

Meeting No. 1,106

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

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August 21-22, 2013

Austin, Texas

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MEETING NO. 1,106

WEDNESDAY, AUGUST 21, 2013.--The members of the Board of Regents of The University of Texas System convened on Wednesday, August 21, 2013, at 3:30 p.m. in the Conference Room and in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, for meetings of the standing committees and for the annual meeting with the U. T. System Faculty Advisory Council with the following participation:

ATTENDANCE.--

Present

Chairman Powell
Vice Chairman Foster
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 Powell called the meeting to order.

AGENDA ITEM

1. U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council

Donald Molony, M.D., Chair of The University of Texas System Faculty Advisory Council (FAC), spoke about the following matters being considered by the Council. Dr. Elizabeth Heise, Chair-Elect of the Council, was also in attendance, and Dr. Murray Leaf, Former Chair, was absent.

Issues reviewed this past year

- a. Conflict of Interest and Conflict of Commitment policy (reference: Regents' *Rules and Regulations*, Rule 30104, Conflict of Interest, Conflict of Commitment, and Outside Activities)

Noting that this policy provides a way for faculty to stay in compliance and performing well, Dr. Molony discussed input from the FAC in policy discussions.

b. Encryption

Dr. Molony said that work has been done in the area of encryption to secure information as required by regulatory agencies, including a determination of how the information is disseminated to campuses.

Current issues

- c. Concerning peer evaluation and mentoring of instructors and teachers, Dr. Molony noted that recommendations are forthcoming. He said the academies and other organizations on most U. T. System campuses will continue to provide peer evaluations that will assist in teaching improvements, and he noted The University of Texas at Austin center provides formal feedback and could provide a model for the other institutions. He also commented on the importance of student-centered teaching techniques to engage students to be critical thinkers.

He noted a need for separation between the functions of these peer mentors and peer evaluators, and said the FAC would like to continue to be full party to the ongoing discussions of strengthening peer evaluations for the purposes of rewarding, promoting, or advancing teachers. In reply to a question from Regent Horne, Dr. Molony said these evaluations would not replace student evaluations of faculty members, but could strengthen the evaluative process.

Executive Vice Chancellor Shine expressed concern about the potential for a faculty member to have multiple mentors, and he and Dr. Molony suggested that mentors could be provided with additional resources as needed.

Dr. Molony mentioned that a teaching portfolio could document successes. Chancellor Cigarroa spoke about the resources available in the institutional and U. T. Systemwide Academy of Master Teachers to better educate and mentor teachers, and Dr. Molony suggested this Systemwide Academy determine, share, and foster best practices for the institutional academies.

Dr. Cigarroa said Executive Vice Chancellor Reyes has developed, with assistance from the FAC and the Student Advisory Council, a template for evaluation of teachers. Dr. Reyes spoke about the peer review structure.

In reply to a question from Regent Cranberg, Dr. Molony said the Council solicits input on all matters from all faculty, not only tenured and tenure-track faculty.

- d. The FAC has reviewed a document being prepared by Dr. Reyes concerning evaluation of academic administrators at the U. T. System academic institutions to help them become more effective and successful in areas of mentoring faculty, bilateral discussions and dialog, consultation with faculty, and decision-making and leadership. Dr. Molony said the document will provide a structure for ongoing feedback to academic administrators from peers and superiors.

Chancellor Cigarroa noted appreciation to the FAC members for their input in implementing the Framework for Advancing Excellence in terms of the post-tenure review process, in the dialog concerning the Conflicts of Interest and Conflicts of Commitment policy, in finding the right balance regarding the information encryption process, in peer review and evaluations of teachers, and in the roles and scopes of duties such as departmental chairs.

RECESS.--The meeting recessed at 4:03 p.m.

THURSDAY, AUGUST 22, 2013.--The members of the Board of Regents of The University of Texas System convened at 8:45 a.m. on Thursday, August 22, 2013, 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
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 Powell called the meeting to order.

