

Meeting No. 1,087

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

Pages 1 - 23

July 11, 2012

Austin, Texas

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 OF  
 THE UNIVERSITY OF TEXAS SYSTEM  
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MEETING NO. 1,087

WEDNESDAY, JULY 11, 2012.--The members of the Board of Regents of The University of Texas System convened at 1:37 p.m. on Wednesday, July 11, 2012, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Powell  
Vice Chairman Foster  
Vice Chairman Hicks  
Vice Chairman Dannenbaum  
Regent Cranberg  
Regent Gary  
Regent Hall  
Regent Pejovich  
Regent Stillwell  
Regent Purgason, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Powell called the meeting to order.

WELCOME TO STUDENT REGENT ASHLEY M. PURGASON.--Chairman Powell welcomed Student Regent Ashley M. Purgason to her first Board meeting.

CONGRATULATIONS ON STUDENT ACCOMPLISHMENTS.--Chairman Powell recognized the following recent student accomplishments:

- 24 University of Texas-Pan American students participating in the Ballet Folklórico are winners of the American College Dance Festival Association 2012 National Award; and
- The University of Texas at Austin men's golf team won the National Collegiate Athletic Association (NCAA) championship.

## AGENDA ITEMS

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

The Board approved the Consent Agenda, which is set forth on Pages 20 - 23.

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

2. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Rule 30104, regarding Conflict of Interest, Conflict of Commitment, and Outside Activities, and Rule 30103, regarding Standards of Conduct

Chairman Powell reported on the significant review effort led by Chancellor Cigarroa with contributions from Regent Cranberg and Regent Pejovich in drafting proposed amendments to Regents' *Rules and Regulations*, Rule 30104, regarding Conflict of Interest, and Rule 30103, regarding Standards of Conduct. He called on Chancellor Cigarroa for comments.

Dr. Cigarroa reported on the comprehensive process used to draft the proposed amendments to these Regents' Rules, including involvement of a University of Texas System task force and the U. T. System Faculty Advisory Council. Chancellor Cigarroa remarked on the effort made to simplify the Rules to make them more user-friendly.

During discussion of these Rules changes, Regent Hall noted that the effective date of the amended Rules would be immediate, and Chancellor Cigarroa said that all approvals for outside activities covered by the Rules should be in place for the academic year starting in September 2012, and that the implementation of the electronic database mentioned in the Rules was set for January 2013.

The Board then approved amendments to the Regents' *Rules and Regulations*, Rule 30104, regarding Conflict of Interest, Conflict of Commitment, and Outside Activities to read as set forth on Pages 4 - 6. Rule 30103, regarding Standards of Conduct, was also amended to read as set forth on Pages 7 - 9.

Changes to the Regents' Rules include edits designed to clearly detail the requirement for documentation of disclosure and approval of proposed compensated outside activities and of proposed outside board service.

In addition, the revisions to Rule 30104 incorporate the concept of conflict of commitment related to activities that, even if uncompensated, may present a conflict for faculty and exempt employees. The revision of Rule 30104 includes former language from Rule 30103 along with new language, resulting in a more comprehensive and cohesive policy on potential conflicts.

Changes to Rule 30103 are consistent with revisions to Rule 30104. Relevant U. T. System policies, including U. T. Systemwide Policy UTS123, Policy on Service on Outside Boards, will be amended to be consistent with these Rules changes.

**1. Title**

Conflict of Interest, Conflict of Commitment, and Outside Activities

**2. Rule and Regulation**

Sec. 1 Primary Responsibility. The primary responsibility of employees of the U. T. System Administration and each of the U. T. institutions is the accomplishment of the duties and responsibilities assigned to one's position of appointment.

Sec. 2 Outside Work or Activity. Employees may engage in work or activity with outside entities and individuals, including governmental agencies, industry, or other educational institutions so long as such work or activity complies, as applicable, with the approval and disclosure requirements of Section 5 below and does not violate State laws or U. T. System Administration or U. T. institution rules or policies governing the conduct of employees, including ethics standards and provisions prohibiting conflicts of interest, conflicts of commitment, and the use of State resources.

