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Board Meeting: 11/9/2007
Austin, Texas

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2. U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 24,829 square feet of land and improvements located at the northeast corner of Lydia Avenue and Almeda Road, also known as Lots 3, 4, 5, and 6, Block 40, Institute Place, Houston, Harris County, Texas, from Mr. Jerald W. Fletcher, Jr., Mrs. Dorothy Fletcher, and Soapy Sam's Car Wash, Inc., a Texas corporation, for a purchase price not to exceed fair market value as established by independent appraisals for future use for campus administrative and support functions	1:35 p.m. Action President Mendelsohn Ms. Mayne	Action	115
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7. **U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine**

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<i>2:30 p.m.</i>		

1. **U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 28,195 square feet of unimproved land located at 7605 Almeda Road, also known as Lots 1 and 2, Block 40 and the abandoned portion of Pawnee Street located between Blocks 40 and 41, Institute Place, Houston, Harris County, Texas, from MDM Realty, L.L.C., a Texas limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals for future use for campus administrative and support functions**

RECOMMENDATION

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

- a. purchase approximately 28,195 square feet of unimproved land located at 7605 Almeda Road, also known as Lots 1 and 2, Block 40, Institute Place, Houston, Harris County, Texas, and the abandoned portion of Pawnee Street located between Blocks 40 and 41, Institute Place, Houston, Harris County, Texas, from MDM Realty, L.L.C., a Texas limited liability company, for a purchase price not to exceed fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for future use for campus administrative and support functions; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

Acquisition of the subject property is part of the land assemblage being undertaken by U. T. M. D. Anderson Cancer Center to accommodate the relocation of important but noncritical functions that will allow greater use of core facilities in the Texas Medical Center for patient treatment and research. Although the property is not within the most recent Campus Master Plan, it represents a strategic acquisition for the institution.

MDM Realty, L.L.C., a Texas limited liability company, owns the subject tract, which is adjacent to a 2.2497-acre tract on Almeda Road that was recently purchased by U. T. M. D. Anderson Cancer Center pursuant to authority granted by the Board on February 8, 2007. The MDM Realty, L.L.C. site is also directly across the railroad tracks from a 28.8008-acre tract that was also approved for acquisition by the Board on February 8, 2007. The subject property is adjacent to a 24,829-square foot tract owned by Mr. and Mrs. Jerald W. Fletcher, Jr., and Soapy Sam's Car Wash, Inc., a Texas corporation, and for which acquisition authority is also currently being requested (see Item 2 on Page 115).

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

Details of this acquisition, which will be funded with Local Hospital Revenues, are summarized in the transaction summary below:

Transaction Summary

Institution:	U. T. M. D. Anderson Cancer Center
Type of Transaction:	Purchase
Total Area:	Approximately 28,195 square feet
Improvements:	None
Location:	7605 Almeda Road, Houston, Harris County, Texas; see attached map
Seller:	MDM Realty, L.L.C., a Texas limited liability company
Purchase Price:	Not to exceed fair market value as established by independent appraisals
Appraised Value:	\$45 per square foot (equating to a value of \$1,268,775) (Edward B. Schultz and Company, September 16, 2007) Appraisal by Lewis Realty Advisors is pending
Source of Funds:	Local Hospital Revenues
Intended Use:	Campus administrative and support functions



Fletcher/Soapy Sam's

MDM Realty

28.008-acre site,
approved February 8, 2007

2.2497 acre site,
approved
February 8, 2007

Alameda Road

2. **U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 24,829 square feet of land and improvements located at the northeast corner of Lydia Avenue and Almeda Road, also known as Lots 3, 4, 5, and 6, Block 40, Institute Place, Houston, Harris County, Texas, from Mr. Jerald W. Fletcher, Jr., Mrs. Dorothy Fletcher, and Soapy Sam's Car Wash, Inc., a Texas corporation, for a purchase price not to exceed fair market value as established by independent appraisals for future use for campus administrative and support functions**

RECOMMENDATION

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

- a. purchase approximately 24,829 square feet of land and improvements located at the northeast corner of Lydia Avenue and Almeda Road, also known as Lots 3, 4, 5, and 6, Block 40, Institute Place, Houston, Harris County, Texas, from Mr. Jerald W. Fletcher, Jr., Mrs. Dorothy Fletcher, and Soapy Sam's Car Wash, Inc., a Texas corporation, for a purchase price not to exceed fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for future use for campus administrative and support functions; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

Acquisition of the subject property, which is presently used as a commercial coin-operated car wash, is part of the land assemblage being undertaken by U. T. M. D. Anderson Cancer Center to accommodate the relocation of important but noncritical functions that will allow greater use of core facilities in the Texas Medical Center for patient treatment and research. Although the property is not within the most recent Campus Master Plan, it represents a strategic acquisition for the institution.

