

Meeting No. 1,116

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

Pages 1 - 116

February 5-6, 2014

Austin, Texas

TABLE OF CONTENTS
 THE MINUTES OF THE BOARD OF REGENTS
 OF
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 FEBRUARY 5-6, 2014
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MEETING NO. 1,116

	<u>Page No.</u>
<u>February 5, 2014</u>	
I. ATTENDANCE	1
<u>February 6, 2014</u>	
II. ATTENDANCE	1
III. AGENDA ITEMS	2
1. U. T. System Board of Regents: Approval of Consent Agenda items	2
2. U. T. System Board of Regents: Update from Texas Higher Education Coordinating Board Commissioner Paredes on higher education matters, including remarks on low-performing programs and capital projects	3
3. U. T. System: Report on development performance for the U. T. System institutions	5
4. U. T. System Board of Regents: Discussion and appropriate action regarding implementation of recommendations of the Advisory Task Force on Best Practices Regarding University-Affiliated Foundation Relationships, including a) renumbering Regents' <i>Rules and Regulations</i> , Rule 60304 (Internal Nonprofit Corporations) as Rule 60303, and revision and renumbering of Rule 60305 (External Nonprofit Corporations) as Rule 60304; b) adoption of new Rule 60305 (University-Affiliated Foundations); and c) approval of a model Memorandum of Understanding (Deferred)	5
5. U. T. Permian Basin: Appointment of Dr. Charles A. Sorber as President Emeritus	5

IV.	STANDING COMMITTEE REPORTS TO THE BOARD	6
A.	REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE	7
1.	U. T. System: Report on the Fiscal Year 2013 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler financial statements and for funds managed by The University of Texas Investment Management Company (UTIMCO) (Committee meeting only)	7
2.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	7
3.	U. T. System Board of Regents: Approval to renew the contract with Deloitte & Touche LLP to provide financial auditing services for Fiscal Years 2014 and 2015	7
4.	U. T. System: Update on implementation of initiatives to address recommendations from the Report on the Strategic Assessment of the U. T. System Internal Audit Services performed by Deloitte & Touche LLP (Committee meeting only)	8
B.	REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE	9
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	9
2.	U. T. System: Key Financial Indicators Report and Monthly Financial Report (Committee meeting only)	9
3.	U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2013 (Committee meeting only)	9
4.	U. T. System: Approval of the Fiscal Year 2015 Budget Preparation Policies and Calendar for budget operations	9

5.	U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended November 30, 2013	13
6.	U. T. System Board of Regents: Adoption of Resolution amending the Permanent University Fund Commercial Paper Note Program and repealing the Permanent University Fund Flexible Rate Note Program and authorization for officers of U. T. System to complete all transactions related thereto	19
7.	U. T. System: Report on the Fiscal Year 2013 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler financial statements and for funds managed by The University of Texas Investment Management Company (UTIMCO) (Committee meeting only)	24
C.	REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE	25
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	25
2.	U. T. System: Authorization of \$14 million of Permanent University Funds a) for a new Shared Services Initiative to create and implement a Student Information System (SIS) at U. T. Rio Grande Valley; b) to implement a SIS as a second business unit at U. T. Permian Basin; c) to expand the UTShare Human Resource and Finance enterprise system to include and support U. T. Rio Grande Valley; and d) to provide basic campus and implementation support to U. T. Rio Grande Valley and U. T. Permian Basin	25
3.	U. T. System Board of Regents: Approval to create the University College at U. T. Tyler and amendment of Regents' <i>Rules and Regulations</i> , Rule 40601, Section 1.12 to add Subsection (g) to include the University College	26

4.	U. T. Tyler: Update on the Patriots Applying Technology for Success and Savings (PATSS) (Committee meeting only)	27
5.	U. T. System: Approval to retain low-producing degree programs at U. T. San Antonio	27
6.	U. T. System: Quarterly report on academic matters of interest to the U. T. System, including a discussion on research in computational sciences (Committee meeting only)	28
D.	REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE	29
1.	U. T. System Board of Regents: Discussion and appropriate action concerning Consent Agenda items, if any, referred for Committee consideration	29
2.	U. T. Health Science Center - San Antonio: Approval of preliminary authority for a Doctor of Medicine at The University of Texas Rio Grande Valley	29
3.	U. T. M. D. Anderson Cancer Center: Approval to engage with an outside firm to serve as the external transformation team through Phase 1A of the Oncology Expert Advisor project; and approval of funds and authorize expenditure of an amount not to exceed \$15,000,000 from restricted gift funds	30
4.	U. T. System: Approval to reclassify the \$3 million Revenue Cycle Loan Program to the Revenue Cycle Grant Program	31
5.	U. T. M. D. Anderson Cancer Center: Introduction of recipient of the Breakthrough Prize in Life Sciences award for T-Cell Research and remarks by James Allison, Ph.D., Chair of the Department of Immunology (Committee meeting only)	32
E.	REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE	33
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	33

2.	U. T. System: Update on Space Utilization Efficiency (Committee meeting only)	33
3.	U. T. Austin: Texas Advanced Computing Center Office Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)	33
4.	U. T. Austin: Townes Hall HVAC Renovation - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)	34
5.	U. T. Dallas: Campus Upgrades and Renovations - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; authorization of institutional management; and resolution regarding parity debt (Final Board approval)	35
6.	U. T. Southwestern Medical Center: Radiation Therapy Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)	37
7.	U. T. Austin: Dell Medical School - Phase I - Amendment of the FY 2014-2019 Capital Improvement Program to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	38
8.	U. T. Tyler: College of Pharmacy Building - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	40
9.	U. T. Health Science Center - San Antonio: South Texas Medical Academic Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)	42

10.	U. T. Dallas: Campus Landscape Enhancement Project Phase II - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; and appropriation of funds (Final Board approval)	44
11.	U. T. El Paso: Campus Transformation Project - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	45
F.	REPORT OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE	47
1.	U. T. System: Update on the U. T. Horizon Fund portfolio (Committee meeting only)	47
2.	U. T. System: Report on proposed Innovation Framework to strengthen and advance industry and commercialization paths for the U. T. System institutions (Committee meeting only)	47
3.	U. T. System: Report on Academic Analytics and SciVal, online information tools for publications and research funding (Committee meeting only)	47
4.	U. T. System: Report on novel programs in education for innovation and entrepreneurship (Committee meeting only)	47
V.	APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS	48
VI.	ANNOUNCEMENT OF APPOINTMENTS TO THE NATIONAL ACADEMY OF ENGINEERING	48
VII.	RECESS TO EXECUTIVE SESSION	48
VIII.	RECONVENE IN OPEN SESSION	48
1.	U. T. Tyler: Authorization to purchase land and improvements at 3088 Old Omen Road, Tyler, Smith County, Texas, from Cambridge at Tyler Owner, LLC, for student housing, and resolution regarding parity debt	48

2a.	U. T. System Board of Regents: Discussion with Counsel on pending legal issues	51
2b.	U. T. System Board of Regents: Discussion regarding legal issues related to matters considered by the Select Committee on Transparency in State Agency Operations of the Texas House of Representatives	51
2c.	U. T. System: Discussion related to legal issues concerning compliance with the Texas Public Information Act (TPIA)	51
2d.	U. T. Austin: Discussion regarding legal issues related to pending review of the relationship between the School of Law and the Law School Foundation	51
2e.	U. T. System Board of Regents: Discussion of legal issues concerning proposed amendment of Regents' <i>Rules and Regulations</i> , Rule 10101 (Authority) and Rule 10403 (to be retitled as Public Statements on Behalf of the Board); and adoption of proposed new Rule 10801 (Policy on Transparency, Accountability, and Access to Information)	51
3a.	U. T. Austin: Approval of proposed negotiated gifts with potential naming features	51
3b.	U. T. Dallas: Approval of proposed negotiated gifts with potential naming features	52
3c.	U. T. Pan American: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features (Withdrawn)	52
3d.	U. T. Health Science Center - Houston: Approval of proposed negotiated gifts with potential naming features	52
3e.	U. T. M. D. Anderson Cancer Center: Approval of proposed negotiated gifts with potential naming features	52
4a.	U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees	52

4b.	U. T. M. D. Anderson Cancer Center: Approval of terms of employment of Thomas A. Buchholtz, M.D., as Executive Vice President and Physician-in-Chief (Regents' <i>Rules and Regulations</i> , Rule 20204, regarding highly compensated employees)	52
IX.	AGENDA ITEMS	53
6.	U. T. System Board of Regents: Approval of amendments to Regents' <i>Rules and Regulations</i> , Rule 10101 (Board Authority and Duties) except the proposed addition of Section 5; approval of amendments to Rule 10403 (Public Statements on Behalf of the Board); and adoption of new Rule 10801 (Policy on Transparency, Accountability, and Access to Information)	53
7.	U. T. System Board of Regents: Announcement by Chairman Foster of establishment of a new Task Force on Intellectual Property Issues	64
X.	SCHEDULED MEETING	65
XI.	ADJOURNMENT	65

MEETING NO. 1,116

WEDNESDAY, FEBRUARY 5, 2014.--The members of the Board of Regents of The University of Texas System convened in Standing Committee meetings on Wednesday, February 5, 2014, from 9:29 a.m. - 4:41 p.m. in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation as more specifically referenced in the Committee Minutes:

ATTENDANCE.--

Present

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

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THURSDAY, FEBRUARY 6, 2014.--The members of the Board of Regents of The University of Texas System convened at 10:04 a.m. on Thursday, February 6, 2014, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation. The meeting, scheduled to begin at 8:30 a.m., was delayed approximately one and a half hours due to inclement weather conditions. The delay was posted with the Secretary of State.

ATTENDANCE.--

Present

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

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in open session. He remarked on the special gavel he was using, provided by Senator Judith Zaffirini.

Chairman Foster welcomed Dr. Tina Taub-Montemayor as Assistant Secretary to the Board of Regents. Dr. Montemayor will join The University of Texas System on February 17, 2014, after more than 26 years at The University of Texas at Austin.

AGENDA ITEMS

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

Chairman Foster noted the following related to the Consent Agenda:

- Item 2 concerned the appointment of Regent Stillwell to the Audit and Ethics Committee of The University of Texas Investment Management Company (UTIMCO) Board of Directors. Regent Stillwell abstained from discussion and vote on this item.
- Item 42 renamed The University of Texas at Austin Blanton Museum of Art - Museum Council as the Blanton National Leadership Board. Vice Chairman Powell abstained from discussion and vote on this item as Mrs. Powell is completing her term of service on this Board.
- Item 52 concerned an agreement with Morris & Dickson for several University of Texas System health institutions. This contract and the Cardinal contract (see the next bullet point below) are for pharmaceutical products and services and ordinarily exempt from required Board approval; however, Executive Vice Chancellor Greenberg requested these contracts be presented to the Board because of the size of the potential purchase amounts.
- Regent Hildebrand abstained from discussion and vote on Item 60 concerning the contract with The University of Texas M. D. Anderson Cancer Center and Cardinal Health 110, Inc. and Cardinal Health 411, Inc. because of stock holdings. Legal counsel found no conflict of interest related to this contract.
- Also included in the Consent Agenda were
 - an assignment agreement with the University of Louisville Athletic Association, Inc. regarding the assignment of U. T. Austin Head Football Coach Charles Strong's employment contract and a new employment agreement with Coach Strong; and

- additional athletic employment agreements for Mr. Steve Patterson as Men's Athletic Director and for 10 assistant football coaches at U. T. Austin. Approval of the assistant coach agreements was conditioned upon review and approval of the actual contracts by the Chancellor, the Executive Vice Chancellor for Academic Affairs, and Vice Chancellor and General Counsel Sharporn in consultation with Chairman Foster.
- At Item 9, U. T. Austin has a contract with Market Enquinty, Inc. to provide administration of KUT-FM Radio's public media underwriting operations for approximately \$4 million.
- Item 41 related to a lease extension by U. T. Austin to the U.S. Postal Service for the operation of a retail postal facility at a nominal rent of \$1 per year, with a finding of public purpose.

The Board then approved the Consent Agenda, which is set forth on Pages 66 - 116.

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

2. U. T. System Board of Regents: Update from Texas Higher Education Coordinating Board Commissioner Paredes on higher education matters, including remarks on low-performing programs and capital projects

Chairman Foster introduced Higher Education Commissioner Raymund Paredes and commented on the strong partnership between The University of Texas System and the Texas Higher Education Coordinating Board. Dr. Paredes then made a presentation titled "Laying the Foundation for the Future of Higher Education." (His presentation is [on file](#) in the Office of the Board of Regents.) Chairman Foster recognized Dr. David Gardner, Deputy Commissioner for Academic Planning and Policy, who was in attendance at the meeting.

Dr. Paredes spoke about the progress toward meeting the goals of the Coordinating Board's strategic plan (2000-2015), Closing the Gaps by 2015, which was intended to bring Texas to parity with other states in the country. He said that has been accomplished with regard to the number of undergraduate degrees and certificates awarded, and the next reiteration of the strategic plan is to position Texas as a national and international leader in higher education.

In reference to Dr. Paredes' comments about promoting and advancing faculty on the basis of superior intellectual achievement in the areas of teaching, research, and service, Regent Hall commented that would be a different way of rewarding faculty. Dr. Paredes agreed that allowing faculty members to be motivated toward service,

such as working more with high school teachers in K-12, would occur if there were incentives and rewards to do so. Regent Hall asked how a proposed change by the Board of Regents in the reward system for faculty would be received by others.

Chancellor Cigarroa spoke about the work done at the U. T. System to improve the annual faculty performance evaluation process, and the ways to measure faculty performance.

In reply to a question from Regent Cranberg, Dr. Paredes described what he meant by superior intellectual achievement in teaching, research, and service.

Regent Pejovich asked Dr. Paredes about the importance of cost containment to students and parents. Dr. Paredes spoke about the pipeline of economically disadvantaged students in Texas and noted the Coordinating Board is trying to create pathways and opportunities for everyone who wants a college education.

Regent Pejovich also asked about the factors involved in measuring learning outcomes, and Dr. Paredes spoke about the challenges of such measurements in higher education.

Noting an interest to document best practices, Regent Hildebrand asked which entities have implemented game-changing elements such as outcomes-based funding, structured pathways, review of tenure, and the focus on three pillars for faculty reviews rather than one. Dr. Paredes said no institution has, but he remarked on the ease of measuring excellence in research and the struggle to find ways to measure excellence in teaching or service.

Dr. Paredes said that, while the Coordinating Board looks for best practices around the country, many look to Texas for best practices.

Chancellor Cigarroa commented on the Coordinating Board's collaboration with the U. T. System Office of Strategic Initiatives for students to find projected salaries in various fields.

Chairman Foster asked about the decline in student participation rates, whereby the Coordinating Board's 2015 goal might not be achieved. Dr. Paredes explained the decline in enrollments has been in place only for a couple of years, whereas the impact of a decline in graduation rates may not yet be evident. Vice Chairman Powell and Dr. Paredes commented on the decline in higher education enrollment in Texas, which they reported is less than the national average, and on the increase in participation worldwide.

3. U. T. System: Report on development performance for the U. T. System institutions

Vice Chancellor Safady reported on development performance of The University of Texas System institutions for Fiscal Year 2013 and made recommendations for advancing philanthropic support.

In reply to a question from Regent Hildebrand about how the Board can assist, Dr. Safady said the U. T. System institutions need to find creative ways to recruit and retain talent.

In reply to a question from Regent Aliseda about national trends in giving by recent graduates, Dr. Safady spoke about creative ways to reach new graduates to increase participation levels. Vice Chairman Powell suggested reviewing the successful efforts of private schools, and Dr. Safady said this is being done across the U. T. System.

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

The item regarding implementation of the recommendations of the Advisory Task Force on Best Practices Regarding University-Affiliated Foundation Relationships was deferred for future consideration to assure an opportunity for review and input by all University of Texas System institutions and university-affiliated foundations.

5. U. T. Permian Basin: Appointment of Dr. Charles A. Sorber as President Emeritus

Chairman Foster considered this item before Items 3 and 4 above and welcomed Dr. Charles A. Sorber's family members (Mrs. Linda Sorber and Mrs. Kimberly Schirmer).

On November 14, 2013, the Board recognized the life and work of Dr. Sorber, who passed away on October 18, 2013. Chairman Foster noted Dr. Sorber's commitment to higher education, his remarkable leadership skills, and his willingness to serve where he was needed.

The Board, in accordance with the Regents' *Rules and Regulations*, Rule 20301, then posthumously appointed Dr. Charles A. Sorber as President Emeritus at The University of Texas of the Permian Basin.

Dr. Sorber served as the fourth president of U. T. Permian Basin from 1993 to 2001. He was Professor Emeritus in the Department of Civil, Architectural and Environmental Engineering at The University of Texas at Austin. Among his previous faculty and administrative posts, he was Dean of the School of Engineering at The University of Pittsburgh, Associate Dean of Engineering in the College of Engineering at U. T. Austin, and Vice Chancellor for Special Engineering Programs at The University of Texas System. He earned a B.S. and M.S. degree in Sanitary Engineering at The Pennsylvania State University and held a Ph.D. in Engineering from U. T. Austin.

He also worked at U. T. System Administration as Interim Vice Chancellor for Special Engineering Programs and as the System's Special Engineering Advisor to coordinate U. T.'s bid to manage the Los Alamos National Laboratory.

Dr. Sorber began his professional career with the U.S. Army, serving in a number of positions in Europe with the U.S. Army Medical Research and Development Command. His service earned him the Meritorious Service Medal with two Oak Leaf Clusters as well as other honors. He returned to U. T. Austin in 2001 where he held a number of positions. He was Interim President at The University of Texas at Arlington from 2003 to 2004. In 2009, he was asked to come out of retirement to serve as Interim President of The University of Texas-Pan American.

Dr. Sorber was active in a wide range of professional activities. He served as chair or member of a number of engineering committees including the National Research Council, the Stockholm Water Symposium, and the National Association of State Universities and Land Grant Colleges. He was named a Fellow in the American Society of Civil Engineers in 1991. Dr. Sorber served as President of the Water Environment Federation from 1992 to 1993.

He was a member of several honorary societies and received a number of awards for his teaching and professional services, including the Gordon Maskew Fair Award of the American Academy of Environmental Engineers & Scientists and the William J. Orchard Medal of the Water Environment Federation. In addition, he was named Outstanding Engineering Alumnus of The Pennsylvania State University and Distinguished Graduate of the College of Engineering at U. T. Austin.

Dr. Sorber authored or co-authored more than 130 papers and reports in the areas of land application of wastewater, wastewater reuse and disinfection, and in higher education.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 11:30 a.m., Chairman Foster announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 7 - 47.

REPORT AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 7 - 8).--Committee Chairman Pejovich reported that the Audit, Compliance, and Management Review Committee met in open session to consider the matter on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Management Review Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Report on the Fiscal Year 2013 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler financial statements and for funds managed by The University of Texas Investment Management Company (UTIMCO)

This item was for consideration only by the Committee (see Committee Minutes for the Joint Meeting with the Finance and Planning Committee).

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

There were no items referred from the Consent Agenda.

3. U. T. System Board of Regents: Approval to renew the contract with Deloitte & Touche LLP to provide financial auditing services for Fiscal Years 2014 and 2015

The Board authorized Deloitte & Touche LLP to provide independent auditing services for the financial statement audits of The University of Texas System, The University of Texas M. D. Anderson Cancer Center, The University of Texas Southwestern Medical Center, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Tyler [pending Southern Association of Colleges and Schools (SACS) accreditation requirements and timeline], and of the funds managed by The University of Texas Investment Management Company (UTIMCO) for Fiscal Years 2014 and 2015.

Approval was also granted for U. T. System staff to negotiate and enter into an auditing services contract amendment with Deloitte & Touche LLP to renew the contract for a two-year term pursuant to delegation of authority from the State Auditor's Office.

The contract with Deloitte & Touche, effective February 15, 2011, to provide audit services for Fiscal Year 2011 has an option to renew for four additional years. The last contract renewal amendment for a two-year term was effective February 15, 2012, and will expire on February 28, 2014.

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 financial statement audits of U. T. System, U. T. M. D. Anderson Cancer Center, and the funds managed by UTIMCO 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 perform financial statement audits of U. T. System, U. T. M. D. Anderson Cancer Center, and the funds managed by UTIMCO for two additional years, Fiscal Year 2012 and Fiscal Year 2013.

On May 3, 2012, the Board of Regents authorized U. T. System staff to negotiate and enter into an auditing services contract with Deloitte & Touche LLP to perform financial statement audits of U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler for Fiscal Years 2012 and 2013.