Sec. 3 Conflicts of Interest Prohibited. U. T. System Administration and U. T. institution employees may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employee's duties in the public interest.

Sec. 4 Conflicts of Commitment Prohibited. Activities on behalf of outside entities or individuals must not interfere with a U. T. System Administration or U. T. institution employee's fulfillment of his/her duties and responsibilities to the University. Such conflicts of commitment may arise regardless of the location of these activities (on or off campus), the type of outside entity (individual, for-profit, not-for-profit, or government), or the level of compensation (compensated or unpaid).

Sec. 5 Approval and Disclosure Requirements. U. T. System Administration and each institution shall adopt policies that clearly delineate the nature and amount of permissible outside work or activities. The policies shall include provisions to prevent, identify, and resolve conflicts of interest and conflicts of commitment and



shall include specific processes for disclosing such work or outside activities, as well as the procedures for obtaining and documenting institutional approval to carry out such engagements, consistent with this Rule.

- 5.1 Approval Required for Compensated Outside Work or Activity and for Outside Board Service. No full-time member of the faculty or administrative and professional staff employed by the U. T. System or any of the institutions on a 12-month or nine-month basis shall be employed in any outside work or activity or receive from an outside source any compensation, or serve on an outside board until a description of the nature and extent of the employment or activity and the range of any compensation has been timely filed with and approved by the president of the institution, or his or her designee(s), or by the Chancellor or his or her designee(s) for U. T. System Administration employees, as set forth in the policies of the U. T. System or the *Handbook of Operating Procedures* of each institution. Filings and approvals for the presidents will be made to the appropriate Executive Vice Chancellor. Filings and approvals for the Chancellor, the General Counsel to the Board, and the Chief Audit Executive will be made to the Chairman of the Board.
  - 5.2 Additional Financial Disclosures. All officers and employees shall, in a timely manner, furnish such additional written financial disclosures as may be required by State or federal authorities or by U. T. System Administration or institutional authorities.
  - 5.3 Electronic Database. Disclosure of outside activity, documentation of requests for approval, and subsequent approvals required under Section 5.1, above, shall be maintained in an electronic database, following guidelines provided by U. T. System Administration.
  - 5.4 Effective Date. U. T. System Administration and each institution shall have approved policies implementing the provisions of Section 5 in place no later than January 15, 2013.
- Sec. 6 Free Advice. Even in the case of employees specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for public

benefit free of charge, provided that the meeting of this obligation by an employee does not interfere with his or her regular duties, and provided further that in meeting this obligation an employee shall avoid undue competition with legitimate private agencies.

- Sec. 7 Separation of Activities. If a U. T. System Administration or U. T. institution employee works in a private capacity, the employee must make it clear to those who employ him or her that the work is unofficial and that the name of the U. T. System or any of the institutions is not in any way to be connected with the employee's name, except when used to identify the member as the author of work related to the employee's academic or research area as more fully described in Rule 90101 of the Regents' *Rules and Regulations* concerning general rules for intellectual property. No employee engaged in outside remunerative activities shall use in connection therewith the official stationery of the System, give as a business address any building or department of the U. T. System or any of the institutions, or any University telephone extension.
- Sec. 8 Use of University Property. U. T. System Administration and U. T. institutional property may only be used for State purposes appropriate to the System or institutional mission.
- Sec. 9 Opinions for Advertising Purposes. Every employee who gives professional opinions must protect the U. T. System or any of the institutions against the use of such opinions for advertising purposes.
- Sec. 10 Noncompliance. Noncompliance with this Rule subjects an employee to disciplinary action, including termination, in accord with applicable procedures.

### **3. Definitions**

Compensation – any form of benefit including but not limited to salary, retainer, or promised, deferred, or contingent interest.

