315.37)	-0.4%
Payroll Related Costs	34,101,315.50	31,820,653.60	2,280,661.90	7.2%
Cost of Goods Sold	466,666.67	618,651.29	(151,984.62)	-24.6%
Professional Fees and Services	3,728,207.76	2,143,482.57	1,584,725.19	73.9%
Other Contracted Services	8,655,580.26	7,711,257.02	944,323.24	12.2%
Travel	6,107,743.52	4,337,015.87	1,770,727.65	40.8%
Materials and Supplies	18,055,646.34	15,833,618.13	2,222,028.21	14.0%
Utilities	6,767,527.67	6,577,302.08	190,225.59	2.9%
Communications	2,135,313.34	1,477,308.11	658,005.23	44.5%
Repairs and Maintenance	4,608,008.10	5,029,244.30	(421,236.20)	-8.4%
Rentals and Leases	2,909,841.04	2,075,557.87	834,283.17	40.2%
Printing and Reproduction	684,426.47	810,326.99	(125,900.52)	-15.5%
Bad Debt Expense	392,787.16	238,711.46	154,075.70	64.5%
Scholarships and Fellowships	31,592,949.69	24,566,280.98	7,026,668.71	28.6%
Depreciation and Amortization	23,812,702.55	22,438,316.63	1,374,385.92	6.1%
Federal Sponsored Program Pass-Through to Other State Agencies	1,567,144.08	1,833,277.26	(266,133.18)	-14.5%
Other Operating Expenses	7,709,224.37	8,518,509.02	(809,284.65)	-9.5%
<b>Total Operating Expenses</b>	<b>279,733,109.78</b>	<b>262,973,853.81</b>	<b>16,759,255.97</b>	<b>6.4%</b>
<b>Operating Loss</b>	<b>(90,055,630.67)</b>	<b>(87,592,647.95)</b>	<b>(2,462,982.72)</b>	<b>-2.8%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	65,023,614.43	65,405,328.44	(381,714.01)	-0.6%
Nonexchange Sponsored Programs	32,482,339.03	34,219,665.36	(1,737,326.33)	-5.1%
Gift Contributions for Operations	3,612,685.39	3,208,333.33	404,352.06	12.6%
Net Investment Income	7,300,994.39	5,159,262.00	2,141,732.39	41.5%
Interest Expense on Capital Asset Financings	(8,966,148.24)	(9,323,162.38)	357,014.14	3.8%
<b>Net Other Nonoperating Adjustments</b>	<b>99,453,485.00</b>	<b>98,669,426.75</b>	<b>784,058.25</b>	<b>0.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>9,397,854.33</b>	<b>11,076,778.80</b>	<b>(1,678,924.47)</b>	<b>-15.2%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>3.2%</b>	<b>3.9%</b>		
Investment Gain (Losses)	10,489,134.70	23,839,212.42	(13,350,077.72)	-56.0%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>19,886,989.03</b>	<b>34,915,991.22</b>	<b>(15,029,002.19)</b>	<b>-43.0%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>6.4%</b>	<b>11.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>33,210,556.88</b>	<b>33,515,095.43</b>	<b>(304,538.55)</b>	<b>-0.9%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>11.1%</b>	<b>11.8%</b>		

## UNAUDITED

The University of Texas at Tyler  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	15,017,055.67	15,050,000.00	(32,944.33)	-0.2%
Sponsored Programs	7,636,550.01	7,650,013.88	(13,463.87)	-0.2%
Net Sales and Services of Educational Activities	1,866,823.09	1,654,810.59	212,012.50	12.8%
Net Auxiliary Enterprises	3,996,379.92	3,290,794.71	705,585.21	21.4%
Other Operating Revenues	224,770.01	73,579.66	151,190.35	205.5%
<b>Total Operating Revenues</b>	<b>28,741,578.70</b>	<b>27,719,198.84</b>	<b>1,022,379.86</b>	<b>3.7%</b>
<b>Operating Expenses</b>				
Salaries and Wages	24,045,736.88	22,612,264.38	1,433,472.50	6.3%
Payroll Related Costs	6,550,330.52	6,192,192.40	358,138.12	5.8%
Cost of Goods Sold	17,362.18	19,801.94	(2,439.76)	-12.3%
Professional Fees and Services	775,374.89	1,207,424.31	(432,049.42)	-35.8%
Other Contracted Services	3,004,984.45	2,809,987.83	194,996.62	6.9%
Travel	971,471.09	792,269.85	179,201.24	22.6%
Materials and Supplies	1,918,333.35	2,404,833.32	(486,499.97)	-20.2%
Utilities	922,252.98	1,122,433.77	(200,180.79)	-17.8%
Communications	525,713.10	663,748.08	(138,034.98)	-20.8%
Repairs and Maintenance	799,722.85	754,440.59	45,282.26	6.0%
Rentals and Leases	201,510.86	170,331.52	31,179.34	18.3%
Printing and Reproduction	425,300.44	387,241.91	38,058.53	9.8%
Scholarships and Fellowships	3,301,692.28	3,908,333.00	(606,640.72)	-15.5%
Depreciation and Amortization	6,608,770.87	6,351,680.67	257,090.20	4.0%
Federal Sponsored Program Pass-Through to Other State Agencies	-	25,435.52	(25,435.52)	-100.0%
Other Operating Expenses	1,307,765.97	1,301,268.78	6,497.19	0.5%
<b>Total Operating Expenses</b>	<b>51,376,322.71</b>	<b>50,723,687.87</b>	<b>652,634.84</b>	<b>1.3%</b>
<b>Operating Loss</b>	<b>(22,634,744.01)</b>	<b>(23,004,489.03)</b>	<b>369,745.02</b>	<b>1.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	18,446,874.37	18,770,944.41	(324,070.04)	-1.7%
Nonexchange Sponsored Programs	8,492,550.01	8,405,377.28	87,172.73	1.0%
Gift Contributions for Operations	472,933.95	593,739.51	(120,805.56)	-20.3%
Net Investment Income	2,777,029.72	2,672,158.58	104,871.14	3.9%
Interest Expense on Capital Asset Financings	(2,290,738.80)	(2,373,919.80)	83,181.00	3.5%
<b>Net Other Nonoperating Adjustments</b>	<b>27,898,649.25</b>	<b>28,068,299.98</b>	<b>(169,650.73)</b>	<b>-0.6%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>5,263,905.24</b>	<b>5,063,810.95</b>	<b>200,094.29</b>	<b>4.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>8.9%</b>	<b>8.7%</b>		
Investment Gain (Losses)	(1,145,341.58)	10,595,832.08	(11,741,173.66)	-110.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>4,118,563.66</b>	<b>15,659,643.03</b>	<b>(11,541,079.37)</b>	<b>-73.7%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>7.1%</b>	<b>22.8%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>11,872,676.11</b>	<b>11,415,491.62</b>	<b>457,184.49</b>	<b>4.0%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>20.1%</b>	<b>19.6%</b>		



## UNAUDITED

The University of Texas Southwestern Medical Center  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	9,839,000.37	13,425,126.92	(3,586,126.55)	-26.7%
Sponsored Programs	277,842,521.69	276,369,638.46	1,472,883.23	0.5%
Net Sales and Services of Educational Activities	7,021,839.69	12,847,959.98	(5,826,120.29)	-45.3%
Net Sales and Services of Hospitals	383,717,050.83	302,691,670.45	81,025,380.38	26.8%
Net Professional Fees	233,213,929.93	235,856,943.84	(2,643,013.91)	-1.1%
Net Auxiliary Enterprises	10,325,434.47	10,092,749.24	232,685.23	2.3%
Other Operating Revenues	11,874,440.82	4,139,545.56	7,734,895.26	186.9%
<b>Total Operating Revenues</b>	<b>933,834,217.80</b>	<b>855,423,634.45</b>	<b>78,410,583.35</b>	<b>9.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	558,012,051.25	517,632,376.98	40,379,674.27	7.8%
Payroll Related Costs	117,043,395.73	118,281,707.00	(1,238,311.27)	-1.0%
Cost of Goods Sold	1,350,095.93	1,333,944.47	16,151.46	1.2%
Professional Fees and Services	20,081,634.68	16,630,990.74	3,450,643.94	20.7%
Other Contracted Services	57,395,487.93	43,374,550.70	14,020,937.23	32.3%
Travel	5,152,417.13	5,180,876.86	(28,459.73)	-0.5%
Materials and Supplies	143,989,777.34	123,928,769.76	20,061,007.58	16.2%
Utilities	17,973,935.08	19,459,727.38	(1,485,792.30)	-7.6%
Communications	2,696,078.24	4,572,122.11	(1,876,043.87)	-41.0%
Repairs and Maintenance	6,951,290.27	9,581,181.16	(2,629,890.89)	-27.4%
Rentals and Leases	3,572,604.86	3,386,582.01	186,022.85	5.5%
Printing and Reproduction	413,957.89	1,731,618.12	(1,317,660.23)	-76.1%
Scholarships and Fellowships	421,874.83	5,437,197.94	(5,015,323.11)	-92.2%
Depreciation and Amortization	58,856,394.39	50,672,055.86	8,184,338.53	16.2%
Federal Sponsored Program Pass-Through to Other State Agencies	459,395.31	850,062.86	(390,667.55)	-46.0%
Other Operating Expenses	21,947,742.69	33,594,359.17	(11,646,616.48)	-34.7%
<b>Total Operating Expenses</b>	<b>1,016,318,133.55</b>	<b>955,648,123.12</b>	<b>60,670,010.43</b>	<b>6.3%</b>
<b>Operating Loss</b>	<b>(82,483,915.75)</b>	<b>(100,224,488.67)</b>	<b>17,740,572.92</b>	<b>17.7%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	91,851,080.58	96,393,602.82	(4,542,522.24)	-4.7%
Nonexchange Sponsored Programs	26,405.00	2,380,955.33	(2,354,550.33)	-98.9%
Gift Contributions for Operations	11,679,611.63	14,990,869.87	(3,311,258.24)	-22.1%
Net Investment Income	46,566,037.84	51,066,215.98	(4,500,178.14)	-8.8%
Interest Expense on Capital Asset Financings	(21,055,612.27)	(17,703,365.47)	(3,352,246.80)	-18.9%
<b>Net Other Nonoperating Adjustments</b>	<b>129,067,522.78</b>	<b>147,128,278.53</b>	<b>(18,060,755.75)</b>	<b>-12.3%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>46,583,607.03</b>	<b>46,903,789.86</b>	<b>(320,182.83)</b>	<b>-0.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>4.3%</b>	<b>4.6%</b>		
Investment Gain (Losses)	(15,291,448.51)	159,393,942.42	(174,685,390.93)	-109.6%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>31,292,158.52</b>	<b>206,297,732.28</b>	<b>(175,005,573.76)</b>	<b>-84.8%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>2.9%</b>	<b>17.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>105,440,001.42</b>	<b>97,575,845.72</b>	<b>7,864,155.70</b>	<b>8.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>9.7%</b>	<b>9.6%</b>		



## UNAUDITED

The University of Texas Medical Branch at Galveston  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	18,875,889.31	16,657,277.11	2,218,612.20	13.3%
Sponsored Programs	133,671,963.86	161,767,017.59	(28,095,053.73)	-17.4%
Net Sales and Services of Educational Activities	8,667,535.89	10,077,041.29	(1,409,505.40)	-14.0%
Net Sales and Services of Hospitals	435,339,406.34	415,942,576.47	19,396,829.87	4.7%
Net Professional Fees	77,268,341.44	75,237,351.38	2,030,990.06	2.7%
Net Auxiliary Enterprises	3,871,906.62	3,960,913.76	(89,007.14)	-2.2%
Other Operating Revenues	6,612,430.43	(8,451,075.52)	15,063,505.95	178.2%
<b>Total Operating Revenues</b>	<b>684,307,473.89</b>	<b>675,191,102.08</b>	<b>9,116,371.81</b>	<b>1.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	457,878,978.45	462,689,833.22	(4,810,854.77)	-1.0%
Payroll Related Costs	118,386,228.64	118,875,355.56	(489,126.92)	-0.4%
Cost of Goods Sold	37,834,752.61	38,098,552.95	(263,800.34)	-0.7%
Professional Fees and Services	21,454,249.68	25,615,955.40	(4,161,705.72)	-16.2%
Other Contracted Services	42,418,177.72	45,590,322.75	(3,172,145.03)	-7.0%
Travel	3,423,163.58	3,664,843.97	(241,680.39)	-6.6%
Materials and Supplies	70,494,768.43	72,227,756.70	(1,732,988.27)	-2.4%
Utilities	18,055,847.56	16,154,465.81	1,901,381.75	11.8%
Communications	7,547,387.12	8,884,582.36	(1,337,195.24)	-15.1%
Repairs and Maintenance	21,867,857.31	23,504,644.67	(1,636,787.36)	-7.0%
Rentals and Leases	13,688,210.71	12,803,005.63	885,205.08	6.9%
Printing and Reproduction	752,473.95	914,589.51	(162,115.56)	-17.7%
Bad Debt Expense	-	(211.00)	211.00	100.0%
Scholarships and Fellowships	4,663,246.66	3,776,913.95	886,332.71	23.5%
Depreciation and Amortization	49,611,484.34	45,811,192.30	3,800,292.04	8.3%
Federal Sponsored Program Pass-Through to Other State Agencies	1,595,497.78	2,212,480.53	(616,982.75)	-27.9%
Other Operating Expenses	19,198,371.78	27,560,054.87	(8,361,683.09)	-30.3%
<b>Total Operating Expenses</b>	<b>888,870,696.32</b>	<b>908,384,339.18</b>	<b>(19,513,642.86)</b>	<b>-2.1%</b>
<b>Operating Loss</b>	<b>(204,563,222.43)</b>	<b>(233,193,237.10)</b>	<b>28,630,014.67</b>	<b>12.3%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	181,740,638.69	194,523,307.41	(12,782,668.72)	-6.6%
Nonexchange Sponsored Programs	401,375.25	600,341.53	(198,966.28)	-33.1%
Gift Contributions for Operations	5,092,807.72	5,991,497.94	(898,690.22)	-15.0%
Net Investment Income	17,892,446.16	18,217,230.83	(324,784.67)	-1.8%
Interest Expense on Capital Asset Financings	(4,542,969.79)	(4,809,549.22)	266,579.43	5.5%
<b>Net Other Nonoperating Adjustments</b>	<b>200,584,298.03</b>	<b>214,522,828.49</b>	<b>(13,938,530.46)</b>	<b>-6.5%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(3,978,924.40)</b>	<b>(18,670,408.61)</b>	<b>14,691,484.21</b>	<b>78.7%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-0.4%</b>	<b>-2.1%</b>		
Investment Gain (Losses)	(5,372,204.31)	60,253,276.28	(65,625,480.59)	-108.9%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(9,351,128.71)</b>	<b>41,582,867.67</b>	<b>(50,933,996.38)</b>	<b>-122.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-1.1%</b>	<b>4.4%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>45,632,559.94</b>	<b>27,140,783.69</b>	<b>18,491,776.25</b>	<b>68.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>5.1%</b>	<b>3.0%</b>		

## UNAUDITED

The University of Texas Health Science Center at Houston  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	24,354,908.51	21,408,809.55	2,946,098.96	13.8%
Sponsored Programs	261,483,738.21	261,762,012.36	(278,274.15)	-0.1%
Net Sales and Services of Educational Activities	15,118,843.52	27,709,510.04	(12,590,666.52)	-45.4%
Net Sales and Services of Hospitals	39,857,633.66	21,528,102.05	18,329,531.61	85.1%
Net Professional Fees	91,263,929.02	83,940,818.93	7,323,110.09	8.7%
Net Auxiliary Enterprises	13,127,754.64	13,371,370.43	(243,615.79)	-1.8%
Other Operating Revenues	9,356,902.78	6,106,484.28	3,250,418.50	53.2%
<b>Total Operating Revenues</b>	<b>454,563,710.34</b>	<b>435,827,107.64</b>	<b>18,736,602.70</b>	<b>4.3%</b>
<b>Operating Expenses</b>				
Salaries and Wages	318,806,087.24	303,972,463.66	14,833,623.58	4.9%
Payroll Related Costs	70,192,309.07	66,944,536.07	3,247,773.00	4.9%
Cost of Goods Sold	15,366,908.32	11,532,886.68	3,834,021.64	33.2%
Professional Fees and Services	23,634,196.81	29,499,636.11	(5,865,439.30)	-19.9%
Other Contracted Services	28,159,569.69	25,931,625.26	2,227,944.43	8.6%
Travel	3,991,694.30	4,245,329.73	(253,635.43)	-6.0%
Materials and Supplies	26,213,781.27	27,283,023.30	(1,069,242.03)	-3.9%
Utilities	10,227,084.91	9,924,413.49	302,671.42	3.0%
Communications	2,095,626.46	2,316,673.61	(221,047.15)	-9.5%
Repairs and Maintenance	4,171,703.07	5,487,256.71	(1,315,553.64)	-24.0%
Rentals and Leases	11,943,856.79	12,335,435.00	(391,578.21)	-3.2%
Printing and Reproduction	2,735,969.38	3,813,606.06	(1,077,636.68)	-28.3%
Bad Debt Expense	3,506.66	-	3,506.66	100.0%
Scholarships and Fellowships	3,216,844.69	3,088,185.68	128,659.01	4.2%
Depreciation and Amortization	30,168,717.44	28,577,107.94	1,591,609.50	5.6%
Federal Sponsored Program Pass-Through to Other State Agencies	4,404,482.25	4,944,537.61	(540,055.36)	-10.9%
Other Operating Expenses	16,843,173.32	18,746,200.83	(1,903,027.51)	-10.2%
<b>Total Operating Expenses</b>	<b>572,175,511.67</b>	<b>558,642,917.74</b>	<b>13,532,593.93</b>	<b>2.4%</b>
<b>Operating Loss</b>	<b>(117,611,801.33)</b>	<b>(122,815,810.10)</b>	<b>5,204,008.77</b>	<b>4.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	102,077,263.76	93,642,071.00	8,435,192.76	9.0%
Nonexchange Sponsored Programs	330,973.14	5,013,294.27	(4,682,321.13)	-93.4%
Gift Contributions for Operations	13,369,580.14	11,824,018.80	1,545,561.34	13.1%
Net Investment Income	15,532,929.17	16,961,295.31	(1,428,366.14)	-8.4%
Interest Expense on Capital Asset Financings	(6,122,729.20)	(6,399,334.62)	276,605.42	4.3%
<b>Net Other Nonoperating Adjustments</b>	<b>125,188,017.01</b>	<b>121,041,344.76</b>	<b>4,146,672.25</b>	<b>3.4%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>7,576,215.68</b>	<b>(1,774,465.34)</b>	<b>9,350,681.02</b>	<b>527.0%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.3%</b>	<b>-0.3%</b>		
Investment Gain (Losses)	(2,271,071.36)	50,706,308.31	(52,977,379.67)	-104.5%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>5,305,144.32</b>	<b>48,931,842.97</b>	<b>(43,626,698.65)</b>	<b>-89.2%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>0.9%</b>	<b>8.0%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>37,744,933.12</b>	<b>26,802,642.60</b>	<b>10,942,290.52</b>	<b>40.8%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>6.4%</b>	<b>4.8%</b>		

## UNAUDITED

The University of Texas Health Science Center at San Antonio  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	19,218,213.00	17,228,305.50	1,989,907.50	11.6%
Sponsored Programs	167,489,466.59	161,531,020.96	5,958,445.63	3.7%
Net Sales and Services of Educational Activities	12,171,481.81	22,755,386.31	(10,583,904.50)	-46.5%
Net Professional Fees	88,038,243.93	81,143,167.48	6,895,076.45	8.5%
Net Auxiliary Enterprises	3,520,239.39	3,039,573.36	480,666.03	15.8%
Other Operating Revenues	6,093,895.53	6,881,171.43	(787,275.90)	-11.4%
<b>Total Operating Revenues</b>	<b>296,531,540.25</b>	<b>292,578,625.04</b>	<b>3,952,915.21</b>	<b>1.4%</b>
<b>Operating Expenses</b>				
Salaries and Wages	226,889,691.87	226,597,722.51	291,969.36	0.1%
Payroll Related Costs	60,595,195.54	60,434,116.80	161,078.74	0.3%
Professional Fees and Services	9,764,911.08	7,689,189.35	2,075,721.73	27.0%
Other Contracted Services	10,006,741.54	14,270,002.30	(4,263,260.76)	-29.9%
Travel	2,947,418.13	2,865,573.85	81,844.28	2.9%
Materials and Supplies	26,242,692.66	24,864,412.26	1,378,280.40	5.5%
Utilities	11,103,824.67	9,507,638.00	1,596,186.67	16.8%
Communications	7,161,651.82	7,119,939.15	41,712.67	0.6%
Repairs and Maintenance	2,568,067.71	2,830,593.40	(262,525.69)	-9.3%
Rentals and Leases	3,370,649.90	3,578,559.94	(207,910.04)	-5.8%
Printing and Reproduction	1,295,119.47	1,107,970.56	187,148.91	16.9%
Scholarships and Fellowships	3,498,481.22	3,317,221.49	181,259.73	5.5%
Depreciation and Amortization	26,833,333.33	21,175,000.00	5,658,333.33	26.7%
Federal Sponsored Program Pass-Through to Other State Agencies	1,020,833.33	875,000.00	145,833.33	16.7%
Other Operating Expenses	21,703,304.34	24,913,528.56	(3,210,224.22)	-12.9%
<b>Total Operating Expenses</b>	<b>415,001,916.61</b>	<b>411,146,468.17</b>	<b>3,855,448.44</b>	<b>0.9%</b>
<b>Operating Loss</b>	<b>(118,470,376.36)</b>	<b>(118,567,843.13)</b>	<b>97,466.77</b>	<b>0.1%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	94,098,662.00	100,359,893.33	(6,261,231.33)	-6.2%
Nonexchange Sponsored Programs	729,166.67	583,333.33	145,833.34	25.0%
Gift Contributions for Operations	9,880,208.69	8,713,922.28	1,166,286.41	13.4%
Net Investment Income	18,948,661.07	18,243,845.67	704,815.40	3.9%
Interest Expense on Capital Asset Financings	(6,046,049.52)	(5,686,351.86)	(359,697.66)	-6.3%
<b>Net Other Nonoperating Adjustments</b>	<b>117,610,648.91</b>	<b>122,214,642.75</b>	<b>(4,603,993.84)</b>	<b>-3.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>(859,727.45)</b>	<b>3,646,799.62</b>	<b>(4,506,527.07)</b>	<b>-123.6%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>-0.2%</b>	<b>0.9%</b>		
Investment Gain (Losses)	(6,688,479.25)	62,440,180.05	(69,128,659.30)	-110.7%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>(7,548,206.70)</b>	<b>66,086,979.67</b>	<b>(73,635,186.37)</b>	<b>-111.4%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>-1.8%</b>	<b>13.7%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>25,973,605.88</b>	<b>24,821,799.62</b>	<b>1,151,806.26</b>	<b>4.6%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>6.2%</b>	<b>5.9%</b>		

## UNAUDITED

The University of Texas M. D. Anderson Cancer Center  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Net Student Tuition	982,535.14	832,647.53	149,887.61	18.0%
Sponsored Programs	199,323,989.79	199,413,663.65	(89,673.86)	-
Net Sales and Services of Educational Activities	1,499,230.50	920,500.95	578,729.55	62.9%
Net Sales and Services of Hospitals	1,497,871,889.44	1,272,128,488.26	225,743,401.18	17.7%
Net Professional Fees	205,424,031.67	190,963,047.04	14,460,984.63	7.6%
Net Auxiliary Enterprises	21,097,060.20	19,111,912.39	1,985,147.81	10.4%
Other Operating Revenues	35,346,833.32	33,693,438.06	1,653,395.26	4.9%
<b>Total Operating Revenues</b>	<b>1,961,545,570.06</b>	<b>1,717,063,697.88</b>	<b>244,481,872.18</b>	<b>14.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	875,760,532.05	816,156,195.08	59,604,336.97	7.3%
Payroll Related Costs	242,294,478.57	228,339,925.43	13,954,553.14	6.1%
Cost of Goods Sold	3,451,198.29	3,213,155.25	238,043.04	7.4%
Professional Fees and Services	75,513,272.78	73,513,549.41	1,999,723.37	2.7%
Other Contracted Services	39,263,695.92	32,684,627.34	6,579,068.58	20.1%
Travel	9,015,620.08	9,924,762.28	(909,142.20)	-9.2%
Materials and Supplies	364,350,805.98	322,606,536.07	41,744,269.91	12.9%
Utilities	30,115,603.88	26,561,463.33	3,554,140.55	13.4%
Communications	5,741,163.04	5,096,956.33	644,206.71	12.6%
Repairs and Maintenance	46,717,390.71	44,644,900.85	2,072,489.86	4.6%
Rentals and Leases	24,384,096.03	27,494,279.57	(3,110,183.54)	-11.3%
Scholarships and Fellowships	2,540,343.00	846,840.00	1,693,503.00	200.0%
Depreciation and Amortization	152,506,864.70	133,159,118.60	19,347,746.10	14.5%
Federal Sponsored Program Pass-Through to Other State Agencies	976,936.47	582,018.20	394,918.27	67.9%
Other Operating Expenses	16,003,691.58	15,123,797.60	879,893.98	5.8%
<b>Total Operating Expenses</b>	<b>1,888,635,693.08</b>	<b>1,739,948,125.34</b>	<b>148,687,567.74</b>	<b>8.5%</b>
<b>Operating Loss</b>	<b>72,909,876.98</b>	<b>(22,884,427.46)</b>	<b>95,794,304.44</b>	<b>418.6%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	93,599,638.28	93,653,088.92	(53,450.64)	-0.1%
Nonexchange Sponsored Programs	354,145.00	180,947.00	173,198.00	95.7%
Gift Contributions for Operations	52,063,144.93	57,964,449.84	(5,901,304.91)	-10.2%
Net Investment Income	35,616,041.91	36,313,665.42	(697,623.51)	-1.9%
Interest Expense on Capital Asset Financings	(23,315,648.02)	(24,040,437.33)	724,789.31	3.0%
<b>Net Other Nonoperating Adjustments</b>	<b>158,317,322.10</b>	<b>164,071,713.85</b>	<b>(5,754,391.75)</b>	<b>-3.5%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>231,227,199.08</b>	<b>141,187,286.39</b>	<b>90,039,912.69</b>	<b>63.8%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>10.8%</b>	<b>7.4%</b>		
Investment Gain (Losses)	6,631,221.46	182,482,027.88	(175,850,806.42)	-96.4%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>237,858,420.54</b>	<b>323,669,314.27</b>	<b>(85,810,893.73)</b>	<b>-26.5%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>11.1%</b>	<b>15.5%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>383,734,063.78</b>	<b>274,346,404.99</b>	<b>109,387,658.79</b>	<b>39.9%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>17.9%</b>	<b>14.4%</b>		