These audits are part of the overall U. T. System audit and are pursuant to delegation of authority from the Texas State Auditor's Office. The source of funding for this contract is Available University Funds, as approved for the prior contracts; however, the audit at U. T. Health Science Center - Tyler will be paid with institutional funds as it will be performed to meet SACS accreditation requirements.

4. U. T. System: Update on implementation of initiatives to address recommendations from the Report on the Strategic Assessment of the U. T. System Internal Audit Services performed by Deloitte & Touche LLP

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 9 - 24).--Committee Chairman Hildebrand reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

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

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

3. U. T. System: Report on the Analysis of Financial Condition for Fiscal Year 2013

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

4. U. T. System: Approval of the Fiscal Year 2015 Budget Preparation Policies and Calendar for budget operations

The Board approved the Budget Preparation Policies and Calendar for use in preparing the Fiscal Year 2015 Operating Budget for The University of Texas System as set out below:

U. T. System Fiscal Year 2015 Budget Preparation Policies

1. General Guidelines - The regulations and directives included in the General Appropriations Act enacted by the 83rd Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the FY 2015 Operating Budget, the president of each institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. The Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the institutional budget process.

The president of each institution should examine the resources used at the institution and, where possible, redirect resources toward high priority mission critical activities and strategic competitive investments that are consistent with the goals and objectives included in the institution's Strategic Plan.

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

2. Maintenance of Operating Margin and Use of Prior Year Balances - Institutions should make all reasonable efforts to maintain a favorable operating margin within the FY 2015 Operating Budget. Use of prior year balances should be limited to critical items, unique opportunities, or projects funded from prior year income committed for that purpose. Generally, balance usage should be reserved for nonrecurring activities. Balance usage cannot be recommended to the U. T. System Board of Regents for approval without the consent of the Chancellor, the appropriate Executive Vice Chancellor, and the Associate Vice Chancellor, Controller, and Chief Budget Officer.
3. Salary Guidelines - Recommendations regarding salary policy are subject to the following directives:
 - A. Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in *Texas Education Code* Section 51.009 (a) and (c), shall be proportional to the source of funds.
 - B. Merit Increases and Promotions - Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

As defined in *Texas Education Code* Section 51.962, administrative and professional staff and classified staff must have been employed by the institution for at least six consecutive months immediately preceding the effective date of the increase to be eligible for a merit increase, and at least six months must have elapsed since the employee's last merit salary increase.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments. In accordance with the Regents' *Rules and Regulations*, performance appraisals are required to be conducted annually for all employees of the U. T. System. To verify compliance with this policy, U. T. System presidents and the Executive Vice Chancellor for Business Affairs for U. T. System Administration shall annually certify that all eligible employees (including staff and faculty) have completed performance appraisals. Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

- C. Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments should also consider merit where appropriate, subject to available resources. Subject to guidance issued by the Chancellor, such increases should be noted and explained in the supplemental data accompanying the budget.
 - D. New Positions - Subject to available resources, new administrative and professional staff, classified staff, and faculty positions are to be requested only when justified by workloads or to meet needs for developing new programs.
 - E. Reporting - The Chancellor will issue guidance on reporting of salary changes and amounts. It is expected that required reports will encompass high-ranking staff covered by Regents' *Rules and Regulations*, Rules 20203 and 20204 along with those staff receiving significant changes in compensation.
- 4. Staff Benefits Guidelines - Recommendations regarding the State contribution for employee staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. The Chancellor will issue instructions regarding the implementation of the benefits into the budget process.
 - 5. Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund are based on an actuarial study. Workers' Compensation Insurance rates are experience-rated for each institution. Appropriate instructions will be issued regarding the implementation of Unemployment Compensation Fund and Workers' Compensation Insurance Benefits.
 - 6. Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded workloads, for developing new programs, or for correcting past deferrals or deficiencies.
 - 7. Calendar - In the event of unforeseen circumstances, authority is delegated to the Chancellor to modify the Calendar.

The U. T. System FY 2015 Budget Preparation Policies are consistent with the regulations and directives included in the General Appropriations Act enacted by the 83rd Texas Legislature and with general law. As written, this policy provides general direction to the U. T. System institutions.



**THE UNIVERSITY OF TEXAS SYSTEM
FY 2015 OPERATING BUDGET CALENDAR**

January 2014 – August 2014	Performance appraisal focal period
February 6, 2014	U. T. System Board of Regents takes appropriate action on budget preparation policies
April 14 - 25, 2014	Major goals, priorities, and resource allocation hearings with U. T. System Administration
May 12, 2014	Draft budget documents due to U. T. System
May 15 - 20, 2014	Technical budget review with U. T. System
June 2, 2014	Final budget documents due to U. T. System
June 2, 2014	Reports on highly compensated staff covered by Regents' Rules 20203 and 20204, high-ranking staff salaries, and institutional Top Ten salaries due to U. T. System
August 8, 2014	Operating Budget Summaries provided to the U. T. System Board of Regents
August 15, 2014	Salary change report due to U. T. System
August 21, 2014	U. T. System Board of Regents takes appropriate action on Operating Budget and President and Executive Officer compensation

5. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended November 30, 2013

The November 30, 2013 UTIMCO Performance Summary Report is attached on Page 14.

The Investment Reports for the quarter ended November 30, 2013, are set forth on Pages 15 - 18.

Item I on Page 15 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 4.80% versus its composite benchmark return of 5.23%. The PUF's net asset value increased by \$772 million since the beginning of the year to \$15,625 million. The increase was due to \$317 million PUF Lands receipts, plus a net investment return of \$709 million, less distributions to the Available University Fund (AUF) of \$254 million.

Item II on Page 16 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 4.90% versus its composite benchmark return of 5.23%. The GEF's net asset value increased by \$305 million during the fiscal year to \$7,701 million.

Item III on Page 17 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 4.05% versus its composite benchmark return of 4.30%. The net asset value increased during the quarter to \$5,945 million due to net investment return of \$228 million, plus net contributions of \$241 million, less distributions of \$44 million. All exposures were within their asset class and investment type ranges. Liquidity was within policy.

Item IV on Page 18 presents book and market values of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market fund, decreased by \$99 million to \$1,886 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$21 million versus \$21 million at the beginning of the period; equities: \$80 million versus \$66 million at the beginning of the period; and other investments: \$.4 million versus \$142 million at the beginning of the period.

UTIMCO Performance Summary

November 30, 2013

	Net Asset Value 11/30/2013 (in Millions)	Periods Ended November 30, 2013 (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
ENDOWMENT FUNDS									
Permanent University Fund	\$ 15,625	1.21%	4.80%	4.80%	9.91%	11.13%	8.09%	11.40%	7.71%
General Endowment Fund		1.25	4.90	4.90	10.13	11.39	8.24	11.47	7.78
Permanent Health Fund	1,052	1.20	4.85	4.85	10.03	11.23	8.15	11.36	7.69
Long Term Fund	6,649	1.20	4.84	4.84	10.02	11.23	8.16	11.36	7.70
Separately Invested Funds	146	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	23,472								
OPERATING FUNDS									
Intermediate Term Fund	5,945	0.45	4.05	4.05	6.09	7.19	5.86	10.54	N/A
Debt Proceeds Fund	267	0.01	0.02	0.02	0.10	0.12	N/A	N/A	N/A
Short Term Fund	1,575	0.01	0.02	0.02	0.08	0.09	0.14	0.26	1.90
Total Operating Funds	7,787								
Total Investments	\$ 31,259								
VALUE ADDED (1) (Percent)									
Permanent University Fund		0.70%	(0.43%)	(0.43%)	0.67%	0.17%	0.81%	1.86%	1.62%
General Endowment Fund		0.74	(0.33)	(0.33)	0.89	0.43	0.96	1.93	1.69
Intermediate Term Fund		0.47	(0.25)	(0.25)	1.84	1.88	1.78	2.28	N/A
Debt Proceeds Fund		-	0.01	0.01	0.04	0.04	N/A	N/A	N/A
Short Term Fund		-	0.01	0.01	0.02	0.01	0.04	0.14	0.22
VALUE ADDED (1) (\$ IN MILLIONS)									
Permanent University Fund		\$ 108	\$ (64)	\$ (64)	\$ 92	\$ 24	\$ 340	\$ 1,193	\$ 2,116
General Endowment Fund		57	(24)	(24)	66	32	220	692	1,221
Intermediate Term Fund		28	(14)	(14)	97	98	270	526	N/A
Total Value Added		\$ 193	\$ (102)	\$ (102)	\$ 255	\$ 154	\$ 830	\$ 2,411	\$ 3,337

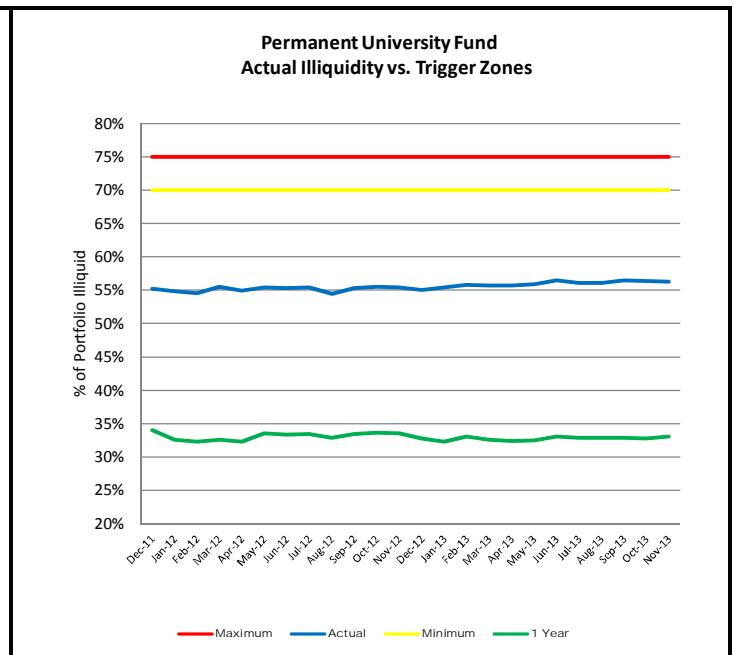
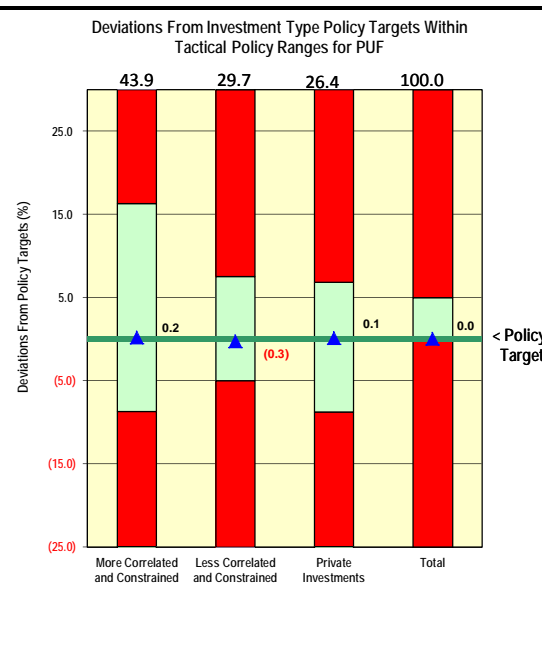
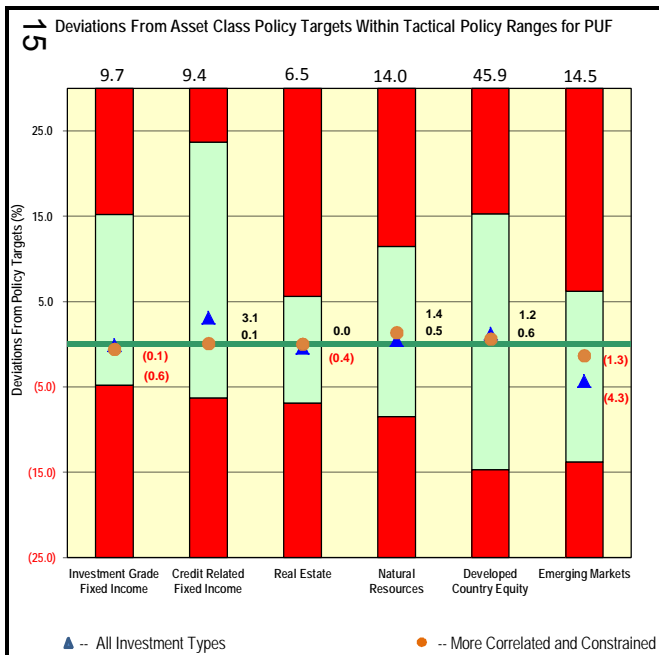
Footnote available upon request.

I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended November 30, 2013

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

<u>Summary of Capital Flows</u>				
(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended November 30, 2013	Fiscal Year to Date August 31, 2014	
Beginning Net Assets	\$ 13,470	\$ 14,853	\$ 14,853	
PUF Lands Receipts	857	317	317	
Investment Return (Net of Expenses)	1,170	709	709	
Distributions to AUF	(644)	(254)	(254)	
Ending Net Assets	<u>\$ 14,853</u>	<u>\$ 15,625</u>	<u>\$ 15,625</u>	

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	0.56%	2.22%	-0.04%	-0.13%	-0.17%
Credit-Related	3.86%	4.69%	0.00%	0.00%	0.00%
Real Estate	5.32%	4.87%	0.00%	0.01%	0.01%
Natural Resources	-4.08%	0.61%	-0.18%	-0.37%	-0.55%
Developed Country	10.79%	11.05%	-0.01%	-0.02%	-0.03%
Emerging Markets	10.50%	10.04%	-0.17%	0.05%	-0.12%
Total More Correlated and Constrained	5.16%	7.13%	-0.40%	-0.46%	-0.86%
Less Correlated and Constrained	5.39%	3.91%	0.02%	0.43%	0.45%
Private Investments	3.57%	3.51%	0.00%	-0.02%	-0.02%
Total	4.80%	5.23%	-0.38%	-0.05%	-0.43%

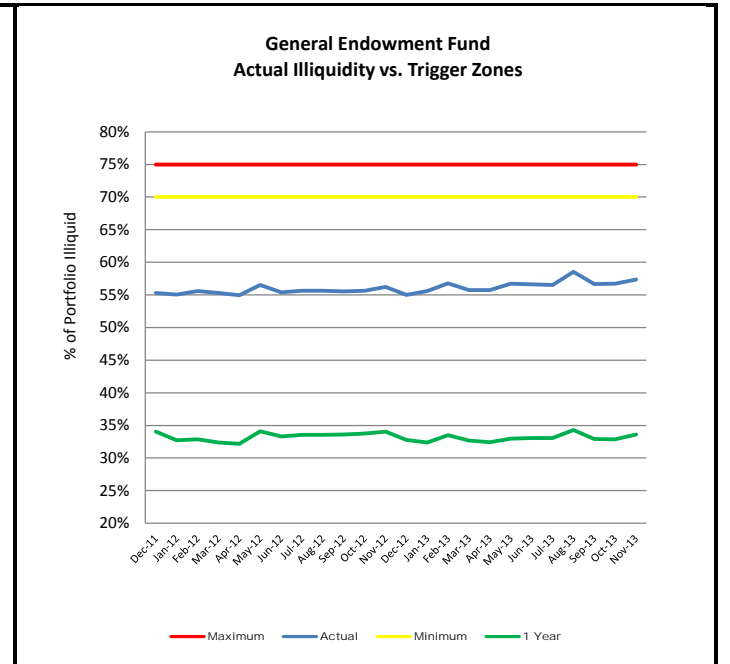
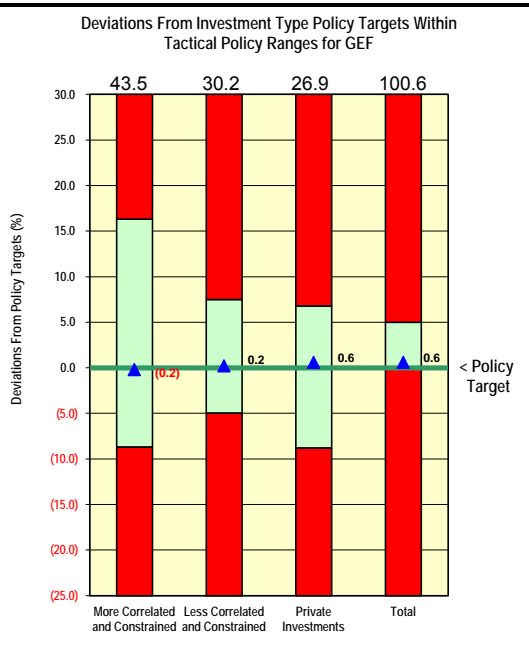
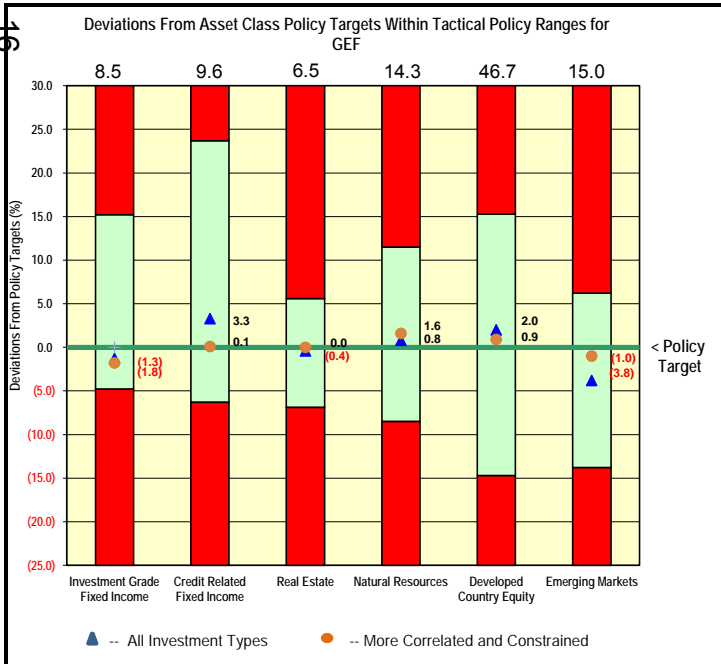


II. GENERAL ENDOWMENT FUND Investment Reports for Periods Ended November 30, 2013

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

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2013	Quarter Ended November 30, 2013	Fiscal Year to Date August 31, 2014
Beginning Net Assets	\$ 7,105	\$ 7,396	\$ 7,396
Contributions	166	35	35
Withdrawals	(152)	(1)	(1)
Distributions	(360)	(91)	(91)
Investment Return (Net of Expenses)	637	362	362
Ending Net Assets	<u>\$ 7,396</u>	<u>\$ 7,701</u>	<u>\$ 7,701</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	0.76%	2.22%	-0.01%	-0.12%	-0.13%
Credit-Related	3.86%	4.69%	0.00%	0.00%	0.00%
Real Estate	5.34%	4.87%	0.00%	0.01%	0.01%
Natural Resources	-4.04%	0.61%	-0.20%	-0.37%	-0.57%
Developed Country	10.81%	11.05%	0.01%	-0.02%	-0.01%
Emerging Markets	11.14%	10.04%	-0.19%	0.11%	-0.08%
Total More Correlated and Constrained	5.39%	7.13%	-0.39%	-0.39%	-0.78%
Less Correlated and Constrained	5.39%	3.91%	0.03%	0.42%	0.45%
Private Investments	3.57%	3.51%	0.00%	0.00%	0.00%
Total	4.90%	5.23%	-0.36%	0.03%	-0.33%