**1. Title**

Standards of Conduct

**2. Rule and Regulation**

- Sec. 1 Statutory Compliance. Every employee is expected to obey all federal, State, and local laws, and particularly *Texas Penal Code*, Chapter 42 and Section 46.03 and *Texas Education Code* Section 51.935. Any employee who violates any provision of these statutes is subject to disciplinary action, including dismissal, notwithstanding any action by civil authorities on account of the violation.
- Sec. 2 Disruption of Activities. Any employee who, acting singly or in concert with others, obstructs, disrupts, or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity, meeting, or event authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by The University of Texas System or any of the institutions is subject to disciplinary action, including dismissal. Obstruction or disruption includes but is not limited to any act that interrupts, modifies, or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records, or computer networks accessible through university computer resources.
- Sec. 3 Channel for Communication. The Board of Regents is the only proper channel through which recommendations concerning the administration of the System or any of the institutions, as a whole or in any of its parts, should reach the Legislature or other State agencies or officials.
- Sec. 4 Public Office.
- 4.1 Conflict of Interest. Subject to the other provisions of these Rules, an employee of the U. T. System or any of the institutions may hold other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States if holding the other offices or positions is of benefit to the State of Texas or is required by State or federal law and if there is no conflict between holding the office or position and holding the office or position with the U. T. System or any of the institutions for which the employee receives salary or compensation.

- 4.2 Prior Board Approval. Before an employee of the U. T. System or any of the institutions may accept an offer to serve in other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States, the employee must obtain from the appropriate administrative officials and the Board a finding via the Consent Agenda that the requirements of this Section have been fulfilled. The Consent Agenda entry shall also record any compensation the employee is to receive from the nonelective office or position, including salary, bonus, or per diem payment.

Sec. 5 Political Activities.

- 5.1 Right of Participation. The Board of Regents recognizes the right of employees to participate in political activities provided such activities are not conducted during work hours unless the employee uses accrued compensatory or vacation leave; are in compliance with the Constitution and laws of the State of Texas; do not interfere with the discharge and performance of an employee's duties and responsibilities; do not involve the use of equipment, supplies, or services of the U. T. System or any of the institutions; do not involve the impermissible use of university facilities; do not involve the attempt to coerce students, faculty, or staff to participate in or support the political activity; and do not involve the U. T. System or any of the institutions in partisan politics.
- 5.2 Leave Without Pay. With the interest of the U. T. System and any of the institutions being given first consideration, a leave of absence without pay pursuant to Regents' *Rules and Regulations*, Rule 30201, Section 3.1 may but need not be granted to an employee to participate in political activities. However, a leave of absence without pay shall not be granted to an employee of the U. T. System or any of the institutions for the purpose of being a candidate for an elective public office, holding an elective public office, or directing the political campaign of a candidate for an elective public office.
- 5.3 Interference with Job Duties. An employee who wishes to engage in political activity that will interfere with the performance of his or her duties and responsibilities should voluntarily terminate employment. If the president of the

institution, the Chancellor, an Executive Vice Chancellor, or the Board of Regents finds that the employee's political activity interferes with the performance of his or her duties and responsibilities or does not comply with the requirements of this Subsection, the employee shall be subject to appropriate disciplinary action, including termination.

3. U. T. System Board of Regents: Amendments to Regents' Rules and Regulations, Rule 20601, regarding Aircraft Use

The Board approved amendments to the Regents' *Rules and Regulations*, Rule 20601, regarding Aircraft Use, to read as set forth below:

Sec. 10 Flight Regulations. The U. T. System aircraft shall be operated at all times in accordance with the provisions of the Federal Aviation Agency approved flight manual and the University Flight Operations Procedures, which is in accordance with the Federal Aviation Act (as amended) and Civil Air Regulations. *Texas Government Code* Chapter 2205 gives the Texas Department of Transportation oversight of specific aspects of maintenance and operations for U. T. System aircraft.

...

Sec. 12 Minimum Number of Pilots. Two pilots are required for each scheduled passenger flight used in conjunction with conducting official university business. This Section is applicable to U. T. System aircraft, leased aircraft, chartered flights, privately owned aircraft, and donor aircraft.

...

Sec. 15 Record Keeping and Reports. The approved reservation requests forms and post-flight passenger manifests will serve as the official record of flights.

15.1 The U. T. System Office of Business Affairs shall prepare and submit the following reports:

...