## UNAUDITED

The University of Texas Health Science Center at Tyler  
 Monthly Financial Report, Comparison of Operating Results and Margin  
 For the Period Ending March 31, 2012

	March Year-to-Date FY 2012	March Year-to-Date FY 2011	Variance	Fluctuation Percentage
<b>Operating Revenues</b>				
Sponsored Programs	7,796,767.94	8,687,909.83	(891,141.89)	-10.3%
Net Sales and Services of Educational Activities	1,017,543.13	790,042.41	227,500.72	28.8%
Net Sales and Services of Hospitals	26,054,872.77	30,687,117.51	(4,632,244.74)	-15.1%
Net Professional Fees	6,672,099.58	6,704,740.18	(32,640.60)	-0.5%
Net Auxiliary Enterprises	88,129.07	131,411.68	(43,282.61)	-32.9%
Other Operating Revenues	850,133.39	315,156.47	534,976.92	169.7%
<b>Total Operating Revenues</b>	<b>42,479,545.88</b>	<b>47,316,378.08</b>	<b>(4,836,832.20)</b>	<b>-10.2%</b>
<b>Operating Expenses</b>				
Salaries and Wages	32,650,006.86	31,731,667.05	918,339.81	2.9%
Payroll Related Costs	10,390,973.20	9,519,522.71	871,450.49	9.2%
Cost of Goods Sold	44,310.62	19,439.42	24,871.20	127.9%
Professional Fees and Services	4,068,994.71	4,289,099.66	(220,104.95)	-5.1%
Other Contracted Services	3,434,547.28	4,431,391.39	(996,844.11)	-22.5%
Travel	294,493.75	297,239.40	(2,745.65)	-0.9%
Materials and Supplies	8,117,630.06	7,422,797.18	694,832.88	9.4%
Utilities	1,574,275.72	2,056,682.21	(482,406.49)	-23.5%
Communications	465,654.08	601,373.05	(135,718.97)	-22.6%
Repairs and Maintenance	1,424,657.26	1,546,942.82	(122,285.56)	-7.9%
Rentals and Leases	195,167.90	533,053.23	(337,885.33)	-63.4%
Printing and Reproduction	385,277.67	313,858.63	71,419.04	22.8%
Scholarships and Fellowships	12,407.50	9,140.70	3,266.80	35.7%
Depreciation and Amortization	5,123,392.26	4,056,066.20	1,067,326.06	26.3%
Federal Sponsored Program Pass-Through to Other State Agencies	233,138.75	56,578.38	176,560.37	312.1%
Other Operating Expenses	1,635,284.09	1,137,726.14	497,557.95	43.7%
<b>Total Operating Expenses</b>	<b>70,050,211.71</b>	<b>68,022,578.17</b>	<b>2,027,633.54</b>	<b>3.0%</b>
<b>Operating Loss</b>	<b>(27,570,665.83)</b>	<b>(20,706,200.09)</b>	<b>(6,864,465.74)</b>	<b>-33.2%</b>
<b>Other Nonoperating Adjustments</b>				
State Appropriations	26,789,641.74	21,437,316.85	5,352,324.89	25.0%
Gift Contributions for Operations	158,825.16	183,860.68	(25,035.52)	-13.6%
Net Investment Income	2,405,378.88	2,400,347.21	5,031.67	0.2%
Interest Expense on Capital Asset Financings	(837,494.07)	(617,857.80)	(219,636.27)	-35.5%
<b>Net Other Nonoperating Adjustments</b>	<b>28,516,351.71</b>	<b>23,403,666.94</b>	<b>5,112,684.77</b>	<b>21.8%</b>
<b>Adjusted Income (Loss) including Depreciation &amp; Amortization</b>	<b>945,685.88</b>	<b>2,697,466.85</b>	<b>(1,751,780.97)</b>	<b>-64.9%</b>
<b>Adjusted Margin % including Depreciation &amp; Amortization</b>	<b>1.3%</b>	<b>3.8%</b>		
Investment Gain (Losses)	(678,785.83)	6,283,671.62	(6,962,457.45)	-110.8%
<b>Adj. Inc. (Loss) with Investment Gains (Losses)</b>	<b>266,900.05</b>	<b>8,981,138.47</b>	<b>(8,714,238.42)</b>	<b>-97.0%</b>
<b>Adj. Margin % with Investment Gains (Losses)</b>	<b>0.4%</b>	<b>11.6%</b>		
<b>Adjusted Income (Loss) excluding Depreciation &amp; Amortization</b>	<b>6,069,078.14</b>	<b>6,753,533.05</b>	<b>(684,454.91)</b>	<b>-10.1%</b>
<b>Adjusted Margin % excluding Depreciation &amp; Amortization</b>	<b>8.4%</b>	<b>9.5%</b>		

3. **U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 29, 2012**

REPORT

The February 29, 2012 UTIMCO Performance Summary Report is attached on [Page 115](#).

The Investment Reports for the quarter ended February 29, 2012, are set forth on [Pages 116 - 119](#).

Item I on [Page 116](#) reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 3.97% versus its composite benchmark return of 4.64%. The PUF's net asset value increased during the quarter to \$12,971 million. The increase was due to \$145 million PUF Land receipts, net investment return of \$495 million, less distributions to the Available University Fund (AUF) of \$59 million.

Item II on [Page 117](#) reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 3.99% versus its composite benchmark return of 4.64%. The GEF's net asset value increased by \$222 million during the quarter to \$7,029 million.

Item III on [Page 118](#) reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 4.16% versus its composite benchmark return of 5.00%. The net asset value increased during the quarter to \$4,826 million due to net investment return of \$194 million, net contributions of \$36 million, less distributions of \$35 million.

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

Item IV on [Page 119](#) 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 \$423 million to \$2,335 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$75 million versus \$74 million at the beginning of the period; equities: \$51 million versus \$47 million at the beginning of the period; and other investments: \$1 million versus \$4 million at the beginning of the period.

# UTIMCO Performance Summary

February 29, 2012

	Net Asset Value 2/29/2012 (in Millions)	Periods Ended February 29, 2012 (Returns for Periods Longer Than One Year are Annualized)							
		Short Term		Year to Date		Historic Returns			
		1 Mo	3 Mos	Fiscal	Calendar	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>ENDOWMENT FUNDS</b>									
Permanent University Fund	\$ 12,971	2.09%	3.97%	1.23%	5.13%	2.05%	16.03%	3.36%	7.37%
General Endowment Fund		2.10	3.99	1.23	5.15	2.10	16.05	3.41	7.49
Permanent Health Fund	981	2.11	3.99	1.18	5.16	2.10	15.95	3.34	7.40
Long Term Fund	6,048	2.11	3.99	1.18	5.16	2.11	15.95	3.34	7.41
Separately Invested Funds	150	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Endowment Funds</b>	<b>20,150</b>								
<b>OPERATING FUNDS</b>									
Intermediate Term Fund	4,825	1.71	4.16	1.66	5.08	2.05	15.90	3.77	N/A
Debt Proceeds Fund	768	0.01	0.04	0.06	0.03	N/A	N/A	N/A	N/A
Short Term Fund	1,544	0.01	0.03	0.06	0.03	0.15	0.25	1.66	2.13
<b>Total Operating Funds</b>	<b>7,137</b>								
<b>Total Investments</b>	<b>\$ 27,287</b>								
<b>VALUE ADDED (1) (Percent)</b>									
Permanent University Fund		0.03%	(0.67%)	(1.73%)	(0.17%)	(0.14%)	1.89%	2.17%	1.94%
General Endowment Fund		0.04	(0.65)	(1.73)	(0.15)	(0.09)	1.91	2.22	2.06
Intermediate Term Fund		(0.09)	(0.84)	(0.09)	(0.07)	1.20	1.71	2.60	N/A
Debt Proceeds Fund		0.01	0.04	0.06	0.03	N/A	N/A	N/A	N/A
Short Term Fund		0.01	0.03	0.06	0.03	0.07	0.11	0.34	0.21
<b>VALUE ADDED (\$ IN MILLIONS)</b>									
Permanent University Fund		\$ 4	\$ (83)	\$ (220)	\$ (21)	\$ (19)	\$ 605	\$ 1,284	\$ 2,191
General Endowment Fund		3	(44)	(123)	(10)	(4)	344	739	1,263
Intermediate Term Fund		(4)	(39)	(5)	(3)	56	208	544	N/A
<b>Total Value Added</b>		<b>\$ 3</b>	<b>\$ (166)</b>	<b>\$ (348)</b>	<b>\$ (34)</b>	<b>\$ 33</b>	<b>\$ 1,157</b>	<b>\$ 2,567</b>	<b>\$ 3,454</b>

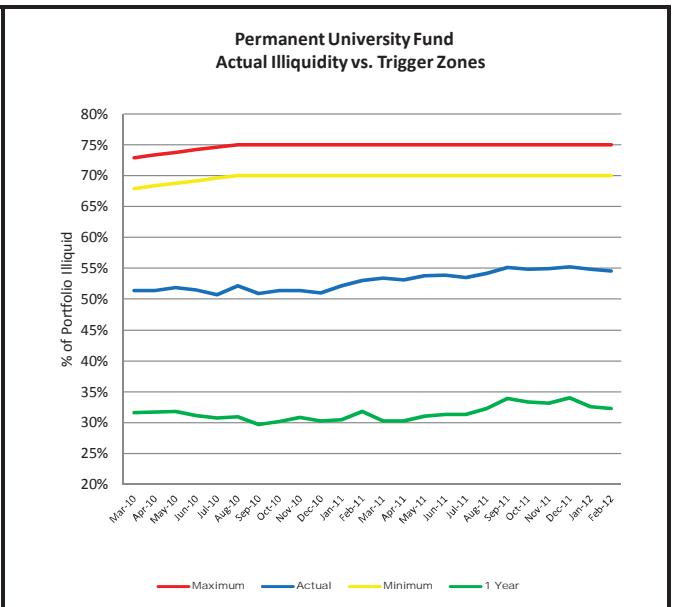
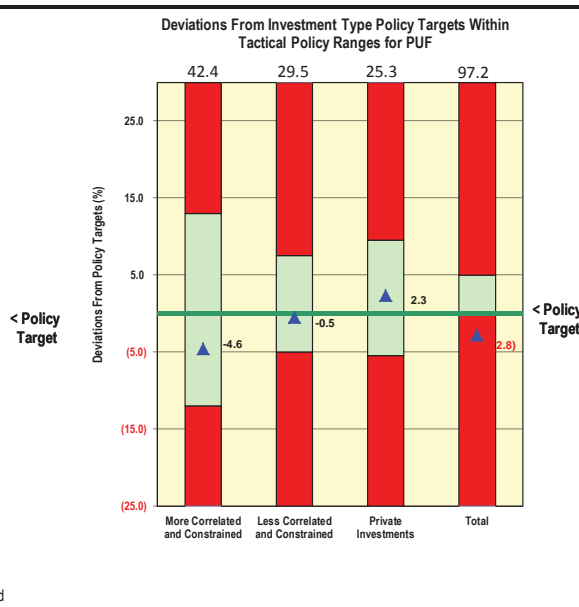
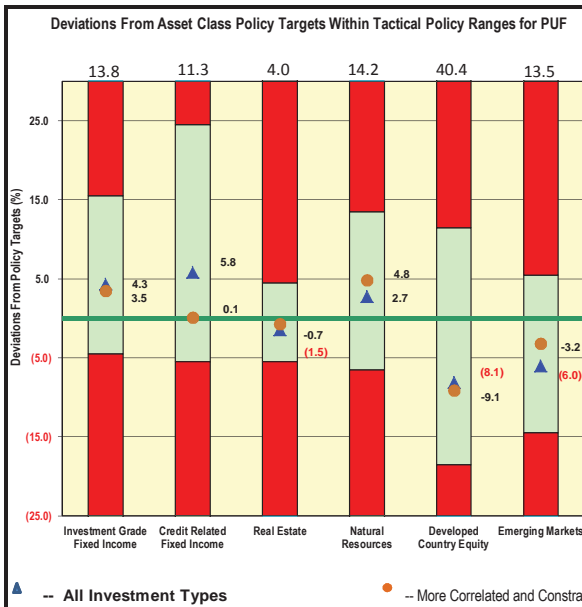
Footnotes available upon request

**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended February 29, 2012**

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended February 29, 2012	Fiscal Year to Date February 29, 2012
Beginning Net Assets	\$ 10,725	\$ 12,390	\$ 12,688
PUF Lands Receipts	896	145	589
Investment Return (Net of Expenses)	1,573	495	153
Distributions to AUF	(506)	(59)	(459)
Ending Net Assets	\$ 12,688	\$ 12,971	\$ 12,971

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	0.34%	-0.51%	-0.08%	0.06%	-0.02%
Credit-Related	7.92%	7.40%	0.00%	0.00%	0.00%
Real Estate	2.77%	4.59%	0.00%	-0.04%	-0.04%
Natural Resources	-4.15%	-2.22%	-0.42%	-0.12%	-0.54%
Developed Country	3.53%	8.27%	-0.07%	-0.93%	-1.00%
Emerging Markets	3.73%	5.27%	-0.11%	-0.26%	-0.37%
<b>Total More Correlated and Constrained</b>	<b>0.83%</b>	<b>4.69%</b>	<b>-0.68%</b>	<b>-1.29%</b>	<b>-1.97%</b>
<b>Less Correlated and Constrained</b>	<b>3.11%</b>	<b>1.07%</b>	<b>0.19%</b>	<b>0.45%</b>	<b>0.64%</b>
<b>Private Investments</b>	<b>-0.11%</b>	<b>0.70%</b>	<b>-0.30%</b>	<b>-0.10%</b>	<b>-0.40%</b>
<b>Total</b>	<b>1.23%</b>	<b>2.96%</b>	<b>-0.79%</b>	<b>-0.94%</b>	<b>-1.73%</b>





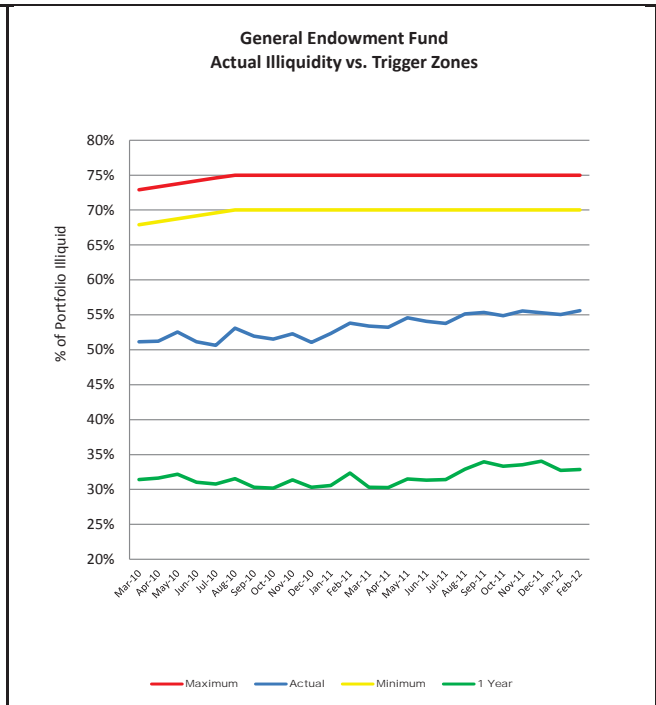
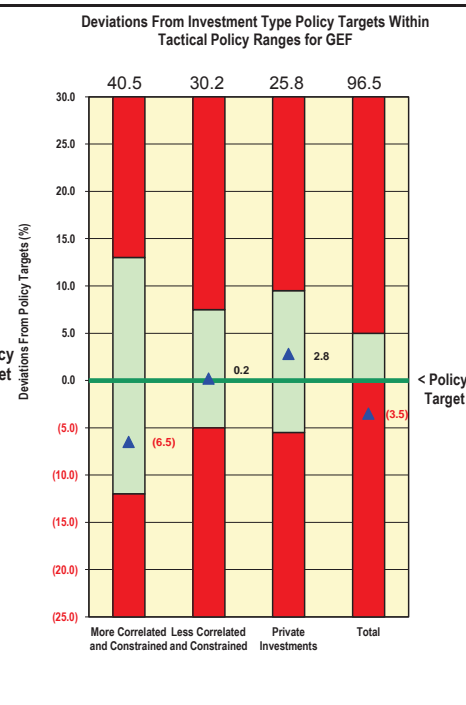
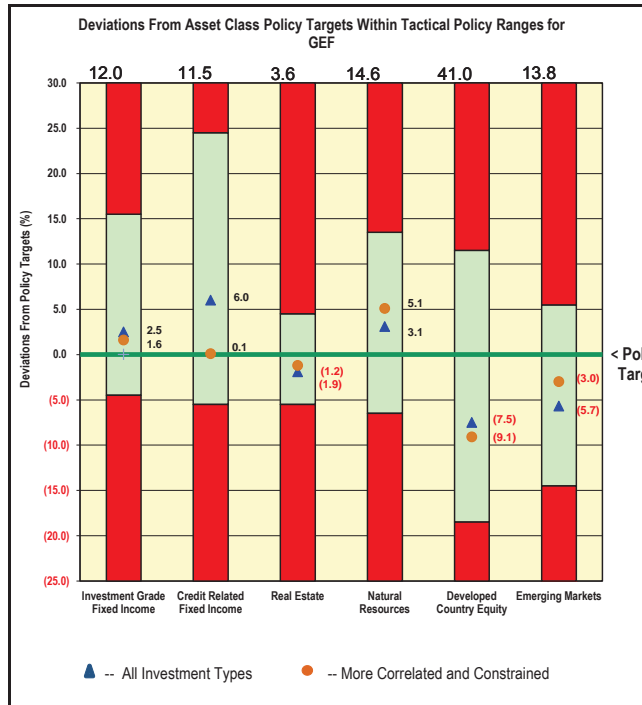
## II. GENERAL ENDOWMENT FUND

### Investment Reports for Periods Ended February 29, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended		Fiscal Year to
	August 31, 2011	Quarter Ended February 29, 2012	Date February 29, 2012
Beginning Net Assets	\$ 6,035	\$ 6,807	\$ 7,049
Contributions	432	34	70
Withdrawals	(12)	(1)	(5)
Distributions	(327)	(85)	(170)
Investment Return (Net of Expenses)	921	274	85
Ending Net Assets	<u>\$ 7,049</u>	<u>\$ 7,029</u>	<u>\$ 7,029</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	0.54%	-0.51%	-0.06%	0.06%	0.00%
Credit-Related	7.92%	7.40%	0.00%	0.00%	0.00%
Real Estate	2.59%	4.59%	0.00%	-0.05%	-0.05%
Natural Resources	-4.19%	-2.22%	-0.42%	-0.14%	-0.56%
Developed Country	3.47%	8.27%	-0.04%	-0.91%	-0.95%
Emerging Markets	3.72%	5.27%	-0.11%	-0.26%	-0.37%
<b>Total More Correlated and Constrained</b>	<b>0.79%</b>	<b>4.69%</b>	<b>-0.63%</b>	<b>-1.30%</b>	<b>-1.93%</b>
<b>Less Correlated and Constrained</b>	<b>3.11%</b>	<b>1.07%</b>	<b>0.18%</b>	<b>0.43%</b>	<b>0.61%</b>
<b>Private Investments</b>	<b>-0.11%</b>	<b>0.70%</b>	<b>-0.29%</b>	<b>-0.12%</b>	<b>-0.41%</b>
<b>Total</b>	<b>1.23%</b>	<b>2.96%</b>	<b>-0.74%</b>	<b>-0.99%</b>	<b>-1.73%</b>

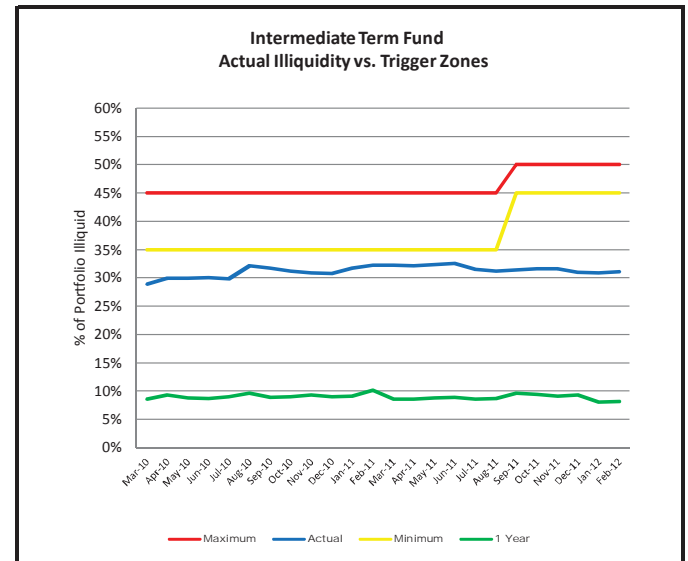
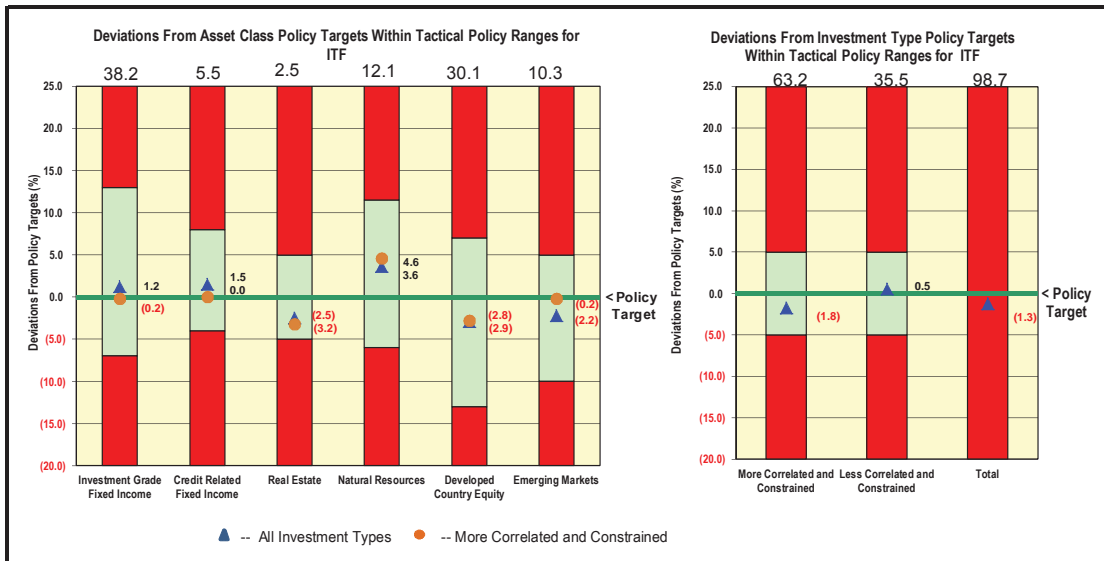


### III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended February 29, 2012

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended February 29, 2012	Fiscal Year to Date February 29, 2012
Beginning Net Assets	\$ 4,156	\$ 4,631	\$ 4,662
Contributions	328	100	266
Withdrawals	(168)	(64)	(113)
Distributions	(139)	(35)	(70)
Investment Return (Net of Expenses)	485	194	81
Ending Net Assets	<u>\$ 4,662</u>	<u>\$ 4,826</u>	<u>\$ 4,826</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	1.53%	-0.51%	-0.02%	0.71%	0.69%
Credit-Related	0.00%	7.40%	0.00%	0.00%	0.00%
Real Estate	2.27%	4.59%	-0.03%	-0.13%	-0.16%
Natural Resources	-4.82%	-2.22%	-0.42%	-0.19%	-0.61%
Developed Country	4.52%	8.27%	-0.07%	-0.39%	-0.46%
Emerging Markets	3.62%	5.27%	-0.06%	-0.16%	-0.22%
<b>Total More Correlated and Constrained</b>	<b>0.89%</b>	<b>2.02%</b>	<b>-0.60%</b>	<b>-0.16%</b>	<b>-0.76%</b>
<b>Less Correlated and Constrained</b>	<b>3.14%</b>	<b>1.07%</b>	<b>0.14%</b>	<b>0.53%</b>	<b>0.67%</b>
<b>Private Investments</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>	<b>1.66%</b>	<b>1.75%</b>	<b>-0.46%</b>	<b>0.37%</b>	<b>-0.09%</b>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at February 29, 2012**  
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND (SHORT TERM FUND))		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
<b>Cash &amp; Equivalents:</b>																
Beginning value 11/30/11	-	-	4,358	4,358	37,426	37,426	1,025	1,025	1,304	1,304	44,113	44,113	1,868,293	1,868,293	1,912,406	1,912,406
Increase/(Decrease)	-	-	(2,170)	(2,170)	28,271	28,271	(77)	(77)	3,022	3,022	29,046	29,046	393,243	393,243	422,289	422,289
Ending value 02/29/12	-	-	2,188	2,188	65,697	65,697	948	948	4,326	4,326	73,159	73,159	2,261,536	2,261,536	2,334,695	2,334,695
<b>Debt Securities:</b>																
Beginning value 11/30/11	-	-	101	101	11,418	12,330	11,850	12,198	-	-	23,369	24,629	49,841	49,704	73,210	74,333
Increase/(Decrease)	-	-	-	-	313	529	(106)	210	-	-	207	739	-	(97)	207	642
Ending value 02/29/12	-	-	101	101	11,731	12,859	11,744	12,408	-	-	23,576	25,368	49,841	49,607	73,417	74,975
<b>Equity Securities:</b>																
Beginning value 11/30/11	460	2,741	1,617	1,606	29,813	30,986	12,817	11,789	-	-	44,707	47,122	-	-	44,707	47,122
Increase/(Decrease)	-	201	(111)	(149)	314	3,107	6	927	-	-	209	4,086	-	-	209	4,086
Ending value 02/29/12	460	2,942	1,506	1,457	30,127	34,093	12,823	12,716	-	-	44,916	51,208	-	-	44,916	51,208
<b>Other:</b>																
Beginning value 11/30/11	-	-	81	81	7	7	419	139	3,420	3,420	3,927	3,647	-	-	3,927	3,647
Increase/(Decrease)	-	-	74	74	5	5	19	3	(3,013)	(3,013)	(2,915)	(2,931)	-	-	(2,915)	(2,931)
Ending value 02/29/12	-	-	155	155	12	12	438	142	407	407	1,012	716	-	-	1,012	716
<b>Total Assets:</b>																
Beginning value 11/30/11	460	2,741	6,157	6,146	78,664	80,749	26,111	25,151	4,724	4,724	116,116	119,511	1,918,134	1,917,997	2,034,250	2,037,508
Increase/(Decrease)	-	201	(2,207)	(2,245)	28,903	31,912	(158)	1,063	9	9	26,547	30,940	393,243	393,146	419,790	424,086
Ending value 02/29/12	460	2,942	3,950	3,901	107,567	112,661	25,953	26,214	4,733	4,733	142,663	150,451	2,311,377	2,311,143	2,454,040	2,461,594

Details of individual assets by account furnished upon request.