2. U. T. System Board of Regents: Introduction of new Board members

Chairman Powell welcomed new Regents Aliseda, Hildebrand, and Horne to their first quarterly Board meeting and presented each a medallion with the customary symbolic seal of office. He then called on the new Board members for remarks.

Regent Hildebrand expressed his honor to be a member of the Board of Regents of The University of Texas System, and he said he understands the impact that U. T. System institutions have on local communities, the State of Texas, and alumni. He also said he understands the responsibility to safeguard and steward the treasured assets of the State of Texas. Regent Hildebrand added that he wants the U. T. System to be a bit better at the end of his tenure than when he started.

Regent Aliseda echoed the comments of Regent Hildebrand, saying he wants to be sure the institutions that make up the U. T. System remain strong and vibrant and continue to offer the best educational opportunities in the State of Texas and in the nation.

Regent Horne expressed appreciation for the opportunity to serve as a member of the Board of Regents while fulfilling his duty to represent over 200,000 students.

Chairman Powell also recognized Vice Chairman Foster who began his second term of service to the State of Texas.

3. U. T. System Board of Regents: Chairman's announcement of interim Committee appointments

For this meeting, Chairman Powell said he had appointed

- Regent Cranberg to serve as Interim Chairman of the Facilities Planning and Construction Committee, and
- Regent Hall to serve as Interim Chairman of the Technology Transfer and Research Committee.

Standing Committees met on August 21, 2013. For the record, temporary Committee composition for this meeting is set forth below:

Academic Affairs Committee

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

Audit, Compliance, and Management Review Committee

Brenda Pejovich, Chairman
Ernest Aliseda
Alex M. Cranberg
Paul L. Foster
Wallace L. Hall, Jr.

Facilities Planning and Construction Committee

Alex M. Cranberg, Interim Chairman
R. Steven Hicks
Jeffery D. Hildebrand
Robert L. Stillwell

Finance and Planning Committee

Paul L. Foster, Chairman
Alex M. Cranberg
Wallace L. Hall, Jr.
Jeffery D. Hildebrand
Brenda Pejovich

Health Affairs Committee

Robert L. Stillwell, Chairman
Ernest Aliseda
Paul L. Foster
Wallace L. Hall, Jr.
Jeffery D. Hildebrand

Technology Transfer and Research Committee

Wallace L. Hall, Jr., Interim Chairman

Ernest Aliseda

Alex M. Cranberg

R. Steven Hicks

Brenda Pejovich

4. U. T. System Board of Regents: Approval of Consent Agenda

Chairman Powell noted the following related to the approval of the Consent Agenda:

- The employment agreement with Raymond S. Greenberg, M.D., Ph.D., as Executive Vice Chancellor for Health Affairs is set forth at Item 7. He noted that the Board is required to give the Legislative Budget Board at least five days' notice of the terms of a proposed contract with a higher education administrator before the meeting during which the agreement will be considered, and that notice has been provided.
- To avoid any appearance of a possible conflict of interest because of stockholdings, Regent Hildebrand abstained from vote on Item 2 concerning a proposed contract between Zurich American Insurance Company and The University of Texas System.

The Board then approved the Consent Agenda, which is set forth on Pages 121 - 196.

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.

5. U. T. System: Student visual arts display – photography by Ms. Samantha Ortega, U. T. Austin student

Executive Vice Chancellor Reyes introduced Ms. Samantha Ortega, a student at The University of Texas at Austin who is pursuing a dual degree in Photo Journalism and Psychology. He invited members of the Board to view samples of Ms. Ortega's photography on display in the lobby.

Dr. Reyes noted that Ms. Ortega had been a finalist for the Regents' Outstanding Arts and Humanities Student Award.