(b) Reports to the Board. Passenger manifests for U. T. System aircraft, Texas Department of Transportation aircraft flown on behalf of U. T. System, privately owned aircraft, leased, and charter aircraft, including donor or chartered aircraft paid for by outside entities on behalf of the university, will be sent to the General Counsel to the Board of Regents twice a year in April and October for distribution to the Finance and Planning Committee of the U. T. System Board of Regents for review. For donor aircraft, passenger and donor names may be omitted consistent with State law, but will be verbally reported if asked.

.....

This Rule revision is focused on requiring two pilots when transporting university staff to conduct official university business regardless of whether the aircraft is owned by The University of Texas System or is leased, chartered, privately owned, or donated. A related U. T. System policy will be developed concerning use of donated aircraft in conjunction with the conduct of University business to require advance approval by the Chancellor or his designee, to require the plane to be multiengine, to require that no passenger may serve as a pilot or a copilot, and to address other safety issues.

4. U. T. Dallas: Student Housing Living Learning Center, Phase V – Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2012-2017 Capital Improvement Program (CIP) to include the Student Housing Living Learning Center, Phase V project at The University of Texas at Dallas as follows:

Project No.:	302-718	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	July 2013	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$31,000,000

Funding Note: <sup>1</sup> Revenue Financing System debt is proposed to be repaid from rental income

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

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$31,000,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt

Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$31,000,000.

### Debt Service

The \$31,000,000 in aggregate Revenue Financing System debt will be repaid from housing revenues. Annual debt service on the \$31,000,000 Revenue Financing System debt is expected to be \$1.9 million. The institution's debt service coverage is expected to be at least 2.3 times and average at least 2.7 times over FY 2012-2017.

### Project Description

This phase of student housing is a site adaptation of the design of three successful previous phases and will add approximately 150,000 gross square feet (GSF) to house 400 students as well as classrooms, gathering spaces, and offices to support living and learning communities. These beds will be reserved for use by incoming freshman students. The project will also include parking, connector roads, outdoor recreational facilities, and minor improvements to the existing food service facility to accommodate these additional full meal plan students.

Current student housing is operating at 100% occupancy. U. T. Dallas provides approximately 2,698 beds and a private provider houses approximately 2,056 beds on campus. The addition of the Student Housing Living Learning Center, Phase III with 400 beds opening in Fall 2012, already has a waiting list of 590 students. The total number of on-campus beds will increase to 5,554 upon completion of Phase V, which is scheduled for July 2013. The completion of the Student Housing Living Learning Center, Phase IV, with design development approval scheduled for November 2012 and substantial completion scheduled for July 2014, will increase the total number of on-campus beds to 6,154.

This project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.



5. U. T. Permian Basin: Student Housing Phase V - Amendment of the FY 2012-2017 Capital Improvement Program to include project; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board amended the Fiscal Year 2012-2017 Capital Improvement Program (CIP) to include the Student Housing Phase V project at The University of Texas of the Permian Basin (UTPB) as follows:

Project No.:	501-717	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	July 2013	
Total Project Cost:	<u>Source</u> Revenue Financing System Bond Proceeds <sup>1</sup>	<u>Current</u> \$8,750,000

Funding Note: <sup>1</sup> Revenue Financing System debt is proposed to be repaid from rental income

Investment Metrics:

- This student housing will allow for the admission of at least 60 students from outside the Odessa/Midland area who would not otherwise be able to attend UTPB due to the housing shortage.
- Occupancy of proposed units will increase the number of on-campus students by approximately 14% with related increases in tuition and fees, meal plan purchases, and bookstore sales.

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$8,750,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Permian Basin, 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 \$8,750,000.

### Debt Service

The \$8,750,000 in aggregate Revenue Financing System debt will be repaid from housing revenues. Annual debt service on the \$8,750,000 Revenue Financing System debt is expected to be \$537,000. The institution's debt service coverage is expected to be at least 1.0 times and average 1.0 times over FY 2012-2017.