The subject property is adjacent to a 28,195-square foot tract owned by MDM Realty, L.L.C., and for which acquisition authority is also currently being requested (see Item 1 on Page 112). That 28,195-square foot tract site is adjacent to a 2.2497-acre tract on Alameda Road that was recently purchased by U. T. M. D. Anderson Cancer Center pursuant to authority granted by the Board on February 8, 2007. The 2.2497-acre site and the two tracts for which acquisition authority is currently being requested are directly across the railroad tracks from a 28.8008-acre tract that was also approved for U. T. M. D. Anderson Cancer Center's acquisition by the Board on February 8, 2007.

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

Details of this acquisition, which will be funded with Local Hospital Revenues, are summarized in the transaction summary below:

Transaction Summary

Institution:	U. T. M. D. Anderson Cancer Center
Type of Transaction:	Purchase
Total Area:	Approximately 24,829 square feet
Improvements:	Commercial coin-operated car wash and paved parking areas
Location:	Lots 3, 4, 5, and 6, Block 40, Institute Place, Houston, Harris County, Texas; see attached map
Seller:	Mr. Jerald W. Fletcher, Jr., and Mrs. Dorothy Fletcher (Lots 3, 4, and 6), and Soapy Sam's Car Wash, Inc., a Texas corporation (Lot 5)
Purchase Price:	Not to exceed fair market value as established by independent appraisals
Appraised Value:	\$45 per square foot (equating to a value of \$1,117,305) (Edward B. Schultz and Company, September 16, 2007) Appraisal by Lewis Realty Advisors is pending
Source of Funds:	Local Hospital Revenues
Intended Use:	Campus administrative and support functions



28.008-acre site,
approved February 8, 2007

2.2497 acre site,
approved
February 8, 2007

Fletcher/Soapy Sam's

MDM Realty

Alameda Road

3. **U. T. Medical Branch - Galveston: Approval of a deferred compensation plan pursuant to Section 457(f) of the *Internal Revenue Code* of 1986, as amended**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and President Callender that the U. T. System Board of Regents authorize establishment and implementation of a deferred compensation plan pursuant to Section 457(f) of the *Internal Revenue Code* of 1986, as amended, subject to review and approval of the Vice Chancellor and General Counsel.

BACKGROUND INFORMATION

U. T. Medical Branch - Galveston is proposing to establish a deferred compensation plan (the Plan) for selected individuals as identified by the president with approval of the Executive Vice Chancellor for Health Affairs. The purpose of the Plan is to competitively recruit and encourage retention of individuals key to the success of U. T. Medical Branch - Galveston. The structure of the Plan would allow deferral of compensation pursuant to Section 457(f) of the *Internal Revenue Code*, similar to the U. T. System Deferred Compensation Plan.

The details of the Plan are as follows:

- a. Certain individuals (Eligible Employees) as designated by the president, with the approval of the Executive Vice Chancellor for Health Affairs, would be determined to be eligible for deferred compensation under the Plan on an annual basis.
- b. The deferrals would be for a minimum of three (3) years as determined by the president, with the approval of the Executive Vice Chancellor for Health Affairs.
- c. During the deferral period, U. T. Medical Branch - Galveston may make approved payments on an annual basis to a separate deferred compensation account in the name of each Eligible Employee.
- d. At the end of the deferral period, the Eligible Employee will become vested in the contributed payments and any applicable earnings thereon. At that time, all payments and applicable earnings will be considered taxable income to the Eligible Employee.

- e. The Eligible Employee must be employed by U. T. Medical Branch - Galveston and performing satisfactorily at the end of the deferral period in order to receive payment of any and all deferred monies and applicable earnings thereon.
- f. Once vested, the Eligible Employee will receive a lump sum distribution as soon as practicable after the date the Eligible Employee has vested in such benefits, but not later than two and one-half (2 1/2) months after the date of said vesting.

4. **U. T. Health Science Center - San Antonio: Approval regarding proposed revisions to Mission Statement**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Cigarroa that proposed changes to the U. T. Health Science Center - San Antonio Mission Statement as set forth below be approved by the U. T. System Board of Regents and forwarded to the Texas Higher Education Coordinating Board for approval.

Revised Mission Statement

The mission of The University of Texas Health Science Center at San Antonio is to:

- educate a diverse student body to become excellent health care providers and scientists
- engage in biomedical research focused on seeking information fundamental to the prevention, diagnosis and treatment of disease
- provide compassionate and culturally competent state-of-the-art clinical care
- enhance community health awareness, education and practices thereby improving the wellness of the citizenry.

Current Mission Statement

The mission of The University of Texas Health Science Center at San Antonio is to serve the needs of the citizens of Texas, the nation, and the world through programs committed to excellence and designed to:

- educate health professionals for San Antonio and the entire South Texas Community and for the State of Texas to provide the best possible health care, to apply state-of-the-art treatment modalities, and to continue to seek information fundamental to the prevention, diagnosis, and treatment of disease.
- play a major regional, national and international role as a leading biomedical education and research institution in the discovery of new knowledge and the search for answers to society's health care needs.
- be an integral part of the health care delivery system of San Antonio and the entire South Texas community, as well as an important component of the health care delivery system of the State of Texas and the nation.
- serve as a catalyst for stimulating the life science industry in South Texas, culminating in services and technology transfer that benefit local and state economies.
- offer continuing education programs and expertise for professional and lay communities.