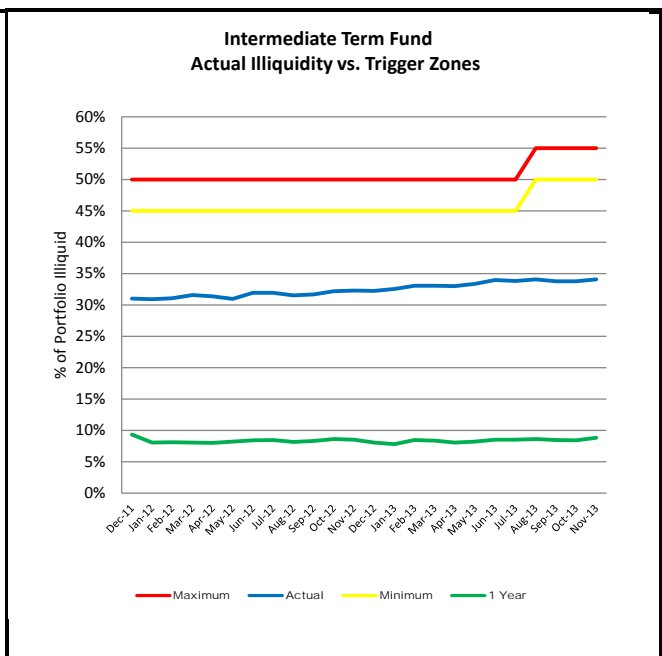
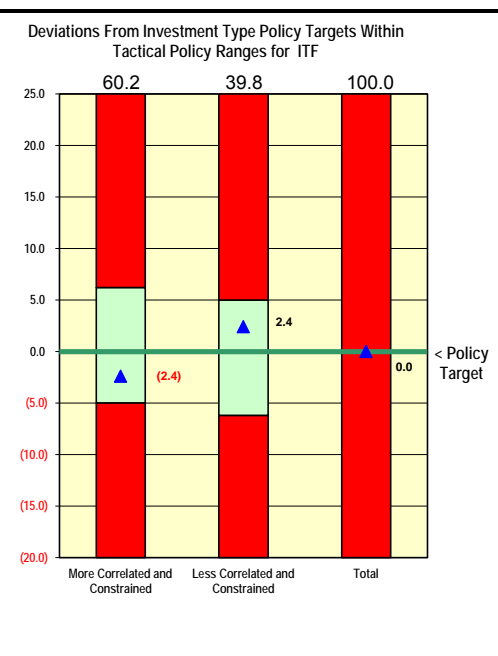
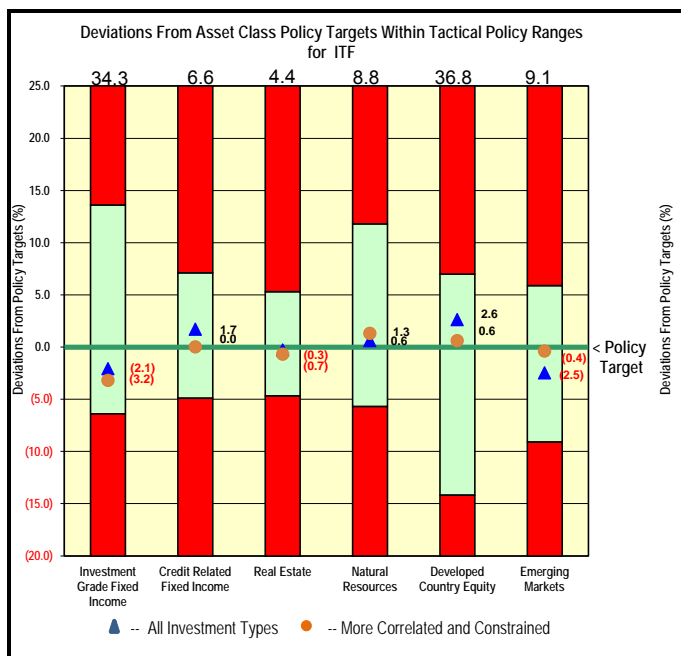
III. INTERMEDIATE TERM FUND

Investment Reports for Periods Ended November 30, 2013

Prepared in accordance with Texas Education Code Sec. 51.0032

<u>Summary of Capital Flows</u>				
(\$ millions)	Fiscal Year Ended		Fiscal Year to Date	
	August 31, 2013	Quarter Ended November 30, 2013	August 31, 2013	August 31, 2013
Beginning Net Assets	\$ 4,893	\$ 5,520	\$ 5,520	
Contributions	694	264	264	
Withdrawals	(158)	(23)	(23)	
Distributions	(158)	(44)	(44)	
Investment Return (Net of Expenses)	249	228	228	
Ending Net Assets	<u>\$ 5,520</u>	<u>\$ 5,945</u>	<u>\$ 5,945</u>	

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:					
Investment Grade	1.41%	2.22%	0.07%	-0.27%	-0.20%
Credit-Related	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	5.36%	4.87%	-0.04%	0.01%	-0.03%
Natural Resources	-3.90%	0.61%	-0.14%	-0.34%	-0.48%
Developed Country	10.80%	11.05%	0.01%	-0.01%	0.00%
Emerging Markets	9.77%	10.04%	-0.05%	-0.03%	-0.08%
Total More Correlated and Constrained	3.19%	4.49%	-0.15%	-0.64%	-0.79%
Less Correlated and Constrained	5.39%	3.91%	0.03%	0.51%	0.54%
Private Investments	0.00%	0.00%	0.00%	0.00%	0.00%
Total	4.05%	4.30%	-0.12%	-0.13%	-0.25%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at November 30, 2013
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND (SHORT TERM FUND))		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:																
Beginning value 08/31/13	-	-	1,722	1,722	46,491	46,491	2,562	2,562	675	675	51,450	51,450	1,933,413	1,933,413	1,984,863	1,984,863
Increase/(Decrease)	-	-	1,972	1,972	(9,769)	(9,769)	(326)	(326)	862	862	(7,261)	(7,261)	(92,066)	(92,066)	(99,327)	(99,327)
Ending value 11/30/13	-	-	3,694	3,694	36,722	36,722	2,236	2,236	1,537	1,537	44,189	44,189	1,841,347	1,841,347	1,885,536	1,885,536
Debt Securities:																
Beginning value 08/31/13	-	-	58	57	12,230	12,603	8,767	8,778	-	-	21,055	21,438	-	-	21,055	21,438
Increase/(Decrease)	-	-	2	3	(446)	(417)	(28)	136	-	-	(472)	(278)	-	-	(472)	(278)
Ending value 11/30/13	-	-	60	60	11,784	12,186	8,739	8,914	-	-	20,583	21,160	-	-	20,583	21,160
Equity Securities:																
Beginning value 08/31/13	1,161	5,249	1,496	1,867	40,261	44,709	12,534	13,685	-	-	55,452	65,510	-	-	55,452	65,510
Increase/(Decrease)	(1)	12,891	(1,223)	(1,598)	(896)	2,098	-	1,030	-	-	(2,120)	14,421	-	-	(2,120)	14,421
Ending value 11/30/13	1,160	18,140	273	269	39,365	46,807	12,534	14,715	-	-	53,332	79,931	-	-	53,332	79,931
Other:																
Beginning value 08/31/13	-	-	5,247	5,247	6	6	493	133	137,046	137,046	142,792	142,432	-	-	142,792	142,432
Increase/(Decrease)	-	-	(4,975)	(4,975)	-	-	11	(1)	(137,046)	(137,046)	(142,010)	(142,022)	-	-	(142,010)	(142,022)
Ending value 11/30/13	-	-	272	272	6	6	504	132	-	-	782	410	-	-	782	410
Total Assets:																
Beginning value 08/31/13	1,161	5,249	8,523	8,893	98,988	103,809	24,356	25,158	137,721	137,721	270,749	280,830	1,933,413	1,933,413	2,204,162	2,214,243
Increase/(Decrease)	(1)	12,891	(4,224)	(4,598)	(11,111)	(8,088)	(343)	839	(136,184)	(136,184)	(151,863)	(135,140)	(92,066)	(92,066)	(243,929)	(227,206)
Ending value 11/30/13	1,160	18,140	4,299	4,295	87,877	95,721	24,013	25,997	1,537	1,537	118,886	145,690	1,841,347	1,841,347	1,960,233	1,987,037

Details of individual assets by account furnished upon request.

6. U. T. System Board of Regents: Adoption of Resolution amending the Permanent University Fund Commercial Paper Note Program and repealing the Permanent University Fund Flexible Rate Note Program and authorization for officers of U. T. System to complete all transactions related thereto

The Board adopted the resolution set forth on Pages 21 - 23:

- a. amending the Resolution adopted by the Board of Regents on August 14, 2008, authorizing the issuance, sale, and delivery of the Board of Regents of The University of Texas System Permanent University Fund Commercial Paper Notes, Series A and Taxable Commercial Paper Notes, Series B, to increase the aggregate principal amount of such Commercial Paper Notes that may be outstanding at any time from \$500 million to \$750 million;
- b. repealing the Amended and Restated Resolution adopted by the Board of Regents on November 13, 2002, authorizing the issuance, sale, and delivery of the Board of Regents of The University of Texas System Permanent University Fund Flexible Rate Notes, Series A; and
- c. authorizing appropriate officers and employees of the U. T. System as set forth in the Resolution to take any and all actions necessary or desirable in order to carry out the terms and provisions of the Resolution, the Commercial Paper Notes, and the agreements relating to the Commercial Paper Notes and the Flexible Rate Notes.

The U. T. System's Permanent University Fund (PUF) Flexible Rate Notes, Series A program was originally established in 1985 and was utilized to provide interim financing on projects approved by the Board of Regents until 2008.

On August 14, 2008, the Board of Regents approved a resolution authorizing the PUF Commercial Paper Note Program not to exceed \$500 million outstanding at any one time. Because it is a more efficient borrowing mechanism, the U. T. System has utilized the PUF Commercial Paper Note Program in lieu of utilizing the PUF Flexible Rate Note Program since 2008.

Adoption of this resolution repeals the resolution authorizing the \$400 million PUF Flexible Rate Note Program and increases the maximum authorization of the PUF Commercial Paper Note Program from \$500 million to \$750 million.

The increase in the PUF Commercial Paper Note Program facilitates the financing of capital projects reflected in the Fiscal Year 2014-2019 Capital Improvement Program (CIP), including PUF allocations made by the U. T. System Board of Regents on November 12, 2013. Increased PUF interim financing capacity will permit the U. T. System to continue to provide efficient interim financing and additional timing flexibility in accessing the long-term capital markets.

Liquidity for the Commercial Paper Note Program will continue to be provided by the U. T. System through the existing arrangement with The University of Texas Investment Management Company (UTIMCO).

RESOLUTION REPEALING THAT CERTAIN AMENDED AND RESTATED RESOLUTION ADOPTED BY THE BOARD OF REGENTS ON NOVEMBER 13, 2002 AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND FLEXIBLE RATE NOTES, SERIES A; AMENDING THAT CERTAIN RESOLUTION ADOPTED BY THE BOARD OF REGENTS ON AUGUST 14, 2008 AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND COMMERCIAL PAPER NOTES, SERIES A AND TAXABLE COMMERCIAL PAPER NOTES, SERIES B; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, Section 18 of Article VII of the Constitution of the State of Texas, as amended (the “Constitutional Provision”), authorizes the Board of Regents (the “Board”) of The University of Texas System (the “System”) to issue bonds and notes not to exceed a total amount of 20% of the cost value of investments and other assets of the Permanent University Fund, exclusive of real estate, at the time of issuance thereof and to pledge all or any part of its two-thirds interest in the Available University Fund to secure the payment of the principal of and interest on those bonds and notes, for the purpose of acquiring land, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under the Constitutional Provision or prior law, at or for the System administration and component institutions of the System as listed in the Constitutional Provision; and

WHEREAS, on November 13, 2002, the Board adopted an amended and restated resolution (the “Flexible Rate Notes Resolution”) authorizing the issuance, pursuant to the Constitutional Provision, of its Permanent University Fund Flexible Rate Notes, Series A (the “Flexible Rate Notes”), in an aggregate principal amount outstanding at any time not to exceed \$400,000,000, which are secured by a pledge of the Interest of the System in the Available University Fund; and

WHEREAS, on August 14, 2008, the Board adopted a resolution (the “Commercial Paper Notes Resolution”) authorizing the issuance, pursuant to the Constitutional Provision, of its Permanent University Fund Commercial Paper Notes, Series A and its Permanent University Fund Taxable Commercial Paper Notes, Series B (collectively, the “Commercial Paper Notes”), in an aggregate principal amount outstanding at any time not to exceed \$500,000,000, which are secured by a pledge of the Interest of the System in the Available University Fund; and

WHEREAS, capitalized terms used in this resolution (this “Resolution”) and not otherwise defined shall have the meaning given to such terms in the Commercial Paper Notes Resolution; and

WHEREAS, prior to the adoption of the Commercial Paper Notes Resolution, the Board issued Flexible Rate Notes from time to time for its interim financing needs for eligible projects under the Constitutional Provision; and

WHEREAS, following the adoption of the Commercial Paper Notes Resolution, the Board began issuing Commercial Paper Notes for its interim financing needs for eligible projects under the Constitutional Provision; and

WHEREAS, the Board has not issued Flexible Rate Notes since its adoption of the Commercial Paper Notes Resolution, and there are no Flexible Rate Notes currently outstanding; and

WHEREAS, the Board desires to repeal the Flexible Rate Notes Resolution; and

WHEREAS, the Board desires to amend the Commercial Paper Notes Resolution for the purpose of increasing the aggregate principal amount of Commercial Paper Notes that may be outstanding at any time from \$500,000,000 to \$750,000,000; and

WHEREAS, pursuant to its terms, the Commercial Paper Notes Resolution may be amended at any time without notice to or the consent of any Holders of the Commercial Paper Notes for the purpose, among others, of increasing the amount of Commercial Paper Notes which may be outstanding thereunder.

NOW, THEREFORE BE IT RESOLVED, that the Flexible Rate Notes Resolution is hereby repealed and shall be of no further force or effect; and

BE IT FURTHER RESOLVED, that the Commercial Paper Notes Resolution is hereby amended to increase the aggregate principal amount of Commercial Paper Notes that may be outstanding thereunder at any time from \$500,000,000 to \$750,000,000, and, therefore, all references in the Commercial Paper Notes Resolution to \$500,000,000 are hereby deleted and replaced with \$750,000,000; and

BE IT FURTHER RESOLVED, that the Chairman of the Board, the General Counsel to the Board, each Authorized Representative and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly severally authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver, in the name and under the seal and on behalf of the Board, all such agreements, documents and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Commercial Paper Notes, each Dealer Agreement, the Issuing and Paying Agent Agreement, the Trust Agreement, the Offering Memorandum, the Master Notes and any other agreement, document or instrument relating to the Commercial Paper Notes and the Flexible Rate Notes; and

BE IT FURTHER RESOLVED, that each Authorized Representative is hereby severally authorized to approve, subsequent to the date of the adoption of this Resolution, any technical amendments to this Resolution as may be required by any rating agency as a condition to the granting of a rating on the Commercial Paper Notes and as may be required by the office of the Attorney General of the State of Texas as a condition to the approval of this Resolution and any other agreements and proceedings as required in connection therewith; and

BE IT FURTHER RESOLVED, the Board hereby reaffirms the Commercial Paper Notes Resolution, and the Commercial Paper Notes Resolution shall remain in full force and effect, as amended by this Resolution; and

BE IT FURTHER RESOLVED, that this Resolution is effective immediately upon its adoption; provided that, the amendments made hereby to the Commercial Paper Notes Resolution shall become effective upon the approval of this Resolution, and any other agreements and proceedings as may be required in connection therewith, by the Attorney General of the State of Texas.

ADOPTED AND APPROVED this the ____ day of February, 2014.

Chairman
Board of Regents of
The University of Texas System

Attest:

General Counsel to the
Board of Regents of
The University of Texas System

[SEAL]

7. U. T. System: Report on the Fiscal Year 2013 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler financial statements and for funds managed by The University of Texas Investment Management Company (UTIMCO)

This item was for consideration only by the Committee (see Committee Minutes for the Joint Meeting with the Audit, Compliance, and Management Review Committee).

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE
(Pages 25 - 28).--Committee Chairman Hicks reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Authorization of \$14 million of Permanent University Funds a) for a new Shared Services Initiative to create and implement a Student Information System (SIS) at U. T. Rio Grande Valley; b) to implement a SIS as a second business unit at U. T. Permian Basin; c) to expand the UTShare Human Resource and Finance enterprise system to include and support U. T. Rio Grande Valley; and d) to provide basic campus and implementation support to U. T. Rio Grande Valley and U. T. Permian Basin

The Board authorized \$14 million of Permanent University Funds (PUF)

- a. for a new Shared Services Initiative to create and implement a Student Information System (SIS) at The University of Texas Rio Grande Valley, including implementation services, hardware/software, support, initial hosting, and disaster recovery;
- b. to implement a SIS as a second business unit at The University of Texas of the Permian Basin;
- c. to expand the UTShare Human Resource and Finance enterprise system to include and support U. T. Rio Grande Valley; and
- d. to provide basic campus and implementation support to U. T. Rio Grande Valley and U. T. Permian Basin.

Updated technology is needed to create the new University of Texas System institution, U. T. Rio Grande Valley. It is essential that a software and hosting solution be implemented to support the processing of student information and associated monies. This additional Shared Services Initiative project is consistent with the Framework for Advancing Excellence throughout the U. T. System.

To implement the SIS, U. T. System will leverage the Oracle Corporation site license approved by the Board on May 15, 2008, that makes available the higher education line of Oracle/PeopleSoft products (Human Resources, Financial, and Student

Information Systems) for all U. T. System institutions. SIS is essential software for academic institutions to provide campus self-service, financial aid, recruiting and admissions, student administration, student financials, and student records. Additionally, U. T. System will rely on experience gained from the North Texas Student Information System Pilot Project implementation approved by the Board on August 23, 2007.

U. T. Permian Basin's existing SIS is no longer supportable and the campus will realize savings through a co-implementation with U. T. Rio Grande Valley instead of through a stand-alone implementation.

3. U. T. System Board of Regents: Approval to create the University College at U. T. Tyler and amendment of Regents' *Rules and Regulations*, Rule 40601, Section 1.12 to add Subsection (g) to include the University College

The Board authorized the creation of a University College at The University of Texas at Tyler and amendment of the Regents' *Rules and Regulations*, Rule 40601, Section 1.12, concerning institutions comprising The University of Texas System, to include the University College as set forth below:

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

...

1.12 The University of Texas at Tyler (U. T. Tyler)

(a) The University of Texas at Tyler College of Arts and Sciences

(b) The University of Texas at Tyler College of Business and Technology

(c) The University of Texas at Tyler College of Education and Psychology

(d) The University of Texas at Tyler College of Engineering and Computer Science

(e) The University of Texas at Tyler College of Nursing and Health Sciences

(f) The University of Texas at Tyler Ben and Maytee Fisch College of Pharmacy

(g) The University of Texas at Tyler University College

The University College will consist of a Department of Academic Success, Department of Educational Technology Services, and the Office of Instructional Design. The College will offer a Bachelor of Applied Arts and Sciences (BAAS) academic degree, which is currently offered in the College of Business and Technology. Options in the BAAS degree will be expanded to include courses offered by other academic colleges, and the academic deans will participate in the program planning. Furthermore, the University College will be responsible for the coordination of the online, hybrid, and technology-enriched programs and courses at U. T. Tyler.

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

4. U. T. Tyler: Update on the Patriots Applying Technology for Success and Savings (PATSS)

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

5. U. T. System: Approval to retain low-producing degree programs at U. T. San Antonio

The Board approved retention of the following low-producing degree programs at The University of Texas at San Antonio:

Ph.D. in Business Administration - Accounting
Ph.D. in Business Administration - Finance
Ph.D. in Business Administration - Management and Organizational Studies
Ph.D. in Business Administration - Marketing
Ph.D. in Business Administration - Information Technology

Senate Bill 215, passed into law by the 83rd Texas Legislature, removed the Texas Higher Education Coordinating Board's authority to close or consolidate degree programs. The Coordinating Board is only permitted to make recommendations, and Senate Bill 215 gave explicit authority over the closure or consolidation of programs to the governing boards of Texas public institutions of higher education.

In Fall 2013, The University of Texas System Offices of Academic Affairs and Health Affairs collaborated on a review process for programs identified as low-producing

and recommended by the Coordinating Board for closure or consolidation. The U. T. System review process for low-producing programs included a recommended process that an institution may follow to proactively address low productivity well before a program is recommended for closure. It also documented the U. T. System-level review once a program is recommended for closure, which included a thorough review of the quantitative data related to a degree program. Additionally, if an institution wishes to retain a low-producing program, it is allowed to present other relevant information such as indicators of the high quality of the program, regional access, and other considerations as appropriate.

In November 2013, Coordinating Board staff recommended that five Ph.D. programs in Business Administration offered at U. T. San Antonio, some of which had not met the State threshold for the number of degrees conferred for a doctoral program, be consolidated into one Ph.D. in Business Administration.

The Coordinating Board standard for doctoral programs is 10 graduates over a five-year period. From FY 2008 - 2012, Accounting produced nine graduates, Finance produced 12 graduates, Management and Organizational Studies produced seven graduates, Marketing produced two graduates, and Information Technology produced nine graduates, totaling 39 graduates during the five-year period.