### Project Description

This project will contain approximately 42,726 gross square feet (GSF) and house a total of 99 students in three apartment buildings. Each apartment building will house 32 students plus one Resident Advisor and contain a total of 14,242 GSF. The buildings are consistent with the existing Student Housing Phase II apartments, which were completed in August 2004. They will be two-story, wood frame, slab on-grade structures with brick and stone exteriors. The buildings are arranged in four-bedroom units with two bathrooms and one living/dining/kitchen area per unit.

Current student housing is operating at 100% occupancy with a waiting list of 35 students. U. T. Permian Basin currently provides 521 beds. The total number of on-campus beds will increase to 615 with the opening of Falcon's Nest Apartments in Fall 2012, and will increase to 714 with the completion of the Student Housing Phase V project, which is projected for July 2013.

This project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

6. U. T. Medical Branch - Galveston (UTMB): Approval to amend the agreement between UTMB and the Texas Department of Criminal Justice (TDCJ) for the provision of correctional managed health care services through August 31, 2013

Executive Vice Chancellor Shine reported that, in a recent meeting of the Senate Finance Committee, it was expressed that the Texas Legislature intends to make up certain shortfalls in funding regarding the agreement between The University of Texas Medical Branch at Galveston (UTMB) and the Texas Department of Criminal Justice (TDCJ) with a supplemental appropriation.

Vice Chairman Foster asked about a longer term approach for provision of these services, and Executive Vice Chancellor Shine replied this possibility is among the outstanding issues for which it appears there is a commitment to resolve during the next legislative session. Dr. Shine said that among the key contractual issues needing resolution is TDCJ as the contracting agent which funds services provided by UTMB as the vendor. President Callender discussed the need to clarify all language describing the responsibilities of the contractual relationship.

Chairman Powell noted the support of Senator Tommy Williams, a member of the Senate Finance Committee, who is aware of the potential shortfall that may occur early in the Session, thus, legislation would need to be passed, if possible, earlier rather than later in the Session. President Callender noted that the balance of the forecasted shortfall would occur after the May 31 deadline.

The Board then approved amendment of the agreement between UTMB and TDCJ for the provision of correctional managed health care services through August 31, 2013, if adequate funding is provided during the Regular Session of the 83rd Texas Legislature.

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

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

On December 5, 2011, the Board approved a Second Amended and Restated Interim Agreement between UTMB and TDCJ for correctional health care services for Fiscal Year 2012. That Interim Agreement became effective December 1, 2011, and will continue to August 31, 2012. The Interim Agreement provided that if a new agreement with certain revised terms was not negotiated by February 1, 2012, certain actions to begin the transition of services from UTMB would begin.

After extensive discussions with the leadership of the Texas Legislature, a Third Amended and Restated Interim Agreement between UTMB and TDCJ for correctional health care services for Fiscal Year 2012 has been executed.

This Interim Agreement will continue to May 31, 2013. The Interim Agreement addresses the issues presented to the Board of Regents by Executive Vice Chancellor Shine in his remarks at the May 2, 2012 meeting, with complete resolution of the issues deferred to the legislative discussions that will take place during the upcoming Regular Session of the 83rd Texas Legislature.

The Interim Agreement contains a provision that it will be extended further to August 31, 2013, if adequate funding is provided during the Regular Session. The Interim Agreement also contains a provision, like the earlier amended versions, that makes it subject to approval by the Board of Regents.

7. U. T. System Board of Regents: Authorization for KUT Radio at U. T. Austin to purchase KXBT-FM Radio from Border Media Business Trust, a Delaware common law trust (Deferred)

The item related to a proposed purchase of a radio station at The University of Texas at Austin was deferred.

8. U. T. System: Announcement of health institution recipients of the 2012 Regents' Outstanding Teaching Awards and remarks by representative faculty

The Board established the Regents' Outstanding Teaching Awards on August 14, 2008, to recognize and reward faculty members who serve undergraduate students in an exemplary manner. The Board allocated \$2 million per annum for five years beginning Fiscal Year 2009, for teaching awards at the academic institutions.

On August 25, 2011, the Board of Regents authorized \$6 million to expand the Regents' Outstanding Teaching Awards program to faculty at the six health institutions. The program is funded at \$1 million per year for Fiscal Years 2012 to 2017. Each year the U. T. System will make 40 awards of \$25,000 each to outstanding faculty members at the health institutions.