6. U. T. System: Update on Framework for Advancing Excellence throughout The University of Texas System: Action Plan

Chancellor Cigarroa provided an update on the Framework for Advancing Excellence throughout The University of Texas System: Action Plan that was approved by the Board of Regents on August 25, 2011. His update, which is [on file](#) in the Office of the Board of Regents, showcased campus-level advancement of the Framework goals and how those advancements are providing excellent resources to enhance educational missions.

Remarks by Chancellor Cigarroa
(essentially as delivered)

Thank you, Mr. Chairman, for this opportunity to address the Board of Regents, our institutions, and the public on the advancements we have made in the implementation of our Framework for Advancing Excellence Action Plan.

Over the past year, we have seen remarkable progress, thanks to the contributions and teamwork of our 15 presidents and their administrators, faculty, and staff. There are nine major focal areas in the Framework, and I am happy to report that 95% of our initiatives in those areas are now under full implementation.

We often hear about the Framework's major accomplishments in the news media, for example, the establishment of the new university in the Rio Grande Valley and the new medical schools in Austin and South Texas. But we have also implemented dozens of initiatives and followed through on numerous strategies that can go unnoticed by the general public. And yet these initiatives and strategies make a crucial difference to the people we serve.

Let me give you a few quick examples:

- We have encouraged U. T. campuses to establish tuition policies that improve time-to-degree and lower costs. In addition, our Board of Regents has asked each campus to offer a four-year fixed tuition plan.
- The Committee on Student Debt has issued a report that will help students and their families better understand how to manage finances and student debt. The report identifies three central themes that are critical to managing academic costs and debt:
 - degree completion,
 - costs and returns, and
 - transparency and decision support.

- We expanded the U. T. System Productivity Dashboard, and it has become a model for how educational institutions can use metrics, analytics, and data to understand trends and meet their long-term goals.
- The Institute for Transformative Learning (ITL) is working with U. T.'s academic and health institutions to establish U. T. System as a global leader in blended and online learning. This coming academic year, The University of Texas at Austin is offering nine MOOCs (Massive Open Online Courses) as part of the edX consortium.
- And ITL is in dialogue with all U. T. campuses to develop proposals for online gateway courses.
- We created an Academy of Master Teachers for those who teach at the academic campuses, increasing our efforts to recognize and reward our very best teachers. We had already established an Academy for the health institutions.
- Our external administrative organizational reviews are ongoing and have yielded excellent results. The University of Texas M. D. Anderson Cancer Center has completed their review, and The University of Texas Medical Branch at Galveston, The University of Texas at Dallas, and The University of Texas at Tyler are in various stages of completion.
- All campuses now have Ph.D. Milestone Agreements to improve graduate education and reduce time-to-completion, and they are implementing robust career advising.
- We are launching the FreshAir initiative, which will build commercial partnerships between researchers at our health institutions and pharmaceutical and diagnostic companies.
- We are on track with our Information Technology (IT) infrastructure plan and are working with campuses to enable their faculty to better utilize high performance computing.
- And we have had the best fundraising year in the history of the U. T. System.

The campus responses to the Framework action plan have been impressive and inspiring. The Presidents set their targets high, based on benchmarks and comparisons to their peer institutions around the country, and they are implementing their strategies with effectiveness.

It is important to note that all U. T. institutions have responded to the Framework in their own ways. No two are exactly alike. They use the action plan as guideposts, not as rigid directives. They have customized Framework initiatives to reflect their own individual needs and unique campus cultures across a wide variety of academic and health institutions.

Over the past year, I have had the opportunity to visit campuses and see firsthand how they are using the Framework for everything from improving graduation rates to improving patient safety. I recall very clearly having an “ah ha!” moment when I was listening to Provost Junius Gonzales make a Framework presentation at The University of Texas at El Paso. Jana Pankratz (Deputy to the Chancellor) and I looked at each other at that same time, because at that moment we both realized that the Framework was no longer a set of goals and objectives residing solely within the U. T. System Administration. The Framework had found its legs on real ground, in the very real world of a University of Texas institution. I was very proud to see a Framework initiative come to life at one of our great universities, where there was a shared equity by the administration and faculty. Until that moment when Provost Gonzales was making his presentation, I did not know for certain what an impact the Framework could have on a university or health institution.