Consolidating the five business administration Ph.D. programs into one would not, however, result in any cost savings to the University. The programs were originally designed to be efficient; all students take a common set of doctoral-level courses in research methods, statistics, and economics. In addition to this common set of courses, students take additional courses in their major area of emphasis. Nothing about the curricular structure would change if the degree programs were consolidated.

On February 10, 2014, the Office of Academic Affairs notified the Coordinating Board of the Board of Regents' approval to retain these degree programs.

6. U. T. System: Quarterly report on academic matters of interest to the U. T. System, including a discussion on research in computational sciences

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE
(Pages 29 - 32).--Committee Chairman Stillwell reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. Health Science Center - San Antonio: Approval of preliminary authority for a Doctor of Medicine at The University of Texas Rio Grande Valley

The Board approved

- a. preliminary authority for The University of Texas Rio Grande Valley to include a Doctor of Medicine (M.D.); and
- b. notification of the proposal to the Texas Higher Education Coordinating Board.

The M.D. program will initially be offered through The University of Texas Health Science Center at San Antonio until the U. T. Rio Grande Valley School of Medicine attains accreditation. The program will prepare physicians to be skilled clinicians, biomedical scientists, professional leaders, and innovators in the ongoing transformation of the health care system regionally and throughout Texas, as well as nationally and internationally. The program will also draw on partnering universities' well-regarded programs in nursing, physician assistants, and social work to educate young physicians in interprofessional team settings.

In addition to the numerous medical and surgical faculty that will be added, The University of Texas at Brownsville and The University of Texas-Pan American are jointly participating in a University of Texas System initiative (Science and Technology Acquisition and Retention Program or ValleySTARs) to recruit new faculty to teach and to substantially address the scientific, education, and health-related problems faced by the community.

U. T. Rio Grande Valley will submit the degree proposal for approval by the U. T. System Board of Regents and the Coordinating Board.

3. U. T. M. D. Anderson Cancer Center: Approval to engage with an outside firm to serve as the external transformation team through Phase 1A of the Oncology Expert Advisor project; and approval of funds and authorize expenditure of an amount not to exceed \$15,000,000 from restricted gift funds

The Board

- a. approved engagement with an outside firm to serve as the external transformation team through Phase 1A of the Oncology Expert Advisor project at The University of Texas M. D. Anderson Cancer Center; and
- b. approved funds and authorized expenditure in an amount not to exceed \$15,000,000 from restricted gift funds.

The institution's Moon Shots Program is designed to accelerate the reduction in mortality, and ultimately, to cure major cancer types. To help achieve this goal, U. T. M. D. Anderson Cancer Center has developed a customized, cognitive clinical decision support system called M. D. Anderson's Oncology Expert Advisor™ (OEA) powered by International Business Machines Corporation Watson Service. The Watson Service technology (IBM Watson) is IBM's third-generation cognitive computing system that uses unique natural language processing and deep quality assurance skills.

To evaluate the applicability of a cognitive computing tool for clinical decision support and the feasibility of an adaptive learning environment with big data infrastructure support, M. D. Anderson embarked on a leukemia pilot project to develop an OEA for leukemia, one of the designated Moon Shots diseases. M. D. Anderson scientists and clinicians, working side-by-side with IBM Watson software developers and engineers, have designed and developed the Leukemia OEA powered by IBM Watson. The contract was approved by the Board on February 13, 2013, via the Consent Agenda. On October 1, 2013, M. D. Anderson and IBM launched the Leukemia OEA for live system testing and clinical evaluation. The testing has progressed as planned and the initial results are positive.

The ultimate goal of M. D. Anderson is to have a tool that assists physicians in their care of patients across a majority of cancers, not only in specialty cancer centers but also in community practices. OEA is one of the first tools built on cognitive computing capability. While the initial project has proven the feasibility of the tool, what will also need to be established is the willingness of physicians outside of a specialty cancer center to use the tool in their everyday practices. If successful, M. D. Anderson's specialized knowledge could be accessed by community physicians to considerably reduce the customary delay between treatment discoveries made at M. D. Anderson and adoption in other health care settings. Using the other health care providers in the M. D. Anderson Cancer network, such as Banner Health in Phoenix, the contracted transformation team will assist in integrating and testing the tool into those delivery systems and, in doing so, establish the feasibility of a broad range, scalable application. This network

infrastructure will also allow M. D. Anderson to capture data (e.g., treatment, response, and adverse events) from patients treated outside of a specialty cancer center so the clinical research can address gaps and optimize therapies for better outcomes.

It is expected that capabilities of the OEA will continually be enhanced as the core underlying IBM Watson technology improves and new functionalities are added. Importantly, it is recognized that OEA will be continually 'trained' by experts to remain up-to-date and relevant to the best practices in oncology.

In parallel with the Leukemia OEA system evaluation, M. D. Anderson is focusing on several partnership phases over the next few years, including:

- Phase 1A to establish the feasibility, know-how and infrastructure for getting M. D. Anderson oncology expertise into community practice (i.e., network democratization) using a cognitive clinical decision support system such as OEA;
- Phase 1B to scale network democratization to include multiple oncology solutions and additional community practice partners; and
- Phase 2 to implement broad adoption into all network health care providers.

Through a Request for Proposal (RFP) process, M. D. Anderson is currently working to identify an external transformation team, through the expertise of a professional services advisory firm, to execute the establishment and operation of a democratization network with limited community practice partners to assess, establish, and demonstrate the clinical, technical, financial, and regulatory feasibility of democratization using a cognitive clinical decision support system. Payment for the contracted services will be from restricted gift funds donated for this purpose.

It is anticipated that, if successful, additional contract requests will be sent to the Board for consideration to support Phase 1B and Phase 2.

4. U. T. System: Approval to reclassify the \$3 million Revenue Cycle Loan Program to the Revenue Cycle Grant Program

The Board approved the reclassification of the \$3 million Revenue Cycle Loan Program to the Revenue Cycle Grant Program, a program that benefits the six University of Texas System health institutions.

On December 9, 2009, the Board appropriated \$5.5 million of Permanent University Fund (PUF) Bond Proceeds and created a \$3 million fund for the Revenue Cycle Loan Program and a \$2.5 million fund for the Revenue Cycle Grant Program.

These programs were established based on a report from a Revenue Cycle Task Force in 2009. The Task Force report appropriately acknowledged that small improvements in the efficiency and effectiveness of the revenue cycle operations within an environment of shrinking reimbursement and increasing operating costs can have a significant, positive impact on the financial statements.

In 2011, the Executive Vice Chancellor for Health Affairs authorized \$1.25 million from the Revenue Cycle Grant Program for a computer-assisted coding software implementation. Five U. T. System health institutions have successfully implemented this software in the departments of radiology. Additional resources for implementing other coding areas (e.g., cardiology, pathology, and emergency medicine) would generate additional efficiencies in medical billing for professional fees.

In 2012, the Executive Vice Chancellor for Health Affairs authorized \$1.25 million from the Revenue Cycle Grant Program for a clinical trials management system (CTMS) software implementation. Four U. T. System health institutions are actively implementing the software and additional resources for more interfaces and implementation time will allow for increased integration between this software and mission critical software systems (e.g., electronic medical records). Eventually, this CTMS software will be utilized by all U. T. System health institutions.

In November 2013, the Executive Vice Chancellor for Health Affairs received positive support from the six health presidents for the proposed reclassification and an allocation of the \$3 million currently in the Revenue Cycle Loan Program to be used in these two software implementations described above. While maintaining the Revenue Cycle Loan Program could devote the same resources, experience has shown that the U. T. System health institutions are not motivated to take on additional debt, and as a result, these loan resources are not being accessed.

According to the Texas Constitution, PUF Bond Proceeds may only be used to fund capital and equipment items related to the educational mission of the U. T. System and U. T. System institutions. The \$3 million reclassified as grants will be used in a manner consistent with these restrictions.

5. U. T. M. D. Anderson Cancer Center: Introduction of recipient of the Breakthrough Prize in Life Sciences award for T-Cell Research and remarks by James Allison, Ph.D., Chair of the Department of Immunology

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 33 - 46).--Committee Chairman Cranberg reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents.

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

There were no items referred from the Consent Agenda.

2. U. T. System: Update on Space Utilization Efficiency

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

3. U. T. Austin: Texas Advanced Computing Center Office Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Texas Advanced Computing Center Office Building project at The University of Texas at Austin as follows:

Project No.:	102-831	
Project Delivery Method:	Design-Build	
Substantial Completion Date:	March 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$10,000,000
	Gifts	\$10,000,000
		\$20,000,000
Investment Metrics:	<ul style="list-style-type: none"> • Increase staff to 150 with additional space for visiting researchers • Provide for 1,500 square foot Visualization Lab on the J. J. Pickle Research Campus 	

The Texas Advanced Computing Center (TACC), located on the J. J. Pickle Research Campus, serves as a resource and service to the research and educational capabilities of U. T. Austin, The University of Texas System, and the nation through National Science Foundation funding. TACC conducts research in the field of advanced computing while conducting outreach to increase the awareness of the importance of advanced computing and computational science.

This TACC Office Building will consist of an approximately 39,000 gross square feet (GSF) three-story, freestanding building connected to the existing offices within the Research Office Complex Building by way of an enclosed, pedestrian walkway. The building will consist of a public first level, housing an open lobby/gathering space, reception area, 1,500 GSF visualization lab (an environment of large flat panel monitors offering an extremely high level of detail and quality for scientists to visualize and analyze data), an auditorium for 150, flexible training room for 50, large reconfigurable conference room, and break room/catering kitchen to be shared by TACC staff and public users. In addition to these public access spaces, the first level will also house a large storage room for TACC and required mechanical and electrical spaces. The two upper levels will consist of private office spaces for TACC. Each level will provide a minimum of 30 offices, a conference room for 16, an open student work area, and necessary support spaces.

This 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. Austin: Townes Hall HVAC Renovation - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Townes Hall HVAC Renovation project at The University of Texas at Austin as follows:

Project No.:	102-821	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	August 2016	
Total Project Cost:	<u>Source</u> Designated Funds ¹	<u>Current</u> \$10,000,000
Funding Note:	¹ Designated Funds from Designated Tuition	

- a. approve a total project cost of \$10,000,000 with funding from Designated Funds;
- 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.

The heating, ventilation and air conditioning (HVAC) systems and significant portions of the electrical infrastructure in Townes Hall are in excess of 30 years old and are inefficient by current energy standards. This project will replace air handling units, chilled water pumps, general exhaust fans, building electrical switchgear, electrical distribution panes, emergency system panels, and electrical grounding systems. The HVAC and electrical infrastructure investments will ensure a high level of system reliability for the building. This project will be executed in three phases in the summers of 2014, 2015, and 2016.

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

5. U. T. Dallas: Campus Upgrades and Renovations - Amendment of the FY 2014-2019 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; authorization of institutional management; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Campus Upgrades and Renovations project at The University of Texas at Dallas as follows:

Project No.:	302-828	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	August 2016	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$8,000,000

Funding Note: ¹ Revenue Financing System debt proposed to be repaid from Designated Tuition

- a. approve a total project cost of \$8,000,000 with funding from Revenue Financing System Bond Proceeds;
- b. appropriate funds;
- c. authorize U. T. Dallas to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$8,000,000.

Debt Service

The \$8,000,000 in aggregate Revenue Financing System debt will be repaid from Designated Tuition. Annual debt service on the \$8,000,000 Revenue Financing System debt is expected to be \$520,000. The institution's debt service coverage is expected to be at least 2.4 times and average 2.8 times over FY 2014-2019.

Project Description

This project will convert and update existing space into modern, fully-functional modular laboratories, as well as offices and support spaces. The renovations will be predominantly in the Lloyd V. Berkner Hall, North/South Engineering and Computer Science Buildings, and Founders Building. This project will also provide repairs and improvements to campus infrastructure including the Central Energy Plant, Satellite Utility Plant, and campus hardscape.

This project is needed to support technology improvements in various research facilities that require more robust building infrastructure to support advanced equipment. The modular configuration of spaces will allow for ease of modification in the future.

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

6. U. T. Southwestern Medical Center: Radiation Therapy Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board amended the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Radiation Therapy Building project at The University of Texas Southwestern Medical Center as follows:

Project No.:	303-829	
Institutionally Managed:	Yes	
Project Delivery Method:	Design-Build	
Substantial Completion Date:	March 2016	
Total Project Cost	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$40,000,000
	Hospital Revenues	\$12,000,000
		\$52,000,000
Funding Note:	¹ Revenue Financing System debt proposed to be repaid from Hospital Revenues	
Investment Metrics:	<ul style="list-style-type: none"> • Educate the next generation of leaders in patient care, biomedical science, and disease prevention • Conduct high-impact, internationally recognized research • Create clinical expansion necessary to keep pace with growing patient volume 	

In FY 2013, the institution’s Department of Radiation Oncology grew to over 40,000 radiation treatments, with more than a 9% annual growth rate from FY 2008 to FY 2013. The consistently increasing patient volume and expanding research opportunities have presented challenges to patients, faculty, and staff. Construction of the Radiation Therapy Building will allow the Department to expand clinical operations and will be the first phase of a consolidation of services, allowing the Department to reduce sites from four to three. Later phases will include expansion of the Radiation Oncology Building and potential construction of a heavy ion particle-based research center.

A potential site for the Radiation Therapy Building has been identified, and current plans are to bring the land acquisition to the Board for approval in May 2014. The proposed site will allow the University to move forward with the West Campus Master Plan as the Radiation Oncology Department will vacate one of the buildings planned for demolition on the West Campus.

The project will include an approximately 63,000 gross square foot building with seven conventional linear accelerators for radiation treatment for patients. The building will also include clinical space for appointments and consultations, as well as support space for academic faculty offices, training and meeting rooms, and other clinic functions.

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

7. U. T. Austin: Dell Medical School - Phase I - Amendment of the FY 2014-2019 Capital Improvement Program to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Dell Medical School - Phase I project at The University of Texas at Austin as follows:

Project No.: 102-772

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: June 2016

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$334,500,000	\$334,000,000
	Available University Fund	\$ 0	\$ 250,000
	Unexpended Plant Funds ²	\$ 0	\$ 250,000
		<u>\$334,500,000</u>	<u>\$334,500,000</u>

Funding Notes: ¹ Revenue Financing System debt proposed to be repaid from office space rentals, parking revenues, and funds provided by the Available University Fund
² Unexpended Plant Funds from balances from Frank C. Erwin, Jr. Special Events Center operations

Investment Metrics:

- Incoming cohort of 50 medical students and total of 200 enrollment
- Incoming cohort of 25 Ph.D. students with total of 125 enrollment
- 175 residents increases to 350 residents over 10 years

- a. amend the Fiscal Year 2014-2019 Capital Improvement Program to revise the funding to \$334,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$250,000 from Available University Fund (AUF), and \$250,000 from Unexpended Plant Funds;
- b. approve design development plans;
- c. appropriate funds and authorize expenditure of \$334,500,000 with funding of \$334,000,000 from RFS Bond Proceeds, \$250,000 from the AUF, and \$250,000 from Unexpended Plant Funds; and

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$334,000,000.

Debt Service

The \$334,000,000 in aggregate RFS debt will be repaid from office space rentals, parking revenues, and funds provided by the AUF. Annual debt service on the \$334,000,000 RFS debt is expected to be \$22.5 million. The debt service coverage for the institution is expected to be at least 1.9 times and average 2.0 times over FY 2014-2019.

Previous Board Action

On May 9, 2013, the project was included in the CIP with a total project cost of \$334,500,000 with funding from RFS Bond Proceeds.

Project Description

U. T. Austin seeks to construct the Dell Medical School - Phase 1 project to support the University's goal to create an internationally recognized medical school for high quality education, research, and health care, with accommodation for long-term growth. The new doctoral degree program in Medicine at the University, for which expansion of preliminary planning authority was approved by the Board on February 14, 2013, will educate physicians to be skilled clinicians, biomedical scientists, professional leaders, and innovators in the ongoing transformation of the health care system in Texas and nationally.

In addition to building a faculty dedicated to medicine, the program will draw on the University's existing teaching and research strengths in natural sciences, engineering, and relevant fields in the social sciences and humanities. The program in Medicine also will draw on the University's well-regarded programs in nursing,

pharmacy, and social work to educate new physicians in interprofessional team settings that prepare them to function effectively in the health care system of the future, to provide acute and complex care safely and efficiently, and to maintain and improve the health of individuals in the community.

The Dell Medical School - Phase 1 project will be located in a new campus medical district of approximately 40 acres, bounded by Martin Luther King, Jr. Boulevard, Interstate Highway 35, 15th Street, and Trinity Street. The potential location for this district was identified in the U. T. Austin Campus Master Plan and was subsequently confirmed in the recent Medical District Master Plan. Of significance is the immediate adjacency of the proposed medical district to the existing University Medical Center Brackenridge, specifically because of the substantial investment in facilities in the Medical Center, which will continue to serve the new teaching hospital. The phased development of the medical district is being outlined in the master plan effort. There is additional room for future expansion of the district, when needed, into an adjacent, approximately 17 acres of the Central Campus, north of Martin Luther King, Jr. Boulevard.

This first phase of development will involve the construction of approximately 578,000 gross square feet (GSF) of new University buildings, including an Education and Administration Building, Research Building, and Medical Office Building 1. Additionally, Parking Garage 1 is targeted to house approximately 1,120 cars. The Education and Administration Building will also include approximately 8,000 GSF of renovation to the School of Nursing Building to accommodate simulation laboratory space to serve the entire medical district.

A 480,000 GSF teaching hospital will be concurrently constructed by Seton Healthcare in coordination with Central Health. The teaching hospital is not included as part of this project since it will not be constructed or financed by U. T. Austin.

8. U. T. Tyler: College of Pharmacy Building - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

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

Project No.: 802-779

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: May 2015

Total Project Cost:	<u>Source:</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$22,500,000	\$22,500,000
	Gifts	\$ 0	\$ 4,000,000
		\$22,500,000	\$26,500,000

Funding Note:

¹ Revenue Financing System debt proposed to be repaid from revenues generated by the pharmacy program

Investment Metrics:

- Enroll 84 pharmacy students in first year (2015)
 - Enroll 414 pharmacy students by 2019
 - Graduate first class in 2019
 - Attain full accreditation in 2019
- a. amend the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to increase the total project cost from \$22,500,000 to \$26,500,000;
 - b. revise funding sources to include Gifts;
 - c. approve design development plans;
 - d. appropriate funds and authorize expenditure of \$22,500,000 from Revenue Financing System Bond Proceeds and \$4,000,000 from Gifts; and
 - e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Tyler, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$22,500,000.

Debt Service

The \$22,500,000 in Revenue Financing System (RFS) debt will be repaid from revenues generated by the pharmacy program. Annual debt service on the \$22,500,000 RFS debt is expected to be \$1,805,458. U. T. Tyler will utilize accumulated reserves to cover initial operating deficits through FY 2016. After FY 2016, the project's debt service coverage is expected to be at least 1.6 times and average 3.3 times over FY 2017-2020.

Previous Board Action

On August 22, 2013, the project was included in the CIP with a total project cost of \$22,500,000 with funding from RFS Bond Proceeds. On January 9, 2014, the Associate Vice Chancellor for Facilities Planning and Construction approved the redesignation of the project to the College of Pharmacy Building.

Project Description

This project will construct the W. T. Brookshire Pharmacy Building for the Ben and Maytee Fisch College of Pharmacy near the Robert R. Muntz Library. In accordance with the Campus Master Plan, the location will enable close working relationships between pharmacy faculty and students and other graduate and undergraduate faculty and students. The building will accommodate lecture halls, seminar rooms, classrooms, pharmacy practice areas, faculty offices, and associated support areas. The increase in total project cost will add approximately 20,000 assignable square feet of shell space, bringing the building up to 60,000 gross square feet.

A joint U. T. Tyler and University of Texas Health Science Center at Tyler self-supporting College of Pharmacy will build upon highly successful nursing, health, and medical programs offered by the two institutions and strengthen their capacity to offer additional health care degrees and to conduct sophisticated sponsored research in the future. The College of Pharmacy supports U. T. Tyler's goals listed in the Framework for Advancing Excellence throughout The University of Texas System: Action Plan and strongly supports U. T. Tyler's increased enrollment and retention targets and additional high demand professional programs to fill demonstrated regional workforce needs and pharmaceutical research capabilities.

Secretary's Note: The following statement was inadvertently left off the agenda item.