There are a wide variety of academic programs and settings (classroom, hospital and clinic, community and research lab) in which faculty educate, train and mentor students, residents, and fellows. Each of the six health institutions nominate their most deserving faculty and the award recipients are selected by a thorough peer review process.

Two of the recipients of the 2012 Regents' Outstanding Teaching Awards who presented on their work at the meeting were

- Gail B. Williams, R.N., Ph.D., Professor in the Department of Family and Community Health Systems at The University of Texas Health Science Center at San Antonio; and

- Jerry W. Shay, Ph.D., Professor in the Department of Cell Biology at The University of Texas Southwestern Medical Center.

RECESS TO EXECUTIVE SESSION.--At 2:23 p.m., Chairman Powell announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 5:24 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

- 1a. U. T. Austin: Approval of proposed negotiated gifts with potential naming features

Upon motion by Vice Chairman Hicks, duly seconded, the Board authorized President Powers and Vice Chancellor Safady to conclude negotiations necessary to finalize and accept gifts to benefit The University of Texas at Austin with potential naming features consistent with the terms outlined in Executive Session.

The motion carried unanimously.

- 1b. U. T. Brownsville: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features

No action was taken on this item.

- 2a. 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.

- 2b. U. T. Brownsville: Discussion and appropriate action regarding individual personnel matters

No action was taken on this item.

3. U. T. System Board of Regents: Deliberations regarding the purchase, exchange, lease, sale, or value of real property

No action was taken on this item.

4. U. T. System Board of Regents: Deliberation regarding security devices or security audits

No action was taken on this item.

- 5a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

- 5b. U. T. Brownsville (UTB): Discussion and appropriate action regarding legal issues related to freestanding UTB campus and dissolution of the UTB/Texas Southmost College (TSC) partnership

No action was taken on this item.

- 5c. U. T. M. D. Anderson Cancer Center: Approval to settle claims under the technology license agreement with Reata Pharmaceuticals, Inc.

Vice Chairman Dannenbaum moved that the Board delegate authority to the President of The University of Texas M. D. Anderson Cancer Center, with concurrence from Executive Vice Chancellor Shine, Vice Chancellor and General Counsel Burgdorf, and Chancellor Cigarroa, to settle claims under the technology license agreement with Reata Pharmaceuticals, Inc., within the parameters recommended in Executive Session.

Vice Chairman Foster seconded the motion, which carried unanimously.

- 5d. U. T. System: Discussion and appropriate action regarding legal issues related to cybersecurity and information security breach

No action was taken on this item.

- 5e. U. T. System Board of Regents: Discussion regarding legal issues related to the review of relationship between U. T. Austin School of Law and Law School Foundation

No action was taken on this item.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on August 22-23, 2012, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 5:26 p.m.

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

August 3, 2012

**THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS'  
CONSENT AGENDA**

**Board Meeting: 7/11/2012**  
Austin, Texas

**U. T. SYSTEM ADMINISTRATION**

1. Approval of Dual Positions of Honor, Trust, or Profit - **U. T. System and U. T. Health Science Center - Tyler**: Appointment by Secretary of Health and Human Services Sebelius of Executive Vice Chancellor for Health Affairs Shine and U. T. Health Science Center - Tyler President Calhoun to the Council on Graduate Medical Education

The following item has been approved by the Chancellor in accordance with the Regents' *Rules and Regulations*, Rule 30103. It has been determined that the holding of these positions is of benefit to the State of Texas and The University of Texas, and there is no conflict between holding these positions and the appointment of Dr. Shine with U. T. System and Dr. Calhoun with U. T. Health Science Center - Tyler. By approval of this item, the Board is also asked to find that the holding of these positions is of benefit to the State of Texas and The University of Texas, and there is no conflict between the position and the University.