**4. 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 recommend that

- a. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0561 per unit to \$0.0573 per unit for Fiscal Year 2013 (effective with November 30, 2012 distribution);
- b. the distribution rate for the U. T. System Long Term Fund (LTF) be increased from \$0.3215 per unit to \$0.3283 per unit for Fiscal Year 2013 (effective with November 30, 2012 distribution); and
- c. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2013.

A recommendation on the Fiscal Year 2013 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) will be made at the meeting.

**BACKGROUND INFORMATION**

The PUF Investment Policy states that the UTIMCO Board shall recommend an annual distribution from the PUF to the AUF in an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the Fund for the quarter ending February of each fiscal year unless the average annual rate of return of the PUF investments over the trailing 12 quarters exceeds the Expected Return by 25 basis points or more, in which case 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. The Maximum Allowed Distribution is 7.0%.

As shown in the table below, the average annual return of the PUF investments for the trailing 12 quarters ending February 29, 2012, has exceeded the Expected Return by 25 basis points or more (≥.25%). Therefore, as outlined in the PUF Investment Policy, the "default" distribution rate for Fiscal Year 2012-2013 would be 5.0%, or \$565,805,253.

	<u>Trailing 12 - Quarters Ending February 29, 2012</u>	<u>Expected or Benchmarks</u>	<u>Excess</u>
Average Annual Rate of Return	16.03%	8.81%	7.22%

However, the Board of Regents has the authority to distribute an amount that it deems appropriate up to a maximum rate of 7.0% (except as necessary to pay PUF bond debt service). A recommendation on the PUF distribution will be made at the meeting and a revised table will be made available.

<u>Quarter Ended</u>	<u>Net Asset Value</u>
5/31/2009	9,143,803,884
8/31/2009	9,673,908,334
11/30/2009	10,341,053,437
2/28/2010	10,470,036,500
5/31/2010	10,524,153,261
8/31/2010	10,724,962,438
11/30/2010	11,619,582,822
2/28/2011	12,338,732,852
5/31/2011	12,908,189,971
8/31/2011	12,687,945,718
11/30/2011	12,389,608,519
2/29/2012	12,971,283,084
	\$135,793,260,820
number of quarters	12
Average Net Asset Value	\$11,316,105,068
Distribution Percentage	*
FY 2012-13 Distribution	*

\*figure will be forthcoming at the meeting

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the Board of Regents of The University Texas System (Board of Regents) in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the Board of Regents' discretion to set annual PUF distributions to the satisfaction of three tests:

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes.

<u>System</u>	<u>Debt Service</u>
U. T.	\$ 96,600,000
TAMU	91,100,000
Total	\$ 187,700,000

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

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

the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 29, 2012, was 3.57%, which indicates that the purchasing power test was met.

Average Annual	Percent
Rate of Total Return	7.64%
Mineral Interest Receipts	3.39%
Expense Rate	(0.34)% (1)
Inflation Rate	(2.50)%
Distribution Rate	(4.62)%
Net Real Return	<b>3.57%</b>

(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. Management fees that are netted from asset valuations, and are not paid directly by the PUF are not included, as they are a reduction to the Rate of Total Return.

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

Value of PUF Investments	Proposed Distribution	Proposed Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$11,316,105,068	*	*	7.00%

\*figure will be forthcoming at the meeting

The spending policy objectives of the PHF and LTF are to

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

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

The recommended 2.1% increase in the PHF distribution rate of \$0.0561 to \$0.0573 per unit was based on the PHF's Investment Policy Statement to increase the distributions by the

average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 5.2%, within the range of 3.5% to 5.5% set forth in the PHF Investment Policy Statement.

The recommended 2.1% increase in the LTF distribution rate from \$0.3215 to \$0.3283 per unit was based on the LTF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The LTF's distribution rate calculated using the prior 12-quarter average value of the LTF is 5.4%, 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, 2011, was 2.1%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. System Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The recommendation for Fiscal Year 2013 is to continue a distribution rate of 3.0%.



**TABLE OF CONTENTS  
FOR  
ACADEMIC AFFAIRS COMMITTEE**

**Committee Meeting: 5/2/2012**

*R. Steven Hicks, Chairman  
Robert L. Stillwell, Vice Chairman  
Paul L. Foster  
Wallace L. Hall, Jr.  
Brenda Pejovich*

**Board Meeting: 5/3/2012**  
Austin, Texas

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	2:00 p.m. <i>Chairman Hicks</i>		
1. <b>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</b>	2:00 p.m. <b>Action</b>	<b>Action</b>	<b>125</b>
2. <b>U. T. System: Report on Finish@UT</b>	2:02 p.m. <b>Report/Discussion</b> <i>Dr. Ellis</i>	Not on Agenda	<b>126</b>
3. <b>U. T. Austin: Demonstration and tutorial on the Course Transformation Program</b>	2:09 p.m. <b>Report/Discussion</b> <i>Dr. Gretchen Ritter, Dr. Cynthia LaBrake, Dr. David Vandenbout, U. T. Austin</i>	Not on Agenda	<b>134</b>
4. <b>U. T. System: MyEdu demonstration and progress report</b>	2:35 p.m. <b>Report/Discussion</b> <i>Mr. Michael Crosno, CEO and Chairman, MyEdu Corporation Dr. Reyes</i>	Not on Agenda	<b>136</b>
5. <b>U. T. San Antonio: Authorization to accept invitation from Conference USA and to negotiate and finalize terms for athletic conference membership, including possible future membership in a new athletic conference</b>	3:00 p.m. <b>Action</b> <i>Mr. Burgdorf President Romo</i>	<b>Action</b>	<b>137</b>
6. <b>U. T. Permian Basin: Report and appropriate action concerning the Texas Science Scholars Program</b>	3:05 p.m. <b>Action</b> <i>President Watts Dr. Reyes</i>	<b>Action</b>	<b>138</b>
<b>Adjourn</b>	3:15 p.m.		



1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

(The proposed Consent Agenda is at the end of the book.)

2. **U. T. System: Report on Finish@UT**

REPORT

Dr. Martha M. Ellis, Associate Vice Chancellor for Community College Partnerships, will report on the progress of the Finish@UT program using the PowerPoint presentation on the following pages.

# Finish @ UT

Tailored for Your Success

## U. T. System Board of Regents May 2012



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

Martha M. Ellis, Ph.D.  
Associate Vice Chancellor  
Office of Academic  
Affairs



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

# Research

- **In-Dept Interviews:** Conversations with five U. T. System advisors
- **Focus Groups:** 11 focus groups around the state with potential students and college advisors
- **Online Listening:** Review of online conversation around finishing degrees and online learning

Focus Group Participants				
Location	U. T. Stop Outs	Non-U. T. Stop Outs	Military	Advisors
Odessa	6			
El Paso	10		8	
Houston		9		8
Austin		11		11
San Antonio		7	6	
DFW	10	9		
<b>Totals:</b>	<b>26</b>	<b>36</b>	<b>14</b>	<b>19</b>



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# Traditional Media

## Brochure & Inserts



Direct Mail

**Enroll today**  
 Spring 2012

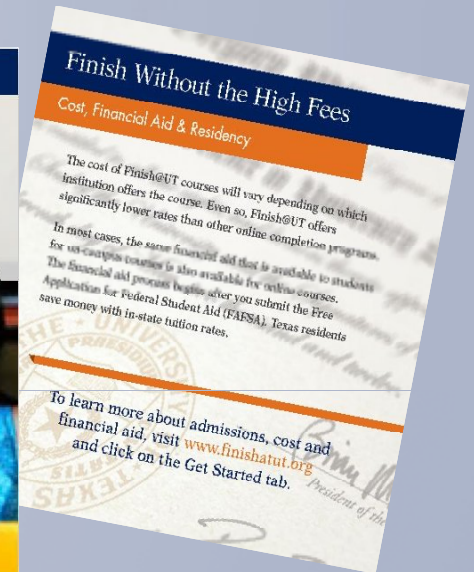
Campus	Session	Application Deadline	Registration Deadline	Class Start Date
UT Arlington	Spring II	Feb 3	Mar 21	Mar 26
UT El Paso	Spring II	Jan 6	Mar 22	Mar 22
UT Permian Basin	Spring II	Feb 15	Mar 18	Mar 19

Summer 2012

Campus	Session	Application Deadline	Registration Deadline	Class Start Date
UT Arlington	Summer I	April 13	May 30	June 4
UT El Paso	Summer I	Mar 1*	May 13	May 14
	Summer II	Mar 1*	July 1	July 2
UT Permian Basin	Summer I	May 11	June 10	June 11

\*Applications received after the printed deadline will be accepted and processed on a case by case basis.

Call us at **1-888-TEXAS-16** or visit us online at [www.finishatut.org](http://www.finishatut.org) to get started.



### A great place. Finish@UT

The University of Texas System brings you a fully online bachelor's degree completion program that is personalized to fit your schedule, interests and budget. With three degree options, college is no longer just a place to start. So, whether you are climbing the corporate ladder or are ready for a new direction, Finish@UT can help you enhance your career and educational goals.

**Unique benefits Finish@UT has to offer:**

- Flexibility:** Courses are taught entirely online and are offered in 7-15 week sessions.
- Personalization:** Tailor your degree to fit your schedule, needs, interests, previous study and career goals.
- Affordability:** Tuition rates are competitive with other online completion programs, and as a Texas resident you will receive in-state tuition.
- Career Readiness:** Build skills in areas of communication, research, project management, problem solving and critical thinking.
- Quality:** Courses are taught by UT faculty and you'll receive a diploma from a University of Texas System institution.

Visit [www.finishatut.org](http://www.finishatut.org) to learn more.





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# Traditional Media

## Banner Stands

Finish@UT

An online bachelor's degree completion program

Tailored for your success

www.finishatut.org

Finish@ home. Finish@ your budget

Finish@ mommy-time. Finish@ the park

Finish@ the job you love. Finish@ the right time.

Finish@ lunch time. Finish@ 2:00am

Finish@ 40. Finish@ a new rank. Finish@

Finish@ midnight. Finish@ a new place.

Finish@ a coffee place. Finish@ high altitudes

Finish@ your standards. Finish@ the park

Finish@ noon. Finish@ a new station

Finish@ a new job. Finish@ the top.

Finish@ the man cave. Finish@ a familiar place

Finish@UT

An online bachelor's degree completion program

Tailored for your success

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Finish@UT

An online bachelor's degree completion program

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# Nontraditional Media Website

[JOIN OUR E-MAIL LIST](#) 
Facebook Twitter YouTube LinkedIn Google+

About the Program | Degrees Offered | Get Started | Current Students | Academic Calendars | Contact

## Welcome to Finish@UT

a fully online bachelor's completion program. Wherever life has taken you, Finish@UT offers you the flexibility, quality, and affordability to easily finish your degree.

Discover Finish@UT

### Ready to finish your degree?

Apply to the Finish@UT program today and take the first step towards earning a college degree tailored for your success.

APPLY NOW

### Welcome to Finish@UT

The University of Texas System Online Consortium is pleased to offer you the opportunity to Finish@UT, a fully online, bachelor's degree completion program designed to help you advance in your career, achieve your personal academic goals and meet your standards of a quality education. With several degree options, you are able to choose areas of concentration that meet your interests and career goals. Once you are finished, you will obtain your diploma from one of three accredited University of Texas System institutions: The University of Texas at Arlington, The University of Texas at El Paso, or The University of Texas of the Permian Basin.

#### QUICK LINKS

- [▶ Apply Now](#)
- [▶ Course Login](#)
- [▶ TIS Login](#)
- [▶ FAQs](#)
- [▶ Contact](#)

#### NEWS & EVENTS

**MAR 12** SUMMER 2012 REGISTRATION  
 Summer 2012 registration will open in the TIS on March 27th

**FEB 13** SAN ANTONIO LAUNCH EVENT  
 Finish@UT will be hosting its first Launch Event at Cafe College in San Antonio, TX.

**JAN 20** THE DAILY TEXAN  
 Finish@UT allows students chance to complete degree.

New Finish@UT video from our launch event. Provides a good overview and a call to action from Mayor @JulianCastro <http://t.co/mmaAby0>

Congrats #UTEP #MinnNation RT @utepnews: 1 minute recap video: #UTEP celebrates the naming of the Mike Loya ASB <http://t.co/gDlows3y>

Join the conversation

About the Program | Degrees Offered | Get Started | Current Students | Academic Calendars | Contact  
 UT Online Consortium | 1-888-TEXAS-16 | [utoc@utsystem.edu](mailto:utoc@utsystem.edu) | Accessibility | Privacy | En Español  
 ©2011 Finish@UT. All rights reserved.





# Nontraditional Media

## E-blasts and online banner ads

**Finish@UT**  
Tailored for your success

**The University of Texas System Introduces Finish@UT**  
A Fully Online Bachelor's Completion Program  
Tailored for your success  
[Learn More](#) and enter to win \$20K in scholarship funds!

**Finish@ a new stage.**  
Whether you're ready to move up the corporate ladder or open the door to your new business, Finish@UT offers three degrees to help you reach your goals.

**Finish@ a new place.**  
With flexible online courses, college is no longer just a place to start. Transfer previous college credits and choose where to finish without putting your life on hold.

**Finish@ UT** Tailored for your success  
With high standards of education, earn your diploma from one of three accredited institutions and save money as a Texas resident.  
[Learn More](#)

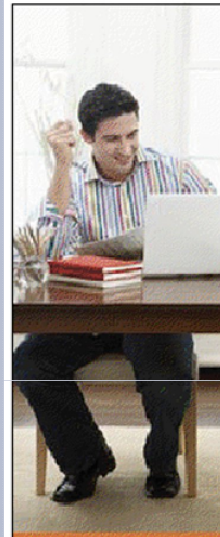
Finish without fees, Finish@UT. Win Up to \$20,000 in Scholarship Funds.  
Register for more information!

Follow Us: Send to a Friend

Unsubscribe from this list.  
Copyright (C) 2012 Finish@UT. All rights reserved.

**Finish@ the end of your assignment.**

**Finish@ your next PCS.**



**Finish@ the spark of an idea.**



**Finish@ a familiar place.**

**Finish@ UT**  
An online bachelor's program  
Tailored for your success.  
[Get Started](#)

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

# Nontraditional Media Launch Event



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THE UNIVERSITY OF TEXAS SYSTEM  
 invites you to attend the launch of

## Finish@UT Tailored for your success

Please join

**Wm. Eugene Powell**  
 Chairman, The University of Texas System Board of Regents

**The Honorable Julián Castro**  
 Mayor, City of San Antonio

and representatives from

Café College, Workforce Solutions, San Antonio Chamber of Commerce,  
 San Antonio Hispanic Chamber of Commerce, United Way San Antonio & Bexar County,  
 The University of Texas at Arlington, The University of Texas at El Paso,  
 and The University of Texas of the Permian Basin

for a launch event introducing

**Finish@UT**

a new online program offering college stop-outs a flexible and affordable path  
 to the completion of their undergraduate degrees

**Monday, February 13, 2012**  
 11:00 am – 1:00 pm

(Presentation from 12:00 – 12:20)  
 Lunch Provided

Café College | 131 El Paso Street | San Antonio, TX 78204

RSVP by Friday, February 10  
 to Laura Duran at lduran@cultural-strategies.com  
 or 512.501.4971, ext. 701

[www.finishatut.org](http://www.finishatut.org)

IN PARTNERSHIP WITH



Follow Us:

Send to a Friend



**3. U. T. Austin: Demonstration and tutorial on the Course Transformation Program**

REPORT

Dr. Gretchen Ritter, Vice Provost for Undergraduate Education and Faculty Governance at U. T. Austin; Dr. Cynthia LaBrake, Senior Lecturer at U. T. Austin; and Dr. David Vandembout, Associate Professor at U. T. Austin, will give a demonstration and tutorial on the Course Transformation Program (CTP).

BACKGROUND INFORMATION

The Course Transformation Program (CTP) is a five-year program designed to foster educational innovation and excellence at U. T. Austin. Focused on redesigning large introductory gateway courses, the CTP seeks to deepen student learning and improve academic success by developing new resources and approaches that leverage both cognitive psychology and educational technology to transform the courses both inside and outside the classroom. Progress on this project has been made possible through the expertise and assistance of instructional, technology, and assessment specialists from the Center for Teaching and Learning at U. T. Austin.

Work began on the first three CTP projects in January 2011. These projects, which finished their first pilot phase in Fall 2011, include Biology 311C&D, Chemistry 301 & 302, and Statistics 302. In addition, a smaller pilot effort was funded to support the development and use of an innovative classroom response system in Psychology 302. Together more than 10,000 students, mostly freshmen, are taught in these courses each year at U. T. Austin. Before work on this project began, approximately one-fifth of all students taking these courses were not successful their first time through, meaning they either had to retake the course or change to a different major. U. T. Austin reports that these gateway classes have a large impact on student academic success and are key to the efforts to increase student flow and educational efficiency.

Program Goals:

1. Transform the lower-division gateway classes to improve student learning, as measured through objective learning assessments, and academic success, as measured through course grade point averages;
2. Improve student academic progress, as measured through course grades and time to degree;
3. Create and sustain a culture of educational innovation at the undergraduate level that is faculty driven and centered on student learning;
4. Provide for the creation and use of educational technologies, online learning resources, and learning platforms that support improved approaches to teaching and learning in large classes; and

5. Create an assessment and learning analytics structure that allows faculty and departments to have a deeper understanding of what activities and approaches best support student learning.

4. **U. T. System: MyEdu demonstration and progress report**

REPORT

Mr. Michael Crosno, CEO and Chairman of MyEdu Corporation, will give a demonstration and progress report on the implementation of the MyEdu program at the U. T. System academic institutions.

5. **U. T. San Antonio: Authorization to accept invitation from Conference USA and to negotiate and finalize terms for athletic conference membership, including possible future membership in a new athletic conference**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs ad interim, the Vice Chancellor and General Counsel, and President Romo that authorization be granted to The University of Texas at San Antonio to accept an invitation from Conference USA (CUSA) to become a member, and to negotiate and finalize terms for athletic conference membership. Approval of U. T. San Antonio's entrance in CUSA also includes approval of admittance to the potential new conference.

**BACKGROUND INFORMATION**

On December 18, 2008, the U. T. System Board of Regents approved the U. T. San Antonio Athletic Initiative Business Plan. The Plan provided for 1) development of a Competitive Athletic Complex, 2) addition of a National Collegiate Athletic Association (NCAA) Football Championship Subdivision (FCS) football program, and 3) advancement of the intercollegiate sports programs to position the University for an invitation to an NCAA Football Bowl Subdivision (FBS) conference.

On July 26, 2011, U. T. San Antonio accepted an invitation to join the Western Athletic Conference (WAC), an FBS conference. U. T. San Antonio is not scheduled to officially join the WAC until July 1, 2012. However, since U. T. San Antonio accepted the invitation to join, three member institutions have declared their intent to leave. As a result, the WAC will have only four remaining institutions that participate in FBS football.

Officials at CUSA contacted U. T. San Antonio in March 2012 to initiate a discussion about the possibility of U. T. San Antonio leaving the WAC to join CUSA. President Romo, Athletic Director Lynn Hickey, Head Football Coach Larry Coker, and several prominent community supporters visited with CUSA Commissioner Britton Banowsky on April 5, 2012, and discussed U. T. San Antonio's position regarding joining CUSA.

There is a possibility that CUSA members, including U. T. El Paso, will become members of a new athletic conference resulting from some form of consolidation between the CUSA and Mountain West Conference (MWC) institutions.

The current plan is that two conferences, CUSA and the MWC, will merge and form a conference ultimately expected to include 18 to 24 members. The 12 current members of the CUSA are: U. T. El Paso, Tulane University, University of Alabama Birmingham, University of East Carolina, Marshall University, Rice University, University of Southern Mississippi, University of Memphis, University of Tulsa, Southern Methodist University, University of Houston, and University of Central Florida. Eight of these universities will be joining the new athletic conference. The four universities that are not joining the new athletic conference are the University of Memphis, Southern Methodist University, the University of Houston, and the University of Central Florida. Teams joining the new athletic conference from the MWC are: University of Nevada Las Vegas, University of New Mexico, Colorado State University, Air

Force Academy, and University of Wyoming. The following three universities that were planning on joining the MWC this year are also joining the new athletic conference: Fresno State, University of Nevada-Reno, and University of Hawaii (football only).

Joining CUSA (and potentially the new athletic conference) will provide greater national visibility and association with universities of similar enrollment, academic standing, and community size. U. T. San Antonio has determined that a move to this new conference is consistent with the University's strategic plan to increase its national prominence in support of its goal to become a national research university. Competing in the new conference would leverage U. T. San Antonio's efforts to upgrade the competitiveness of all 17 sports teams, particularly in football and men's and women's basketball.

There are no exit fees involved with U. T. San Antonio's departure from the WAC. The initiation fee payable to CUSA is \$2,000,000, and will be covered through a combination of Athletic Department funds and conference revenues payable to U. T. San Antonio pursuant to the new member agreement. U. T. San Antonio reports that revenues generated by CUSA (and potentially the new athletic conference) from television and the NCAA are likely to be significantly greater than those earned by the WAC.

6. **U. T. Permian Basin: Report and appropriate action concerning the Texas Science Scholars Program**

**RECOMMENDATION**

President Watts and Executive Vice Chancellor ad interim Reyes will report on the new Texas Science Scholars Program.



**TABLE OF CONTENTS  
FOR  
HEALTH AFFAIRS COMMITTEE**

**Committee Meeting: 5/2/2012**

**Board Meeting: 5/3/2012**  
Austin, Texas

Robert L. Stillwell, Chairman  
James D. Dannenbaum, Vice Chairman  
Paul L. Foster  
Printice L. Gary  
Wallace L. Hall, Jr.

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	3:15 p.m. <i>Chairman Stillwell</i>		
1. <b>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</b>	3:15 p.m. <b>Action</b>	<b>Action</b>	<b>140</b>
2. <b>U. T. Health Science Center - Tyler: Report on the Northeast Texas Consortium of Colleges and Universities (NETnet)</b>	3:17 p.m. <b>Report/Discussion</b> <i>President Calhoun</i> <i>Mickey Slimp, Ed.D.</i> <i>NETnet</i>	Not on Agenda	<b>141</b>
3. <b>U. T. System: Update on the Transformation in Medical Education (TIME) program</b>	3:27 p.m. <b>Report/Discussion</b> <i>Dr. Shine</i> <i>Dr. Reyes</i> <i>Steve Lieberman,</i> <i>M.D.</i>	Not on Agenda	<b>153</b>
4. <b>U. T. System: Discussion regarding health institutions' community service through outreach programs</b>	3:37 p.m. <b>Discussion</b> <i>Dr. Shine</i> <i>Health Presidents</i>	Not on Agenda	<b>156</b>
5. <b>U. T. System: Quarterly report on health matters of interest to the U. T. System, including changes in the health care delivery environment</b>	4:10 p.m. <b>Report/Discussion</b> <i>Dr. Shine</i>	Not on Agenda	<b>157</b>
<b>Adjourn</b>	4:30 p.m.		

1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

(The proposed Consent Agenda is at the end of the book.)



2. **U. T. Health Science Center - Tyler: Report on the Northeast Texas Consortium of Colleges and Universities (NETnet)**

REPORT

President Calhoun and Mickey Slimp, Ed.D. the Northeast Texas Consortium of Colleges and Universities (NETnet) Executive Director, will give a presentation on NETnet using the PowerPoint presentation on the following pages.