The Office of Finance has determined that the institution has sufficient local funds to cover any shortfall.

9. U. T. Health Science Center - San Antonio: South Texas Medical Academic Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

The Board approved the recommendations for the South Texas Medical Academic Building project at The University of Texas Health Science Center at San Antonio as follows:

Project No.:	402-817	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	December 2015	
Total Project Cost:	<u>Source</u> Permanent University Fund Bond Proceeds	<u>Current</u> \$54,000,000

Investment Metrics:

- Promote access to health professional education to a diverse student body
 - Develop first-class medical school to improve the health of the community
- a. approve design development plans; and
 - b. appropriate funds and authorize expenditure of \$54,000,000 with funding from Permanent University Fund (PUF) Bond Proceeds.

Previous Board Action

On November 14, 2013, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$54,000,000 with funding from PUF Bond Proceeds.

Project Description

This project will advance the goal to expand medical education as outlined in the Framework for Advancing Excellence throughout The University of Texas System. The approximately 88,260 gross square feet (GSF) of space will be devoted to teaching facilities that promote faculty and student interaction at the earliest stages of medical school. The space will include lecture halls that can be converted to smaller breakout rooms for multiprofessional education and simulated patient cases. It will also have multiple small classrooms and seminar rooms for small group problem solving and "flipped classroom" learning. The project will include an auditorium, a digital library, and a clinical skills center for sophisticated testing of students' knowledge, skill, and values; preclinical M.D. labs; and a human structure lab to accommodate shifts in the technology of teaching of human anatomy.

Consistent with accrediting body requirements, it will have a student lounge and study space. The building will make extensive use of online and distance learning as part of a region-wide Medical School interacting with and complementing facilities at Harlingen and Brownsville as well as supporting continuing professional education in the region.

The building will be completed in time to matriculate the first U. T. Rio Grande Valley medical school class in the Summer/Fall 2016. The building will house core administrative facilities for the Dean's Office and approximately 30 faculty members. It will be constructed in an area of The University of Texas-Pan American campus that is adjacent to the medical research building previously constructed as part of the Regional Academic Health Center (RAHC). Its location is consistent with the campus plan for creation of a medical/health professions education and research complex. The building will become part of U. T. Rio Grande Valley when the University is established.

10. U. T. Dallas: Campus Landscape Enhancement Project Phase II - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; and appropriation of funds (Final Board approval)

The Board approved the recommendations for the Campus Landscape Enhancement Project Phase II at The University of Texas at Dallas as follows:

Project No.:	302-765		
Project Delivery Method:	Competitive Sealed Proposals		
Substantial Completion Date:	June 2016		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Gifts	\$10,000,000	\$10,000,000
	Unexpended Plant Funds ¹	\$ 5,000,000	\$10,000,000
		\$15,000,000	\$20,000,000

Funding Note: ¹ Unexpended Plant Funds from unrestricted Gifts, investment income and Designated Tuition

- a. amend the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to increase the total project cost from \$15,000,000 to \$20,000,000; and
- b. appropriate funds of \$5,000,000 from Unexpended Plant Funds.

Previous Board Action

On February 14, 2013, the project was included in the CIP with a total project cost of \$15,000,000 with funding of \$10,000,000 from Gifts and \$5,000,000 from Unexpended Plant Funds. On October 14, 2013, the Chancellor approved design development documents and authorized expenditure of \$12,296,050 with funding of \$7,428,556 from Gifts and \$4,867,494 from Unexpended Plant Funds.

Project Description

The original project included phased build-out for landscape upgrades to enhance the area north of the original Mall project from the Plaza Core to the Administration Building, Rutford Promenade, Loop Road landscape, and to enhance the North-South and East-West pedestrian corridors across campus. The increase in total project cost will allow for additional build-out to allow pedestrian access to the dormitory project in the northwest portion of campus and the new Callier Richardson Expansion and Bioengineering and Science building sites on the north side of campus. This additional funding will also address pedestrian safety issues on major campus pathways.

It is the desire of the gift donor to improve the campus environment through extensive landscape improvements. These generous gifts continue the support of the original gift for construction of the new campus entry and Mall, a project that has had a transformative impact on the public realm of the campus and significant impact on the campus environment for the benefit of the student population.

This repair and rehabilitation project has been approved by University of Texas System staff and meets the criteria for inclusion in the CIP. Authorization of expenditure of the remaining funding will be presented to the Chancellor for approval at a later date. Not all of the gift funding authorized for expenditure is fully collected or committed at this time; however, the Office of Finance has determined that the institution has sufficient local funds to cover any shortfall.

11. U. T. El Paso: Campus Transformation Project - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the recommendations for the Campus Transformation Project at The University of Texas at El Paso as follows:

Project No.:	201-751		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	May 2015		
Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$15,000,000	\$16,000,000
	Permanent University Fund Bond Proceeds	\$10,000,000	\$10,000,000
	Grants (TxDOT)	\$ <u>0</u>	\$ <u>8,000,000</u>
		\$25,000,000	\$34,000,000

Funding Notes: ¹ Revenue Financing System Bond Proceeds to be repaid from Gifts and Designated Tuition

- a. amend the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to increase the total project cost from \$25,000,000 to \$34,000,000;
- b. revise funding sources to include Grants;
- c. appropriate and authorize expenditure of \$16,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$10,000,000 from Permanent University Fund (PUF) Bond Proceeds, and \$8,000,000 from Grants; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$16,000,000.

Debt Service

The \$16,000,000 in aggregate Revenue Financing System debt will be repaid from Gifts and Designated Tuition. Annual debt service on the \$16,000,000 RFS debt is expected to be \$982,000. The institution's debt service coverage is expected to be at least 1.6 times and average 2.0 times over FY 2014-2019.

Previous Board Actions

On August 23, 2012, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$25,000,000 with funding from RFS Bond Proceeds. On February 14, 2013, the Board approved design development plans and authorization of expenditure. On August 22, 2013, the Board approved \$10,000,000 of PUF of Bond Proceeds to replace \$10,000,000 from RFS Bond Proceeds.

Project Description

The Campus Transformation Project will complete the campus outdoor space reconfiguration begun more than 10 years ago to improve access and space utilization and to enhance the quality of campus life. This project is the culmination of a master planning and implementation process that has successfully leveraged the investments of a variety of strategic partners, including the City of El Paso and the Texas Department of Transportation (TxDOT).

The proposed increase in the total project cost is necessitated primarily by the expanded scope and costs related to replacing underground utility infrastructure improvements in the project area, including all hydronic, gas, water, electrical, and telecommunications lines, some of which are as much as 40 years old. These upgrades will greatly enhance the reliability of utility services and expand upon current capacity to better serve the campus needs in the future.

REPORT OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE (Page 47).--
Committee Chairman Hall stated there were no items from the Technology Transfer and Research Committee to report in open session.

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

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

2. U. T. System: Report on proposed Innovation Framework to strengthen and advance industry and commercialization paths for the U. T. System institutions

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

3. U. T. System: Report on Academic Analytics and SciVal, online information tools for publications and research funding

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

4. U. T. System: Report on novel programs in education for innovation and entrepreneurship

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

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 11:40 a.m., the Board voted and approved the Standing Committee recommendations.

ANNOUNCEMENT OF APPOINTMENTS TO THE NATIONAL ACADEMY OF ENGINEERING.--Chairman Foster announced that the following four faculty members from The University of Texas at Austin had been elected to the National Academy of Engineering:

- Dr. Gregory L. Fenves, Executive Vice President and Provost (formerly Dean of the Cockrell School of Engineering);
- Dr. Thomas F. Edgar, Director of the Energy Institute and Professor in the McKetta Department of Chemical Engineering;
- Dr. Yale N. Patt, Professor in the Department of Electrical and Computer Engineering and the Department of Computer Science in the College of Natural Sciences; and
- Dr. Robert E. Schutz, Professor in the Department of Aerospace Engineering and Engineering Mechanics.

RECESS TO EXECUTIVE SESSION.--At 11:42 a.m., Chairman Foster announced that the Board would recess to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--The Board reconvened in Open Session at 1:58 p.m. for the following actions taken on matters discussed in Executive Session.

1. U. T. Tyler: Authorization to purchase land and improvements at 3088 Old Omen Road, Tyler, Smith County, Texas, from Cambridge at Tyler Owner, LLC, for student housing, and resolution regarding parity debt

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

- a. authorize the purchase of approximately 14.05 acres located at 3088 Old Omen Road, Tyler, Smith County, Texas, improved with a 204-unit apartment complex from Cambridge at Tyler Owner, LLC, a Delaware limited liability company, for a purchase price in accordance with the parameters discussed in Executive Session, 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 use as student housing for the institution;

- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions within the parameters outlined in the Executive Session; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System the findings that are stated in Attachment A to this motion, which has been provided to each member of the Board and which shall be included in the Minutes of this meeting.

The motion was seconded by Regent Stillwell and carried unanimously.

ATTACHMENT A TO MOTION FROM EXECUTIVE SESSION
February 6, 2014

- Parity debt shall be issued to fund all or a portion of the purchase price, including any costs prior to the issuance of such parity debt;
- Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the RFS Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;
- U. T. Tyler, which is a “Member” as such term is used in the RFS Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of parity debt in an aggregate amount not to exceed the purchase price; and
- This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board’s intention to reimburse project expenditures with bond proceeds.

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

No action was taken on this item.

- 2b. U. T. System Board of Regents: Discussion regarding legal issues related to matters considered by the Select Committee on Transparency in State Agency Operations of the Texas House of Representatives

No action was taken on this item.

- 2c. U. T. System: Discussion related to legal issues concerning compliance with the Texas Public Information Act (TPIA)

No action was taken on this item.

- 2d. U. T. Austin: Discussion regarding legal issues related to pending review of the relationship between the School of Law and the Law School Foundation

No action was taken on this item.

- 2e. U. T. System Board of Regents: Discussion of legal issues concerning proposed amendment of Regents' *Rules and Regulations*, Rule 10101 (Authority) and Rule 10403 (to be retitled as Public Statements on Behalf of the Board); and adoption of proposed new Rule 10801 (Policy on Transparency, Accountability, and Access to Information)

See related Item 6 on Page 53 for action taken in Open Session.

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

Upon motion by Regent Stillwell, seconded by Regent Cranberg, the Board authorized the Presidents of The University of Texas at Austin, The University of Texas at Dallas, The University of Texas Health Science Center at Houston, and The University of Texas M. D. Anderson Cancer Center and the Vice Chancellor for External Relations to conclude negotiations necessary to finalize and accept gifts to benefit those institutions with potential naming features consistent with the terms and conditions outlined and recommended in Executive Session.

The motion carried unanimously.

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

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

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

This item was withdrawn.

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

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

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

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

- 4a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees

No action was taken on this item.

- 4b. U. T. M. D. Anderson Cancer Center: Approval of terms of employment of Thomas A. Buchholtz, M.D., as Executive Vice President and Physician-in-Chief (Regents' Rules and Regulations, Rule 20204, regarding highly compensated employees)

According to the parameters discussed in Executive Session, the Board approved the terms of compensation of Thomas A. Buchholtz, M.D., as Executive Vice President and Physician-in-Chief at The University of Texas M. D. Anderson Cancer Center.

AGENDA ITEMS

6. U. T. System Board of Regents: Approval of amendments to Regents' *Rules and Regulations*, Rule 10101 (Board Authority and Duties) except the proposed addition of Section 5; approval of amendments to Rule 10403 (Public Statements on Behalf of the Board); and adoption of new Rule 10801 (Policy on Transparency, Accountability, and Access to Information)

Chairman Foster made the following remarks on proposed amendments to the Regents' *Rules and Regulations* regarding changes concerning information requests; official statements; and transparency, accountability, and access to information.

Remarks by Chairman Foster

I recommend proposed changes to the Regents' Rules regarding changes concerning information requests; official statements; and transparency, accountability, and access to information. As an additional change, I recommend the amended item before the Board, which adds a new Section 5.4.5 to Rule 10801 as highlighted.

Since becoming Chairman, I have looked more and more at the volume and pace with which so many innovations are occurring at U. T. institutions and at the U. T. System Administration. I am in awe of what I learn every day, and I am honored to work with people who remain diligent and committed to our teaching, research, service, and clinical missions.

U. T. institutions and the U. T. System Administration are always asked to work in a spirit of continuous improvement and to not only look at best practices but to establish them. I believe the same must hold true for its governing board.

Members of the Board of Regents have the responsibility and the right to ask questions and seek information, and the public also has a right to know. That is the law. But beyond that, such transparency is how we get better. It is how we make the best decisions to fund promising new initiatives; to ensure the safety of our students and university communities; to strengthen our teaching, research, and clinical services; and to eliminate outdated functions that no longer serve a purpose.

For those seeking and providing access to needed information and data, we want to be as efficient, cooperative, and coordinated as possible. Moreover, we need to be clear in how information will be requested and processed. That is why I have spent considerable time in the last few months looking at current policies and practices and talking with others on how we can improve upon them. I greatly appreciate the input of the Vice Chairmen on these issues.

In October (2013), I mentioned recommendations related to three areas -- information requests, the coordination of media contacts, and the use of U. T. System email addresses by Regents -- for consideration by the Board. Today, I would like to briefly expand upon my detailed recommendations, which require approval of changes to the Regents' Rules.

1) We will table consideration of Section 5 of Rule 10101 for a future meeting to allow review of the email use practices at other state agencies.

2) Proposed changes to Rule 10403 clarify who may speak on behalf of the Board and the U. T. System and sets an expectation that Regents will coordinate media contacts with the System's Office of External Relations.

3) The proposed enactment of new Rule 10801 will provide maximum transparency to the public by expanding public access to information online that has already been requested by others and to ensure that members of the Board of Regents follow a process when making inquiries to campuses. This way, we can talk about whether the requests are appropriate in scope, whether System leaders are fully informed of the requests, and that timelines be developed by the Chancellor to allow institutions appropriate time to compile requests that require significant amounts of data.

It is my hope that the proposed Rules changes will promote greater clarity and an enhanced spirit of communication and transparency between the Board of Regents and the public.

Upon motion by Chairman Foster, seconded by Vice Chairman Powell, the Board then approved revisions of the Regents' *Rules and Regulations* as noted below and as set forth on the following pages:

- a. Amendments to Rule 10101 (Board Authority and Duties) except the proposed addition of Section 5 (for ease of reference, shown in congressional style on Page 58);
- b. Amendments to Rule 10403 (Public Statements on Behalf of the Board); and
- c. Adoption of new Rule 10801 (Policy on Transparency, Accountability, and Access to Information).

Prior to the vote, Regent Hall said he wanted to applaud some of the changes in terms of the suggestion and the effort (1) to further enhance public access to records at all the U. T. System institutions, (2) to reaffirm the individual right of the Regent to request information in their own capacity, as opposed to acting only as a Board, and (3) to clarify when a Regent may expect to receive information.

Regent Cranberg applauded the Rules changes. He said this process will create a greater degree of transparency as to what requests are and will encourage campuses to fulfill requests in a more orderly, efficient manner.

Revisions to Rule 10101 contain clarifications to current language on Board authority and duties.

Changes to Rule 10403 clarify who may speak on behalf of the Board and the System and set the expectation that Regents will coordinate media contacts with the Office of External Relations.

New Rule 10801 is intended to complement the numerous ongoing University of Texas System transparency initiatives including enhanced data-gathering, data management, and access to data through the U. T. System's electronic Productivity Dashboard.

- The new Rule acknowledges the need for a comprehensive plan and the capacity to make voluminous documents and a growing repository of data readily available for review, as appropriate, by all requestors, including the public, representatives of the media, members of the Legislature, and members of the Board of Regents.
- The new Rule envisions a plan for significantly improving data management and access with the goals of increasing transparency and accountability while reducing administrative burdens through an orderly and efficient method of records management and production. For members of the Board seeking information, the Rule formalizes a request process that facilitates discussion with the Chairman, the Chancellor, and the requesting Regent to assist in avoiding duplication of efforts and to work together to set the scope and deadlines for production in the context of System strategic priorities. The Rule is not intended to prevent a member of the Board from access to information or data the Regent deems necessary to fulfill his or her official duties, but to ultimately make more information and data readily available for all.
- Benefits expected include providing quicker access to data in a format more conducive to analytical review; making the best information available to decision-makers to fulfill their responsibilities; reducing workload on U. T. System and institutional staff members; providing better access to and use of the increasing amounts of data being collected by the U. T. System Administration and the U. T. System institutions; and allowing researchers to identify important challenges, patterns, and opportunities.
- U. T. System Administration and U. T. System institutions currently provide Web access to a listing of all requests made under the Texas Public Information Act (TPIA) from at least early 2013. The new Rule directs the

- U. T. System to work to identify improvements to the websites. As one facet of the enhanced access, the U. T. System will pilot a phased program to provide access to the actual documents responsive to each of the requests, to the extent feasible and legally permitted. The existing System Administration website may be accessed at <http://www.utsystem.edu/>.

1. Title

Board Authority and Duties

2. Rule and Regulation

Sec. 1 Authority of the Board. The Legislature, which is given the duty and authority to provide for the maintenance, support, and direction of The University of Texas by Article VII, Section 10 of the Texas Constitution, has delegated the power and authority to govern, operate, support, and maintain The University of Texas System to the Board of Regents. (See *Texas Education Code* Section 65.11 et seq. and Section 51.352.) Texas court cases construing these statutes have held that the Board has wide discretion in exercising its power and authority and that the rules adopted by the Board have the same force as statutes. The System's lands and buildings are State of Texas property subject to the control of the Board as the State's agent.

Sec. 2 Amendment or Suspension of Rules. The Regents' *Rules and Regulations* may be added to, amended, waived, or suspended by a majority of all of the members of the Board of Regents present at any regular meeting or at any special meeting called for that purpose.

Sec. 3 Duties and Responsibilities of Each Regent.

3.1 In carrying out the duties and responsibilities referenced in Section 1 above, it is the responsibility of each Regent to be knowledgeable in some detail regarding the operations, management, finances, and effectiveness of the academic, research, and public service programs of the U. T. System, and each member of the Board of Regents has the right and authority to inform himself/herself as to the duties, responsibilities, and obligations of the member in such a manner as they each may deem proper. Members of the Board of Regents are to be provided access to such information as in their individual judgments will enable them to fulfill their duties and responsibilities as Regents of the U. T. System.

3.2 Information requests for data or for the compilation of information by an individual member of the Board will be processed in compliance with Regents' Rule 10801 concerning Transparency, Accountability, and Access to Information.

Sec. 4 Communication with Faculty, Staff, and Administration. Members of the Board of Regents are to be provided access to such personnel as in their individual judgments will enable them to fulfill their duties and responsibilities as Regents of the U. T. System. The regular channel of communication from members of the Board to the faculty, staff, and administration is through the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved, and a copy of any communication sent by a Regent directly to any member of the faculty, staff, or administration should be furnished to the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved; however, individual Board members are not precluded from direct participation and communication with the presidents, faculty, staff, and students of the U. T. System.

[Not Approved for Inclusion:

~~Sec. 5 — Records and Information Management. Members of the Board of Regents shall comply with the Systemwide policies regarding records retention and information management, including System Administration policies on encryption, retention, destruction, and release of documents.~~

~~5.1 — In addition to required training under State law, each member of the Board will be provided training on records and document management, including compliance with U. T. System records and retention policies.~~

~~5.2 — U. T. System Administration will provide a U. T. System email address and account to each Regent at the beginning of service as a member of the Board of Regents. Members of the Board are strongly encouraged to use U. T. System email addresses for all communications related to public business or public policy over which the Board of Regents has supervision or control.~~

~~5.3 — Any email messages sent by a U. T. System employee to a member of the Board of Regents and related to public policy or U. T. business will be sent to the Regent's U. T. System email address.]~~

1. Title

Public Statements on Behalf of the Board

2. Rule and Regulation

...

Sec. 9 Public Statements on Controversial Matters. The Board of Regents acts to determine the official position of the U. T. System or the Board of Regents on matters of an obviously controversial nature.

9.1 Statements on such matters shall be made by the Chairman of the Board or the Chancellor.

9.2 Except as allowed under Section 9.1, no Regent, officer, or employee shall make or issue any public statement on an obviously controversial subject which might reasonably be construed as a statement of the official position of the U. T. System or the Board of Regents without the advance approval of the Board. Each institution's Handbook of Operating Procedures may specify the institutional officers authorized to speak on behalf of the institution.

9.3 It is not the intent of this policy statement to stifle the right of freedom of speech of anyone speaking in a personal capacity where that person makes it clear that he or she is not speaking for the U. T. System or the Board of Regents. To the extent possible, Regents are expected to coordinate media contacts with and to provide advance notice to the U. T. System Office of External Relations regarding any media contacts and press statements.