Today, I do not intend to give you a summary of the progress we have made in the nine areas of the Framework. We have prepared a written report that tracks in detail how we have addressed all of the goals and objectives. I invite you to read the report in its entirety.

But today I am pleased to introduce two special guests who will demonstrate how their institutions have customized the Framework to help them make informed decisions, implement new policies for the benefit of students, improve patient safety, and more.

I am honored to introduce Dr. Rebecca Saavedra, Vice President for Strategic Planning at U. T. Medical Branch - Galveston, and Dr. Junius Gonzales, Provost at U. T. El Paso.

(Dr. Saavedra and Dr. Gonzales made presentations, which are included in the Chancellor’s presentation [on file](#) in the Office of the Board of Regents.)

Thank you very much, Dr. Saavedra and Dr. Gonzales.

They represent two outstanding examples of how U. T. academic and health campuses are adapting the Framework action plan to suit their individual missions. This kind of creative thinking is taking place at all 15 U. T. institutions, and the spirit is contagious. We are a stronger, more innovative, more accountable, and more effective system of higher education because of the Framework initiatives we have completed over the past two years. This is good news for the students and families of Texas.

Members of the Board of Regents and Presidents, I thank you all for the active leadership role you have played in shaping the Framework for Advancing Excellence. With your support and your guiding hand, U. T. institutions will continue to make progress as national leaders and best-practice institutions in all nine areas of the Framework.

Today, two years after we launched the Framework for Excellence, I say, "Let us celebrate what we have accomplished together: hard work, well done." But there is more work ahead of us. We will continue on our course of continual improvement until we complete 100% of our initiatives -- advances in teaching, research, and health care -- and make higher education in Texas a model for the nation.

7. U. T. System: Report on the new university in South Texas

Chancellor Cigarroa said that in October 2012, he had conversed with Chairman Powell about the current separation of Texas Southmost College from The University of Texas at Brownsville and how that would impact the campus, and about the desire, particularly from Regent Stillwell, to "plant a flag" in South Texas. With the limitations governing use of the Permanent University Fund (PUF), he said Mr. Steven R. Collins, Associate Vice Chancellor for Governmental Relations and Special Counsel, proposed the creation of a new University of Texas System institution. That discussion, he said, ultimately led to unanimous approval by the 83rd Texas Legislature of a new university in South Texas (Senate Bill 24).

Using a video presentation, Chancellor Cigarroa provided comments on the new University of Texas System institution in South Texas. He recognized Dr. Juliet V. García, President at The University of Texas at Brownsville, and Dr. Robert S. Nelsen, President at The University of Texas-Pan American, who each received a round of applause for their work on the creation of a new university in South Texas. Dr. Cigarroa also mentioned the significant work of the U. T. System Office of Governmental Relations in this effort.

8. U. T. System Board of Regents: Acceptance of report and recommendations from the Advisory Task Force on Best Practices Regarding University-Affiliated Foundation Relationships

Task Force Chairman Pejovich reported on the work of the Advisory Task Force on Best Practices Regarding University-Affiliated Foundation Relationships, and she made recommendations for Board consideration. Her report and recommendations, set forth on the following pages, were accepted by the Board.

Report and recommendations by Regent Pejovich

Members of the Board:

I am pleased to report on the work of the Advisory Task Force on Best Practices Regarding University-Affiliated Foundations established by Chairman Powell in November 2012, and to present the recommendations of the Task Force. The charge to the Task Force is to “assure that relationships between the U. T. System institutions and the U. T. System and affiliated foundations are optimally structured to serve as a national model for public universities for the best management, compliance, and oversight practices.”

As I mentioned in May (2013), the affiliated foundations provide a tremendous philanthropic base for the U. T. System and U. T. institutions, and we are profoundly grateful for their support.