# The Northeast Texas Consortium of Colleges & Universities (NETnet)

Presenters:

Dr. Kirk Calhoun, President, U. T. Health Science Center - Tyler

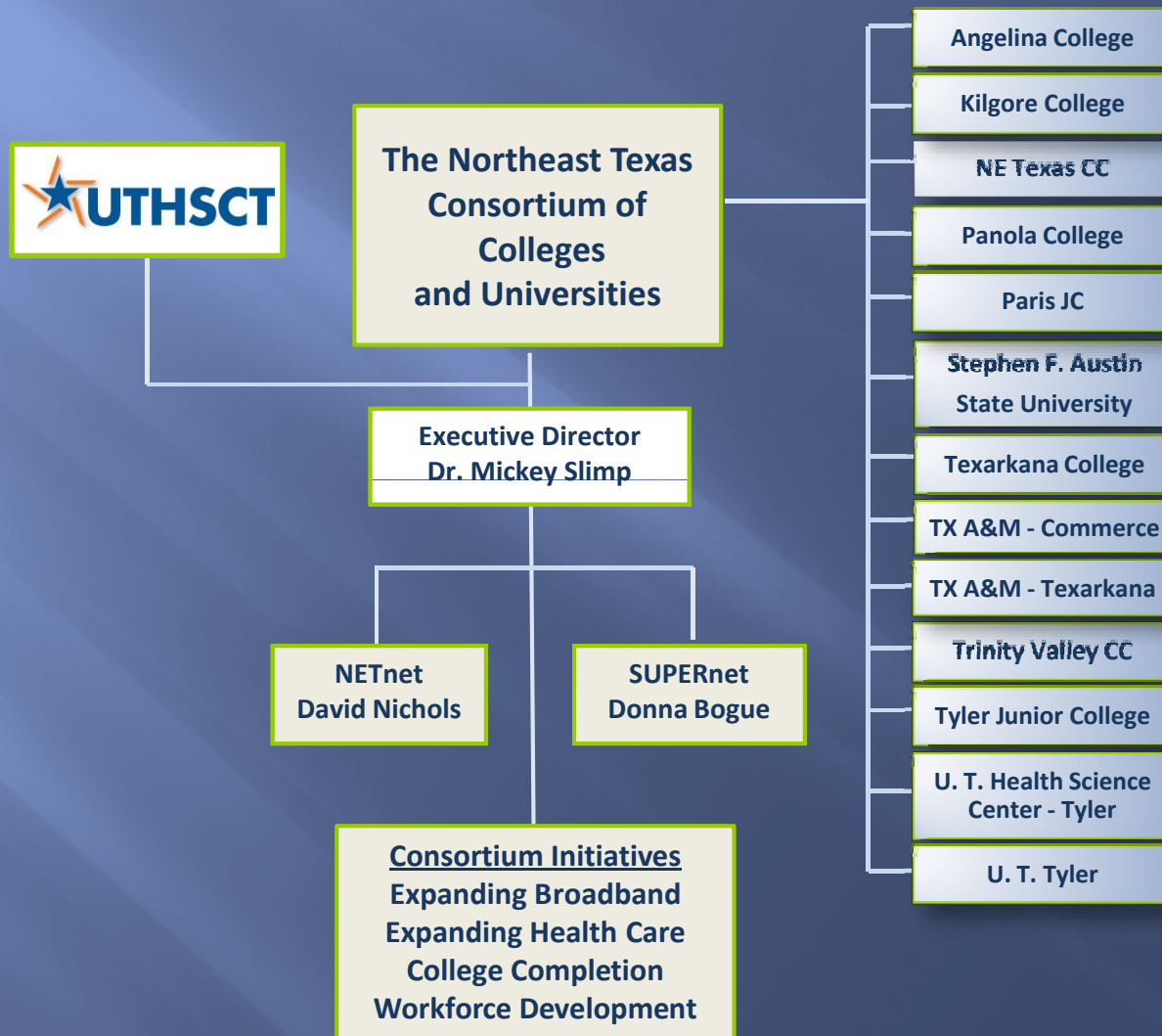
Dr. Mickey Slimp, NETnet Executive Director



# HISTORY

- ❖ Created out of the Consortium of Northeast Texas College and University presidents
- ❖ Established through the efforts of former Lieutenant Governor Bill Ratliff and Agriculture Commissioner Todd Staples
- ❖ The mission – increasing access to educational and rural health programs for the people of Northeast Texas through collaboration and state-of-the-art technology

# GOVERNANCE

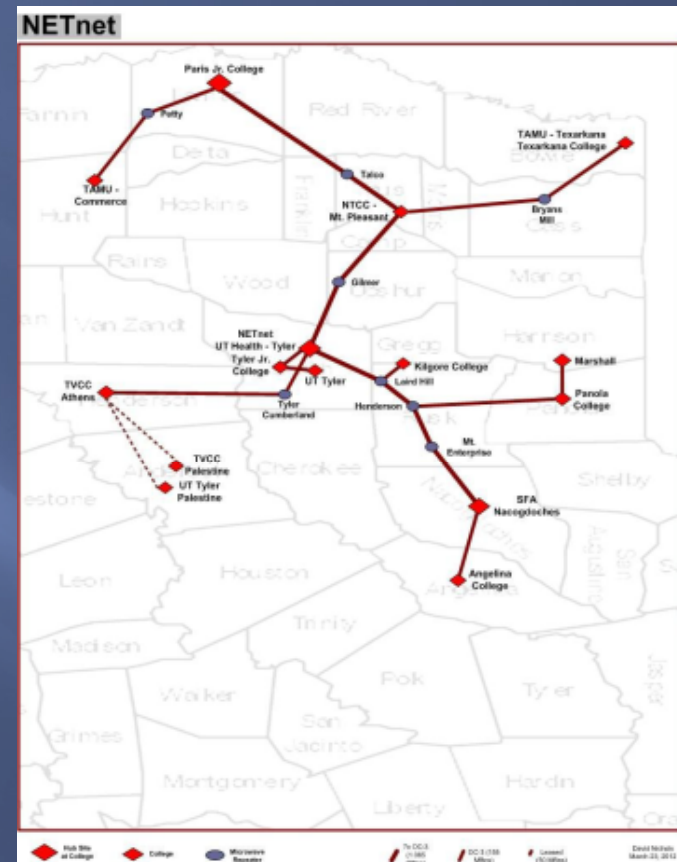


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# THE CONSORTIUM FOOTPRINT

## The Northeast Texas Consortium of Colleges & Universities

- ❖ 16 college and university campuses
- ❖ Serving the rural areas north of Houston & east of Dallas

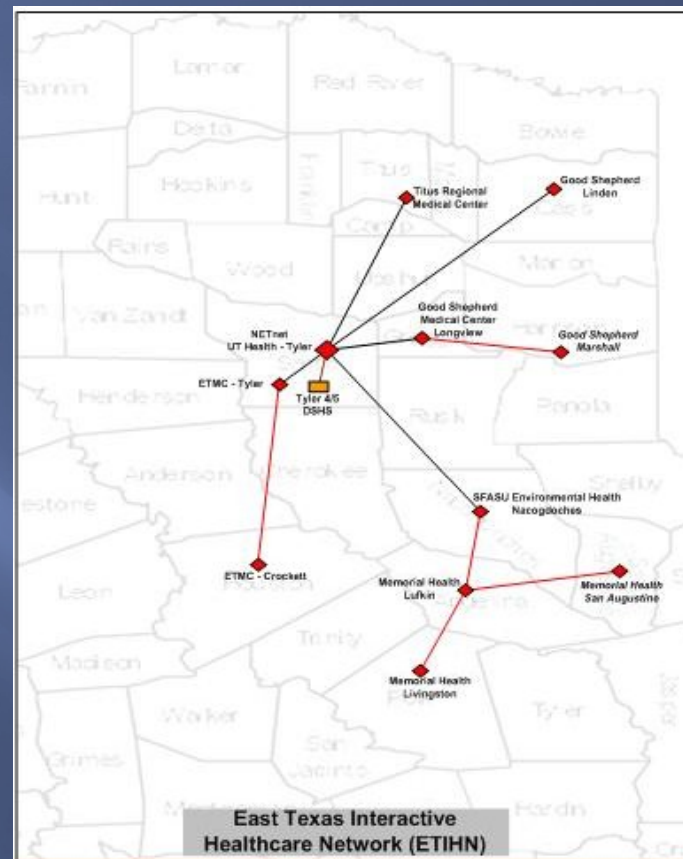




# MEDICAL PARTNERS

## The East Texas Interactive Health Network

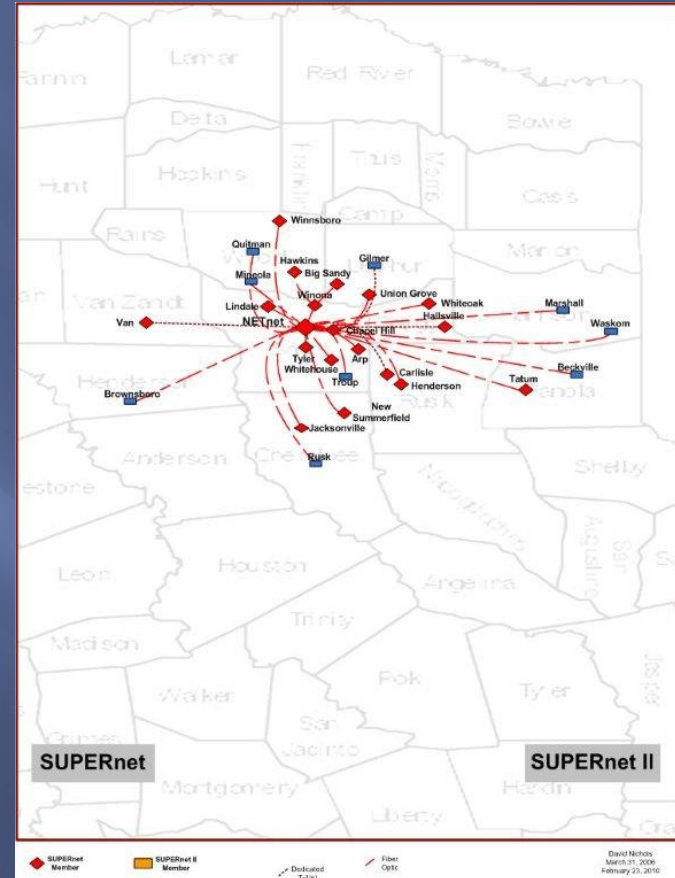
- ❖ Hospitals and medical providers in rural Northeast Texas
- ❖ Nursing and allied health programs at 2-year colleges and universities



# PARTNERS IN COLLABORATION

## SUPERnet – K-12 Consortium

- ❖ 31 school districts with 60,000 students
- ❖ The SUPERnet Virtual High School



# Internet Course Activity

- ❖ Internet courses delivered via the Northeast Texas Consortium result in more than **30,000 enrollments per semester, equivalent to a 7,000-student college.**
- ❖ Consortium colleges & universities offered at a distance or in a “hybrid” format:
  - Over 800 unique undergraduate courses
  - Over 400 unique graduate courses
- ❖ NETnet connects over 40 educational providers to their primary or secondary Internet service, serving over 100,000 students.



# TELEPRESENCE SUPPORT

## PJC dedicates interactive video classroom

MARY MADEWELL

mary.madewell@parisjuniors.com

More students at the most remote Northeast Texas public school can get a jump on college thanks to an effort supported a decade ago by former Lt. Gov. and retired District 1 state Sen. Bill

finally dedicated an interactive video classroom Friday at Paris Junior College, making possible the further delivery of courses to other college campuses, hospitals and school districts.

The classroom, located in the Bobby Walters Applied Technologies Building, is the

"I think it is wonderful," Ratliff said Saturday upon learning the college consortium conceived during the time he served on the Senate Finance Committee and implemented during his tenure as lieutenant governor would now be used to offer dual credit courses to



RATLIFF

rural high school students. NETnet recognized Ratliff for his assistance in bringing colleges and universities together to implement the consortium at a banquet a decade ago at University of Texas Health Center in Tyles, the hub of the NETnet system.

the initial funding through the Texas Legislature."

Ratliff spoke about the consortium's vision in the early 1990s.

"In the beginning, we were only talking about college courses being shared between universities and community colleges," Ratliff



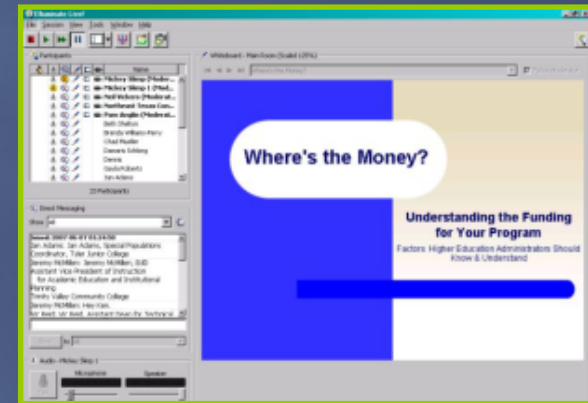
180 Sections/Semester



Serving 400 Classrooms

# PROFESSIONAL DEVELOPMENT

- ❖ Best Practices in Distance Instruction and Student Support
- ❖ Community College Leadership
- ❖ Mathematics Teaching Methods
- ❖ Grant Development
- ❖ Medical Education
- ❖ Innovations in Education



# GRANT-RELATED ACTIVITIES

- Federal Communications Commission Rural Health
- Broadband Technology Opportunity Program/Northeast Texas Medical & Education Fiber Network
- Medical Simulation/Trade Adjustment Assistance Community College Career Training
- Leadership Alliance
- Online Student Support
- Health Information Management
- SUPERnet/Dual Credit/eRate
- College Readiness/AmeriCorps
- Rural Utility Services Grant



# 2011 FEASIBILITY STUDY



THE NORTHEAST  
TEXAS CONSORTIUM  
of Colleges and Universities

## Our Region, Our Future

The UTHSCT Bridge across Northeast Texas

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT TYLER



*Through the Northeast Texas Consortium, our University of Texas institutions have streamlined their outreach to the rural population of this region.*

*By focusing on collaboration and technology, the Consortium continues to grow the knowledge, talents, and potential of our region's people. The investment in NETnet has enabled the colleges of our region to serve us for years to come.*

Dr. Mickey Slimp, Executive Director  
Northeast Texas Consortium

*"Their tremendous impact on the educational opportunities for young people in our region has already and will continue to translate into a tremendous economic opportunity."*

Dr. Kirk Calhoun, President  
The University of Texas Health Science Center at Tyler

- ❖ Over 110 Community Leaders Interviewed
- ❖ 2 Community Summits
- ❖ Projects Identified in:
  - Rural Broadband Partnerships
  - Health Care and Telemedicine
  - College Readiness and Completion Agenda
  - Workforce Development



THE UNIVERSITY OF TEXAS  
HEALTH SCIENCE CENTER AT TYLER

3. **U. T. System: Update on the Transformation in Medical Education (TIME) program**

REPORT

Executive Vice Chancellor Shine; Executive Vice Chancellor ad interim Reyes; and Steven Lieberman, M.D., Professor in the Department of Internal Medicine and Vice Dean for Academic Affairs at U. T. Medical Branch - Galveston, will report on the current status of the Transformation in Medical Education (TIME) program at U. T. System. See [Page 154](#) for an update on the TIME program and [Page 155](#) for a listing of the TIME Partnership Abstracts.

BACKGROUND INFORMATION

The TIME initiative aims to increase the effectiveness and relevance of physician education while shortening the time to receipt of the M.D. degree. The U. T. System Board of Regents approved \$4 million in Available University Funds (AUF) to fund the program on August 12, 2010.

Educators involved in premedical and medical education at U. T. System institutions have developed a new model for physician education that spans the traditional baccalaureate/medical school boundary. In addition to relevant basic and clinical sciences, this model incorporates four major elements: pre-health professions program, competency-based education, professional identity formation, and nontraditional fields of study.

Partnerships among six general academic and four health institutions of the U. T. System have formed for pilot program development. The four configurations, each of which includes at least one undergraduate institution and one medical school, grew from a combination of geographical, historical, and programmatic considerations. The pilot programs will include the four main elements but are expected to be structured differently based on individual campus priorities and preferences.



*A multi-institutional initiative within The University of Texas System*

**AIM:** The TIME initiative aims to increase the effectiveness and relevance of physician education while shortening its duration. Participating U. T. System academic and health institutions will partner to develop, implement, and assess pilot programs of fully revamped premedical and medical education programs, with an eye toward scalability beyond the pilot phase.

#### INITIATIVE-LEVEL UPDATES

##### COMPETENCY-BASED EDUCATION

- Common competency framework adopted (adapted from American residency model)
- “Transition milestones” (competencies required to move from General Academic Institutions (GAI) to Health Related Institutions (HRI)) finalized
  - Emphasis on *application* of science, clinical skills, communication skills, teamwork, professionalism, systems, evidence-based medicine, and population health
- Assessment Development Task Forces
  - Identify or develop tools for competency assessment
  - Focused topic areas
  - Systemwide recruitment

##### PROFESSIONAL IDENTITY FORMATION

- Systemwide task force: interdisciplinary, multiple institutions (including nonpartnership)
- Establishing common definitions, assessment tools, and educational experiences

##### EXTERNAL CONSULTATION

Molly Cooke, M.D. First author on Carnegie Foundation’s Flexner centennial report  
President, American College of Physicians

#### PARTNERSHIP HIGHLIGHTS

A-PRIME (U. T. Brownsville, U. T. El Paso, U. T. Pan American, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Houston)

- Multi-school clinical case development teams with faculty pairing
- Two-year assessment of noncognitive factors before application/acceptance

FAME (U. T. San Antonio and U. T. Health Science Center - San Antonio)

- Team-taught and Gateway courses
- Streamlining physics (2 courses + 2 labs) into single Biophysics course with School of Medicine faculty collaboration

PACT (U. T. Dallas and U. T. Southwestern Medical Center)

- First students to matriculate in Fall 2012 – outstanding applicant pool
- Integration into existing U. T. Southwestern Medical Center “Student Colleges”

SHAPE (U. T. Austin, U. T. Southwestern Medical Center, and U. T. Health Science Center - Houston)

- First students to matriculate in Spring 2013
- Special emphasis on interprofessional education

## **TRANSFORMATION IN MEDICAL EDUCATION (TIME)**

*A multi-institutional initiative within The University of Texas System*

The goal of the TIME initiative is to increase the effectiveness and relevance of physician education while shortening its duration. Each of the four U. T. System medical schools is partnering with one or more undergraduate institutions to develop curricula incorporating four major elements: (1) A '**Pre-Health Professions Program**' for students to work interprofessionally to learn traditional, non-traditional, and clinical subjects and to demonstrate teamwork and professionalism. (2) **Competency-based education** (rather than time-based) in which advancement and degree completion is based upon demonstrated ability to apply knowledge and perform clinical skills. (3) **Professional identity formation** and maturation as essential complements to competency-based education and achieved through intentional experiences, reflection, and mentoring. (4) Education in **non-traditional fields**, both medically-related (e.g., clinical safety and effectiveness) and non-medical (e.g., philosophy, economics, management, culture, informatics). Four partnerships have been established:

### **SHAPE: U. T. Southwestern, Houston, Austin Professional Education (U. T. Austin, U. T. Southwestern Medical Center, and U. T. Health Science Center - Houston)**

SHAPE is an accelerated medical education program developed as a partnership between the UTAUS, UTHSC-H, and UTSWMC medical campuses. Each year 60 UTAUS freshmen will be selected for early admission to a partnering medical school and will then complete their undergraduate work in three years. The two medical school partners will be integrated into professional identity formation activities and early clinical experiences at UTAUS and will host summer professional development opportunities on their campuses. All three schools will modify their curricula and create assessment tools to allow students to advance to medical school based on demonstrated competencies. An individualized flex year at each medical school will enable SHAPE students to acquire advanced research or professional skills and to grow as future physician-leaders.

### **PACT: Partnership in Advancing Clinical Transition (U. T. Dallas and U. T. Southwestern Medical Center)**

The UT Partnership in Advancing Clinical Transition (UT PACT) is a curriculum development and pilot implementation program with the overall goal of achieving better integration of undergraduate and graduate studies in preparation for careers in health care. The UTD and the UTSWMC are the founding partners in the UT PACT. Initial efforts are focused on establishing an accelerated 6 or 7 year training program leading to both B.S. and M.D. degrees. A highly interactive program, with commencement of clinical skills training at the end of the first year and early professional identity formation, is fostered by the proximity of our campuses in the metroplex. Students transition to the medical school in the fourth year, maintaining ties to UTD from which electives in humanities, health care policy, and biomedical engineering will continue to broaden their perspective and skills as health care professionals.

### **FAME: Facilitated Acceptance to Medical Education (U. T. San Antonio and U. T. Health Science Center - San Antonio)**

The goal of the FAME Program is to graduate physicians who have acquired exceptional knowledge of the sciences basic to medical practice, in addition to acquiring professional skills, and a keen understanding of the social, cultural, and behavioral aspects of health care. The students in this program will complete all requirements for a B.S. and M.D. degree in a total of seven (7) years. In addition to a new medical school curriculum, the students will participate in eight new courses which will be developed and team taught by UTSA and UTHSCSA faculty. These courses will include content that focuses on medically-related topics. The capstones of the FAME program are GATEWAY seminar courses. GATEWAY courses will expose students to the many aspects of patient care and to the unique needs of their community. The GATEWAY courses will focus not only on the biology and pathophysiology of the diseases and clinical issues, but will also incorporate a multidisciplinary approach that emphasizes the importance of communication, leadership, the role of health economics, and the social and cultural aspects of patient care.

### **A-PRIME: Accelerated Professional, Relevant, Integrated Medical Education (U. T. Brownsville, U. T. El Paso, U. T. Pan American, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Houston)**

The goal of the A-PRIME TIME partnership is to develop a model of physician education that is widely recognized for its innovative approach, educational effectiveness, and professionalism of its graduates through a curriculum that: is accessible to diverse groups of students and produces competent, compassionate physicians; fosters students to become caring and compassionate physicians by learning about a career in medicine while developing a professional identity early in their academic timetable; enables academic and medical institutions to jointly create a shared and more efficient, coordinated curriculum in a shortened timeframe; educates physicians trained and assessed in a range of cognitive, affective, and psycho-motor traits throughout their undergraduate and medical education; and, ultimately, achieves better health care outcomes for Texas.

May 2011

4. **U. T. System: Discussion regarding health institutions' community service through outreach programs**

DISCUSSION

Executive Vice Chancellor Shine and the presidents from the six U. T. System health institutions will lead a panel discussion on the health institutions' community service through various outreach programs.



5. **U. T. System: Quarterly report on health matters of interest to the U. T. System, including changes in the health care delivery environment**

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System, including changes in the health care delivery environment.



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FOR  
FACILITIES PLANNING AND CONSTRUCTION  
COMMITTEE**

**Committee Meeting: 5/2/2012**

**Board Meeting: 5/3/2012**  
Austin, Texas

*Printice L. Gary, Chairman*  
*James D. Dannenbaum, Vice Chairman*  
*Alex M. Cranberg*  
*R. Steven Hicks*  
*Robert L. Stillwell*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	4:30 p.m. <i>Chairman Gary</i>		
1. <b>U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration</b>	4:30 p.m. <b>Action</b>	<b>Action</b>	<b>160</b>
<b><u>Additions to the CIP</u></b>			
2. <b>U. T. Austin: Jester East Lobby Renovation - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)</b>	4:35 p.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>161</b>
3. <b>U. T. Dallas: Parking Structure Phase III - Amendment of the FY 2012-2017 Capital Improvement Program to include project (Preliminary Board approval)</b>	4:40 p.m. <b>Action</b> <i>President Daniel</i>	<b>Action</b>	<b>163</b>
4. <b>U. T. Pan American: Academic and Administration Building Addition - Amendment of the FY 2012-2017 Capital Improvement Program to include project (Preliminary Board approval)</b>	4:50 p.m. <b>Action</b> <i>President Nelsen</i>	<b>Action</b>	<b>164</b>
5. <b>U. T. Permian Basin: Nursing Program Renovation - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; approval of transfer of funds from FY 10 LERR New Nursing Program; approval of reduction of total project cost for FY 10 LERR New Nursing Program; appropriation of funds; and authorization of institutional management (Final Board approval)</b>	5:00 p.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>165</b>

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
6. <b>U. T. M. D. Anderson Cancer Center: Cord Blood Bank Lab and Office Renovation - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)</b>	<i>5:05 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>167</b>
<b><u>Design Development Approval</u></b>			
7. <b>U. T. Dallas: Parking Structure Phase I - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)</b>	<i>5:10 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>169</b>
8. <b>U. T. San Antonio: Academic and Administrative Office Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)</b>	<i>5:15 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>171</b>
9. <b>U. T. M. D. Anderson Cancer Center: The Pavilion - Amendment of the FY 2012-2017 Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)</b>	<i>5:20 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>173</b>
<b><u>Modification to the CIP</u></b>			
10. <b>U. T. M. D. Anderson Cancer Center: Mid-Campus Building 1 (1MC) Tenant Buildout - Amendment of the FY 2012-2017 Capital Improvement Program to increase the total project cost; and appropriation of additional funds (Final Board approval)</b>	<i>5:25 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>175</b>
<b>Adjourn</b>	<i>5:30 p.m.</i>		

1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

(The proposed Consent Agenda is at the end of the book.)

**2. U. T. Austin: Jester East Lobby Renovation - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs ad interim, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2012-2017 Capital Improvement Program (CIP) to include the Jester East Lobby Renovation project of The Beauford H. Jester Center at The University of Texas at Austin as follows:

**Project No.:** 102-708  
**Institutionally Managed:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** February 2013  
**Total Project Cost:**

<u>Source</u>	<u>Proposed</u>
Auxiliary Enterprises Balances <sup>1</sup>	\$5,000,000

**Funding Notes:** <sup>1</sup>Auxiliary Enterprises Balances from Division of Housing and Food Services Auxiliary Balances (Reserve and Operating Account)

- a. approve a total project cost of \$5,000,000 with funding from Auxiliary Enterprises Balances;
- b. appropriate funds; and
- c. authorize U. T. Austin to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

**BACKGROUND INFORMATION**

The Jester East Lobby will be remodeled and given a new visual identity. The renovation will provide improved academic study space, as well as better customer service for students, staff, and visitors who live in and visit the complex. The lobby footprint will be expanded by approximately 3,274 gross square feet to accommodate two new large student study areas; one will be enclosed for quiet study, and the second will be an open area for informal study. Accessible Resident Hall Association offices will be incorporated into the renovation, as well as an information desk with adjacent staff offices at the entry to assist visitors and students.

Living on campus is conducive to academic achievement and enhances the student university experience and personal growth. Students have expressed a preference for lobby improvements because of the image and identity afforded the residential tower. The East Lobby has not been updated since 1969, and renovations are necessary for on-campus student housing assets to remain competitive with the private sector.

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 presented to the President for approval at a later date. It has been determined that this project would best be managed by U. T. Austin Facility Management personnel who have the experience and capability to manage all aspects of the work, and as it requires extensive coordination with the building occupants.

**3. U. T. Dallas: Parking Structure Phase III - Amendment of the FY 2012-2017 Capital Improvement Program to include project (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs ad interim, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2012-2017 Capital Improvement Program (CIP) to include the Parking Structure Phase III project at The University of Texas at Dallas as follows:

<b>Project No.:</b>	302-710	
<b>Project Delivery Method:</b>	Competitive Sealed Proposals	
<b>Substantial Completion Date:</b>	December 2015	
<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$12,000,000
	Auxiliary Enterprises Balances <sup>2</sup>	\$ 2,500,000
	Unexpended Plant Funds <sup>3</sup>	<u>\$ 500,000</u>
		\$15,000,000

**Funding Notes:** <sup>1</sup>Revenue Financing System debt is proposed to be repaid from parking fees  
<sup>2</sup>Auxiliary Enterprises Balances are from parking fees  
<sup>3</sup>Unexpended Plant Funds are from balance of funds from project close-out

**Investment Metric:** This project will directly support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students by 2017, creating a total student population of 21,000.

**BACKGROUND INFORMATION**

This project will consist of two separate elements: a replacement surface parking lot will be constructed at the intersection of Rutford Avenue and Synergy Park Boulevard to provide approximately 410 spaces compensating for the 260 spaces eliminated from existing parking lots to make way for the Bioengineering and Sciences Buildings; and an approximately 750 space precast concrete parking garage will be constructed on the north side of campus at the intersection of Loop Road and Rutford Avenue. Additionally, a police substation, administrative offices, retail outlets, and an information center are also planned within the parking garage.

With rapidly accelerated growth in student enrollment and associated increases in faculty and staff, U. T. Dallas has a growing need for additional parking on campus. This parking structure will accommodate parking for the Bioengineering and Sciences Building, the Natural Science and Engineering Research Laboratory, and the academic buildings along Rutford Avenue. The parking structure is aligned with the current Campus Site Development Plan.

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.

**4. U. T. Pan American: Academic and Administration Building Addition - Amendment of the FY 2012-2017 Capital Improvement Program to include project (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs ad interim, the Executive Vice Chancellor for Business Affairs, and President Nelsen that the U. T. System Board of Regents amend the FY 2012-2017 Capital Improvement Program (CIP) to include the Academic and Administration Building Addition project at The University of Texas-Pan American as follows:

<b>Project No.:</b>	901-712	
<b>Project Delivery Method:</b>	Construction Manager-at-Risk	
<b>Substantial Completion Date:</b>	June 2014	
<b>Total Project Cost:</b>	<u>Source</u>	<u>Proposed</u>
	Higher Education Assistance Fund (HEAF)	\$ 7,140,000
	Unexpended Plant Funds <sup>1</sup>	\$ 4,760,000
		\$11,900,000

**Funding Note:** <sup>1</sup>Unexpended Plant Funds are from Designated Tuition

- Investment Metrics:**
- Increase freshman to junior retention by 1% per year from 2015 to 2018
  - Increase classroom space to provide 128 additional instructional sections to be taught in the general classrooms

**BACKGROUND INFORMATION**

The project will add approximately 40,000 gross square feet to the existing Marialice Shary Shivers Administration Building for the new University College, general classrooms, administration and faculty offices, and support space. Currently, administration and compliance functions are scattered throughout the campus.