.....

1. Title

Policy on Transparency, Accountability, and Access to Information

2. Rule and Regulation

- Sec. 1 The Board of Regents and U. T. System Administration are committed to enhancing transparency, accountability, and access and disclosure of information to the public, the media, elected and appointed state and federal officials, and executive policy makers.
- Sec. 2 To assist in achieving these goals, the Board wishes to provide maximum transparency to the public and its representatives to the fullest extent allowed by law while ensuring compliance with best governance practices and appropriate protection of confidential information and personal privacy. The Board acknowledges significant U. T. System leadership and progress in expanding access and transparency, supports these ongoing efforts, and recognizes that the efforts will require continuing and long-term commitment.
- Sec. 3 The Board requires all U. T. System Administration, U. T. System institutional employees, and members of the Board to respond thoroughly and appropriately to all legal requests for information and in accordance with state and federal laws to all lawful requests. The Board expects all employees to work to achieve and maintain an environment of transparency, cooperation, and compliance with applicable law and policy. The Board will support staffing levels and acquisition of resources necessary and reasonable to implement and achieve the intent of this Rule.
- Sec. 4 Enhancement of Access to and Analysis of Data and Information.
- 4.1 Importance of Data Collection, Retention, and Analysis. The U. T. System recognizes and supports the importance of data collection, retention, and analysis for purposes such as reviewing System operations and policies, guiding decision-making, improving productivity and efficiency, and evaluating performance outcomes.

- 4.2 Increase in the Amount of Data Available. The U. T. System recognizes that the amount of significant data being accumulated by the U. T. System and U. T. System institutions is expanding exponentially each year. The System further recognizes that current data collection and management systems in use are not sufficient to effectively manage and utilize all data becoming available.
- 4.3 Opportunities for Additional Enhancements. The U. T. System is continually looking for ways to enhance the performance of its institutions, to support access and success for all students, to improve educational outcomes, and to remain a national leader in providing access to data. As such, the U. T. System is committed to continue collecting additional data and finding and utilizing new, better and more expansive systems and software with which to manage and access these data. These improved systems and new software will greatly improve the ability to generate better informed decisions to enhance student success, to increase productivity and efficiency, and to facilitate access to and analysis of the data.
- 4.4 Framework for Advancing Excellence. The Framework, established in 2011, implemented a centralized data warehouse for the purposes of evaluating the progress of U. T. System institutions in achieving the goals set forth in the Framework. The data warehouse is a central source of information for the U. T. System Productivity Dashboard, which specifically supports the goals of transparency and efficiency as expressed in the Framework.

(Framework url: <https://www.utsystem.edu/chancellor/speeches/a-framework-for-advancing-excellence-throughout-the-university-of-texas-system>)

- 4.5 Information Accessible through Data Dashboard. The U. T. System Productivity Dashboard provides a rolling 10 years (where available) of data on the performance of all U. T. System institutions and is available free to the public. The Productivity Dashboard provides important data and metrics concerning students, faculty, research and technology transfer, health care, and productivity and efficiency.

(Productivity Dashboard url: <http://data.utsystem.edu/>)

Sec. 5 Processing Information Requests.

- 5.1 Requests by Members of the Public. To enhance transparency, U. T. System institutions and U. T. System Administration are expected to act in strict compliance with the Texas Public Information Act (TPIA) and applicable State and federal law in providing public access to governmental records.
- 5.2 Requests by Representatives of the Media. In addition to the public right of access to information through the TPIA, representatives of the media may utilize U. T. System Administration and institutional offices of external relations as an additional resource for questions.
- 5.3 Requests by Members of the Texas Legislature. The TPIA provides members of the Texas Legislature a special right of access to information needed for legislative purposes. U. T. System Administration and institutional offices of governmental affairs serve as additional resources for questions from members of the Legislature.
- 5.4 Requests by Members of the Board of Regents and Chancellor.
 - 5.4.1 This process is not intended nor will it be implemented to prevent a member of the Board of Regents or the Chancellor from access to information or data that the Board member or Chancellor deems is necessary to fulfill his or her official duties and responsibilities.
 - 5.4.2 Requests by an individual Regent for information shall be submitted to the Chancellor with a copy to the Board Chairman and General Counsel to the Board.
 - 5.4.3 Information requests from or on behalf of an individual member of the Board of Regents seeking the compilation of significant quantities of information or data from a U. T. System institution will be reviewed by the Chairman of the Board and the Chancellor and, if necessary, discussed with the requesting Regent to determine the appropriate scope of the request and timing of the response to avoid inefficiencies and duplication of effort but shall also ensure that requests are fulfilled in a timely manner consistent with applicable law and policy.

- 5.4.4 Smaller requests for existing information or data that do not appear to require significant time or effort may be processed through the Office of the Board of Regents and the Chancellor's Office.
- 5.4.5 Within 72 hours of the receipt of a request, the Chancellor's Office will provide the requesting Regent with an estimated date for delivery or production. The Board requires all U. T. System Administration and U. T. System institutional employees to respond thoroughly and appropriately to requests for information from a member of the Board or the Chancellor, without undue delay.

Sec. 6 Access to Requests for Information.

- 6.1 The U. T. System Administration is directed to look for opportunities to expand the existing U. T. System websites, established in 2012 to provide public access to requests for information and which include all Texas Public Information Act requests.

(Open Records website: <http://www.utsystem.edu/open-records?src=uts-homepage>)

- 6.2 It is the intent of the Board that documents responsive to those requests be made available electronically to the extent legal and feasible, with the Chancellor to set timelines for implementation, in consultation with the Chairman.

7. U. T. System Board of Regents: Announcement by Chairman Foster of establishment of a new Task Force on Intellectual Property Issues

Chairman Foster announced the establishment of a new Task Force on Intellectual Property (IP) Issues.

Remarks by Chairman Foster

The overall purpose of the Task Force is to evaluate the intent, rationale, current language, workability and requirements of the U. T. System Board of Regents' *Rules and Regulations* related to the disposition and management of research-derived IP at U. T. System institutions and to recommend changes or revisions of the Regents' Rules to the Board of Regents. Task Force members will be specifically asked to:

- Consider best practices in public university systems or peer organizations for the disposition and management of IP
- Evaluate new and emerging models of flexible IP ownership as implemented by peer universities and academic health institutions
- Review compliance with the Regents' Rules concerning IP and any proposed changes or revisions with applicable federal and State law
- Review potential impact of any such changes in disposition and management of IP to researchers at all levels, including potential philanthropic support from grateful faculty and student innovators
- Consider potential impact for industry partnerships
- Consider contract review processes that insure the timely execution of transactions

Regent Hall has agreed to co-chair the Task Force with President Karbhari (The University of Texas at Arlington). I will work with the Chancellor to appoint the additional members soon.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on May 14-15, 2014, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:09 p.m.

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

April 2, 2014



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

Committee and Board Meetings:
February 5-6, 2014
Austin, Texas

	Page
U. T. SYSTEM ADMINISTRATION	
1. Minutes - U. T. System Board of Regents: Approval of Minutes of regular meetings held on November 14, 2013, and December 12, 2013; and the special called meeting held on January 13, 2014	71
2. UTIMCO Committee Appointments - U. T. System Board of Regents: Proposed appointment of member to the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)	71
3. Contract (funds going out) - U. T. System: Multivista Systems, LLC (p/k/a Multivista FS, LLC) to provide construction photo documentation services	71
4. Other Matters - U. T. System: Approval to use Permanent University Funds (PUF) Bond Proceeds in lieu of Intermediate Term Funds (ITF)/Swap Proceeds	72
5. Transfer of Funds - U. T. System: Amendment to the 2013-14 budget	72
6. Real Estate Report - U. T. System: Summary Report of Separately Invested Assets managed by U. T. System	73
ACADEMIC INSTITUTIONS	
7. Contract (funds coming in) - U. T. Arlington: Compass Group USA, Inc., Canteen Vending Services Division will provide vending machine products and services on the U. T. Arlington campus	74
8. Tenure Appointment - U. T. Arlington: Amendment to the 2013-14 budget	74
9. Contract (funds coming in and funds going out) - U. T. Austin: Market Engenuity, Inc. to provide administration of KUT-FM Radio's public media underwriting operations	74
10. Contract (funds going out) - U. T. Austin: Assignment agreement with University of Louisville Athletic Association, Inc. regarding the assignment of Charles R. Strong's employment contract	75
11. Contract (funds going out) - U. T. Austin: Architexas - Architecture, Planning, and Historic Preservation, Inc. to perform professional historical architectural services	75
12. Contract (funds going out) - U. T. Austin: Barnes Gromatzky Kosarek Architects to perform professional project programming, facilities space management, and feasibility studies services	76
13. Contract (funds going out) - U. T. Austin: Coffee Crier Schenck & Hammond Architects to perform professional architectural services for multifunctional areas, classrooms, meeting rooms, auditoriums, and distance learning and audiovisual facilities	76

14.	Contract (funds going out) - U. T. Austin: Hughes Associates, Inc. to perform professional engineering/fire alarm services	77
15.	Contract (funds going out) - U. T. Austin: Lonestar Environmental Services to perform professional environmental survey, testing, design documents, and/or monitoring services	77
16.	Contract (funds going out) - U. T. Austin: MEP Engineering, Inc. to perform professional mechanical, electrical, and plumbing engineering services and/or specialty services for gas/chemical/safety systems	78
17.	Contract (funds going out) - U. T. Austin: Parsons Environment & Infrastructure Group, Inc. to perform professional architectural services for laboratory, research, and other related facilities	78
18.	Contract (funds going out) - U. T. Austin: Pfluger Associates Architects to perform professional architectural services for multifunctional areas, classrooms, meeting rooms, auditoriums, distance learning and audiovisual facilities	79
19.	Contract (funds going out) - U. T. Austin: Wiss, Janney, Elstner Associates, Inc. to perform professional engineering or architectural waterproofing services	79
20.	Tenure Appointments - U. T. Austin: Amendments to the 2012-13 budget	80
21.	Tenure Appointments - U. T. Austin: Amendments to the 2013-14 budget	80
22.	Emeritus Appointments - U. T. Austin: Approval of emeritus titles	81
23.	Request for Budget Change - U. T. Austin: Transfer \$3,700,000 from UTIL - Utility Plant Operating Income account to UTIL - PPA - Replace Cooling Tower 7 All Expenses account to replace Cooling Tower 7 (RBC No. 5548) -- amendment to the 2013-14 budget	81
24.	Request for Budget Change - U. T. Austin: Transfer \$1,902,250 from VPBA - Flat Rate Tuition account to various Flat Rate Tuition Operating Income accounts to distribute Summer Enhancement Program funds to offset additional costs incurred by academic units in support of the Summer Enhancement Program initiative offered through the Provost's Office to expand and improve course offerings during summer sessions (RBC No. 5549) -- amendments to the 2012-13 budget	81
25.	Request for Budget Change - U. T. Austin: Transfer \$4,000,000 from VPBA - Reserve for Academic Enhancement Initiatives Operating Income account to PMCS - Repair and Renovation Control Allocated for Budget account to supplement the annual repair and renovation budget (RBC No. 5589) -- amendment to the 2013-14 budget	82
26.	Request for Budget Change - U. T. Austin: Transfer \$516,740 from Dynamic Testing Center Operating Income account to various Dynamic Testing Center accounts to budget testing fee income received by the Dynamic Testing Center. The Dynamic Testing Center is part of the National Science Foundation (NSF) nationwide Network for Earthquake Engineering Simulation, through which the NSF has funded the set up and operation of numerous earthquake research centers around the United States (RBC No. 5590) -- amendment to the 2013-14 budget	82
27.	Request for Budget Change - U. T. Austin: Transfer \$706,038 from UCS - University Charter School Operating Income account to UCS - University Charter School Faculty Salaries, Administrative and Professional Salaries, Classified Salaries, and Fringe Benefits accounts to include changes in State formula funding during the last legislative session (Based on the Texas Education Agency's revised 2013-14 Estimate of State Aid Entitlement Template for Charter Schools, The University of Texas - University Charter School will receive this additional allotment from the State)	83

28.	Request for Budget Change - U. T. Austin : Transfer \$2,338,768 from Higher Education: Hazlewood Supplemental Appropriation to HB Hazlewood Exemption account. The 83rd Texas Legislature allocated these funds to partially reimburse institutions of higher education for the costs associated with the Legacy Program, which extends the State of Texas tuition exemption for qualified veterans to the veterans' spouses and dependent children (RBC No. 5678) -- amendment to the 2013-14 budget	84
29.	Employment Agreement - U. T. Austin : Men's Athletics Director Employment Agreement for Stephen W. Patterson	84
30.	Employment Agreement - U. T. Austin : Head Football Coach Employment Agreement for Charles R. Strong	85
31.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Vance Bedford	86
32.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Bruce Chambers	89
33.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Brian Jean-Mary	91
34.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Tommie Robinson	93
35.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Christopher Rumph	95
36.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Leslie Koenning	97
37.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Christopher Vaughn	99
38.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Steven S. Watson	101
39.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Gregory J. Wickline	103
40.	Employment Agreement - U. T. Austin : Assistant Football Coach Agreement for Patrick Moor	105
41.	Lease - U. T. Austin : Authorization to extend the lease of space on campus to the United States Postal Service for use as a retail postal facility; and finding of a public purpose	107
42.	Advisory Council - U. T. Austin : Rename the Blanton Museum of Art - Museum Council as the Blanton National Leadership Board	107
43.	Emeritus Appointment - U. T. Brownsville : Appointment of Charles Dameron from Professor, College of Liberal Arts, to Professor Emeritus in the College of Liberal Arts (RBC No. 5704) -- amendment to the 2013-14 budget	108
44.	Foreign Contract (funds coming in) - U. T. Dallas : Renewal of contract to provide INFOTEC, a Mexican Federal Government Public Trust, with instructional and program support for INFOTEC's Information Communication and Technology (ICT) Master's program; and Collaboration Agreement between U. T. Dallas and INFOTEC for the purpose of future collaborative efforts	108

45.	Emeritus Appointments - U. T. El Paso : Approval of emeritus titles	109
46.	Tenure Appointment - U. T. Pan American : Amendments to the 2013-14 budget	109
47.	Request for Budget Change - U. T. Pan American : Transfer \$512,394 from the Texas Higher Education Coordinating Board to the Hazlewood Legacy Act - HB 1025 fund for the allocation of the HB 1025 Hazlewood appropriation for 2013/2014 for the purpose of reimbursing costs associated with the Hazlewood Legacy Program (RBC No. 5587) -- amendments to the 2013-14 budget	110
48.	Report - U. T. Permian Basin : No items for Consent Agenda	110
49.	Request for Budget Change - U. T. San Antonio : Transfer \$2,487,428 from the Texas Higher Education Coordinating Board to the Hazlewood Legacy Act - HB 1025 fund for the allocation of the HB 1025 Hazlewood appropriation for 2013/2014 for the purpose of reimbursing costs associated with the Hazlewood Legacy Program (RBC No. 5605) -- amendment to the 2013-14 budget	110
50.	Request for Budget Change - U. T. San Antonio : Transfer \$838,000 from Campus Reserves account to the PeopleSoft Project account to fund the extension of three consultant service contracts based on the UTShare project go live date of March 1, 2014, with phased deployment sequences through September 1, 2014 (RBC No. 5606) -- amendment to the 2013-14 budget	110
51.	Report - U. T. Tyler : No items for Consent Agenda	110

HEALTH INSTITUTIONS

52.	Contract (funds going out) - U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler : Master agreement between U. T. System and Morris & Dickson Co., LCC for the supply of pharmaceutical products to the named institutions. This group buy was negotiated by the U. T. System Supply Chain Alliance and provides for enhancements to pricing and other terms under a supply agreement competitively procured by Premier, an external group purchasing organization	111
53.	Contract (funds going out) - U. T. Southwestern Medical Center : SPM Marketing and Communications, Inc.	111
54.	Contract (funds coming in) - U. T. Medical Branch - Galveston : Texas Department of State Health Services	112
55.	Approval of Dual Position 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 Regulatory Affairs, as Chair of the Health and Human Services Council	112
56.	Appointments - U. T. Health Science Center - Houston : Amendment to the 2013-14 budget	113
57.	Emerita Appointment - U. T. Health Science Center - Houston : Appointment of Paula N. O'Neill from Professor to Professor Emerita in the School of Dentistry (RBC No. 5632) -- amendment to the 2013-14 budget	114
58.	Other Matters - U. T. Health Science Center - Houston : Appointment and reappointment of Members of the Board of Directors of The University of Texas System Medical Foundation, Inc.	114
59.	Lease - U. T. Health Science Center - San Antonio : Authorization to lease space from The Carrington Company, a California corporation, for a family medicine clinic	115

60.	Contract (funds going out) - U. T. M. D. Anderson Cancer Center : Cardinal Health 110, Inc. and Cardinal Health 411, Inc., to provide full line wholesale pharmaceutical distribution services	115
61.	Contract (funds going out) - U. T. M. D. Anderson Cancer Center : PGA Tour, Inc. for marketing rights	116
62.	Report - U. T. Health Science Center - Tyler : See Item 52	116

U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of regular meetings held on November 14, 2013, and December 12, 2013; and the special called meeting held on January 13, 2014
2. UTIMCO Committee Appointments - U. T. System Board of Regents: Proposed appointment of member to the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

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

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 and approved this appointment on December 3, 2013, conditioned on approval of the U. T. System Board of Regents.

3. Contract (funds going out) - U. T. System: Multivista Systems, LLC (p/k/a Multivista FS, LLC) to provide construction photo documentation services

Agency: Multivista Systems, LLC (p/k/a Multivista FS, LLC)

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

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

Period: May 21, 2010 through August 31, 2015 (contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Multivista Systems, LLC (p/k/a Multivista FS, LLC) to provide construction photo documentation services

4. Other Matters - U. T. System: Approval to use Permanent University Funds (PUF) Bond Proceeds in lieu of Intermediate Term Funds (ITF)/Swap Proceeds

Approval is requested to use \$406,513 of PUF Bond Proceeds in lieu of ITF/Swap Proceeds and to use PUF Bond Proceeds on future Valley STARS (Science and Technology Acquisition and Retention Program or Valley STARS) requests as needed in an amount not to exceed the original appropriation.

On August 25, 2011, the Board of Regents approved \$30 million of ITF/Swap Proceeds for the Lower Rio Grande Valley Plan - Education and Health Initiatives including \$9.5 million to establish a faculty recruitment program (Valley STARS).

5. Transfer of Funds - U. T. System: Amendment to the 2013-14 budget

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Business Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
Comprehensive Property Protection Plan Funds		
Amount of Transfer:	\$ 1,000,000	155

From: Comprehensive Property Protection Plan-Fire and All Other Perils (CPPP-AOP) Fund

To: Automobile, Property and Liability Fund

Temporary transfer of funds from the CPPP-AOP self-insured Fund to provide funding for a self-insured Automobile, Property and Liability Fund to provide premium rate stability and long-term lower cost of insurance. The self-insured Auto Fund will repay the CPPP-AOP Fund as soon as possible from operating surplus. The recommended plan and loan was reviewed and approved by the Risk Management Executive Committee on October 10, 2013.

6. 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 November 30, 2013**

	FUND TYPE							
	Current Purpose Restricted		Endowment and Similar Funds		Annuity and Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land and Buildings:								
Ending Value 08/31/2013	\$ 1,760,493	\$ 11,893,192	\$ 98,038,185	\$ 265,982,087	\$ 1,601,467	\$ 3,033,085	\$ 101,400,145	\$ 280,908,364
Increase or Decrease	(25,002)	(62,590)	(48,801)	574,656	-	-	(73,802)	512,066
Ending Value 11/30/2013	\$ 1,735,491	\$ 11,830,602	\$ 97,989,385	\$ 266,556,743	\$ 1,601,467	\$ 3,033,085	\$ 101,326,343	\$ 281,420,430
Other Real Estate:								
Ending Value 08/31/2013	\$ 26,327	\$ 26,327	\$ 13,547	\$ 13,547	\$ -	\$ -	\$ 39,873	\$ 39,873
Increase or Decrease	(3,614)	(3,614)	-	-	-	-	(3,614)	(3,614)
Ending Value 11/30/2013	\$ 22,713	\$ 22,713	\$ 13,547	\$ 13,547	\$ -	\$ -	\$ 36,260	\$ 36,260

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

Details of individual assets by account furnished on request.