The Task Force met 12 times and, during these meetings, interviewed U. T. Presidents from institutions with one or more affiliated foundations and received testimony from university-affiliated foundation principals and key staff members.

All members of the Task Force participated in formulating the report and recommendations. The draft report was provided to the Chancellor and the Executive Vice Chancellors with instructions to distribute it to all U. T. presidents with a request that they comment and share the draft with the heads of each affiliated foundation. State Auditor John Keel also read and commented on the report, and his thoughtful suggestions were very helpful.

The Task Force’s recommendations for best practices were guided by the following findings and principles:

1. A shared vision endorsed by the U. T. System, U. T. institutions, and affiliated foundations
2. Acknowledgement of the unique and historically significant contributions of each foundation
3. Preservation of independent governance and clear separation of services/duties
4. Reduction or elimination of operational redundancies
5. Essential nature of full transparency
6. Donor intent must be honored
7. Necessity of periodic assessment of roles

Comments received from U. T. Presidents and foundation leadership were overall positive and constructive and supportive of the Task Force recommendations. For example:

- President Podolsky commented that “The leadership of the [Southwestern Medical Foundation] appreciated the thoughtfulness of the Task Force in carrying out its work and fully agrees with many of the recommended best practices.”
- The U. T. System Medical Foundation, which is affiliated with U. T. Health Science Center - Houston, noted that “Overall, we agree that the Task Force’s recommendations are a reasonable approach for Foundations.”
- President Daniel noted that U. T. Dallas had “reviewed the draft report and found it to be quite good and workable for us.”

The resulting report responds directly to Chairman Powell’s specific charge and includes five recommendations. Three recommendations speak to the university-foundation relationship, one addresses responsibilities of the universities, and one recommends practices for foundation consideration.

Recommendation #1: Each U. T. System institution should engage its affiliated foundations in a process to review or develop a Memorandum of Understanding (MOU), consistent with the recommendations in this Report, that (a) clearly defines the relationship between the university and its affiliated foundation(s), (b) assures the preservation of mission alignment over time, and (c) is periodically reviewed, assessed, and adapted in keeping with changing circumstances and the passage of time.

Recommendation #2: Universities and their affiliated foundation(s) should work together to implement practices that increase transparency, openness, and disclosure to the supported institution and the public.

Recommendation #3: Recognizing that good governance and strong board leadership are essential to the mission fulfillment of each university and its affiliated foundation(s), the Task Force has identified several best governance practices that should be followed.

Recommendation #4: University-affiliated foundations should adopt policies that are transparent, reflect best practices, and mitigate even the appearance of impropriety, unfairness, financial self-dealing, or fiscal imprudence.

Recommendation #5: Institutions and university-affiliated foundations should adopt and consistently apply gift acceptance policies, thoroughly document donor intent, and carefully review proposed gifts to ensure that donors’

intentions can be fulfilled and that through the acceptance of gifts, institutions will not be subject to undue external influence, such as over academic programs and appointments, or to financial or compliance risk.

In conclusion, the Task Force recommends that the five recommendations be implemented through amendments to the Regents' *Rules and Regulations* and/or policy changes addressing the establishment and periodic review of university-affiliated foundations. We suggest that proposed amendments to the relevant Regents' Rules, as well as a standard MOU template developed with appropriate input from U. T. System institutions and university-affiliated foundations be presented to the Board of Regents for discussion and approval, and that full implementation of these recommendations, including the negotiation and execution of MOUs, be targeted for completion no later than May 2014.

Regent Cranberg requested that the MOUs make clear to donors that there is an equal opportunity choice for them to make donations either to university-affiliated foundations or to the university itself. He said he believes it is essential that the U. T. brand be best protected by the University itself being in charge of the spending of donors' monies, while at the same time being respectful of the wishes of private donors' desires to give to university-affiliated foundations instead. Occasionally, he said, it is difficult to know which is which, and the recommendations suggest there should be enhanced clarity as to which vessels receive support. He said some of the foundations seem to gather up nearly all the philanthropic money intended to support a particular component of one of the institutions, which could appear to steer away from the University. He said it should be made clear in the MOU that donors have a choice and what the pros and cons are of each choice. Regent Pejovich said she believes that is addressed in the report, and there is a section on transparency that will be specifically tailored for donors and alumni and outside parties.