Name:	<b>Kenneth I. Shine, M.D.</b>
Title:	Executive Vice Chancellor for Health Affairs
Name:	<b>Kirk A. Calhoun, M.D.</b>
Title:	President, U. T. Health Science Center - Tyler
Position:	Member, Council on Graduate Medical Education (COGME)
Period:	March 31, 2012 to March 31, 2016
Compensation:	None
Description:	Secretary of Health and Human Services Kathleen Sebelius has appointed Dr. Shine and Dr. Calhoun to serve as members of COGME, an advisory council for the Bureau of Health Professions in the Health Resources and Services Administration.



2. Approval of Newly Commissioned Peace Officers - U. T. System

In accordance with Section 51.203 of the *Texas Education Code*, the Board is asked to approve the Commissioning of the following Peace Officers. The Officers have completed training at the U. T. System Police Training Academy and passed the State of Texas Police Officer Licensing Examination, effective May 18, 2012.

<u>Name</u>	<u>Institution</u>
Rogelio S. Avila	U. T. Austin
Braden A. Bozer	U. T. Arlington
Samantha R. Carter	U. T. Austin
Jeffrey D. Corff	U. T. Austin
Jose L. Cortez, Jr.	U. T. Medical Branch - Galveston
Nathan J. Hish	U. T. Austin
Eric R. Johanson	U. T. Austin
Michael S. Morrison	U. T. Arlington
Dustin M. Oliphant	U. T. Medical Branch - Galveston
Marco A. Rodriguez	U. T. Pan American
Brandon M. Williams	U. T. Medical Branch - Galveston

### ACADEMIC INSTITUTIONS

3. Foreign Contract (funds coming in) - U. T. Dallas: 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

Agency:	INFOTEC, a Mexican Federal Government Public Trust
Funds:	\$620,000 estimated
Period:	August 1, 2012 through December 31, 2013
Description:	Naveen Jindal School of Management Executive Education program will provide 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 previously managed for INFOTEC by a nonacademic third party. Subcontracted instructors will be experienced faculty from other U.S. universities who have provided this training in previous years under the agreement; they will go to Mexico to provide instruction and program

support for U. T. Dallas. 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.

4. License (funds coming in) - U. T. El Paso: Authorization to license approximately 3,148 square feet of space on campus to Ricoh USA, Inc., for copy center and mail services

Description:	U. T. El Paso is outsourcing the print shop, copy center, and mail delivery functions to reduce net cost. The institution is licensing space on campus to the licensee, who will operate these services. The licensee was selected through a request for proposal process.
Total Area:	Approximately 3,148 total square feet in three separate spaces
Location:	Three spaces, one each in the Union Building East, the University Library, and the Carl Hertzog Building on the U. T. El Paso campus
Licensee:	Ricoh USA, Inc., an Ohio corporation
Permitted Use:	Operation of a print shop, copy center, and mail service center; mail and package delivery services
Term:	Seven years, with three one-year extensions at the institution's option; either party may terminate with 120 days' notice.
Consideration:	Licensee will pay an annual license fee of \$50,021.72 (equates to \$15.89 per square foot). The annual license fee during the renewal terms will be as negotiated by the parties. Licensee will make one-time payments of \$50,000 towards U. T. El Paso's cost of refurbishing the licensed space, and \$159,238.33 will be used by the institution to buy out leases of outdated printing equipment. As additional consideration, licensee will operate mail and package pickup and delivery services on the institution's campus.
Operating Expenses:	U. T. El Paso will provide and pay for all building maintenance and utilities to the licensed spaces. Licensee will provide and pay for janitorial and insurance costs.

## HEALTH INSTITUTIONS

5. Emeritus Appointments - U. T. Health Science Center - Houston
- **Zeb F. Poindexter**, Professor, Department of Restorative Dentistry, Dental Branch, to Professor Emeritus (RBC No. 4518) -- amendment to the 2011-12 budget
  - **Julia E. Lever**, Professor (T), Department of Biochemistry and Molecular Biology, Medical School, to Professor Emeritus (RBC No. 4519) -- amendment to the 2011-12 budget
  - **Sharon K. Ostwald**, Professor, Isla Carroll Turner Chair in Gerontological Nursing and Coordinator, International Programs (T), Center on Aging, School of Nursing, to Professor Emeritus in the Department of Nursing Systems, Center on Aging (RBC No. 4520) -- amendment to the 2011-12 budget