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

ACADEMIC INSTITUTIONS

7. Contract (funds coming in) - U. T. Arlington: Compass Group USA, Inc., Canteen Vending Services Division will provide vending machine products and services on the U. T. Arlington campus

Agency: Compass Group USA, Inc., Canteen Vending Services Division

Funds: Estimated royalty income for the first five years is \$194,175

Period: December 4, 2013 through August 31, 2018, with option to extend for one additional period, not exceeding five years

Description: Operation and management of campus snack vending machines. In accordance with *Texas Education Code* Section 51.945, students were provided with an opportunity to comment prior to determination that this vending services provider should be selected by the institution. *Texas Government Code* Section 2203.005(a) requires all vending machine agreements to be approved by the Board.

8. Tenure Appointment - U. T. Arlington: Amendment to the 2013-14 budget

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<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>	
COLLEGE OF ENGINEERING					
Mechanical and Aerospace Engineering					
Associate Professor					
Desheng Meng (T)	1/16-5/31	100	09	108,000	5615

9. Contract (funds coming in and funds going out) - U. T. Austin: Market Enginuity, Inc. to provide administration of KUT-FM Radio's public media underwriting operations

Agency: Market Enginuity, Inc.

Funds: Estimated total value of contract: \$4,100,000 per fiscal year
Professional fee negotiated each year based on market conditions.
During first year of contract, professional fee is 25.5%.
Market Enginuity will earn 25.5% (estimated \$1,045,500 per year).
U. T. Austin will earn 74.5% (estimated \$3,054,500 per year).

Period: January 1, 2014 through December 31, 2016; with option to renew for two additional three-year periods

Description: Market Engenuity, Inc. to provide administrative services for KUT-FM Radio by securing local, regional, and national persons and entities interested in underwriting for the benefit of KUT-FM and its associated media channels and outlets. Market Engenuity was selected through the Request for Proposal process.

10. Contract (funds going out) - U. T. Austin: Assignment agreement with University of Louisville Athletic Association, Inc. regarding the assignment of Charles R. Strong's employment contract

Agency: University of Louisville Athletic Association, Inc.

Funds: \$4,375,000

Source of Funds: Auxiliary Enterprise Funds

Period: January 24, 2014

Description: U. T. Austin will accept assignment of Charles R. Strong's employment contract with the University of Louisville Athletic Association, Inc. U. T. Austin will pay the University of Louisville Athletic Association, Inc. an assignment fee of \$4,375,000 to acquire the opportunity to hire Coach Strong as the head football coach at U. T. Austin. The Board approved the terms of the assignment agreement on January 13, 2014.

11. Contract (funds going out) - U. T. Austin: Architexas - Architecture, Planning, and Historic Preservation, Inc. to perform professional historical architectural services

Agency: Architexas - Architecture, Planning, and Historic Preservation, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Architexas - Architecture, Planning, and Historic Preservation, Inc. to perform miscellaneous professional historical architectural services, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

12. Contract (funds going out) - U. T. Austin: Barnes Gromatzky Kosarek Architects to perform professional project programming, facilities space management, and feasibility studies services

Agency: Barnes Gromatzky Kosarek Architects

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Barnes Gromatzky Kosarek Architects to perform miscellaneous professional project programming, facilities space management, and feasibility studies services, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

13. Contract (funds going out) - U. T. Austin: Coffee Crier Schenck & Hammond Architects to perform professional architectural services for multifunctional areas, classrooms, meeting rooms, auditoriums, and distance learning and audiovisual facilities

Agency: Coffee Crier Schenck & Hammond Architects

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Coffee Crier Schenck & Hammond Architects to perform miscellaneous professional architectural services for multifunctional areas, classrooms, meeting rooms, auditoriums, and distance learning and audiovisual facilities, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

14. Contract (funds going out) - U. T. Austin: Hughes Associates, Inc. to perform professional engineering/fire alarm services

Agency: Hughes Associates, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Hughes Associates, Inc. to perform miscellaneous engineering/fire alarm services, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

15. Contract (funds going out) - U. T. Austin: Lonestar Environmental Services to perform professional environmental survey, testing, design documents, and/or monitoring services

Agency: Lonestar Environmental Services

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Lonestar Environmental Services to perform miscellaneous professional environmental survey, testing, design documents and/or monitoring services, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

16. Contract (funds going out) - U. T. Austin: MEP Engineering, Inc. to perform professional mechanical, electrical, and plumbing engineering services and/or specialty services for gas/chemical/safety systems

Agency: MEP Engineering, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: MEP Engineering, Inc. to perform miscellaneous professional mechanical, electrical, and plumbing engineering services and/or specialty services for gas/chemical/safety systems, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

17. Contract (funds going out) - U. T. Austin: Parsons Environment & Infrastructure Group, Inc. to perform professional architectural services for laboratory, research, and other related facilities

Agency: Parsons Environment & Infrastructure Group, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Parsons Environment & Infrastructure Group, Inc. to perform miscellaneous professional architectural services for laboratory, research, and other related facilities, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

18. Contract (funds going out) - U. T. Austin: Pfluger Associates Architects to perform professional architectural services for multifunctional areas, classrooms, meeting rooms, auditoriums, distance learning and audiovisual facilities

Agency: Pfluger Associates Architects

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Pfluger Associates Architects to perform miscellaneous professional architectural services for multifunctional areas, classrooms, meeting rooms, auditoriums, distance learning and audiovisual facilities, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

19. Contract (funds going out) - U. T. Austin: Wiss, Janney, Elstner Associates, Inc. to perform professional engineering or architectural waterproofing services

Agency: Wiss, Janney, Elstner Associates, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 (with prior written approval of the University) over the life of the contract for services provided on an as-needed basis

Source of Funds: Unexpended Plant Funds, Renovation and Renewal Funds, Available University Funds, and various other funds

Period: September 1, 2012 through August 31, 2017 (one-year contract with option to renew for four additional one-year periods). Contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold.

Description: Wiss, Janney, Elstner Associates, Inc. to perform miscellaneous professional engineering or architectural waterproofing services, with projects varying in scope and size. Separate service agreements will be executed for each project. Services were competitively procured.

20. Tenure Appointments - U. T. Austin: Amendments to the 2012-13 budget

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<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>	
College of Natural Sciences Marine Science Professor Robert W. Dickey (T)	8/5-8/31	100	01	150,000	5377

21. Tenure Appointments - U. T. Austin: Amendments to the 2013-14 budget

The following Requests for Budget Changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<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>	
College of Natural Sciences Mathematics Professor Chair Stephen G. Walker (T)	9/1-5/31	100	09	240,000	5502
	9/1-5/31	SUPL	09	10,000	
	9/1-5/31	SUPL	09	10,000	
School of Social Work Social Work Professor David W. Springer (T)	9/1-5/31	100	09	100,000	5537
College of Liberal Arts Psychology Professor Bertram Gawronski (T)	1/1-5/31	100	09	165,000	5509

College of Liberal Arts
 Rhetoric and Writing
 Associate Professor
 Jacqueline M. Henkel (T) 9/1-5/31 50 09 67,507 5532

22. Emeritus Appointments - U. T. Austin: Approval of emeritus titles

John D. Dollard, from Professor to Professor Emeritus, Department of Mathematics (RBC No. 5575) -- amendment to the 2013-14 budget

Bradley R. Petersen, from Associate Professor to Associate Professor Emeritus, Department of Art and Art History (RBC No. 5608) -- amendment to the 2013-14 budget

Philip D. Magnus, from R. P. Doherty, Jr. - Welch Regents Chair in Chemistry and Professor to R. P. Doherty, Jr. - Welch Regents Chair Emeritus in Chemistry, Department of Chemistry (RBC No. 5609) -- amendment to the 2013-14 budget

John W. Barnes, from Cullen Trust for Higher Education Endowed Professorship in Engineering #6 to Cullen Trust for Higher Education Endowed Professor Emeritus in Engineering #6, Department of Mechanical Engineering (RBC No. 5651) -- amendment to the 2013-14 budget

Philip S. Schmidt, from Donald J. Douglass Centennial Professorship in Engineering and Distinguished Teaching Professor to Donald J. Douglass Centennial Professor Emeritus in Engineering and Distinguished Teaching Professor Emeritus, Department of Mechanical Engineering (RBC No. 5650) -- amendment to the 2013-14 budget

23. Request for Budget Change - U. T. Austin: Transfer \$3,700,000 from UTIL - Utility Plant Operating Income account to UTIL - PPA - Replace Cooling Tower 7 All Expenses account to replace Cooling Tower 7 (RBC No. 5548) -- amendment to the 2013-14 budget

24. Request for Budget Change - U. T. Austin: Transfer \$1,902,250 from VPBA - Flat Rate Tuition account to various Flat Rate Tuition Operating Income accounts to distribute Summer Enhancement Program funds to offset additional costs incurred by academic units in support of the Summer Enhancement Program initiative offered through the Provost's Office to expand and improve course offerings during summer sessions (RBC No. 5549) -- amendments to the 2012-13 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
VPBA - Flat Rate Tuition		
Amount of Transfer:	1,902,250	5549

From:	Designated Funds - Flat Rate Tuition - Flat Rate Tuition and Fees	1,902,250
To:	Designated Funds - Architecture - Flat Rate Tuition - Operating Income	26,250
	Jackson School of Geosciences - Flat Rate Tuition - Operating Income	27,000
	Nursing - Flat Rate Tuition - Operating Income	76,500
	Business - Flat Rate Tuition - Operating Income	149,500
	School of Information - Flat Rate Tuition - Operating Income	1,500
	Pharmacy - Flat Rate Tuition - Operating Income	8,500
	Communication - Flat Rate Tuition - Operating Income	194,750
	Liberal Arts - Flat Rate Tuition - Operating income	88,250
	LBJ School - Flat Rate Tuition - Operating Income	750
	Education - Flat Rate Tuition - Operating Income	3,750
	Natural Sciences - Flat Rate Tuition - Operating Income	1,234,000
	Social Work - Flat Rate Tuition - Operating Income	91,500

25. Request for Budget Change - U. T. Austin: Transfer \$4,000,000 from VPBA - Reserve for Academic Enhancement Initiatives Operating Income account to PMCS - Repair and Renovation Control Allocated for Budget account to supplement the annual repair and renovation budget (RBC No. 5589) -- amendment to the 2013-14 budget
26. Request for Budget Change - U. T. Austin: Transfer \$516,740 from Dynamic Testing Center Operating Income account to various Dynamic Testing Center accounts to budget testing fee income received by the Dynamic Testing Center. The Dynamic Testing Center is part of the National Science Foundation (NSF) nationwide Network for Earthquake Engineering Simulation, through which the NSF has funded the set up and operation of numerous earthquake research centers around the United States (RBC No. 5590) -- amendment to the 2013-14 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
College of Engineering (CE) - Dynamic Testing Center		
Amount of Transfer:	516,740	5590

From:	Revolving Funds - CE - Dynamic Testing Center Operating Income	516,740
To:	Revolving Funds - CE - Dynamic Testing Center - Administrative and Professional Salaries	92,711
	CE - Dynamic Testing Center - Fringe Benefits	77,671
	CE - Dynamic Testing Center - Classified Salaries	37,348
	CE - Dynamic Testing Center - Wages	168,676
	CE - Dynamic Testing Center - Maintenance, Operation, and Equipment	40,334
	CE - Dynamic Testing Center - Foreign Travel	6,000
	CE - Dynamic Testing Center - Travel	94,000

27. Request for Budget Change - U. T. Austin: Transfer \$706,038 from UCS - University Charter School Operating Income account to UCS - University Charter School Faculty Salaries, Administrative and Professional Salaries, Classified Salaries, and Fringe Benefits accounts to include changes in State formula funding during the last legislative session (Based on the Texas Education Agency's revised 2013-14 Estimate of State Aid Entitlement Template for Charter Schools, The University of Texas - University Charter School will receive this additional allotment from the State)

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
UCS - University Charter School		
Amount of Transfer:	706,038	5592
From:	Designated Funds - UCS - University Charter School Operating Income	706,038
To:	Designated Funds - UCS - University Charter School Faculty Salaries	400,000
	UCS - University Charter School Administrative and Professional Salaries	110,000
	UCS - University Charter School Classified Salaries	69,000
	UCS - University Charter School Fringe Benefits	127,038

28. Request for Budget Change - U. T. Austin: Transfer \$2,338,768 from Higher Education: Hazlewood Supplemental Appropriation to HB Hazlewood Exemption account. The 83rd Texas Legislature allocated these funds to partially reimburse institutions of higher education for the costs associated with the Legacy Program, which extends the State of Texas tuition exemption for qualified veterans to the veterans' spouses and dependent children (RBC No. 5678) -- amendment to the 2013-14 budget
29. Employment Agreement - U. T. Austin: Men's Athletics Director Employment Agreement for Stephen W. Patterson

The following Agreement has been executed, has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. The terms of the agreement have been previously approved by the Board of Regents. Mr. Patterson's total annual compensation will be in excess of \$250,000. Such 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. Austin is a member, the Regents' *Rules and Regulations*, and the policies of U. T. Austin. The violation of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12 - Athletic Employment Agreements).

Item: Men's Athletics Director Employment Agreement

Proposed: **Guaranteed compensation:**

Annual Salary: \$1,400,000

Automobile: option of two dealer cars or \$7,500 annually in lieu of one of the cars

Social Club Membership: The University of Texas Club, The University of Texas Golf Club, Headliners Club of Austin

Nonguaranteed compensation:

Performance Incentives:

No NCAA or Big 12 Conference major infraction in Men's Athletics - \$100,000 at beginning of following fiscal year

Intercollegiate Athletics operated with financial solvency - \$100,000 at beginning of following fiscal year

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Stephen W. Patterson as Men's Athletics Director following the standard athletics director employment contract prepared by the Office of General Counsel

Period: November 25, 2013 through August 31, 2019 (five full fiscal years beyond the partial first year)

30. Employment Agreement - U. T. Austin: Head Football Coach Employment Agreement for Charles R. Strong

The following Head Football Coach Employment Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total annual compensation for Head Coach Strong will be in excess of \$250,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 10501, Section 2.2.12 - Board Approval).

Item: Head Football Coach Employment Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2014-15: \$5,000,000 annually
FY 2015-16: \$5,100,000 annually
FY 2016-17: \$5,200,000 annually
FY 2017-18: \$5,300,000 annually
FY 2018-19: \$5,400,000 annually

Automobile: option of two dealer cars or \$7,500 in lieu of one of the cars annually

Social club membership: The University of Texas Club, The University of Texas Golf Club, Headliners Club of Austin

Speaking: \$30,000 annually

Tickets:

One suite and six football tickets
Four season tickets to men's sports
Four season tickets to women's sports

Nonguaranteed compensation:

Sports Camps and Clinics: TBD

Incentives:

Team performance incentives: maximum of \$550,000 annually

Team academic performance Incentives: maximum of \$150,000 annually

National Coach of the Year: \$100,000 annually

Any additional national coaching award other than National Coach of the Year: \$50,000 annually

Top 5 ranking in final poll: 3% of that year's annual salary

Top 10 ranking in final poll: 2% of that year's annual salary

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Charles R. Strong as Head Football Coach.

Period: January 24, 2014 through January 24, 2019

31. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Vance Bedford

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Bedford will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such Constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval).

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$760,000 annually

FY 2014-15: \$760,000 annually

FY 2015-16: \$760,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$30,000 annually

Nonguaranteed compensation:

Team performance incentives: maximum of \$160,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Vance Bedford as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Bedford, Vance
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$760,000
		Year 2 At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
Camp		\$10,000 Paid on 6/1 and 8/1 (\$5K each)
Speaking		30,000—Paid December 1
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$20,000
Appearance in non-major Bowl Game		\$20,000
Win non-major Bowl Game		\$20,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Wins Broyles Assistant Coach of the Year		\$25,000
Non Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

32. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Bruce Chambers

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Chambers will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval).

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$260,000 annually

FY 2014-15: \$260,000 annually

FY 2015-16: \$260,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$5,000 annually

Nonguaranteed compensation:

Team performance incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Bruce Chambers as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Chambers, Bruce
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$260,000
		Year 2 At the discretion of the University, increases to base may be implemented.
Other Guaranteed Cash Comp		
Camp		\$10,000 Paid on 6/1 and 8/1 (\$5K each)
Speaking		\$5,000—Paid on 12/1
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$15,000
Appearance in non-major Bowl Game		\$10,000
Win non-major Bowl Game		\$10,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Wins Broyles Assistant Coach of the Year		\$25,000
Non Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

33. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Brian Jean-Mary

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Jean-Mary will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval).

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$300,000 annually

FY 2014-15: \$300,000 annually

FY 2015-16: \$300,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$5,000 annually

Nonguaranteed compensation:

Team performance incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Brian Jean-Mary as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Jean-Mary, Brian
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$300,000
		Year 2 At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
Camp		\$10,000 Paid on 6/1 and 8/1 (\$5K each)
Speaking		\$5,000—Paid December 1
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$15,000
Appearance in non-major Bowl Game		\$10,000
Win non-major Bowl Game		\$10,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Wins Broyles Assistant Coach of the Year		\$25,000
Non-Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

34. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Tommie Robinson

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Robinson will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval)

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$185,000 annually

FY 2014-15: \$335,000 annually

FY 2015-16: \$335,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$5,000 annually

Nonguaranteed compensation:

Team performance incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Tommie Robinson as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Robinson, Tommie
Title: Assistant Coach

Provisions	Terms
Effective Date	January 21, 2014
Expiration Date	January 31, 2016
Renewal	University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties	Serve as assistant coach for football.
Annual Base Salary	Year 1 \$185,000
	Year 2 \$335,000
Other Guaranteed Cash Comp	
	Camp \$10,000 Paid on 6/1 and 8/1 (\$5K each)
	Speaking \$5,000—Paid December 1
	Product Endorsement NA
Other Cash Comp (Performance Incentives)	
	Win Big 12 Championship \$15,000
	Appearance in non-major Bowl Game \$10,000
	Win non-major Bowl Game \$10,000
	-or-
	Appearance in one of six major Bowl Games \$30,000
	Wins one of six major Bowl Games \$30,000
	-or-
	Appearance in Semi-Final Championship \$40,000
	Wins Semi-Final Championship \$40,000
	-or-
	Wins Football Championship Game \$140,000
	Ranks 2-5 Nationally \$17,000
	Ranks 6 th -10 th Nationally \$10,000
	Wins Broyles Assistant Coach of the Year \$25,000
Non-Cash Compensation	
	Automobile Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
	Memberships UT Golf Club

Provisions	Terms
Termination	
	Involuntary with cause All compensation ends with the effective date of the termination.
	Involuntary without cause UT pays base salary remaining on contract
	Voluntary Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

35. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Christopher Rumph

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Rumph will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval).

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$400,000 annually

FY 2014-15: \$400,000 annually

FY 2015-16: \$400,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$5,000 annually

Nonguaranteed compensation:

Team performance Incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Christopher Rumph as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Rumph, Christopher
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$400,000
		Year 2 At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
Camp		\$10,000 Paid on 6/1 and 8/1 (\$5K each)
Speaking		\$5,000—Paid December 1
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$15,000
Appearance in non-major Bowl Game		\$10,000
Win non-major Bowl Game		\$10,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Wins Broyles Assistant Coach of the Year		\$25,000
Non-Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

36. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Leslie Koenning

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Koenning will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval).

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$335,000 annually

FY 2014-15: \$335,000 annually

FY 2015-16: \$335,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$5,000 annually

Nonguaranteed compensation:

Team performance Incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Leslie Koenning as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Koenning, Leslie
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$335,000
		Year 2 At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
Camp		\$10,000 Paid on 6/1 and 8/1 (\$5K each)
Speaking		\$5,000—Paid December 1
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$15,000
Appearance in non-major Bowl Game		\$10,000
Win non-major Bowl Game		\$10,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Wins Broyles Assistant Coach of the Year		\$25,000
Non-Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

37. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Christopher Vaughn

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Vaughn will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval).