Approved by U. T. System Board of Regents on 2/11/1999.

BACKGROUND INFORMATION

Periodically, the Mission Statement is reviewed by faculty and administration to ensure its accuracy and applicability to an ever-changing and growing institution. The current statement was last approved by the Board of Regents on February 11, 1999, affirmed by the Acting Executive Vice Chancellor for Health Affairs in September 2003, and approved by the Texas Higher Education Coordinating Board in January 2004. Upon review, the consensus was that the core mission of U. T. Health Science Center - San Antonio is education, research, clinical care, and service, and the revised Mission Statement better reflects this core.

5. **U. T. Health Science Center - San Antonio: Approval of a Doctor of Physical Therapy (DPT) degree program**

RECOMMENDATION

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

- a. establish a Doctor of Physical Therapy (DPT) degree program at U. T. Health Science Center - San Antonio; and
- b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

Program Description

This proposal is in accordance with the national trend to recognize the increasing complexity and science-based practice of physical therapy by moving the entry level of physical therapist education from the current Master of Physical Therapy (MPT) degree to the clinical doctorate. The nationwide degree transition movement began in 1995, and is similar to the professional doctorate currently offered in other health professions such as Audiology and Pharmacy. As of July 2007, there are 211 accredited physical therapy programs in the U.S.; 179 of these programs, or 84.8%, offer the Doctorate of Physical Therapy (DPT) as their entry-level degree. The accrediting body of the American Physical Therapy Association estimates that 98% of physical therapy programs in the U.S. will be offering a DPT program by 2010.

The proposed DPT degree program would replace the current MPT degree program at U. T. Health Science Center - San Antonio. The DPT is a professional doctoral qualification that enables recipients to be eligible for state licensure to practice physical therapy in Texas. Proposed curricular changes will focus on the practitioner's ability to provide primary access to care. Over recent years, physical therapists have developed expertise in the diagnosis and treatment of patients who have mobility and movement disorders. With such expertise comes increased responsibility for recognition of problems falling outside the physical therapy scope of practice and referral to appropriate sources. Differential diagnostic processes in physical therapy require enhanced understanding of diagnostic imaging, pathophysiology, and pharmacology, together with expanded knowledge to access and treat patients with complex medical disorders.

Need and Student Demand

The U.S. Department of Labor, Bureau of Labor Statistics, lists physical therapists as one of the fastest growing occupations for the Years 2002 to 2012. This data projects a 35% growth rate, and the demographics of Texas further support the need for more and better trained professionals in the physical therapy field. According to U. T. Health Science Center - San Antonio, the national average for physical therapists is 51 per 100,000 population. The statewide average for Texas is 39 per 100,000.

There are currently 10 physical therapist educational programs in Texas: eight are in public institutions, one is at Hardin-Simmons University, and one is offered by the U.S. Army at Fort Sam Houston in connection with Baylor University. Both Hardin-Simmons University and the U.S. Army-Baylor program provide the DPT as the entry-level degree, and as of August 2007, five public institutions have been granted permission to begin a DPT curriculum: U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, Texas Woman's University, Texas State University, and Texas Tech University.

Program Quality

The proposed DPT degree program at U. T. Health Science Center - San Antonio will be offered through the Department of Physical Therapy in the School of Allied Health Sciences, and will compliment and be supported by other professional programs offered in the allied health sciences and other schools of the institution. The DPT degree will be an eight-semester program consisting of 100 credit hours, including didactic work and 34 weeks of full-time supervised clinical practice. The current core faculty consists of eight full-time employees, seven of which have doctoral degrees. Several adjunct faculty members and clinical instructors also assist with teaching.

Program Cost

The DPT degree program at U. T. Health Science Center - San Antonio can be self-sufficient since it will replace the current MPT program, which is self-supporting with a class limit of 40 students. Since the current MPT program is a seven-semester, three-year program, there will be a minimal difference in cost to the student. Funding sources associated with the current MPT program will be used to support the new DPT program, and reallocation of \$40,000 within the School of Allied Health will be used to cover new faculty salaries. The institution's Department of Physical Therapy has a wide range of teaching and research equipment, sufficient to meet the requirements of a DPT program, and institutional facilities are particularly well suited for the education and training of allied health professionals.

6. **U. T. System: Report on governance of faculty practice plans**

REPORT

Associate Vice Chancellor and Counsel for Health Affairs Amy Shaw Thomas will report on progress and recommendations to modify the model bylaws governing physician practice plans, known as Medical Service, Research and Development Plan/Physician Referral Service (MSRDP/PRS) Faculty Practice Plan Bylaws, to clarify the elements of faculty compensation, continue the effective governance, operation, and oversight of the plans, and revise outdated provisions.

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

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System. This is a quarterly update to the Health Affairs Committee of the U. T. System Board of Regents.