In response to a question from Chairman Powell, Regent Pejovich said the final Task Force report will be issued in the next few business days.

9. U. T. System Board of Regents: Report from the Task Force on Employee/Student Relationships

Task Force Chairman Foster reported as follows on the activities of the Task Force on Employee/Student Relationships. He had also provided a brief update on the work of the Task Force on May 9, 2013.

Remarks by Vice Chairman Foster
(essentially as delivered)

The work of the Task Force on Employee/Student Relationships is nearing completion after meeting over the past five months. Our work has benefitted from the diversity of the group, which consists of

campus presidents, faculty, administrators, attorneys both within and outside The University of Texas System, and student representation through our former Student Regent Ashley Purgason.

We have heard from experts in the fields of sexual harassment and misconduct policy, athletics, and organizational culture change, and we have reviewed the applicable policies across System and looked at model policies throughout the country for best practices.

We have learned a lot about the potential problems facing students, student-athletes, and staff on campuses and the issues surrounding the best ways to address them. Ultimately, this is an issue of student welfare and safety and must be taken very seriously through both policy and culture change.

I am confident that we have identified the best practices to address sexual misconduct on campus by creating a policy for all our campuses that does not merely discourage inappropriate relationships, and clearly prohibits certain relationships where a real or perceived abuse of power exists. At the same time, we are laying out recommendations for the best path to a culture that fosters a safe environment and that does not tolerate inappropriate relationships. This will be done by supporting campus leadership in administration, faculty, and students; forming new programs to educate students and faculty; and reinforcing accountability from the top down.

We originally planned to issue our final report at this August Board meeting; however, because we seek input from all our stakeholders, including presidents, faculty, staff, students, the Faculty Advisory Council, and the Student Advisory Council, our plan is to provide our findings and recommendations to the Board at the November (2013) meeting.

10. U. T. System Board of Regents: Interim report from the Task Force on Engineering Education for the 21st Century

Regent Cranberg and University of Texas at Dallas President Daniel, Co-Chairmen of the Task Force on Engineering Education for the 21st Century, provided an interim report on the work of the Task Force. Regent Cranberg had also provided a brief update on the work of the Task Force on May 9, 2013.

Remarks by Regent Cranberg

The Task Force on Engineering Education for Texas in the 21st Century continues to make good progress on examining current and future needs for engineers and computer scientists in Texas, and assessing how U. T. System institutions can best meet the state's needs and our students' needs. The Task Force consists of Co-Chairs David Daniel and myself, as well as the

Deans of all the U. T. System institution Colleges of Engineering, and three representatives from industry: Sam Dawson of San Antonio, John Randall of Dallas, and Jeffery Hildebrand of Houston who was recently appointed to this Board.

The Task Force has been ably supported by Executive Vice Chancellor Pedro Reyes, his staff, and Vice Chancellor for Strategic Initiatives Stephanie Huie. Our Chancellor, Dr. Francisco Cigarroa, has been actively engaged in the work of the Task Force, and has participated in our meetings. We are so grateful for this broad-ranging and helpful engagement from so many.

The Task Force has completed the fact-finding stage of its work, and has the first draft of its report under review and refinement. When the Task Force is satisfied with its report, we expect to vet it with industry representatives and other stakeholders. When all input has been received, the report will be finalized and delivered probably sometime this Fall.