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$245,000 annually

FY 2014-15: \$245,000 annually

FY 2015-16: \$245,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$5,000 annually

Nonguaranteed compensation:

Team performance Incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Christopher Vaughn as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Vaughn, Christopher
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary	Year 1	\$245,000
	Year 2	At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
	Camp	\$10,000 Paid on 6/1 and 8/1 (\$5K each)
	Speaking	\$5,000—Paid December 1
	Product Endorsement	NA
Other Cash Comp (Performance Incentives)		
	Win Big 12 Championship	\$15,000
	Appearance in non-major Bowl Game	\$10,000
	Win non-major Bowl Game	\$10,000
	-or-	
	Appearance in one of six major Bowl Games	\$30,000
	Wins one of six major Bowl Games	\$30,000
	-or-	
	Appearance in Semi-Final Championship	\$40,000
	Wins Semi-Final Championship	\$40,000
	-or-	
	Wins Football Championship Game	\$140,000
	Ranks 2-5 Nationally	\$17,000
	Ranks 6 th -10 th Nationally	\$10,000
	Wins Broyles Assistant Coach of the Year	\$25,000
Non Cash Compensation		
	Automobile	Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
	Memberships	UT Golf Club

Provisions		Terms
Termination		
	Involuntary with cause	All compensation ends with the effective date of the termination.
	Involuntary without cause	UT pays base salary remaining on contract
	Voluntary	Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

38. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Steven S. Watson

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Watson will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal. (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval)

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$610,000 annually

FY 2014-15: \$610,000 annually

FY 2015-16: \$610,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$30,000 annually

Nonguaranteed compensation:

Team performance Incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Steven S. Watson as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Watson, Steven S
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$610,000
		Year 2 At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
Camp		\$10,000 Paid on 6/1 and 8/1 (\$5K each)
Speaking		\$30,000—Paid December 1
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$15,000
Appearance in non-major Bowl Game		\$10,000
Win non-major Bowl Game		\$10,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Wins Broyles Assistant Coach of the Year		\$25,000
Non Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach.

39. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Gregory J. Wickline

The following Assistant Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Wickline will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal. (Regents' *Rules and Regulations*, Rule 20204, Section 3 - Board Approval)

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$535,000 annually

FY 2014-15: \$535,000 annually

FY 2015-16: \$535,000 annually

Automobile: option of one dealer car or \$7,500 annually

Camp: \$10,000 annually

Social club membership: The University of Texas Golf Club

Speaking: \$30,000 annually

Nonguaranteed compensation:

Team performance incentives: maximum of \$160,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Wins Broyles Assistant Coach of the Year: \$25,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Gregory J. Wickline as Assistant Football Coach.

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Wickline, Gregory, J

Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$535,000
		Year 2 At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
Camp		\$10,000 Paid on 6/1 and 8/1 (\$5K each)
Speaking		30,000—Paid December 1
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$20,000
Appearance in non-major Bowl Game		\$20,000
Win non-major Bowl Game		\$20,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Wins Broyles Assistant Coach of the Year		\$25,000
Non Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

40. Employment Agreement - U. T. Austin: Assistant Football Coach Agreement for Patrick Moorner

The following Assistant Football Coach Agreement has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. If the Agreement is approved, total potential compensation for the entire length of the contract plus one 1-year extension for Assistant Football Coach Moorner will be in excess of \$1,000,000. Such employment under the Agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Austin. Any violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay and/or dismissal (Regents' *Rules and Regulations*, Rule 20204, Section 3 – Board Approval).

See summary and Term Sheet below:

Item: Assistant Football Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2013-14: \$330,000 annually

FY 2014-15: \$330,000 annually

FY 2015-16: \$330,000 annually

Automobile: option of one dealer car or \$7,500 annually

Social Club Membership: The University of Texas Golf Club

Nonguaranteed compensation:

Team performance incentives: maximum of \$155,000 annually

Ranks 2-10 nationally: maximum of \$17,000 annually

Source of Funds: Intercollegiate Athletics

Description: Agreement for employment of Patrick Moorner as Assistant Football Coach

Period: January 21, 2014 through January 31, 2016

Term Sheet

Football Assistant Coaching Staff

Name: Moorer, Patrick
Title: Assistant Coach

Provisions		Terms
Effective Date		January 21, 2014
Expiration Date		January 31, 2016
Renewal		University may renew the contract provisions and terms as mutually agreed upon for one additional year.
Duties		Serve as assistant coach for football.
Annual Base Salary		Year 1 \$330,000
		Year 2 At the discretion of the University, increases to base may be implemented
Other Guaranteed Cash Comp		
Camp		NA
Speaking		NA
Product Endorsement		NA
Other Cash Comp (Performance Incentives)		
Win Big 12 Championship		\$15,000
Appearance in non-major Bowl Game		\$10,000
Win non-major Bowl Game		\$10,000
-or-		
Appearance in one of six major Bowl Games		\$30,000
Wins one of six major Bowl Games		\$30,000
-or-		
Appearance in Semi-Final Championship		\$40,000
Wins Semi-Final Championship		\$40,000
-or-		
Wins Football Championship Game		\$140,000
Ranks 2-5 Nationally		\$17,000
Ranks 6 th -10 th Nationally		\$10,000
Non Cash Compensation		
Automobile		Dealer Car. At discretion of the University, a stipend may be offered in lieu of a dealer car
Memberships		UT Golf Club

Provisions		Terms
Termination		
Involuntary with cause		All compensation ends with the effective date of the termination.
Involuntary without cause		UT pays base salary remaining on contract
Voluntary		Incumbent pays 25% of base salary remaining on contract at the discretion of the Athletic Director and Head Football Coach

41. Lease - U. T. Austin: Authorization to extend the lease of space on campus to the United States Postal Service for use as a retail postal facility; and finding of a public purpose

- Description: Extension of the lease of approximately 3,436 square feet in the West Mall Office Building on U. T. Austin's main campus in Austin, Travis County, Texas, for use as a retail postal facility by the United States Postal Service
- Lessee: United States Postal Service, an independent agency of the United States of America
- Term: The original lease term commenced on September 1, 1998, and by prior extensions continues through February 28, 2014; the proposed extension term commences March 1, 2014, and ends on February 29, 2016
- Lease Income: Rent is a nominal \$1 per year in exchange for the benefits to U. T. Austin described below
- Public Purpose: The lease will restrict use of the space to the operation of a U.S. Postal Service retail facility. Location of the facility on the main campus provides student, faculty, and staff at U. T. Austin with easy access to postal services. U. T. Austin will retain the right to terminate the lease on 30 days' notice if the space is not used as a retail postal facility. Staff at U. T. Austin therefore believes that the lease serves a public purpose specific to the mission of the institution and requests that the Board of Regents makes a finding of fact to that effect and authorizes the lease.

42. Advisory Council - U. T. Austin: Rename the Blanton Museum of Art - Museum Council as the Blanton National Leadership Board

The following request to approve the renaming of the Blanton Museum advisory board has been approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, 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: Blanton National Leadership Board
- Effective: September 1, 2014
- Description: The Jack S. Blanton Museum of Art requests authorization to rename the Blanton Museum of Art - Museum Council as the Blanton National Leadership Board. The Museum has gained national prominence and collaborates with museums all over the U.S. and the world. The new name and rebranding of the Board will reflect a broader membership as the Museum reaches out to recruit prospective Board members from local, national, and international

corporate and philanthropic leaders, alumni, arts leaders, and art collectors. The current Museum Council is a 24-member advisory board. The goal is to increase the membership to 80-100 members. The group's role will remain advisory to the museum director and its bylaws will be updated to reflect the change in name.

43. Emeritus Appointment - U. T. Brownsville: Appointment of Charles Dameron from Professor, College of Liberal Arts, to Professor Emeritus in the College of Liberal Arts (RBC No. 5704) -- amendment to the 2013-14 budget

44. Foreign Contract (funds coming in) - U. T. Dallas: Renewal of contract to provide INFOTEC, a Mexican Federal Government Public Trust, with instructional and program support for INFOTEC's Information Communication and Technology (ICT) Master's program; and Collaboration Agreement between U. T. Dallas and INFOTEC for the purpose of future collaborative efforts

Agency: INFOTEC, a Mexican Federal Government Public Trust

Funds: \$625,000 estimated

Period: January 1, 2014 through December 31, 2015

Description: Naveen Jindal School of Management Executive Education program will provide continued instruction and program support for INFOTEC's Information Communication and Technology (ICT) Master's program by providing short seminar programs and diploma programs. The ICT Master's program was managed for INFOTEC by the U. T. Dallas Naveen Jindal School of Management Executive Education in 2012-2013. Subcontracted instructors will be experienced faculty from other U.S. universities who have provided this training in previous years. They will go to Mexico to provide instruction and program support for U. T. Dallas under the agreement. The limited foreign travel by U. T. Dallas staff and faculty will be approved by the U. T. Dallas International Oversight Committee. Travel security for all participants will be provided by INFOTEC.

U. T. Dallas desires to extend its previous agreement with INFOTEC under the same terms previously approved by the Board of Regents on July 11, 2012, until such time U. T. Dallas is able to negotiate and enter into a new agreement with INFOTEC, which will expire on December 31, 2015.

In addition, U. T. Dallas and INFOTEC desire to enter into a zero-dollar collaboration agreement for the purpose of entering into future collaborative efforts and programs.

45. Emeritus Appointments - U. T. El Paso: Approval of emeritus titles

George D. Meyers from Professor of English to Professor Emeritus, College of Liberal Arts (RBC No. 5659) -- amendment to the 2013-14 budget

Cheryl E. Martin from Professor of History to Professor Emerita, College of Liberal Arts (RBC No. 5658) -- amendment to the 2013-14 budget

Joanne T. Ellzey from Professor of Biological Sciences to Professor Emerita, College of Science (RBC No. 5656) -- amendment to the 2013-14 budget

Marion L. Ellzey from Professor of Chemistry to Professor Emeritus, College of Science (RBC No. 5657) -- amendment to the 2013-14 budget

Ana H. Macias from Professor of Teacher Education to Professor Emerita, College of Education (RBC No. 5661) -- amendment to the 2012-13 budget

Willie R. Parish from Professor of Art to Professor Emeritus, College of Liberal Arts (RBC No. 5660) -- amendment to the 2012-13 budget

Shelley S. Armitage from Professor of English to Professor Emerita, College of Liberal Arts (RBC No. 5662) -- amendment to the 2012-13 budget

Donald E. Moss from Professor of Psychology to Professor Emeritus, College of Liberal Arts (RBC No. 5663) -- amendment to the 2012-13 budget

46. Tenure Appointment - U. T. Pan American: Amendments to the 2013-14 budget

The following Requests for Budget Changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<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>	
Manufacturing Engineering Professor Anil Srivastava (T)	11/1-5/31	100	09	150,000	4609
Biology Department Professor Christopher Taylor (T)	2/1-5/31	100	09	97,500	5710
Biology Department Professor Faiz Faizur Rahman (T)	2/1-5/31	100	09	155,000	5711

47. Request for Budget Change - **U. T. Pan American**: Transfer \$512,394 from the Texas Higher Education Coordinating Board to the Hazlewood Legacy Act - HB 1025 fund for the allocation of the HB 1025 Hazlewood appropriation for 2013/2014 for the purpose of reimbursing costs associated with the Hazlewood Legacy Program (RBC No. 5587) -- amendments to the 2013-14 budget

48. Report - **U. T. Permian Basin**: No items for Consent Agenda

49. Request for Budget Change - **U. T. San Antonio**: Transfer \$2,487,428 from the Texas Higher Education Coordinating Board to the Hazlewood Legacy Act - HB 1025 fund for the allocation of the HB 1025 Hazlewood appropriation for 2013/2014 for the purpose of reimbursing costs associated with the Hazlewood Legacy Program (RBC No. 5605) -- amendment to the 2013-14 budget

50. Request for Budget Change - **U. T. San Antonio**: Transfer \$838,000 from Campus Reserves account to the PeopleSoft Project account to fund the extension of three consultant service contracts based on the UTShare project go live date of March 1, 2014, with phased deployment sequences through September 1, 2014 (RBC No. 5606) -- amendment to the 2013-14 budget

51. Report - **U. T. Tyler**: No items for Consent Agenda

HEALTH INSTITUTIONS

52. Contract (funds going out) - U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler: Master agreement between U. T. System and Morris & Dickson Co., LCC for the supply of pharmaceutical products to the named institutions. This group buy was negotiated by the U. T. System Supply Chain Alliance and provides for enhancements to pricing and other terms under a supply agreement competitively procured by Premier, an external group purchasing organization

Agency: Morris & Dickson Co., LLC

Funds: Total contract spend by U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston, and U. T. Health Science Center - Tyler during the anticipated eight-year duration of the agreement is estimated at \$756,000,000

Sources of Funds: U. T. Southwestern Medical Center: patient income
U. T. Medical Branch - Galveston: Educational and General Revenue Fund
U. T. Medical Branch - Galveston Correctional Managed Care: Texas Department of Criminal Justice
U. T. Health Science Center - Tyler: General Revenue Fund and patient income

Period: The initial term of this agreement is for a period of five years, commencing November 1, 2013, and continuing through October 31, 2018, including an option for three 12-month renewals subject to U. T. System Board of Regents' approval.

Description: The master agreement aggregates the demand for pharmaceutical products at the named institutions and leverages this demand to secure better supply terms than individual institutions could achieve.

This contract ordinarily would qualify for exemption from approval by the U. T. System Board of Regents under one or more Regents' Rules. Regents' Rule 10501, Section 2.2.7 exempts any purchase made under a group purchasing program that follows applicable statutory and regulatory standards. The U. T. System Executive Vice Chancellor for Health Affairs, however, requested that this contract be presented to the Board for approval because of the size of the anticipated contract amount.

53. Contract (funds going out) - U. T. Southwestern Medical Center: SPM Marketing and Communications, Inc.

Agency: SPM Marketing and Communications, Inc.

Funds: \$4,347,000

Period: September 1, 2013 through August 31, 2014

Source of Funds: Designated Funds

Description: SPM Marketing and Communications, Inc. will provide multimedia brand image campaign services

54. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Department of State Health Services

Agency: Texas Department of State Health Services (TDSHS)

Funds: \$4,215,400

Period: November 1, 2013 through August 31, 2014

Description: U. T. Medical Branch - Galveston to provide comprehensive preventative and primary medical care services to low-income Texas residents not eligible for Medicaid or other TDSHS programs

55. Approval of Dual Position 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 Health and Human Services Council

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

It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding this position and the appointment with the University.

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

Name: Ben Raimer, M.D.

Title: Senior Vice President, Health Policy and Regulative Affairs

Position: Chair, Health and Human Services Council

Period: November 18, 2013 through February 1, 2015

Compensation: Per diem expenses only

Description: Governor Perry has appointed Dr. Raimer to the Health and Human Services Council to serve as Chair. The Health and Human Services Council helps develop policies and rules for the Texas Health and Human Services Commission and makes recommendations regarding the management and operation of the commission.

56. **Appointments - U. T. Health Science Center - Houston: Amendment to the 2013-14 budget**

The following Requests for Budget Changes have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<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>	
MEDICAL SCHOOL					
Department of Surgery, Division of General Surgery					
Assistant Professor					
Eric Haas, M.D.	4/1	100	12		N/A
Base Salary				533,333	
Supplement				192,000	
Augmentation				<u>106,667</u>	
Total Salary				832,000	
Clinical Incentive				<u>333,333</u>	
Total Compensation				<u>1,165,333</u>	
MEDICAL SCHOOL					
Department of Orthopaedic Surgery					
Associate Professor					
Kenneth B. Mathis, M.D.	6/1	100	12		N/A
Base Salary				1,000,000	
Supplement				0	
Augmentation				<u>200,000</u>	
Total Salary				1,200,000	
Clinical Incentive				0	
Total Compensation				<u>1,200,000</u>	

U. T. Health Science Center - Houston has determined and documented that the level of compensation for these appointments are at a level paid to similarly qualified people based on performance of comparable duties in the organization and in the market from which this position would normally be recruited, and will be paid from Designated Funds. An external market study for each appointment has been performed supporting this compensation level.

57. **Emerita Appointment - U. T. Health Science Center - Houston: Appointment of Paula N. O'Neill from Professor to Professor Emerita in the School of Dentistry (RBC No. 5632) -- amendment to the 2013-14 budget**
58. **Other Matters - U. T. Health Science Center - Houston: Appointment and reappointment of Members of the Board of Directors of The University of Texas System Medical Foundation, Inc.**

In accordance with the Articles of Incorporation, approval by the U. T. System Board of Regents is recommended for the following individuals from U. T. Health Science Center - Houston to the Board of Directors of The University of Texas System Medical Foundation, Inc.

Appointment Commencing January 1, 2014

<u>Name and Title</u>	<u>Term Expires</u>
Omotola Hope, M.D., Assistant Professor, Neurology - Clinical	December 31, 2014

Reappointments Commencing January 1, 2014

<u>Name and Title</u>	<u>Term Expires</u>
Keely G. Smith, M.D., Assistant Professor, Pediatrics - Clinical	December 31, 2014
Patricia M. Butler, M.D., Vice Dean for Educational Programs	December 31, 2014

The University of Texas System Medical Foundation, Inc. is a nonprofit corporation organized strictly for educational and scientific purposes. The Foundation functions within the framework of U. T. Health Science Center - Houston for the purpose of training graduate medical students, referred to as house staff or residents. As part of the training, house staff are contracted with and paid a stipend plus fringe benefits for services by local hospitals participating in the Affiliated Hospitals Residency Training Program.

The Bylaws and Articles of Incorporation of The University of Texas System Medical Foundation, Inc. provide that directors succeeding the initial directors shall be appointed by the U. T. System Board of Regents for terms of one year and provide that each director shall hold office until a successor has been appointed and qualified. Recommendations for appointment as follows: Dr. Butler, President; Dr. Smith, Vice President; and Dr. Hope, Secretary/Treasurer.

59. Lease - U. T. Health Science Center - San Antonio: Authorization to lease space from The Carrington Company, a California corporation, for a family medicine clinic

Description: Lease of approximately 11,334 square feet of medical office space at 3939 Medical Drive, San Antonio, Texas, for use as a family medicine clinic

Lessor: The Carrington Company, a California corporation

Term: The lease is estimated to commence on February 1, 2014, and the initial term is for a period of 66 months. U. T. Health Science Center - San Antonio has the option, exercisable in its discretion, to renew the lease for one five-year renewal term.

Lease Costs: \$816,048 in rent during the initial term. There is no rent due during the first six months of the term; during months 7 through 42, the rental rate is \$14 per square foot annually and during months 43 through 66, the rental rate is \$15 per square foot annually. Rent for the renewal option period will be \$935,055 (\$16.50 per square foot annually). In addition to the rent, U. T. Health Science Center - San Antonio will pay its pro rata share of operating expenses which, in 2014, are estimated to be \$7.31 per square foot annually. The Lessor is providing a tenant allowance of \$56,670 for improvements to the premises.

Source of Funds: Delivery System Reform Incentive Payment funds and clinic revenue

60. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Cardinal Health 110, Inc. and Cardinal Health 411, Inc., to provide full line wholesale pharmaceutical distribution services

Agency: Cardinal Health 110, Inc. and Cardinal Health 411, Inc.

Funds: This fifth amendment increases the cap amount of the contract to \$2,850,260,000

Sources of Funds: Hospital patient income

Period: Amendment 5 renews the agreement for an additional 36 months, through October 31, 2016

Description: Vendor provides full line wholesale pharmaceutical distribution services

The initial agreement and the first four amendments were not presented for approval to the U. T. System Board of Regents as they were determined to qualify for exemption under one or more Regents' Rules. Regents' Rule 10501, Section 2.2.7 exempts any

purchase made under a group purchasing program that follows applicable statutory and regulatory standards. The U. T. System Executive Vice Chancellor for Health Affairs, however, requested that this contract be presented to the Board for approval, because of the size of the anticipated contract amount.

61. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: PGA Tour, Inc. for marketing rights

Agency: PGA Tour, Inc.

Funds: Total cost of sponsorship and marketing rights under this agreement is estimated to be \$5,000,000

Source of Funds: Hospital patient income

Period: Three-year term beginning May 1, 2014

Description: PGA Tour, Inc. is the organizer of men's professional golf tournaments played in the United States. U. T. M. D. Anderson Cancer Center would like to enter into a sponsorship and marketing contract with PGA Tour, Inc. that would provide certain marketing rights in connection with the professional golf tournaments and media outlets operated and managed by PGA Tour, Inc.

U. T. M. D. Anderson Cancer Center is currently negotiating the terms of the marketing relationship, and requests:

- authorization to enter into a sponsorship and marketing contract with PGA Tour, Inc.; and
- delegation to the President of U. T. M. D. Anderson Cancer Center, following review and approval by the Chancellor, Executive Vice Chancellor for Health Affairs, Vice Chancellor for External Relations, and the Vice Chancellor and General Counsel, of authority to execute the contract and all associated documents and to take such other actions necessary to accomplish the transaction.

62. Report - U. T. Health Science Center - Tyler: See Item 52