U. T. Pan American is working to establish a new University College that will focus on providing entering undergraduate students with a smooth and successful transition to college life by unifying the support services and resources necessary for students to succeed. University College space will include general classroom space and all administrative offices necessary for the functioning of the college including: a teaching and learning center to support successful undergraduate learning and faculty teaching development; staff office space for administering undergraduate programs that are focused on undergraduate success, including grant-funded success projects; and conference space. Additional space will focus on core curriculum classes for the general student population to reduce the time required for student graduation.

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.



**5. U. T. Permian Basin: Nursing Program Renovation - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; approval of transfer of funds from FY 10 LERR New Nursing Program; approval of reduction of total project cost for FY 10 LERR New Nursing Program; appropriation of funds; and authorization of institutional management (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs ad interim, the Executive Vice Chancellor for Business Affairs, and President Watts that the U. T. System Board of Regents amend the FY 2012-2017 Capital Improvement Program (CIP) to include the Nursing Program Renovation project at The University of Texas of the Permian Basin as follows:

**Nursing Program Renovation**

**Project No.:** 501-714  
**Institutionally Managed:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** June 2012  
**Total Project Cost:**

<u>Source</u>	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$0	\$1,499,000
Gifts		<u>\$ 200,000</u>
		\$1,699,000

**FY 10 Library, Equipment, Repair and Rehabilitation (LERR) New Nursing Program**

**Project No.:** 501-685  
**Institutionally Managed:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** June 2012  
**Total Project Cost:**

<u>Source</u>	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$283,000	\$0

- a. approve a total project cost of \$1,699,000 with funding of \$1,499,000 from Permanent University Fund (PUF) Bond Proceeds and \$200,000 from Gifts;
- b. approve the transfer of funding of \$283,000 from PUF Bond Proceeds from the FY 10 LERR New Nursing Program project;
- c. reduce the total project cost for the FY 10 LERR New Nursing Program project from \$283,000 to \$0;
- d. appropriate funds; and
- e. authorize U. T. Permian Basin to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

## BACKGROUND INFORMATION

### Previous Board Actions

FY 10 LERR - On August 20, 2009, the Board approved the allocation of PUF Bond Proceeds for the Swimming Pool Enclosure project in the amount of \$283,000. On August 25, 2011, the Board approved the transfer of \$283,000 from the Swimming Pool Enclosure project to the New Nursing Program project.

### Project Description

This project will renovate approximately 8,233 gross square feet of the third floor of the Mesa Building to provide laboratories and instructional facilities for the proposed Bachelor of Science in Nursing program, which is pending Texas Higher Education Coordinating Board approval. Renovations will include installation of a sprinkler system in the Nursing Program space to meet current fire code requirements, as well as adequate water supply and standpipe systems to allow for the future installation of a sprinkler system for the remainder of the building in the future. Modifications to the Mesa Building infrastructure systems, including heating, ventilation, and air conditioning (HVAC) and security, will be included.

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 presented to the President for approval at a later date. It has been determined that this project would best be managed by U. T. Permian Basin Facility Management personnel who have the experience and capability to manage all aspects of the work.

**6. U. T. M. D. Anderson Cancer Center: Cord Blood Bank Lab and Office Renovation - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents amend the FY 2012-2017 Capital Improvement Program (CIP) to include the Cord Blood Bank Lab and Office Renovation project at The University of Texas M. D. Anderson Cancer Center as follows:

**Project No.:** 703-X59  
**Institutionally Managed:** Yes  No   
**Project Delivery Method:** Design Build  
**Substantial Completion Date:** February 2013  
**Total Project Cost:**

<u>Source</u>	<u>Current</u>
Hospital Revenues	\$5,100,000

- a. approve a total project cost of \$5,100,000 with funding from Hospital Revenues;
- b. appropriate funds; and
- c. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

Project Description

This project will renovate approximately 18,000 gross square feet in the recently purchased building at 1841 Old Spanish Trail to serve as the new location of U. T. M. D. Anderson's Cord Blood Bank (CBB) program. The CBB program is mandated through the institution's Health Resources and Services Administration (HRSA) contract to obtain a Biologics License (BLA) from the Food and Drug Administration (FDA) for transplantation use. The present location for the CBB Processing Laboratory does not meet BLA requirements, and current office space for the CBB is also unacceptable for the BLA. This building was deemed an acceptable site for the CBB's labs and offices; however, renovation is required to meet program needs and FDA requirements.

The total project cost of this project was originally estimated at \$3,960,000. Because of the number of FDA requirements, especially in the area of mechanical redundancy, a reevaluation of the project resulted in an increase in total project cost, requiring the project to be added to the CIP and receive Board approval.

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. Design development plans and authorization of expenditure of funding will be approved by the President at a later date.

**7. U. T. Dallas: Parking Structure Phase I - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs ad interim, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents approve the recommendations for the Parking Structure Phase I project at The University of Texas at Dallas as follows:

<b>Project No.:</b>	302-680	
<b>Project Delivery Method:</b>	Competitive Sealed Proposals	
<b>Substantial Completion Date:</b>	August 2013	
<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$ 9,400,000
	Auxiliary Enterprises Balances <sup>2</sup>	\$ 1,000,000
	Unexpended Plant Funds <sup>3</sup>	<u>\$ 1,000,000</u>
		\$11,400,000

**Funding Notes:**

<sup>1</sup> Revenue Financing System debt is proposed to be repaid from parking revenues  
<sup>2</sup> Auxiliary Enterprises Balances are from parking revenues  
<sup>3</sup> Unexpended Plant Funds are from balance of funds from project close-out

**Investment Metric:** This project will directly support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students by 2017, creating a total student population of 21,000.

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$11,400,000 with funding of \$9,400,000 from Revenue Financing System Bond Proceeds, \$1,000,000 from Auxiliary Enterprises Balances, and \$1,000,000 from Unexpended Plant 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. 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 \$9,400,000.

## BACKGROUND INFORMATION

### Debt Service

The \$9,400,000 in aggregate Revenue Financing System debt will be repaid from parking revenues. Annual debt service on the \$9,400,000 Revenue Financing System debt is expected to be \$647,000. The institution's debt service coverage is expected to be at least 1.9 times and average 2.2 times over FY 2012-2017.

### Previous Board Action

On November 10, 2011, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$12,000,000 with funding of \$10,000,000 from Revenue Financing System Bond Proceeds, \$1,000,000 from Auxiliary Enterprises Balances, and \$1,000,000 from Unexpended Plant Funds. On January 26, 2012, the Chancellor approved a decrease in the total project cost from \$12,000,000 to \$11,400,000 with funding of \$600,000 from Revenue Financing System Bond Proceeds transferred to the Utility Infrastructure Improvements portion of the Arts and Technology Complex project.

### Project Description

This project consists of a 750-space parking garage of approximately 251,000 gross square feet. The garage will be five levels and constructed of precast concrete to match the adjacent satellite utility plant and will be tied to the west wall of that structure.

With rapidly accelerated growth in student enrollment and associated increases in faculty and staff, U. T. Dallas has a growing need for additional parking on campus. This parking structure will accommodate parking for the School of Management and the new Arts and Technology Complex, including the new 1,200-seat lecture hall. The parking structure is aligned with the current Campus Site Development Plan.

### Basis of Design

The planned building life expectancy is 50-75 years.

The exterior appearance and finish are consistent with similar urban parking garages and are consistent with the existing Campus Master Plan.

**8. U. T. San Antonio: Academic and Administrative Office Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs ad interim, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. System Board of Regents approve the recommendations for the Academic and Administrative Office Building project at The University of Texas at San Antonio as follows:

<b>Project No.:</b>	401-645	
<b>Project Delivery Method:</b>	Construction Manager-at-Risk	
<b>Substantial Completion Date:</b>	August 2014	
<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Designated Funds <sup>1</sup>	\$ 6,000,000
	Permanent University Fund Bond Proceeds	\$ 22,250,000
	Unexpended Plant Funds <sup>2</sup>	\$ 11,750,000
	Interest on Local Funds	<u>\$ 10,000,000</u>
		\$ 50,000,000

**Funding Notes:** <sup>1</sup>Designated Funds from Designated Tuition  
<sup>2</sup>Unexpended Plant Funds from Designated Tuition

- Investment Metrics:** By 2014
- Realize savings of approximately \$1,600,000 per year in rent
  - Increase efficiency by eliminating time lost commuting between main campus and off-campus leased space
  - Reduce current space deficit by increasing classroom and class lab space contributing to Strategy 5 of the Four-Year Graduation Rate Improvement Plan for the campus

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$50,000,000 with funding of \$6,000,000 from Designated Funds, \$22,250,000 from Permanent University Fund Bond Proceeds, \$11,750,000 from Unexpended Plant Funds, and \$10,000,000 from Interest on Local Funds.

**BACKGROUND INFORMATION**

**Previous Board Action**

On August 25, 2011, the Administrative Office Building project was included in the Capital Improvement Program (CIP) with a total project cost of \$21,500,000 with funding from Designated Funds. On February 9, 2012, the Board approved an increase in total project cost to \$50,000,000 with funding of \$22,250,000 from Permanent University Fund Bond Proceeds, \$11,750,000 from Unexpended Plant Funds, \$10,000,000 from Interest on Local Funds, and \$6,000,000 from Designated Funds, and redesignated the project as the Academic and Administrative Office Building.

### Project Description

This project will design and construct a five-story, approximately 175,000 gross square foot (GSF) building to house academic and administrative functions. Administrative offices will house Human Resources, Financial Affairs, Audit, Legal Affairs, Advancement, portions of the Office of Information Technology, and the Admissions and Registrar's offices. The Academic portion of the project will provide approximately 85,000 GSF for classrooms, teaching laboratories, and faculty offices. Furthermore, this area will accommodate the interdisciplinary cybersecurity program, the Center for Infrastructure Assurance and Security (CIAS), and will provide a place for related instruction for students from the Colleges of Business and Sciences. The project scope will also include costs for extensions of, and connections to, site utilities for chilled water service, primary electrical service, and communications infrastructure in support of the current approved Master Plan and future development.

Combining academic and administrative program areas will realize economy in construction and achieve the maximum development value. By relocating administrative functions and CIAS currently housed off campus in leased office space, the University will save approximately \$1,600,000 per year in rent. Additionally, the University will benefit from the improved efficiency resulting from eliminating time lost by administrative personnel commuting between the main campus and off-campus leased space. Finally, increasing classroom and class lab space will support efforts to improve graduation rates.

### Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 25-30 years
- Building Systems: 25-30 years
- Interior Construction: 10-15 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 similar existing campus buildings.



**9. U. T. M. D. Anderson Cancer Center: The Pavilion - Amendment of the FY 2012-2017 Capital Improvement Program to increase total project cost; approval of design development; 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 DePinho that the U. T. System Board of Regents approve the recommendations for The Pavilion project at The University of Texas M. D. Anderson Cancer Center as follows:

<b>Project No.:</b>	703-711		
<b>Project Delivery Method:</b>	Design Build		
<b>Substantial Completion Date:</b>	November 2014		
<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Hospital Revenues	\$98,000,000	\$198,000,000

- Investment Metrics:**
- Increase number of admission-recovery-discharge beds from 22 to 42 by 2015
  - Increase number of post-anesthesia care unit beds from 32 to 46 by 2015
  - Increase number of inpatient surgeries, currently limited by shortage of inpatient beds, by 2015
- a. amend the FY 2012-2017 Capital Improvement Program (CIP) to increase the total project cost from \$98,000,000 to \$198,000,000;
  - b. approve design development plans; and
  - c. appropriate funds and authorize expenditure of \$198,000,000 from Hospital Revenues.

**BACKGROUND INFORMATION**

**Previous Board Actions**

On February 12, 2009, the Alkek Surgical and Imaging Expansion project was included in the CIP with a total project cost of \$98,000,000 with funding from Hospital Revenues. On March 15, 2010, the Executive Vice Chancellor for Health Affairs approved the nonhonorific renaming of the project to The Pavilion.

### Project Description

The Pavilion is an eight-story extension of the existing Albert B. and Margaret M. Alkek Tower that will provide immediate adjacency to existing surgical services on Levels 5 and 7 and imaging services on Level 3. To align with the existing Alkek Hospital floors, the new structure will include interstitial floors at Levels 4 and 6 to support the distribution of utilities throughout the facility, as well as a mechanical room on Level 8. The project will provide covered drop-off and circulation for patients and visitors entering the Alkek or Lutheran Hospitals. The inclusion of a basement level will facilitate the expansion of sterile processing and Preoperative Clean Supply to facilitate the growth of the operating rooms. The expansion will be designed to accommodate the structural requirements of a future bed tower to better position the institution to replace the Lutheran Pavilion when it reaches the end of its effective life. The project will include space for 11 new operating rooms, with finish-out of six operating rooms on Level 5 and shell space for five operating rooms on Level 7.

The increase in total project cost is requested to allow M. D. Anderson Cancer Center to combine several additional planned projects with the scope of this project. The added scope of work will renovate the existing hospital Main Building on Levels 5, 3, and the basement to align support services commensurate with the services being provided. Also included will be: Post-Anesthesia Care Unit beds, waiting space and equipment storage, relocation and expansion of staff support areas, reconfiguration of the existing generators that provide emergency power to the Alkek Hospital and the Clinical Research Building, and the procurement of major medical equipment associated with the operating rooms of The Pavilion and renovations on Levels 5 and 3 of the Main Building.

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.

### Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 40 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing campus and Texas Medical Center buildings and are aligned with the 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 other research facilities in similar use.

**10. U. T. M. D. Anderson Cancer Center: Mid-Campus Building 1 (1MC) Tenant Buildout - Amendment of the FY 2012-2017 Capital Improvement Program to increase the total project cost; and appropriation of additional 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 DePinho that the U. T. System Board of Regents approve the recommendations for the Mid-Campus Building 1 (1MC) Tenant Buildout project at The University of Texas M. D. Anderson Cancer Center as follows:

**Project No.:** 703-X56  
**Institutionally Managed:** Yes  No   
**Project Delivery Method:** Design Build  
**Substantial Completion Date:** September 2013

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Hospital Revenues	\$51,000,000	\$60,000,000

- a. amend the FY 2012-2017 Capital Improvement Program (CIP) to increase the total project cost from \$51,000,000 to \$60,000,000; and
- b. appropriate additional funding of \$9,000,000 from Hospital Revenues.

**BACKGROUND INFORMATION**

**Previous Board Action**

On August 25, 2011, the project was added to the CIP with a total project cost of \$51,000,000 with funding from Hospital Revenues.

**Project Description**

The 1MC Building is U. T. M. D. Anderson's first facility located in the Mid-Campus area. It was constructed to provide office space for employees currently located on the Main Campus and in various lease sites, as well as new incremental space to support institutional growth projections. The original scope of the project proposed the build-out of shelled Floors 11 through 16 in the 1MC Building for occupancy by employees currently housed in the Priority 3 leases. The proposed increase in total project cost includes the build-out of Floor 17 within the scope of the project.

Employees previously housed in the Priority 1 leases began moving into the 1MC Building during June 2011. More than 1,000 tenants are vacating lease space and relocating into the 1MC Building as part of the Priority 1 lease expirations. Beginning January 2012, 510 employees will be moving into the building with the expiration of the Priority 2 leases. The build-out of Floors 11-17 will provide space for employees currently housed in Priority 3

leased space and will provide space for specified departments moving from the T. Boone Pickens Academic Tower. A total of 1,970 tenants are expected to occupy the floors upon completion. Floors 18-24 will be shelled for future build-out.

Design development plans and authorization of expenditure of funding will be approved by the President at a later date.



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TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE**

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Austin, Texas

*James D. Dannenbaum, Chairman*  
*R. Steven Hicks, Vice Chairman*  
*Alex M. Cranberg*  
*Printice L. Gary*  
*Brenda Pejovich*

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4. <b>U. T. System: Report on Fiber Valley™</b>	<i>10:40 a.m.</i> <b>Report/Discussion</b> <i>President Nelsen</i> <i>Dr. Karen Lozano,</i> <i>U. T. Pan American</i> <i>Ms. Jacquelyn Michel,</i> <i>U. T. Pan American</i> <i>Mr. Ellery Buchanon,</i> <i>FibeRio Technology Corp.</i>	<b>189</b>
<b>Adjourn</b>	<i>11:00 a.m.</i>	

1. **U. T. System: Report on the Chancellor's Technology Commercialization Advisory Cabinet**

REPORT

Mr. Bryan Allinson, Executive Director of Technology Commercialization, will report on the Chancellor's Technology Commercialization Advisory Cabinet meeting held April 25, 2012. A copy of the Cabinet's agenda is set forth on the following page. Outcomes of the Cabinet meeting and planned activities going forward will be discussed with the Committee.



**Tuesday, April 24**

- 6:45 p.m. Shuttle departs Omni Downtown Hotel for The University of Texas System Bauer House
- 7:00p.m. Welcome Reception and Dinner hosted by Chancellor Cigarroa  
*The University of Texas System Bauer House, 1909 Hill Oaks Court*
- 8:30p.m. Shuttle departs Bauer House for Omni Downtown Hotel

**Meeting Agenda**

**Wednesday, April 25**

- 7:15 a.m. Shuttle departs Omni Downtown Hotel for The University of Texas System Complex, Ashbel Smith Hall
- 7:30 a.m. Buffet Breakfast  
*UT System Complex, Ashbel Smith Hall, 9<sup>th</sup> Floor Board Conference Room, 201 West 7th Street*
- 8:00 a.m. Opening Remarks and UT System Background  
*Francisco G. Cigarroa, M.D.  
Chancellor, The University of Texas System*
- 9:00 a.m. Review of Technology Transfer & Proposed Plans Forward for UT System  
*Barry Burgdorf  
Vice Chancellor and General Counsel, The University of Texas System*
- Bryan Allinson  
Executive Director of Technology Commercialization, The University of Texas System*
- 10:30 a.m. Break
- 10:45 a.m. Ambassador Panel  
*Ronald DePinho, M.D.  
President, UT MD Anderson Cancer Center*
- Gregory Fenves, Ph.D.  
Dean, Cockrell School of Engineering, UT Austin*
- Noon Working Lunch  
*Advisory Cabinet reviews selected high profile technologies*
- 1:30 p.m. Wrap-Up  
*Francisco G. Cigarroa, M.D.  
Chancellor, The University of Texas System*
- 1:45 p.m. Shuttle departs for airport

2. **U. T. System: Report on the U. T. Horizon Fund, including the Fund's Existing Ventures program and New Ventures program**

REPORT

Mr. Bryan Allinson, Executive Director of Technology Commercialization, will report on the U. T. Horizon Fund (Fund), approved by the Board of Regents on August 25, 2011.

The Fund serves as a strategic fund for the U. T. System. The goals are to: (1) improve commercialization of U. T. System institution technologies, and (2) improve sustainability through a positive return on investment. The Fund is evergreen with a significant portion of gains reinvested back into the Fund for future growth. Phase I of the Fund has been capitalized at \$10 million through the Available University Fund.

Through the Existing Ventures program, the Fund co-invests with other investors into existing startups to continue equity participation all the way through to commercialization. By reducing equity dilution, a contributor to eroding U. T. System's equity value, U. T. System can increase its return on investment both in terms of delivering real products and services beneficial to society, as well as providing financial return. Through March 2012, two projects were presented to the Fund's Existing Ventures program:

1. Cerevast Therapeutics, Inc., Redmond, Washington, a U. T. Health Science Center - Houston spinout. Cerevast was allocated \$100,000 to reduce dilution of U. T. Health Science Center's equity position.
2. FibeRio Technology Corporation, McAllen, Texas, a U. T. Pan American spinout. U. T. System recommended proceeding with an investment in FibeRio pending further review of the Series C round of investment.

Through the New Ventures program, the Fund focuses on addressing the biggest bottleneck at the earliest stages of commercialization -- access to entrepreneurial talent. Seasoned entrepreneurs are necessary to help develop deep and nuanced business planning with U. T. institutions' startups and network with industry partners critical for growth and development, regulatory approval, and other activities. Through March 2012, one project was presented to the Fund's New Ventures program:

1. U. T. Health Science Center - Tyler: A new startup to commercialize technology in pulmonary disease. U. T. System recommended proceeding with continued review to consider providing funding to help establish and hire an experienced entrepreneur to lead the new startup. The amount of funding is under consideration as of March 2012.

If funding is completed, a total of three projects will have received funding through the Fund's New Ventures program.



3. **U. T. System: Report on the Texas Venture Labs Competition and the U. T. Horizon Fund Student Investment Competition**

REPORT

Dr. Robert Adams, Director of Texas Venture Labs (Venture Labs), will make a presentation on Venture Labs, an international competition open to all business students in the world. Venture Labs is an initiative with two missions: (1) accelerate startups from U. T. Austin and Central Texas towards raising capital and taking their innovations to market, and (2) create an experience that transforms students into future entrepreneurs and business leaders. Housed at the U. T. Austin AT&T Executive Education and Conference Center, Venture Labs provides direct links to the entrepreneurial, business, technology, and legal resources available both on the U. T. Austin campus and in the Texas entrepreneurial ecosystem. Venture Labs enables students, faculty, and researchers to have full access to these resources, while providing the mentoring, team-building, market and business plan validation, technology commercialization, and domain knowledge needed to start and grow innovative ventures.

Mr. Bryan Allinson, Executive Director of Technology Commercialization, will report on the U. T. Horizon Fund Student Investment Competition, a state competition open to U. T. students, residents, and trainees at academic and health institutions. The goal of the Horizon Fund competition is to make use of student investment structures already in place at U. T. System institutions by investing in promising student-led startups. The Horizon competition engages competition winners of those structures and also at-large bids from students and trainees all 15 U. T. System institutions. There will be an investment award by the Horizon Fund to the overall winner through the U. T. Horizon Fund New Ventures Program, and students from all 15 U. T. System institutions will also have a chance to interact with venture capital advisors. The U. T. System competition will make use of expertise at Venture Labs in the final assessment and the overall winner will have a chance to compete in Venture Labs' international competition.

# Report on Texas Venture Labs

Rob Adams, Ph.D., Director of Texas Venture Labs

The University of Texas System Board of Regents' Meeting  
Technology Transfer and Research Committee  
May 2012

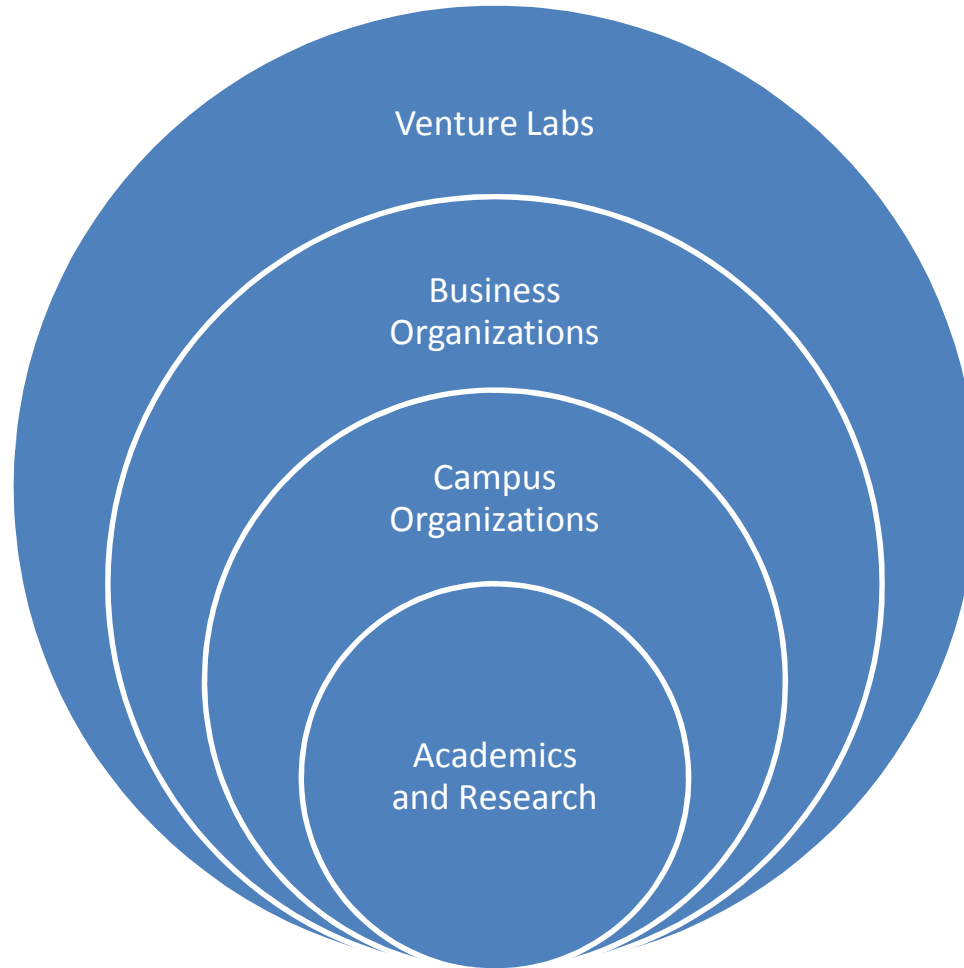
# TVL: What, How, and What's Different?