Texas is a vibrant, growing state with critical dependency on engineering and technology that comes from engineering. Almost every facet of Texas' business and social fabric is touched by engineering and computer science. Engineering is a highly paid and rewarding career path for thousands of Texas students now preparing for their future. And yet, U.S. colleges and universities fall short of meeting the current need, let alone meeting the increasing demand. Especially in Texas, the shortfall is not a small one, but is a very large one in many thousands of engineers and scientists each year.

The proof is in the market. Engineering disciplines offer eight of the 10 highest starting salaries...a special need of Texas. Petroleum engineers are starting at over \$95,000 a year. The average Princeton graduate takes 10 years to make \$135,000.

The U. T. System can lead in securing the future economic vitality of Texas by addressing this need. But there are some challenges to be overcome. While industry can import engineers from other states, many of our Texas students cannot afford to be so mobile. Upward mobility is created by providing lower-cost, in-state tuition slots to students accessing the highest paid careers. At the most sought-after institutions, U. T. Austin and Texas A&M University, 80-90% of the most highly qualified applicants get turned away due to capacity constraints. The pipeline of Texas students graduating from high school is not strong enough. Industry must play a vital role in partnering with the universities and vice versa. Opportunities for internships should be substantially expanded, and federal research funds, which may be shrinking, are not geared to Texas needs and priorities, and should be supplemented by industry capital.

Houston, the nation's energy capital and Texas' largest city, is responsible for about one-third of the economic output of the state, and yet U. T. System has almost no academic presence in Houston. This very special pool of industry talent, know-how, and research effort is important to tap into even more deeply.

Engineering is at the intersection of science, technology, and business. Accordingly, we engineers are pretty market-driven. The recommendations likely to come from the Task Force center around two essential actions that really stand for one overarching theme: to lap the competition by being even more responsive to the market.

There is a quantity component. U. T. System institutions should enroll and graduate significantly more highly-capable engineers and computer scientists. Then, there's a quality element. U. T. System institutions should all develop even stronger interactions with industry through various strategies including leading development innovation clusters in key regions, expanding internship and co-op programs, establishing a more significant industry-focused presence in Houston, and continuing to make industry engagement in our research and instructional missions a key priority.

Other recommendations are likely to be made, but these two essential themes, increasing output of engineers and computer scientists from U. T. System institutions and engaging with industry in a far more significant manner, are shaping up as the principle recommendations. The Task Force notes that there are considerable assets available to the U. T. System, including the Institute for Transformational Learning (ITL), that can play a major role in moving forward effectively and efficiently. The Task Force further notes that opportunities for collaboration abound both among the academic institutions and between health and academic institutions.

We conclude by emphasizing that the Task Force's report is still being drafted, and final conclusions and recommendations are not yet reached. But, we hope that this progress report provides a useful update, and gives the Board a glimpse of likely outcomes from their work.

Chairman Powell noted that he was pleased to see the University of Texas System leading the way in doing the requisite research and planning to meet the future needs and challenges for engineering in the State of Texas. Regent Cranberg added that the entire Task Force was keenly aware of the significance of this initiative, as U. T. System currently produces 50% of the engineers that graduate in the State of Texas.

RECESS AND RECONVENE.--The Board recessed for a break from approximately 10:05 a.m. - 10:15 a.m. and then reconvened in Open Session.

11. U. T. System Board of Regents: Legislative update for the 83rd Legislative Session and recognition of staff of Office of Governmental Relations

Vice Chancellor McBee provided an update on the 83rd Texas Legislative Session, and Chairman Powell recognized staff from The University of Texas System Office of Governmental Relations, who received a round of applause. Mr. McBee's presentation is [on file](#) in the Office of the Board of Regents.

12. U. T. System Board of Regents: Presentation of certificate of appreciation to Executive Vice Chancellor Shine and naming of The University of Texas Academy of Health Science Education as The University of Texas Kenneth I. Shine, M.D. Academy of Health Science Education

The Board recognized Kenneth I. Shine, M.D., for his 10 years of distinguished service to The University of Texas System as Executive Vice Chancellor for Health Affairs and approved naming The University of Texas Academy of Health Science Education as The University of Texas Kenneth I. Shine, M.D. Academy of Health Science Education. Dr. Shine received a round of applause.