- **What:** A university-wide interdisciplinary education and research initiative to support entrepreneurship, innovation, and commercialization
- **How:** Intellectual horsepower to promote new venture creation at U. T. Austin through
  - education and mentoring
  - market and business plan validation
  - team-building and networking
  - providing direct links to resources and funding
- **What's Unique:** Built on the entrepreneurial skunk-works that has thrived at U. T. Austin for the last five years

# Venture Labs Positioning

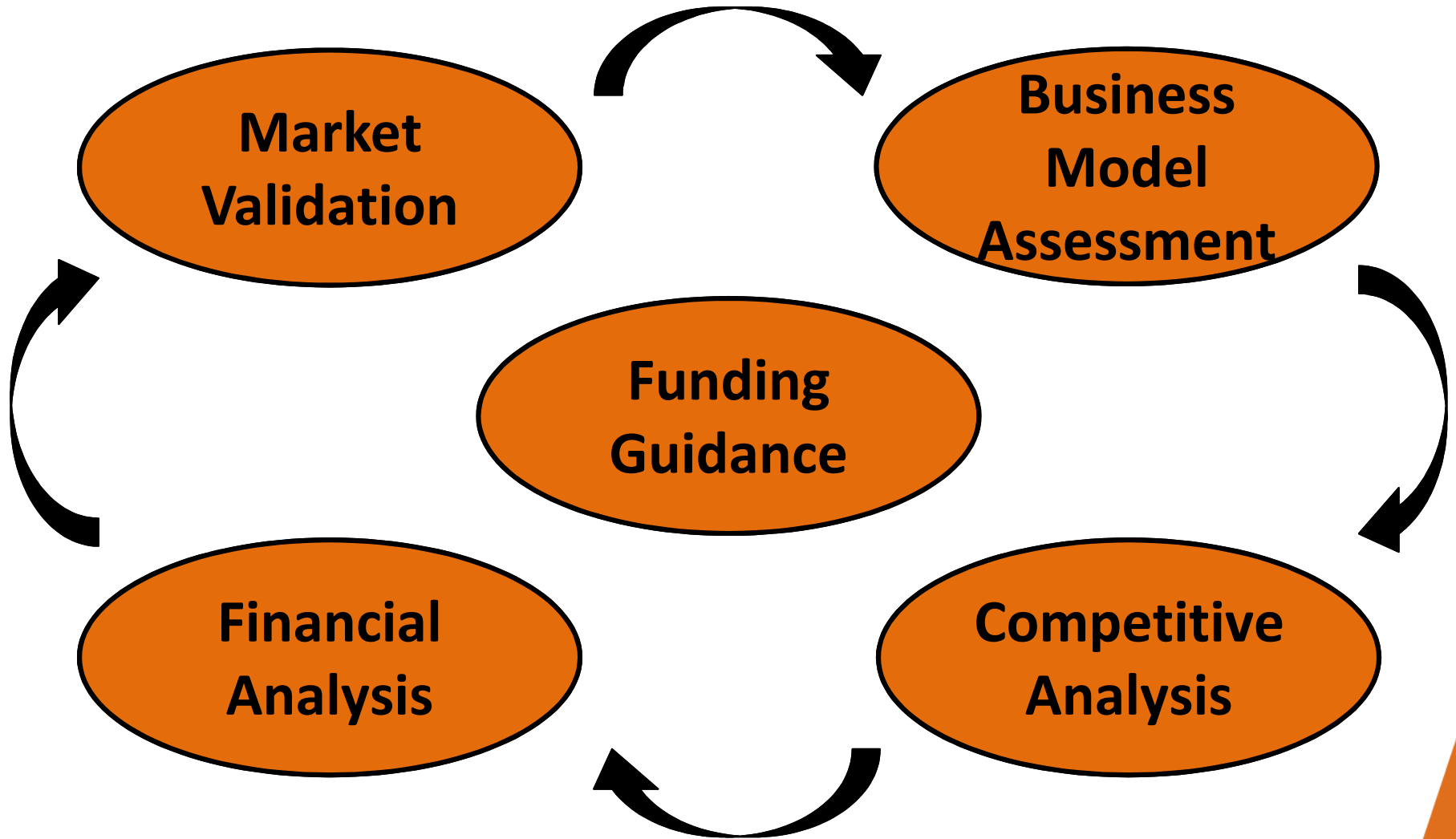
- Looks like a venture capital firm
- Relies on outside sources of capital
- Not reproducing any on-campus or business organizations
- Accelerate company formation using proven approaches
- Run by graduate students from Business, Engineering, Law, and Natural Sciences
- Success is defined as a company receiving funding

# How We're Doing It



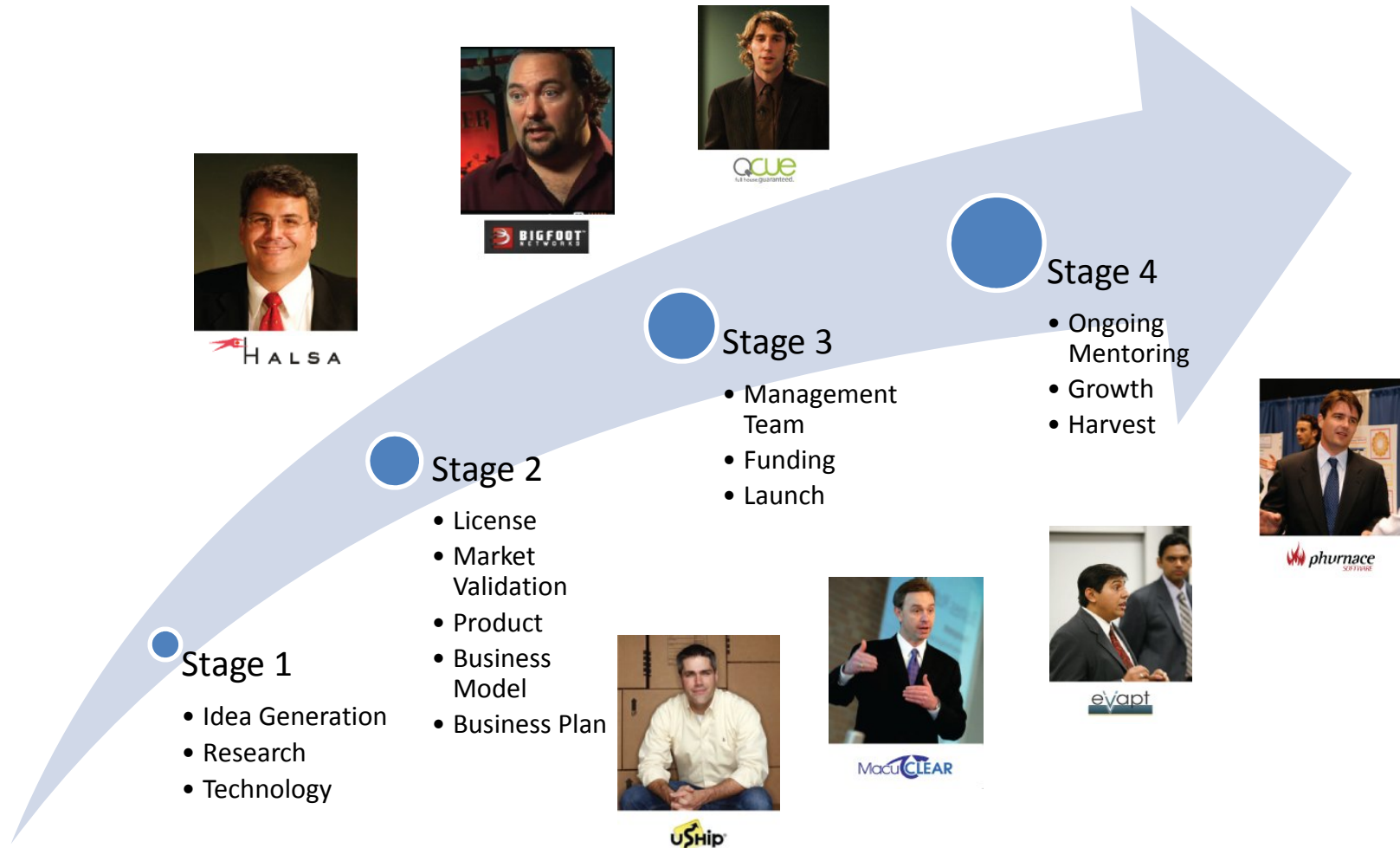
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# Our Core Competencies



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# Success Stories – Skunk-works Days



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# TVL in Action

★ TVL LAUNCH

Fall 2010	Spring 2011	Fall 2011	Spring 2012
   hurricane party	 XERIS PHARMACEUTICALS  SpectraPhase  nurturme	 NanoHybrids  akimbo™ akimbocard.com  digitalharmony	 DATACAL  CLEAR TECHNOLOGY SYSTEMS  GAMETIME ARENA GOT GAME? PROVE IT!

- 40 companies since launch
- > 50% companies funded
- > \$24M in funding facilitated



#### 4. U. T. System: Report on Fiber Valley™

##### REPORT

The following presenters will report on the concept of Fiber Valley™, a term describing the high tech industry, economic development, job creation, and the academic research growth potential of the Lower Rio Grande Valley of Texas:

- Dr. Robert Nelsen, President, U. T. Pan American
- Dr. Karen Lozano, Endowed Professor of Mechanical Engineering, U. T. Pan American
- Ms. Jacquelyn Michel, Director of the Office of Innovation and Intellectual Property, U. T. Pan American
- Mr. Ellery Buchanon, Chief Executive Officer of FibeRio Technology Corporation, a U. T. Pan American spinout

Dr. Lozano has helped educate numerous undergraduate students toward careers in industry or toward continuing in higher education. In addition to educating top engineering students, Dr. Lozano's efforts have helped build the intellectual base of the Lower Rio Grande Valley, helping to create new industries and opportunities.

Originally funded by a U. T. System Texas Ignition Fund proof-of-concept grant, Dr. Lozano's technology in electrospinning nanofibers helped spur the formation of a startup company, FibeRio Technology Corporation. Ms. Jacquelyn Michel was instrumental in helping to form and develop FibeRio. Ms. Michel also helped connect FibeRio with its current Chief Executive Officer, Mr. Buchanon. FibeRio also secured an investment from the State of Texas' Emerging Technology Fund.

Today, FibeRio is a platform technology company focusing on high quality, low cost, high volume nanofiber production. Industry sectors include medical, energy, and high performance textile among others. The next steps in the evolution of the nascent Fiber Valley initiative will be continued engagement of key industry sectors along the value chain; expansion of commercialization, research, and education at U. T. Pan American and other U. T. institutions; and economic growth in the Lower Rio Grande Valley. The ultimate goal is to develop the Lower Rio Grande Valley as the world's leader in high performance, low cost, high volume fiber production, manufacturing, applications, products, and services.

In June 2011, FibeRio won the distinguished R&D Top 100 Award from *R&D Magazine*. In March 2012, FibeRio presented a pre-investment review presentation to the U. T. Horizon Fund to help secure the Series C investment financing round for the company.

**THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS'  
CONSENT AGENDA NO. 1  
MAY 2-3, 2012**

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56. Emeritus Appointment - **U. T. Medical Branch - Galveston**: Norbert Herzog, Professor (T), Academic Enterprise, Pathology, to Professor Emeritus (RBC No. 4504) -- amendment to the 2011-12 budget 232

- 57. Approval of Dual Positions of Honor, Trust, or Profit - **U. T. Medical Branch - Galveston**: Appointment by Governor Perry of Ben Raimer, M.D., Senior Vice President, Health Policy and Regulative Affairs, as Chair of the Texas Institute of Health Care Quality and Efficiency Task Force 232
- 58. Approval of Dual Positions of Honor, Trust, or Profit - **U. T. Medical Branch - Galveston**: Appointment by Governor Perry of Linda R. Rounds, Ph.D., RN, FNP, FAANP, Professor, School of Nursing, as Board member of the Board of Pilot Commissioners for Galveston County 233
- 59. Contract (funds coming in) - **U. T. Health Science Center - Houston**: OB-GYN of Houston, LLP, a Texas limited liability partnership -- lease renewal of 5,935 square feet of space at UT Professional Building at 6410 Fannin Street, Houston, Texas, for clinical and related services 234
- 60. Contract (funds going out) - **U. T. Health Science Center - Houston**: Alpha Building Corporation and J. T. Vaughn Construction, LLC to provide maintenance, repair, and renovation tasks 234
- 61. Contract (funds going out) - **U. T. Health Science Center - Houston**: Contract with IntegraNet Physician Resource, Inc. for onsite technical assistance and onsite or remote consultation to Eligible Health Professionals in support of the Gulf Coast Regional Expansion Center 235
- 62. Foreign Contract (funds coming in) - **U. T. Health Science Center - Houston**: Agreement of Cooperation with Kuwait Institute for Medical Specialization to provide dentists from Kuwait with postgraduate training through the institution's two year Advanced Education in General Dentistry program 235
- 63. Emeritus Appointment - **U. T. Health Science Center - Houston**: Samuel Kaplan, Professor and Chairman (T), Department of Microbiology and Molecular Genetics, Medical School, to Chair Emeritus (RBC No. 4400) -- amendment to the 2011-12 budget 236
- 64. Emeritus Appointment - **U. T. Health Science Center - Houston**: Frank M. Yatsu, Clinical Professor and Huffington Chair, Department of Neurology, Medical School, to Professor Emeritus (RBC No. 4401) -- amendment to the 2011-12 budget 236



65. Emeritus Appointment - **U. T. Health Science Center - Houston**: Stanford M. Goldman, Professor and Section Chief (T), Radiology/Department of Diagnostic and Interventional Imaging, Medical School, to Professor Emeritus (RBC No. 4409) -- amendment to the 2011-12 budget 236
66. Dual Positions of Honor, Trust, or Profit - **U. T. Health Science Center - Houston**: Appointment by Governor Perry of Christopher S. Greeley, M.D., FAAP, Associate Professor of Pediatrics, Center for Clinical Research and Evidence-Based Medicine, Department of Pediatrics, to the Task Force to Reduce Child Abuse and Neglect and Improve Child Welfare 236
67. Dual Positions of Honor, Trust, or Profit - **U. T. Health Science Center - Houston**: Appointment by President Obama of Harold W. Kohl III, Ph.D., Professor of Epidemiology, School of Public Health, Austin Regional Campus and Research Professor of Kinesiology at U. T. Austin, to the Science Board of the President's Council on Fitness, Sports & Nutrition 237
68. Contract (funds coming in) - **U. T. Health Science Center - San Antonio**: New Cingular Wireless PCS, LLC, a Delaware limited liability company to lease approximately 160 square feet on the rooftop of the Medical School Building at 7703 Floyd Curl Drive for telecommunications facilities 238
69. Tenure Appointment - **U. T. Health Science Center - San Antonio**: Tenure appointment of Hui-Ming Huang (T), Deputy Director and Professor, Molecular Medicine, School of Medicine (RBC No. 4413) -- amendment to the 2011-12 budget 238
70. Contract (funds going out) - **U. T. M. D. Anderson Cancer Center**: Contract with Central Park West, L.P., to purchase approximately 34.77 acres of vacant land located in two tracts on the north side of Interstate Highway 10 between Eldridge Road and Park & Ride Drive and being out of the J. Wheaton Surveys, Abstracts #80 and #828, Houston, Harris County, Texas 239
71. Contract (funds going out) - **U. T. M. D. Anderson Cancer Center**: WGH Holly Hall LP and WGH Plaza Del Oro, LLC to purchase approximately 14.03 acres and improvements located at 2555 Holly Hall Street and 8000-8080 El Rio Street in Houston, Harris County, Texas 240
72. Report - **U. T. Health Science Center - Tyler**: No items for Consent Agenda 241

**THE BOARD OF REGENTS'  
CONSENT AGENDA NO. 1  
MAY 2-3, 2012**

**U. T. SYSTEM ADMINISTRATION**

1. Minutes - **U. T. System Board of Regents**: Approval of Minutes of the regular meeting held on February 8-9, 2012, and the Special Called Meetings held on February 24, 2012, April 2, 2012, and April 12, 2012 available at <http://www.utsystem.edu/board-of-regents/meetings>
  
2. UTIMCO Board Appointment - **U. T. System Board of Regents**: Reappointment of Mr. Ardon E. Moore to the Board of Directors of The University of Texas Investment Management Company

Chairman Powell and The University of Texas Investment Management Company (UTIMCO) Chairman Foster recommend that Mr. Ardon E. Moore be reappointed to the UTIMCO Board of Directors, for a term to expire on April 1, 2015.

Mr. Moore is President and CEO of Lee M. Bass, Inc., and serves as a member of UTIMCO's Compensation and Risk Committees.

*Texas Education Code* Section 66.08 and Regents' *Rules and Regulations*, Rule 10402, Section 4 require that the U. T. System Board of Regents appoint six members of the UTIMCO Board of Directors of which three may be "external" directors. The approved UTIMCO bylaws allow external directors to serve a maximum of three terms of three years each. Mr. Moore, an external director, is currently serving his second term on the UTIMCO Board of Directors.

3. UTIMCO Committee Appointments - U. T. System Board of Regents: Reappointment of members to the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company

The University of Texas Investment Management Company (UTIMCO) Board of Directors recommends that the U. T. System Board of Regents approve the reappointment of James P. Wilson, Printice L. Gary, R. Steven Hicks, and Charles W. Tate to the Audit and Ethics Committee of the UTIMCO Board of Directors.

Section 66.08 of the *Texas Education Code* requires that the U. T. System Board of Regents approve the appointment of members to the Audit and Ethics Committee of the UTIMCO Board of Directors. The UTIMCO Board of Directors recommended these appointments on April 11, 2012, conditioned on the approval of the U. T. System Board of Regents. Vice Chairman Hicks and Regent Gary will abstain from voting on this item.

4. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect name and term of new Student Regent

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the Board of Regents approve the revised resolution regarding exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts, as shown in congressional style on Page 200. The revision adds the name and term of the new Student Regent who will serve from June 1, 2012 to May 31, 2013.

A Resolution amending the Managerial Group list was last adopted by the Board on May 12, 2011.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The manual requires that the senior management official and the Facility Security Officer must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

RESOLUTION

BE IT RESOLVED:

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of Department of Defense (DoD) or User Agency contracts, as described in DoD 5220.22-M, "National Industrial Security Program Operating Manual" (NISPOM):

Francisco G. Cigarroa, M.D., Chancellor, The University of Texas System  
William C. Powers, Jr., President, The University of Texas at Austin  
Juan Miguel Sanchez, Vice President for Research, The University of Texas at Austin

Susan W. Sedwick, Associate Vice President for Research and Director,  
Office of Sponsored Projects, The University of Texas at Austin

Neil S. Fox II, Facility Security Officer, The University of Texas System

The Chief Executive Officer (i.e., the Chancellor) and the members of the Managerial Group have been processed, or will be processed, for a personnel security clearance for access to classified information to the level of the facility security clearance granted to this institution, as provided for in the NISPOM.

The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the DoD or User Agencies of the NISPOM awarded to U. T. System, including U. T. Austin.

- b. That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U. T. System, including U. T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of The University of Texas System, including The University of Texas at Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to The University of Texas System, including The University of Texas at Austin, and need not be processed for a personnel security clearance:

Members of the U. T. System Board of Regents:

William Eugene Powell, Chairman

Paul L. Foster, Vice Chairman

R. Steven Hicks, Vice Chairman

James D. Dannenbaum, P.E., Vice Chairman

Alex M. Cranberg  
Printice L. Gary  
Wallace L. Hall, Jr.  
Brenda Pejovich  
Robert L. Stillwell  
John Davis Rutkauskas, Student Regent from June 1, 2011 to  
May 31, 2012 (nonvoting)  
Ashley Michele Purgason, Student Regent from June 1, 2012 to  
May 31, 2013 (nonvoting)

5. Office of Federal Relations - U. T. System: Authorization to implement "A Strategic Plan for the Office of Federal Relations"

Chairman Powell, Regent Gary, and Chancellor Cigarroa recommend that the actions set forth in the report, "A Strategic Plan for the Office of Federal Relations (OFR)," dated November 15, 2011, as elaborated further in the "OFR Strategic Plan Executive Summary" dated February 20, 2012, previously provided to the Board, be approved and implemented, including the authorization of up to \$175,000 in one-time expenditures and \$950,000 in annual ongoing expenditures, to be funded with Available University Funds.

The principal elements of the OFR Strategic Plan include:

- Installing two or more federal agency-specific personnel within OFR to further enhance U. T. System institutions' involvement with federal agencies and pursue increased grant awards;
- Enhancing the flow of information between OFR and U. T. System institution researchers by installing a federal agency research assistant within OFR, improving the technological capabilities of the office to facilitate more regular communications, and increasing the frequency of OFR staff meetings with institution researchers and administrators;
- Contracting with health care experts on issues of importance to U. T. System and the U. T. System health institutions (for example, matters coming before the Centers for Medicare and Medicaid Services involving the Section 1115 Waiver granted to the State of Texas and the implementation of the Affordable Care Act); and
- Expanding the Archer Center Program to accommodate more undergraduate, graduate, and professional school students through securing additional leased space and installing additional personnel.

Implementation of the plan will involve the addition of up to four staff within OFR and up to three staff for the Archer Center Program (one faculty member and two program staff).

Additional annual personnel costs for the OFR staff will be up to \$585,000. The additional personnel costs for the Archer Center Program will be borne by the fees paid by the program participants.

Additional lease costs for the Archer Center Program expansion will be up to \$240,000. One-time costs for reconfiguring the new leased space will be up to \$50,000. One-time costs for technological improvements for OFR will be up to \$120,000, with annual costs of up to \$7,000.

Other annual costs, including costs for contracted health care experts, will be up to \$120,000. OFR, through the Vice Chancellor and Chief Governmental Relations Officer, will provide annual reports to the Board of Regents on the progress made under the Plan.

6. Request for Budget Change - U. T. System: Transfer not to exceed \$1.4 million from Available University Funds and Permanent University Fund Bond Proceeds to the Board Room Audio Visual Project account to install videoconference equipment to enhance the Board of Regents' meetings and presentations (RBC No. 149) -- amendment to the 2011-12 budget
  
7. Request for Budget Change - U. T. System: Transfer of \$1,523,538 from Permanent University Funds to University Lands Damage Reimbursement Payments fund to continue replacement of 63 miles and repair of 47 miles of fence damaged due to wildfires that burned approximately 73,000 acres in three counties in West Texas on University Lands in February 2011 (RBC No. 148) -- amendment to the 2011-12 budget
  
8. Approval of Dual Positions of Honor, Trust, or Profit - U. T. System: Appointment by Commissioner Kitzman of Phillip Dendy, Director of Risk Management, as a Member of the Fair Access to Insurance Requirements (FAIR) Plan Governing Committee

The following item has been approved by the Executive Vice Chancellor for Business Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment of Mr. Dendy with the U. T. System Administration. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas, and there is no conflict between the position and the University.

Name: Mr. Phillip Dendy  
Title: Director of Risk Management  
Position: Member, Fair Access to Insurance Requirements (FAIR) Plan Governing Committee  
Period: The term expires on June 16, 2013, or when a successor is appointed.  
Compensation: None  
Description: The Texas Commissioner of Insurance, Eleanor Kitzman, has appointed Mr. Dendy to serve as a member of the FAIR Plan Governing Committee. The association provides residential property insurance to qualified consumers who are having difficulty obtaining this coverage from licensed insurance companies.

9. **Report on Fiscal Year 2011 Post-Tenure Review - U. T. System Academic Institutions**

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2011 post-tenure review for the U. T. System academic institutions is provided by the Executive Vice Chancellor for Academic Affairs ad interim.

During Fiscal Year 2011, 422 tenured faculty members at the nine academic institutions were subject to post-tenure review. Of the 422 faculty members subject to review, 395 or 93.6% were evaluated as Performing Satisfactorily; 13 or 3.1% received a Needs Additional Support or Marginal evaluations; and 14 or 3.3% received unsatisfactory evaluations. The following summary tables provide additional details of the post-tenure review results.

**Summary of Post-Tenure Review Results**

	Total Reviewed	Total Performing Satisfactorily	Total Needs Additional Support or Marginal	Total Unsatisfactory
U. T. Arlington	43	38	5	0
U. T. Austin	182	175	0	7
U. T. Brownsville	20	17	1	2
U. T. Dallas	48	46	1	1
U. T. El Paso	38	38	0	0
U. T. Pan American	32	28	4	0
U. T. Permian Basin	11	11	0	0
U. T. San Antonio	31	26	1	4
U. T. Tyler	17	16	1	0
Total	422	395	13	14
		93.6%	3.1%	3.3%

**Post-Tenure Review Results by Gender**

	Total Reviewed		Performing Satisfactorily		Needs Additional Support or Marginal		Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. Arlington	37	6	33	5	4	1	0	0
U. T. Austin	143	39	137	38	0	0	6	1
U. T. Brownsville	14	6	12	5	0	1	2	0
U. T. Dallas	41	7	39	7	1	0	1	0
U. T. El Paso	30	8	30	8	0	0	0	0
U. T. Pan American	20	12	16	12	4	0	0	0
U. T. Permian Basin	8	3	8	3	0	0	0	0
U. T. San Antonio	23	8	18	8	1	0	4	0
U. T. Tyler	11	6	10	6	1	0	0	0
Total	327	95	303	92	11	2	13	1



**Post-Tenure Review Results by Ethnicity**

	Total Reviewed					Performing Satisfactorily				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	30	0	2	11	0	25	0	2	11	0
U. T. Austin	158	3	10	8	3	152	3	9	8	3
U. T. Brownsville	9	0	11	0	0	8	0	9	0	0
U. T. Dallas	39	0	1	8	0	37	0	1	8	0
U. T. El Paso	21	0	10	7	0	21	0	10	7	0
U. T. Pan American	10	0	14	6	1	9	0	13	5	1
U. T. Permian Basin	10	1	1	0	0	10	0	1	0	0
U. T. San Antonio	22	0	2	5	2	18	0	1	5	2
U. T. Tyler	17	0	0	0	0	16	0	0	0	0
Total	316	4	51	45	6	296	3	46	44	6

	Needs Additional Support or Marginal					Unsatisfactory				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. Arlington	5	0	0	0	0	0	0	0	0	0
U. T. Austin	0	0	0	0	0	6	0	1	0	0
U. T. Brownsville	0	0	1	0	0	1	0	1	0	0
U. T. Dallas	1	0	0	0	0	1	0	0	0	0
U. T. El Paso	0	0	0	0	0	0	0	0	0	0
U. T. Pan American	1	1	1	1	0	0	0	0	0	0
U. T. Permian Basin	0	0	0	0	0	0	0	0	0	0
U. T. San Antonio	1	0	0	0	0	3	0	1	0	0
U. T. Tyler	1	0	0	0	0	0	0	0	0	0
Total	9	1	2	1	0	11	0	3	0	0

**FACULTY CHANGES PRIOR TO POST-TENURE REVIEW:**

- U. T. Arlington:** Six faculty members retired prior to review.
- U. T. Austin:** 10 faculty members retired prior to review.
- U. T. Brownsville:** Four faculty members retired prior to review.

**PRESENT STATUS OF EACH MARGINAL PERFORMANCE:**

- U. T. Arlington:** Faculty evaluated as marginal were asked to work with their department chairs and deans to recalibrate their teaching and research workload to place more emphasis on teaching, which is their strength and source of greatest contribution to the University.
- U. T. Brownsville:** Professor will resubmit a revised portfolio for review during the 2012-13 academic year.
- U. T. Dallas:** Continue discussion with dean about performance in teaching and research.
- U. T. Pan American:** Faculty members met with their respective chairs and deans over their corresponding areas of concern and received feedback in their respective disciplines and professional performance. Consequently, each faculty member will be taking corrective action.
- U. T. San Antonio:** The faculty member whose performance in FY 2011 was marginal had his workload restructured from a balance 40% teaching, 40% research, and 20% service to 60% teaching, 20% research, and 20% service. He is required to meet with his department chair on a regular basis to monitor his progress with his next post-tenure review scheduled for 2016-2017. However, this faculty member resigned effective January 1, 2012.

**U. T. Tyler:** A two-year remediation plan to be developed and performance will be evaluated during the next two academic years.

**PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:**

**U. T. Austin:** Academic deans have established faculty development supports plans for all faculty receiving unsatisfactory post-tenure reviews.

**U. T. Brownsville:** 1) Associate Professor has made satisfactory improvement and is on track with timeline developed. 2) Assistant Professor has shown little evidence that any significant progress has been made.

**U. T. Dallas:** Referred to the Committee on Faculty Standing and Conduct for potential termination.

**U. T. San Antonio:** For one professor, a performance improvement plan was implemented and a subsequent post-tenure review will be conducted in 2013-2014. However, this faculty member has tendered his resignation effective August 31, 2012. For another professor, a performance improvement plan was developed by the department chair, in consultation with the dean, to strengthen the faculty's research productivity. For a third professor and an associate professor, a performance improvement plan was developed by the department chair, in consultation with the dean, and implemented.

**PLANS FOR EVALUATION DURING THE CURRENT YEAR:**

**U. T. Arlington:** Confirmation with academic leadership that teaching loads have been adjusted.

**U. T. Austin:** All faculty scheduled for post-tenure review in 2012 will be evaluated and faculty development support plans for previous unsatisfactory reviews will be monitored.

**U. T. Brownsville:** For faculty requiring additional support, a professional development plan will be developed to strengthen the portfolio to be submitted for review in FY 2013. For one unsatisfactory performer, the dean and department chair will continue to provide guidance with the goal of improving performance. For the professor who has received a second negative annual review, the Provost is working with the U. T. System Administration Office of General Counsel to conduct a review in accordance with the due process procedures of the Regents' *Rules and Regulations*, Rule 31008.

**U. T. Pan American:** A teaching effectiveness/professional achievement plan has been prepared for each faculty member and approved at the department and college level.

**U. T. Permian Basin:** U. T. Permian Basin has six post-tenure reviews currently being conducted.

**U. T. San Antonio:** The department chair is monitoring the performance improvement plans and will continue working with the faculty members on their progress.

10. **Report on Fiscal Year 2011 Post-Tenure Review - U. T. System Health Institutions**

In accordance with *Texas Education Code* Section 51.942 and Regents' *Rules and Regulations*, Rule 31102, the following report on the Fiscal Year 2011 post-tenure review for the U. T. System health institutions is provided by the Executive Vice Chancellor for Health Affairs.

During Fiscal Year 2011, 235 tenured faculty members at the five health institutions were subject to post-tenure review. Of the 235 faculty members subject to review, 225 or 95.7% were evaluated as Performing Well; 7 or 3.0% received Needs Additional Support or Marginal evaluations; and 3 or 1.3% received Unsatisfactory evaluations. The following summary tables provide additional details of the post-tenure review results.

**Summary of Post-Tenure Review Results**

	Total Subject to Review	Total Performing Well	Total Needs Additional Support or Marginal	Total Unsatisfactory
U. T. SWMC	52	50	1	1
U. T. MB - Galveston	30	30	0	0
U. T. HSC - Houston	53	48	5	0
U. T. HSC - San Antonio	50	49	1	0
U. T. MDACC *	50	48	0	2
<b>Total</b>	<b>235</b>	<b>225</b>	<b>7</b>	<b>3</b>
		95.7%	3.0%	1.3%

**Post-Tenure Review Results by Gender**

	Subject to Review		Performing Well		Needs Additional Support or Marginal		Unsatisfactory	
	Male	Female	Male	Female	Male	Female	Male	Female
U. T. SWMC	43	9	41	9	1	0	1	0
U. T. MB - Galveston	27	3	27	3	0	0	0	0
U. T. HSC - Houston	35	18	32	16	3	2	0	0
U. T. HSC - San Antonio	38	12	38	11	0	1	0	0
U. T. MDACC *	40	10	39	9	0	0	1	1
<b>Total</b>	<b>183</b>	<b>52</b>	<b>177</b>	<b>48</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

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

**Post-Tenure Review Results by Ethnicity**

	Total Subject to Review					Performing Well				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	42	0	2	8	0	40	0	2	8	0
U. T. MB - Galveston	23	2	0	5	0	23	2	0	5	0
U. T. HSC - Houston	45	2	0	6	0	41	1	0	6	0
U. T. HSC - San Antonio	49	0	0	0	1	48	0	0	0	1
U. T. MDACC	37	0	2	11	0	36	0	2	10	0
Total	196	4	4	30	1	188	3	4	29	1

	Needs Additional Support or Marginal					Unsatisfactory				
	White	Black	Hispanic	Asian	Other	White	Black	Hispanic	Asian	Other
U. T. SWMC	1	0	0	0	0	1	0	0	0	0
U. T. MB - Galveston	0	0	0	0	0	0	0	0	0	0
U. T. HSC - Houston	4	1	0	0	0	0	0	0	0	0
U. T. HSC - San Antonio	1	0	0	0	0	0	0	0	0	0
U. T. MDACC	0	0	0	0	0	1	0	0	1	0
Total	6	1	0	0	0	2	0	0	1	0

**FACULTY CHANGES PRIOR TO POST-TENURE REVIEW**

**U. T. Southwestern Medical Center:** Two faculty changed positions prior to post-tenure review.

**U. T. Health Science Center - San Antonio:** One retired; 10 deferred to 2012; one under litigation.

**U. T. M. D. Anderson Cancer Center:** Two faculty changed positions prior to post-tenure review.

**PRESENT STATUS OF EACH NEEDS ADDITIONAL SUPPORT OR MARGINAL PERFORMANCE:**

**U. T. Southwestern Medical Center:** Associate Professor was turned down for promotion and deficiencies shared with the Chair and the Associate Professor. His tenure will be reviewed again during the 2014 cycle.

**U. T. Health Science Center - Houston:** Three public health faculty (one professor and two associate professors) have met with the division director and developed and submitted an approved performance improvement plan that has been reviewed by the Dean. Two medical school faculty have department chair and division directors developing remediation plans in concert with the Dean. Progress will be monitored on subsequent annual reviews.

**U. T. Health Science Center - San Antonio:** Recommendation has been made for improvement in areas of teaching and research; a remedial plan will be developed and faculty member will be reevaluated in 12-18 months.

**PRESENT STATUS OF EACH UNSATISFACTORY PERFORMANCE:**

**U. T. Southwestern Medical Center:** An Associate Professor chose to leave the institution effective August 31, 2011.

**U. T. M. D. Anderson Cancer Center:** Professor's term tenure was extended for one year; Associate Professor position ends at the end of seventh year term.

11. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets managed by U. T. System

**THE UNIVERSITY OF TEXAS SYSTEM  
SEPARATELY INVESTED ASSETS  
Managed by U. T. System  
Summary Report at February 29, 2012**

	FUND TYPE							
	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land & Buildings:								
Ending Value 11/30/2011	\$ 2,791,090	\$ 20,380,407	\$ 106,114,208	\$ 269,152,262	\$ 1,601,467	\$ 2,973,923	\$ 110,506,765	\$ 292,506,592
Increase or Decrease	1	1	189,999	315,789	-	-	190,000	315,790
Ending Value 2/29/2012	<u>\$ 2,791,091</u>	<u>\$ 20,380,408</u>	<u>\$ 106,304,207</u>	<u>\$ 269,468,051</u>	<u>\$ 1,601,467</u>	<u>\$ 2,973,923</u>	<u>\$ 110,696,765</u>	<u>\$ 292,822,382</u>
Other Real Estate:								
Ending Value 11/30/2011	\$ 48,556	\$ 48,556	\$ 25,284	\$ 25,284	\$ -	\$ -	\$ 73,839	\$ 73,839
Increase or Decrease	(2,904)	(2,904)	0	0	-	-	(2,904)	(2,904)
Ending Value 2/29/2012	<u>\$ 45,651</u>	<u>\$ 45,651</u>	<u>\$ 25,284</u>	<u>\$ 25,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,935</u>	<u>\$ 70,935</u>

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

Details of individual assets by account furnished on request.

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

## ACADEMIC INSTITUTIONS

12. Contract (funds coming in) - U. T. Arlington: Xpress Pho of Arlington, LLC to lease approximately 3,457 square feet of retail lease space in the College Park Center for restaurant use

Agency: Xpress Pho of Arlington, LLC, a Texas limited liability company

Funds: \$852,593 in base rent and operating expenses payable over an 84-month rent period and \$1,445,746 in rent and operating expenses payable over two 60-month extension options. The tenant will also pay annual percentage rent of a portion of the amount of annual gross sales exceeding a set amount. U. T. Arlington is providing the tenant an improvement allowance for the initial construction of the premises, which will be paid out of Auxiliary Funds.

Period: Commencing on or about April 1, 2012, and continuing for an initial lease term of 84 months after the rent start date, plus two 60-month renewal options

Description: Lease of approximately 3,457 square feet of retail space in the College Park mixed-use development for use by the tenant as a restaurant. The lease expressly states that it is not valid for amounts exceeding \$1 million unless and until Board approval is obtained. The rental and the improvement allowance were set based on surveys of similar mixed-use and retail properties in Arlington and Fort Worth.

13. Contract (funds coming in) - U. T. Arlington: Grip College Park, LLC d/b/a GRIP Mediterranean Grill to lease approximately 2,017 square feet of retail space in the College Park Center for restaurant use

Agency: Grip College Park, LLC, a Texas limited liability company

Funds: \$755,190 in base rent and operating expenses payable over a 120-month initial rent period, and \$1,004,737 in rent and operating expenses payable over two 60-month extension options. The tenant will also pay annual percentage rent of a portion of the amount of annual gross sales exceeding a set amount. U. T. Arlington is providing the tenant an improvement allowance for the initial construction of the premises that will be paid out of Auxiliary Funds.

Period: Commencing on or about May 1, 2012, and continuing for an initial lease term of 120 months after the rent start date, plus two 60-month extension options

Description: Lease of approximately 2,017 square feet of retail space in the College Park mixed-use development for use by the tenant as a restaurant. The lease expressly states that it is not valid for amounts exceeding \$1 million unless and until Board approval is obtained. The rental and the improvement allowance were set based on surveys of similar mixed-use and retail properties in Arlington and Fort Worth.

14. Contract (funds coming in) - U. T. Arlington: Dr. Tien Phan, d/b/a Mavs Sports Grill to lease approximately 4,519 square feet of retail lease space in the College Park Center for restaurant use

Agency: Dr. Tien Phan, d/b/a Mavs Sports Grill

Funds: \$1,146,145 in base rent and operating expenses payable over an 84-month initial rent period, and \$1,939,140 in rent and operating expenses payable over two 60-month extension options. The tenant will also pay annual percentage rent of a portion of the amount of annual gross sales exceeding a set amount. U. T. Arlington is providing the tenant an improvement allowance for the initial construction of the premises, to be paid out of Auxiliary Funds.

Period: Commencing on or about April 1, 2012, and continuing for an initial lease term of 84 months following the rent start date, plus two 60-month extension options

Description: Lease of approximately 4,519 square feet of retail space in the College Park mixed-use development for use by the tenant as a restaurant. The lease expressly states that it is not valid for amounts exceeding \$1 million unless and until Board approval is obtained. The rental and the improvement allowance were set based on surveys of similar mixed-use and retail properties in Arlington and Fort Worth.

15. Contract (funds coming in) - U. T. Arlington: Pie Five Restaurants, Inc. to lease approximately 2,196 square feet of retail lease space in the College Park Center for restaurant use

Agency: Pie Five Restaurants, Inc., a Texas corporation

Funds: \$301,675 in base rent and operating expenses payable over a 60-month initial rent period, and \$1,467,558 in rent and operating expenses payable over three 60-month extension options. U. T. Arlington is providing the tenant an improvement allowance for the initial construction of the premises to be paid out of Auxiliary Funds.

Period: Commencing on or about May 1, 2012, and continuing for 60 months following the rent start date, plus three 60-month extension options

Description: Lease of approximately 2,196 square feet of retail space in the College Park mixed-use development for use by the tenant as a restaurant. The lease expressly states that it is not valid for amounts exceeding \$1 million unless and until Board approval is obtained. The rental and the improvement allowance were set based on surveys of similar mixed-use and retail properties in Arlington and Fort Worth.



16. Contract (funds coming in) - U. T. Arlington: Brack Ventures, LLC, d/b/a Coolberry Yogurt to lease approximately 1,632 square feet of retail lease space in the College Park Center for restaurant use

Agency: Brack Ventures, LLC, a Texas limited liability company

Funds: \$267,330.40 in base rent and operating expenses payable over a 60-month initial rent period and \$639,905 in rent and operating expenses payable over two 60-month extension options. The tenant will also pay annual percentage rent of a portion of the amount of annual gross sales exceeding a set amount. U. T. Arlington is providing the tenant an improvement allowance for the initial construction of the premises, to be paid out of Auxiliary Funds.

Period: Commencing on May 1, 2012, and continuing for 60 months from the rent start date, plus two 60-month extension options

Description: Lease of approximately 1,632 square feet of retail space in the College Park mixed-use development for use by the tenant as a frozen yogurt shop. The lease expressly states that it is not valid for amounts exceeding \$1 million unless and until Board approval is obtained. The rental and the improvement allowance were set based on surveys of similar mixed-use and retail properties in Arlington and Fort Worth.

17. Advisory Council - U. T. Austin: Creation and operation of the Division of Continuing and Innovative Education Advisory Council

The following request to approve the creation and operation of the Division of Continuing and Innovative Education (CIE) Advisory Council has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs ad interim, and the Vice Chancellor for External Relations in accordance with Regents' *Rules and Regulations*, Rule 60302 and is submitted for approval by the U. T. System Board of Regents:

Item: The Division of Continuing and Innovative Education Advisory Council

Effective: June 1, 2012

Description: The Division of CIE Advisory Council will advocate to the external community for the CIE and help identify best sources to build new funding and create funding diversification for the CIE. The Council will provide input to the CIE leadership team on strategy, trends, and needs of the communities that the Division serves both domestically and internationally.

18. Contract (funds coming in) - U. T. Austin: University Federal Credit Union Addendum to existing sponsorship, promotion, and naming agreement with the U. T. Austin Intercollegiate Athletics Department

Agency: University Federal Credit Union (UFCU), a federally chartered nonprofit corporation  
Funds: \$2,750,000  
Period: May 3, 2012 through June 30, 2026  
Description: Addendum to existing sponsorship, promotion, and naming agreement with the U. T. Austin Intercollegiate Athletics Department regarding UFCU Disch-Falk Field. The addendum (1) extends the term of the agreement for five years, from June 30, 2021 to June 30, 2026; (2) provides for payment by UFCU to Intercollegiate Athletics of an additional \$2,750,000 no later than May 31, 2012; (3) acknowledges the aforementioned funds will be used for certain capital improvements, including scoreboard/signage, and that Intercollegiate Athletics will negotiate with UFCU for such appropriate scoreboard/signage (model in exhibit to the Addendum); and (4) provides one Intercollegiate Athletics' stadium suite at UFCU Disch-Falk Field, with tickets, for use by UFCU at no additional cost.

19. Contract (funds coming in) - U. T. Austin: University Federal Credit Union (UFCU) base rent and operating expenses for automated teller machine vendors

Agency: University Federal Credit Union (UFCU), a federally chartered nonprofit corporation  
Funds: Consideration to U. T. Austin includes \$32,083.33 in base rent and \$200.00 in operating expenses, payable monthly, potentially totaling over \$386,000 over the term.

Period: Commencing on February 15, 2012 and continuing through February 28, 2013 or upon earlier termination by U. T. Austin. The institution plans to select one or more automated teller machine vendors through a request for proposal submission for service.

Description: Extension of lease of space for 38 UFCU-owned automated teller machines at 24 locations on campus. The original lease became effective on September 1, 2001, and was approved by the Board of Regents on November 8, 2001. In light of subsequent extensions of the lease that resulted in additional revenue to U. T. Austin in excess of \$1,000,000 in the aggregate, this matter is provided to the Board of Regents for reauthorization.

20. Contract (funds going out) - U. T. Austin: WK Interests, LLP, and Dhanis, LLC, or the McCombs School of Business Foundation to purchase approximately 0.4017 of an acre and improvements located at 1907 Guadalupe Street in Austin, Travis County, Texas

Agency: WK Interests, LLP, and Dhanis, LLC, or the McCombs School of Business Foundation

Source of Funds: Unexpended Plant Funds from earned investment income

Funds: Fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition as deemed necessary or advisable by the Executive Director of Real Estate. The appraisals are confidential pursuant to *Texas Education Code* Section 51.951.

Period: Closing of the purchase is expected to occur by Summer 2012.

Description: Purchase of 0.4017 of an acre and improvements located at 1907 Guadalupe Street in Austin, Travis County, Texas, and authorization for the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The property is on the southeast corner of Guadalupe Street and West 20th Street and is one block west of the AT&T Executive Education and Conference Center. This parcel is part of a land assemblage with adjacent properties located on the same block at 300 West Martin Luther King, Jr. Boulevard (under contract) and

304 West Martin Luther King, Jr. Boulevard (purchased in April 2012). The 0.4017 of an acre parcel is improved with a restaurant and a related surface parking area, which is leased to Schlotzsky's Stores LLC; the lease expires on November 30, 2014. U. T. Austin envisions that the southwest area of the campus between Guadalupe Street and Whitis Avenue would be used for the future expansion of the McCombs School of Business, including the Executive Education Program at the AT&T Executive Education and Conference Center. Upon the expiration of the Schlotzsky's lease, the property would be used for those purposes, or for future programmed development of campus expansion or other purposes related to the institution's mission.

21. Contract (funds going out) - U. T. Austin: MagRabbit Dedicated Fleet, L.L.C., to provide central receiving and delivery services to main campus and other U. T. Austin locations in the Austin area

Agency:	MagRabbit Dedicated Fleet, L.L.C.
Funds:	\$2,400,000 estimated for the initial term and renewal periods
Source of Funds:	Centrally-funded accounts. All delivery charges for all departments are paid from centrally-funded accounts. This does not depend on who the end user is.
Period:	January 1, 2012 through December 31, 2014, with option to renew for two additional two-year periods
Description:	Central receiving and delivery services of general supplies and equipment for all departments at the U. T. Austin main campus and other U. T. Austin locations in the Austin area. Delivered materials might include any kind of item ordered by the University, such as office supplies, laboratory supplies, laboratory equipment, computer equipment, computer peripherals, operating supplies, etc. When end users process requisitions for the purchase of goods, they have the option of choosing direct delivery from the supplier or delivery via MagRabbit Dedicated Fleet, L.L.C.'s offsite location. MagRabbit simplifies the delivery and payment process for the end user and provides for better follow-up on delivery issues and problems. The vendor was selected based on best value through the request for proposal process.

22. Contract (funds going out) - U. T. Austin: Alpheus Communications, L.L.C. for dark optical fiber indefeasible right to use agreement to provide production, research, and disaster recovery connectivity to U. T. System institutions in San Antonio and the Rio Grande Valley

Agency: Alpheus Communications, L.L.C.  
Funds: \$1,370,000 estimated for the initial and renewal periods  
Source of Funds: Available University Funds (funding for the U. T. System Research Information Technology Strategic Plan was approved by the U. T. System Board of Regents on November 11, 2010)  
Period: March 1, 2012 through February 28, 2022 with one option to renew through February 1, 2029  
Description: Dark optical fiber indefeasible right to use agreement between U. T. Austin, on behalf of the U. T. System Office of Telecommunication Services and Alpheus Communications, L.L.C., to install, maintain, and provide dark fiber expandable services between Austin and San Antonio for up to 20 years. The fiber will enable the U. T. System network to provide production, research, and disaster recovery connectivity to U. T. System institutions in San Antonio and the Rio Grande Valley. Dark fiber is optical fiber that is currently in place, but is not being used. An indefeasible right to use agreement is one whereby a party obtains the right to use specifically identified strands of dark fiber from another party.

23. Contract (funds going out) - U. T. Austin: Royal Kim Maintenance to provide custodial services for the Recreational Sports Center, Gregory Gymnasium, and Gregory Gymnasium Aquatic Complex

Agency: Royal Kim Maintenance  
Funds: \$3,200,000 estimated for the initial and renewal periods  
Source of Funds: Centrally-funded accounts  
Period: April 1, 2012 through August 31, 2015 with an option to renew for two additional two-year periods  
Description: Custodial service agreement for the Recreational Sports Center, Gregory Gymnasium, and Gregory Gymnasium Aquatic Complex

24. Foreign Contract (funds coming in) - U. T. Austin: University of Adelaide, Australia, Executive Education Program, will receive leadership training services from the Governor's Center for Management Development, LBJ School of Public Affairs

Agency: University of Adelaide, Australia  
Funds: Approximately \$22,000  
Period: May 25, 2012 through June 18, 2012  
Description: The Governor's Center for Management Development, a unit of the LBJ School of Public Affairs, will provide leadership training services to the University of Adelaide's Executive Education Program.

25. Foreign Contract (funds going out) - U. T. Austin: National Taiwan University Precision Mass Spectrometry and Environment Change Laboratory, Department of Geosciences, will provide analysis of coral and stalagmite samples for the Institute for Geophysics at the John A. and Katherine G. Jackson School of Geosciences

Agency: National Taiwan University  
Funds: Approximately \$100,000 including renewal options  
Source of Funds: Restricted Funds  
Period: May 1, 2012 through April 30, 2013, with option to renew for four additional one-year periods  
Description: Precision Mass Spectrometry and Environment Change Laboratory, Department of Geosciences, at National Taiwan University will provide analysis of coral and stalagmite samples for U. T. Austin's Institute for Geophysics, John A. and Katherine G. Jackson School of Geosciences. The samples are part of a research project to reconstruct past climate changes in the western tropical Pacific.

26. Emeritus Appointment - U. T. Austin: Appointment of Harry M. Cleaver, Jr., from Associate Professor (T), College of Liberal Arts, Economics, to Associate Professor Emeritus, effective at the date of retirement (RBC No. 4513) -- amendment to the 2011-12 budget

27. Emeritus Appointment - **U. T. Austin**: Appointment of Clement M. Henry from Professor (T), College of Liberal Arts, to Professor Emeritus, Government, effective at the date of retirement (RBC No. 4453) -- amendment to the 2010-11 budget
  
28. Emeritus Appointment - **U. T. Austin**: Appointment of Robert Harrison Wagner from Professor (T), College of Liberal Arts, Government, to Professor Emeritus effective at the date of retirement (RBC No. 4455) -- amendment to the 2010-11 budget
  
29. Emeritus Appointment - **U. T. Austin**: Appointment of Abraham Marcus from Associate Professor (T), College of Liberal Arts, History, to Associate Professor Emeritus effective at the date of retirement (RBC No. 4456) -- amendment to the 2011-12 budget
  
30. Emeritus Appointment - **U. T. Austin**: Appointment of Enrique H. Fierro from Associate Professor (T), College of Liberal Arts, Spanish and Portuguese, to Associate Professor Emeritus effective at the date of retirement (RBC No. 4514) -- amendment to the 2011-12 budget

31. Request for Budget Change - U. T. Austin: Transfer of \$1,150,000 to supplement existing Repair and Rehabilitation project to replace HVAC systems on the main campus (RBC No. 4427) -- amendment to the 2011-12 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS		
Vice President and Chief Financial Officer		
Amount of Transfer:	1,150,000	4427

From: Interest on Temporary Investments  
Investment Income

To: Pooled Plant Fund Balances – Unallocated

Source  
of Funds: Designated Funds

Transfer to supplement the existing Repair and Rehabilitation projects. The priority use of these funds will be to replace HVAC systems on the main campus.

32. Request for Budget Change - U. T. Austin: Transfer of \$2,000,000 to complete the build out of a main server rack at the East Hall (RBC No. 4428) -- amendment to the 2011-12 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS (Continued)		
Project Management and Construction Services		
Amount of Transfer:	2,000,000	4428

From: Data Center Reserve  
Allocation Account

To: Computational Resource Building  
Data Center Build Out  
Expense Account

Source  
of Funds: Information Technology Services Reserve Account

Transfer the remainder of the Computational Resource Building Data Center building monies from the allocation account to the expense account to complete build out of a main server rack room in the currently



vacant East Hall of the Data Center. The work will include design of the space (including IT and network connections) and the installation of lighting, fire and life safety systems, electrical service, computer racks, and cables.

The Data Center has the highest levels of security, data reliability, energy efficiency, and backup reliability of any location on campus. When this build out of the East Hall is complete, some servers will be relocated from the main campus to the Data Center, increasing the level of efficiency and reliability of the university's intensive data systems. As funding becomes available, additional server racks will be installed in the East Hall, and more servers from the main campus will be consolidated into the Data Center.

33. Request for Budget Change - U. T. Austin: Transfer of \$545,000 to be used for a project to install single mode fiber to all of the residence hall data closets to enable higher network transmission speeds (RBC No. 4507) -- amendment to the 2011-12 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
SERVICE DEPARTMENTS FUNDS		
Information Technology Services		
Amount of Transfer:	545,000	4507
From: Information Technology Services Residential Network - Resnet Operating Income		
To: Information Technology Services Residential Network - Resnet Maintenance, Operation, Equipment		
Source of Funds: Service Departments Funds (Revolving Accounts)		

To set up a budget to expend previously collected funds from Residence Hall Network (Resnet) subscribers. The funds will be used for a project to install single mode fiber to all of the residence hall data closets to enable higher network transmission speeds than possible over the current multimode fiber.

Resnet is an Internet network that brings both wired Ethernet and encrypted wireless connectivity to on-campus residence halls. This service connects to the campus network, as well as to the Internet. Resnet service is supported by subscriber fees that cover the cost of Internet bandwidth, operation of the network, and the installation of wireless connectivity in the residence halls.

34. Parking Permit Fees - U. T. Austin: Recommendation for parking permit fees effective beginning with the Fall Semester 2012

Approval is recommended for the following parking permit fees to be effective beginning with the Fall Semester 2012. The rates have not been increased since 2008. The proposed fees are consistent with the applicable statutory requirements under Section 54.505(b) of the *Texas Education Code* and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
<u>Annual fee parking permits</u>			
Faculty, staff - general surface permit A	138	142	2.90%
Faculty, staff - reserved garage or surface			
F surface only	464	476	2.59%
F garage only	408	420	2.94%
Administrators			
F99, F21, O	775	814	5.03%
Recreational Sport for non-U. T. affiliated - surface and garage; limited hours			
E (Exercise)	108	120	11.11%

Note: Annual parking permit fees are prorated on a daily basis. Refunds are made on the basis of the daily prorated price.

35. Report - U. T. Brownsville: No items for Consent Agenda

36. Contract (funds coming in) - U. T. Dallas: Coca-Cola Bottling Company of North Texas for beverage pouring rights and soft drink vending contract and sponsorship recognition rights and exclusivity privileges contract

Agency: Coca-Cola Bottling Company of North Texas  
Funds: \$2,281,764 over 10 years (including funds, products, services, and sponsorship fee)  
Period: November 1, 2011 through October 31, 2021, if five-year option to extend is exercised  
Description: Beverage pouring rights and soft drink vending contract and sponsorship recognition rights and exclusivity privileges contract. In accordance with *Texas Education Code* Section 51.945, the students were provided an opportunity to comment prior to determination of the food service provider. This contract was competitively bid.

37. Contract (funds coming in) - U. T. Dallas: ELS Educational Services, Inc., a Delaware corporation, will lease approximately 10,000 square feet of space in the Classroom Building

Agency: ELS Educational Services, Inc., a Delaware corporation  
Funds: Consideration to U. T. Dallas includes rental payments estimated at less than \$750,000 over the initial term and potentially \$750,000 over the renewal terms. In addition, ELS will pay for all operating expenses, either directly to the providers or indirectly by reimbursement to U. T. Dallas.  
Period: Commencing on or after April 1, 2012, and continuing for five years; ELS will have five options to extend for one additional year each, provided U. T. Dallas consents to each extension. The lease expressly states that it is not valid for sums over \$1,000,000 without Board approval and will terminate prior to reaching that aggregate consideration.  
Description: Lease of approximately 10,000 square feet of space in the Classroom Building for use as an on-campus center for the instruction of English as a second language for U. T. Dallas students. The lease includes provisions for the limited use by ELS's students of certain U. T. Dallas residential, dining, recreational, and other facilities.

38. Tenure Appointment - U. T. Dallas: Appointment of Tenure for Roger Malina (T), Professor, Peter and Edith O'Donnell Chair in Arts and Technology, and Director of International Initiatives (RBC No. 4465) -- amendment to the 2011-12 budget

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF ARTS AND HUMANITIES Arts and Technology Professor, Peter and Edith O'Donnell Chair in Arts and Technology, and Director of International Initiatives					
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS Physics Professor					
Roger Malina (T)	1/16-5/31	100	09	170,000	4465
	1/16-8/31	SUPL	12	30,000	

39. Contract - U. T. El Paso: City of El Paso and Texas Department of Transportation (TxDOT) for easement

Agency: City of El Paso and Texas Department of Transportation (TxDOT)

Source of Funds: No actual cash payment will be made to the City of El Paso or TxDOT. Rather, easements across portions of the U. T. El Paso campus will be granted to the City of El Paso and to TxDOT for roadway purposes associated with the construction and operation of Spur 1966.

Period: The easements will be effective as long as Spur 1966 is in use as a public roadway.

Description: TxDOT proposes to construct new Spur 1966 that will be an extension and improvement of Schuster Avenue to Interstate 10 and will include a traffic circle. The roadway improvements, which include an underground pedestrian crossing to improve the safety of students who cross the heavily trafficked roadway from the parking lots to the campus, are expected to improve traffic flow in that area of the campus and make it safer and easier for students, faculty, and staff to get to and from campus.

Construction of the roadways will be made at no cost to U. T. El Paso. The precise location of the roadway easements has not yet been determined, as the project is in the early design stages.

Staff at U. T. El Paso believe that the easements serve a public purpose specific to the mission of the institution and request that the Board make a finding of fact to that effect and authorize the Executive Director of Real Estate to negotiate, finalize, and execute the easements, subject to approval by the Vice President for Business Affairs at U. T. El Paso.

40. Dual Positions of Honor, Trust, or Profit - **U. T. Pan American**: Appointment by U.S. Secretary of Labor Solis of Marie T. Mora, Ph.D., Professor, Department of Economics and Finance as a Member of the Bureau of Labor Statistics (BLS) Data Users Advisory Committee

The following item has been approved by the Executive Vice Chancellor for Academic Affairs ad interim in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment of Dr. Mora with The University of Texas-Pan American. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas System, and there is no conflict between the position and the University.

Name: Marie T. Mora, Ph.D.  
Title: Professor, Department of Economics and Finance  
Position: Member, United States Bureau of Labor Statistics Data Users Advisory Committee  
Period: January 15, 2012 through January 14, 2015  
Compensation: None  
Description: United States Secretary of Labor Hilda Solis has appointed Dr. Mora to the Bureau of Labor Statistics Data Users Advisory Committee

41. Request for Budget Change - **U. T. Permian Basin**: Transfer \$900,000 from Special Item Support, College of Engineering, to the College of Petroleum Engineering, Special Item Support C.1.3. Strategy College of Engineering account to further develop the Petroleum Engineering Program (RBC No. 4511) -- amendment to the 2011-12 budget

42. Contract (funds going out) - U. T. San Antonio: Alpha Building Corporation to provide job order contractor services for minor construction projects

Agency: Alpha Building Corporation  
Source of Funds: Varies depending on the requestor  
Funds: Estimated \$6,000,000 in expenses for the initial term and the renewal terms, together. Above figure is based on historical expense of job order contracting. Cost may increase or decrease depending on volume of construction. Each job order will be independently evaluated and executed.  
Period: Initial term of two years with an option to renew for two additional two-year periods.  
Description: Job order contracting agreement to support minor construction projects. This project was competitively bid.

43. Contract (funds going out) - U. T. San Antonio: Williams & Thomas LP dba Jamail & Smith Construction to provide job order contractor services for minor construction projects

Agency: Williams & Thomas LP dba Jamail & Smith Construction  
Source of Funds: Varies depending on the requestor  
Funds: Estimated \$6,000,000 in expenses for the initial term and the renewal terms, together. Above figure is based on historical expense of job order contracting. Cost may increase or decrease depending on volume of construction. Each job order will be independently evaluated and executed.  
Period: Initial term of two years with an option to renew for two additional two-year periods.  
Description: Job order contracting agreement to support minor construction projects. This project was competitively bid.

44. Contract (funds going out) - U. T. San Antonio: Grandview Partners, Ltd. (University Heights) -- expansion of existing space lease agreement at University Heights Tech Center

Agency: Grandview Partners, Ltd., a Texas limited partnership  
Source of Funds: Various sources, including Athletic Fees, Auxiliary Funds

Funds: \$876,210 in base rent and operating expenses payable over an initial term ending March 31, 2015 and an estimated \$821,320 in rent and operating expenses payable over four renewal options totaling 43 months

Period: April 1, 2012 through March 31, 2015

Description: Second amendment to lease of space to expand existing leased space at University Heights Tech Center by 17,280 square feet bringing the total leased space to 36,274 square feet. The initial lease term expires October 31, 2014 for the entirety of the space except 10,240 square feet for which the initial lease term ends March 31, 2015. Rental for the expansion space under the second amendment is at a discount to the rental rate for the original space. The initial lease was for 18,994 square feet of space and was approved by the Board of Regents on November 13, 2008. A first amendment added 7,040 square feet of space and commenced on February 1, 2011, and did not require Board of Regents' approval. The proposed second amendment adds an additional 10,240 square feet of space, and is conditioned on approval by the Board of Regents because, together with the value of the rent payable in the first amendment, the value of the rent over the entire lease term exceeds \$1,000,000.

45. Request for Budget Change - U. T. San Antonio: Transfer \$800,000 from Campus Reserves account to Summer Session Faculty Salaries account to support Summer Session faculty salaries (RBC No. 4461) -- amendment to the 2011-12 budget
46. Employment Agreement - U. T. San Antonio: Amendment to agreement of Head Football Coach Larry Coker

The agreement for Head Football Coach Larry Coker was previously approved by the Board on February 5, 2010, and the following modification to the agreement has been approved by the Executive Vice Chancellor for Academic Affairs ad interim and is recommended for approval by the U. T. System Board of Regents. Employment under this agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic

conference of which U. T. San Antonio is a member, the Regents' *Rules and Regulations*, and the policies of U. T. San Antonio. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

Item: Head Football Coach  
 Base Salary: No Change

September 1, 2011 - August 31, 2012	\$220,000
September 1, 2012 - August 31, 2013	\$232,000
September 1, 2013 - August 31, 2014	\$244,000
September 1, 2014 - August 31, 2015	\$256,000
September 1, 2015 - December 31, 2015	\$90,333.32

Description: First amendment to the agreement for employment of the Head Football Coach Larry Coker modifies Compensation by adding a provision addressing Supplemental Pay.

Incentive  
 Change: Added: U. T. San Antonio may, but shall not be obligated to, pay the coach \$25,000 annually for services related to speaking engagements, speeches, and shows.

Period: May 1, 2012 - December 31, 2015

47. Street Namings - U. T. San Antonio: Naming of Bosque Street and Principal Street

The following item has been approved by the Executive Vice Chancellor for Academic Affairs ad interim in accordance with the Regents' *Rules and Regulations*, Rule 80307 and is submitted for approval by the U. T. System Board of Regents. It has been determined that naming these currently unnamed streets is in accordance with, and in support of, a campus-wide wayfinding project.

Naming recommendations:

Current name: unnamed  
 Proposed name: Bosque Street (see map on the following page)

Current name: unnamed  
 Proposed name: Principal Street (see map on the following page)

U. T. San Antonio engaged the firm of Cloud Gehshan Associates to design a comprehensive and integrated wayfinding system to correct or mitigate existing conditions that make wayfinding at U. T. San Antonio difficult. Cloud Gehshan Associates recommended street names that are not used elsewhere in San Antonio and that are Texas County or other Texas place names.



On May 12, 2011, the Board approved that an unnamed roadway on the Main Campus be named Bosque Street. That proposal has been abandoned, leaving the name available.

Principal Street is an extension of Paseo Principal, the main pedestrian pathway across the U. T. San Antonio Main Campus.



48. Request for Budget Change - U. T. Tyler: Transfer of \$25,550 from Library, Equipment, Repair and Rehabilitation (LERR) for Fire Suppression System account to the LERR for Campus Lighting Upgrade account. This transfer is for a previously approved LERR project for campus security and safety to fund campus lighting projects (RBC No. 4378) -- amendment to the 2011-12 budget

## HEALTH INSTITUTIONS

49. Contract (funds coming in) - U. T. Southwestern Medical Center: Texas Council on Alzheimer's Disease and Related Disorders to perform research and services and establish data collection system

Agency: Texas Council on Alzheimer's Disease and Related Disorders  
Funds: \$1,450,424  
Period: September 1, 2011 through August 31, 2013  
Description: Perform research and services related to Alzheimer's disease and to establish data collection system

50. Contract (funds coming in) - U. T. Southwestern Medical Center: Veterans Affairs North Texas Healthcare System to provide surgery services

Agency: Veterans Affairs North Texas Healthcare System  
Funds: \$1,219,639  
Period: October 1, 2011 through March 30, 2012  
Description: To provide surgery services

51. Contract (funds going out) - U. T. Southwestern Medical Center: Lease from SAF Exchange Park, LTD of EMT paramedic training space at 6300 Harry Hines Boulevard

Agency: SAF Exchange Park, LTD  
Funds: \$1,401,696  
Source of Funds: Interest on Time Deposits  
Period: February 1, 2012 through January 31, 2017  
Description: Rental payment for lease by U. T. Southwestern Medical Center (tenant) of EMT paramedic training space at 6300 Harry Hines Boulevard. Five-year term for 19,840 square feet of rental space.

52. Tenure Appointment - U. T. Southwestern Medical Center: Tenure appointment of Steven Warach (T), Professor, Neurology, Southwestern Medical School (RBC No. 4390) -- amendment to the 2011-12 budget

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SOUTHWESTERN MEDICAL SCHOOL Neurology Professor Steven Warach (T)	12/5-8/31	100	12	380,000	4390

53. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Department of State Health Services Special Supplemental Nutrition Program for women, infants, and children to be administered by the University

Agency: Texas Department of State Health Services  
 Funds: \$6,336,717  
 Period: October 1, 2011 through September 30, 2012  
 Description: Amendment beginning October 1, 2011 adding \$3,189,331 to agreement, originally funded at \$3,147,386, and extending end date to September 30, 2012, for U. T. Medical Branch - Galveston to administer the Department of State Health Services Special Supplemental Nutrition Program for women, infants, and children.

54. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Department of State Health Services to receive comprehensive family planning services

Agency: Texas Department of State Health Services  
 Funds: \$1,566,651  
 Period: January 15, 2012 through March 31, 2013  
 Description: U. T. Medical Branch - Galveston to provide comprehensive family planning services, to include medical, counseling, client education, referral, community education, and outreach services to Title X and Title XX eligible individuals.

55. Contract (funds coming in) - U. T. Medical Branch - Galveston: Lockheed Martin to receive services for the United States Antarctic Program under Lockheed Martin's Antarctic Support contract

Agency: Lockheed Martin  
Funds: \$56,848,564  
Period: April 1, 2012 through March 31, 2025  
Description: U. T. Medical Branch - Galveston to provide performance-based integrated operations and science support services and materials, specifically decision support, planning, and implementation of the medical infrastructure for the United States Antarctic Program under Lockheed Martin's Antarctic Support contract.

56. Emeritus Appointment - U. T. Medical Branch - Galveston: Norbert Herzog, Professor (T), Academic Enterprise, Pathology, to Professor Emeritus (RBC No. 4504) -- amendment to the 2011-12 budget

57. Approval of Dual Positions of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of Ben Raimer, M.D., Senior Vice President, Health Policy and Regulative Affairs, as Chair of the Texas Institute of Health Care Quality and Efficiency Task Force

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment Dr. Raimer with U. T. Medical Branch - Galveston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas, and there is no conflict between the position and the University.

Name: Ben Raimer, M.D.  
Title: Senior Vice President, Health Policy and Regulative Affairs  
Position: Chair, Texas Institute of Health Care Quality and Efficiency Task Force  
Period: March 7, 2012 through January 31, 2013  
Compensation: Per diem expenses only

Description: As Chair of the Texas Institute of Health Care Quality and Efficiency Task Force, Dr. Raimer will lead the Task Force in efforts to improve health care quality, accountability, education, and cost to the State by encouraging health care provider collaboration, effective health care delivery models, and coordination of health care services. Dr. Raimer was appointed by Governor Rick Perry.

58. Approval of Dual Positions of Honor, Trust, or Profit - U. T. Medical Branch - Galveston: Appointment by Governor Perry of Linda R. Rounds, Ph.D., RN, FNP, FAANP, Professor, School of Nursing, as Board member of the Board of Pilot Commissioners for Galveston County

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment of Dr. Rounds with U. T. Medical Branch - Galveston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas, and there is no conflict between the position and the University.

Name: Linda R. Rounds, Ph.D., RN, FNP, FAANP  
Title: Professor, School of Nursing  
Position: Board Member, Board of Pilot Commissioners for Galveston County  
Period: March 22, 2012 through February 1, 2016  
Compensation: Per diem expenses only  
Description: Appointed by Governor Rick Perry to the Board of Pilot Commissioners for Galveston County, Dr. Rounds will assist in administering the governing body that has exclusive jurisdiction over the piloting of vessels in Galveston County.

59. Contract (funds coming in) - U. T. Health Science Center - Houston: OB-GYN of Houston, LLP, a Texas limited liability partnership -- lease renewal of 5,935 square feet of space at UT Professional Building at 6410 Fannin Street, Houston, Texas, for clinical and related services

Agency: OB-GYN of Houston, LLP, a Texas limited liability partnership, as tenant

Funds: \$981,748.06 in base rent plus tenant's proportionate share of operating expenses in excess of the 2007 base year operating expenses, payable over 77 months. Annual rental rate of \$25 per square foot during the first 17 months and \$26 per square foot for months 18 through 77. U. T. Health Science Center - Houston will provide an improvement allowance of \$17,805 (\$3 per square foot).

Period: 77 months, commencing August 1, 2012, and ending on December 31, 2018

Description: Lease renewal of 5,935 square feet of space at UT Professional Building at 6410 Fannin Street, Houston, Texas, for clinic and administrative space for medical practice and related services. The current lease expires July 31, 2012. The lease amendment states that it is not enforceable for amounts exceeding \$1,000,000 unless and until Board approval is obtained.

60. Contract (funds going out) - U. T. Health Science Center - Houston: Alpha Building Corporation and J. T. Vaughn Construction, LLC to provide maintenance, repair, and renovation tasks

Agency: Alpha Building Corporation and J. T. Vaughn Construction, LLC

Funds: Two contracts, in aggregate, will exceed \$2,200,000

Source of Funds: There will be different sources of funding depending on the department(s) requesting the service.

Period: March 1, 2012 through February 28, 2013, with option to renew the term for four successive one-year periods

Description: Agreements will allow for a wide variety of maintenance, repair, and renovation tasks to be performed.

61. Contract (funds going out) - U. T. Health Science Center - Houston: Contract with IntegraNet Physician Resource, Inc. for onsite technical assistance and onsite or remote consultation to Eligible Health Professionals in support of the Gulf Coast Regional Expansion Center

Agency: IntegraNet Physician Resource, Inc.  
Funds: Potentially \$3,500,000  
Source of Funds: Federal Grant  
Period: Initial term February 22, 2012 through April 5, 2014, with option to renew the term for four successive one-year periods  
Description: Allows Gulf Coast Regional Extension Center to meet its goal of achieving Meaningful Use of an Electronic Health Record as defined by the Office of the National Coordinator. IntregraNet Services (via Electronic Medical Resources) will provide onsite technical assistance and onsite or remote consultation to Eligible Health Care Professionals in support of the Gulf Coast Regional Extension Center.

62. Foreign Contract (funds coming in) - U. T. Health Science Center - Houston: Agreement of Cooperation with Kuwait Institute for Medical Specialization to provide dentists from Kuwait with postgraduate training through the institution's two year Advanced Education in General Dentistry program

Agency: Kuwait Institute for Medical Specialization  
Funds: Agreement of Cooperation; no exchange of monies except as provided for in the Program Agreement. Program Agreement: \$52,500 per student per each year of the student's training to cover tuition, fees, and malpractice insurance. All other costs, including travel, health care, lodging, and living expenses are the responsibility of students or the Institute.  
Period: Five years, 2012 through 2017  
Description: The Agreement of Cooperation sets forth broad principles governing U. T. Health Science Center - Houston and the Institute's relationship. The Program Agreement is to provide dentists from Kuwait with postgraduate training through U. T. Health Science Center - Houston's two year Advanced Education in General Dentistry program, subject to available capacity. Participants must be properly accredited for admission.

63. Emeritus Appointment - U. T. Health Science Center - Houston: Samuel Kaplan, Professor and Chairman (T), Department of Microbiology and Molecular Genetics, Medical School, to Chair Emeritus (RBC No. 4400) -- amendment to the 2011-12 budget
64. Emeritus Appointment - U. T. Health Science Center - Houston: Frank M. Yatsu, Clinical Professor and Huffington Chair, Department of Neurology, Medical School, to Professor Emeritus (RBC No. 4401) -- amendment to the 2011-12 budget
65. Emeritus Appointment - U. T. Health Science Center - Houston: Stanford M. Goldman, Professor and Section Chief (T), Radiology/Department of Diagnostic and Interventional Imaging, Medical School, to Professor Emeritus (RBC No. 4409) -- amendment to the 2011-12 budget
66. Dual Positions of Honor, Trust, or Profit - U. T. Health Science Center - Houston: Appointment by Governor Perry of Christopher S. Greeley, M.D., FAAP, Associate Professor of Pediatrics, Center for Clinical Research and Evidence-Based Medicine, Department of Pediatrics, to the Task Force to Reduce Child Abuse and Neglect and Improve Child Welfare

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment of Dr. Greeley with U. T. Health Science Center - Houston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas, and there is no conflict between the position and the University.

Name: Christopher S. Greeley, M.D., FAAP  
Title: Associate Professor of Pediatrics, Center for Clinical Research and Evidence-Based Medicine, Department of Pediatrics  
Position: Member, Task Force to Reduce Child Abuse and Neglect and Improve Child Welfare (The last legislative session, he served as Chair of the Task Force and anticipates he may serve as Chair once the Task Force meets and votes.)



Period: Announced February 16, 2012, to expire at the pleasure of the Governor  
Compensation: None  
Description: Governor Rick Perry reappointed Dr. Greeley to the Task Force to Reduce Child Abuse and Neglect and Improve Child Welfare.

67. Dual Positions of Honor, Trust, or Profit - U. T. Health Science Center - Houston: Appointment by President Obama of Harold W. Kohl III, Ph.D., Professor of Epidemiology, School of Public Health, Austin Regional Campus and Research Professor of Kinesiology at U. T. Austin, to the Science Board of the President's Council on Fitness, Sports & Nutrition

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Rule 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment of Dr. Kohl with U. T. Health Science Center - Houston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas, and there is no conflict between the position and the University.

Name: Harold W. Kohl III, Ph.D.  
Title: Professor of Epidemiology, U. T. Health Science Center - Houston; School of Public Health, Austin Regional Campus; and Research Professor of Kinesiology at U. T. Austin  
Position: Member, President's Council on Fitness, Sports & Nutrition Science Board  
Period: January 1, 2012 through December 31, 2015  
Compensation: None  
Description: President Barack Obama appointed Dr. Kohl to the Science Board of the President's Council on Fitness, Sports & Nutrition. The Science Board is composed of scholars who provide recommendations in the areas of program development and evaluation. The mission of the President's Council on Fitness, Sports & Nutrition is to engage, educate, and empower all Americans across the lifespan to adopt a healthy lifestyle that includes regular physical activity and good nutrition. The Council plays a key role in the development of the Administration's programmatic priorities, outreach, and awareness efforts to improve the health and quality of life for all Americans.

68. Contract (funds coming in) - U. T. Health Science Center - San Antonio: New Cingular Wireless PCS, LLC, a Delaware limited liability company to lease approximately 160 square feet on the rooftop of the Medical School Building at 7703 Floyd Curl Drive for telecommunications facilities

Agency: New Cingular Wireless PCS, LLC, a Delaware limited liability company

Funds: Consideration to U. T. Health Science Center - San Antonio includes lease payments of approximately \$505,000 over the initial terms and an estimated \$500,000 over the renewal terms, if exercised.

Period: June 1, 2000 (see explanation in the Description below) through May 31, 2020, with two five-year extension options

Description: Lease of approximately 160 square feet on the rooftop of the Medical School Building at 7703 Floyd Curl Drive on the U. T. Health Science Center - San Antonio campus for telecommunications facilities. The lease commenced June 1, 2000, at a monthly rental of \$750. At the time of the initial lease, the total rental over the 20-year lease term did not mandate Regental approval. Recently, however, significant additional equipment was added by the lessee to the site and a significant rent increase, commencing at \$3,000 per month, has been negotiated, along with two five-year renewal options. If the options are exercised, total revenue over the entire term of the lease will likely exceed \$1,000,000. Authorization is requested to allow the institution, in conjunction with the Executive Director of Real Estate, to complete negotiations and enter into a lease amendment as described above.

69. Tenure Appointment - U. T. Health Science Center - San Antonio: Tenure appointment of Hui-Ming Huang (T), Deputy Director and Professor, Molecular Medicine, School of Medicine (RBC No. 4413) -- amendment to the 2011-12 budget

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
SCHOOL OF MEDICINE					
Molecular Medicine					
Deputy Director and Professor					
Hui-Ming Huang (T)	10/1-8/31	100	12	350,000	4413

70. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Contract with Central Park West, L.P., to purchase approximately 34.77 acres of vacant land located in two tracts on the north side of Interstate Highway 10 between Eldridge Road and Park & Ride Drive and being out of the J. Wheaton Surveys, Abstracts #80 and #828, Houston, Harris County, Texas

Agency: Central Park West, L.P.  
Funds: Fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition as deemed necessary or advisable by the Executive Director of Real Estate. The appraisals are confidential pursuant to *Texas Education Code* Section 51.951.  
Source of Funds: Hospital patient income  
Period: Closing of the purchase is expected to occur by the end of 2012.  
Description: Purchase of approximately 34.77 acres of vacant land located in two tracts on the north side of Interstate Highway 10 between Eldridge Road and Park & Ride Drive and being out of the J. Wheaton Surveys, Abstracts #80 and #828, Houston, Harris County, Texas, and authorization to the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property.

As a part of U. T. M. D. Anderson Cancer Center's effort to expand its services offered in the community setting through the Regional Care Center program, the institution has sought to develop and establish a more strategic and long-term approach to its cancer treatment operations in and near Katy, Texas. The institution's initial steps have utilized leased space, but the institution desires to eventually consolidate its operations and to provide additional clinical services in more permanent space. It therefore searched an approximately six-mile stretch of the Interstate Highway 10 (Katy Freeway) corridor, considering several sites, and ultimately selecting the subject property, located on the north side of Interstate Highway 10 between Eldridge Road and Park & Ride Drive due to its location, visibility, access, expandability, and physical dimensions.

The site is approximately a 22-mile drive from U. T. M. D. Anderson Cancer Center's main campus in the Texas Medical Center. It consists of two parcels, one containing approximately 23.14 acres and located on the Katy Freeway; the second parcel, containing approximately 11.63 acres, is to the north of the first parcel, separated by the right-of-way

of the proposed extension of Park Row Boulevard, and extending to the Addicks Reservoir levee. The property is currently raw land, without roads or utilities, although the first parcel has access from the Katy Freeway frontage road. The seller will plat the property and adjacent roadways. The parties will enter into a development agreement at closing that obligates the seller, at its expense, to construct roads and utilities to serve the property by June 30, 2014. The property will be used for diagnostic and clinical uses, or for future programmed development of campus expansion or other purposes related to the institution's mission.

71. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: WGH Holly Hall LP and WGH Plaza Del Oro, LLC to purchase approximately 14.03 acres and improvements located at 2555 Holly Hall Street and 8000-8080 El Rio Street in Houston, Harris County, Texas

Agency: WGH Holly Hall LP and WGH Plaza Del Oro, LLC  
Funds: Fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition as deemed necessary or advisable by the Executive Director of Real Estate. The appraisals are confidential pursuant to *Texas Education Code* Section 51.951.  
Source of Funds: Hospital patient income  
Period: Closing of the purchase of the Holly Hall building is expected to occur by the end of 2012; purchase of the El Rio complex is expected to occur by Summer 2013.  
Description: Purchase of approximately 14.03 acres and improvements located at 2555 Holly Hall Street and 8000-8080 El Rio Street in Houston, Harris County, Texas, and authorization to the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to purchase the property. The property is separated from the institution's south campus by a railroad line. The land is improved with six single-story commercial buildings totaling 184,500 square feet built in the early 1980s. The building at 2555 Holly Hall contains 25,700 square feet and is leased by the institution through December 31, 2015, for use as its blood bank. U. T. M. D. Anderson Cancer Center also leases approximately 48,100 square feet in the El Rio complex. Third party tenants lease the remaining approximately 110,700 square feet in the complex for various terms expiring between 2013 and 2015. Although the institution currently has pockets of vacant or unallocated research

space in various facilities, it plans to expand its research activities over the next several years, and projects that it will run out of unallocated research space within that time. U. T. M. D. Anderson Cancer Center therefore desires to purchase this complex to meet the future demand for research space. Moreover, the institution has found the Holly Hall facility to be a successful location for the blood bank. Upon the expiration of the third party leases, the property would be used for U. T. M. D. Anderson Cancer Center's research purposes or for future programmed development of campus expansion or other purposes related to the institution's mission.

72. Report - U. T. Health Science Center - Tyler: No items for Consent Agenda