Chancellor Cigarroa noted that Dr. Shine will be Special Advisor to the Chancellor for the next year, will teach a course at The University of Texas at Austin, and will help transition Raymond S. Greenberg, M.D., Ph.D., who has just begun his service as Executive Vice Chancellor for Health Affairs.

Regent Stillwell, Chairman of the Health Affairs Committee, also thanked Dr. Shine for his service.

STANDING COMMITTEE REPORTS TO THE BOARD.--At 10:44 a.m., Chairman Powell announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 18 - 113.

REPORT AND RECOMMENDATIONS OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 18 - 21).--Committee Chairman Pejovich reported that the Audit, Compliance, and Management Review Committee met in open session to consider the 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 Audit, Compliance, and Management Review 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: Approval of the U. T. Systemwide Annual Internal Audit Plan for Fiscal Year 2014

The Board approved The University of Texas Systemwide Annual Audit Plan for Fiscal Year 2014. Development of the Audit Plan is based on risk assessments performed at each institution and implementation of the Audit Plan will be coordinated with the institutional auditors.

Institutional audit plans, compiled by the internal audit departments after input and guidance from the U. T. System Audit Office, the Offices of Academic or Health Affairs, and the institution's management and institutional internal audit committee, were submitted to the respective institutional Internal Audit Committee and institutional president for review and comments. Additionally, the institutional audit plans were presented at the U. T. System Administration Internal Audit Committee meeting held on July 24, 2013. Also, the Chief Audit Executive provided feedback by conducting audit plan presentations with each institution. After the review process, each institutional Internal Audit Committee formally approved its institution's audit plan.

3. U. T. System: Report on the Systemwide internal audit activities

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

4. U. T. System Board of Regents: Amendments to the Regents' *Rules and Regulations*, Rule 20205, Section 8, regarding the performance, timing, and reporting of audits of Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences

The Board approved amendments to the Regents' *Rules and Regulations*, Rule 20205, Section 8 and Subsection 8.1, regarding the performance, timing, and reporting of audits of Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences, to read as set forth below:

Sec. 8 Audits. Annually the travel and entertainment expenses and expenses for the maintenance of University residences for which the Chancellor or spouse has been reimbursed or that have been directly paid on the Chancellor's or spouse's behalf shall be audited by an entity that does not report directly to the Chancellor. The travel and entertainment expenses and expenses for the maintenance of University residences for which the presidents or their spouses have been reimbursed or that have been paid directly to a vendor on the presidents' or their spouses' behalf will be audited by the U. T. System Audit Office. All of the presidents will be subject to audit annually.

8.1 The independent entity shall submit the results of the audit of the Chancellor and the Chancellor's spouse's expenditures to the Chairman of the Board and to the General Counsel to the Board of Regents. The System Audit Office shall submit the results of the audit of the president and the president's spouse's expenditures to the appropriate Executive Vice Chancellor.

8.2 All audits shall be submitted to the Audit, Compliance, and Management Review Committee for review during a quarterly meeting of the Committee.

Deloitte's Strategic Assessment of The University of Texas System Internal Audit Services report (February 19, 2013) included a recommendation regarding the use of U. T. System Audit personnel, cross-institutional audit personnel, or outside subject matter expertise for sensitive or specialized projects, such as audits of the presidents' travel and entertainment activity. Following review of this recommendation, amendments to Regents' Rule 20205 increase the independence of the audits performed of the Chancellor's and presidents' travel, entertainment, and University residences' maintenance expenditures.

5. U. T. System Board of Regents: Amendments to the Regents' *Rules and Regulations*, Rule 20402, Sections 2 and 3, regarding approval of non-audit services provided by an external audit firm

The Board approved amendments to the Regents' *Rules and Regulations*, Rule 20402, Sections 2 and 3, regarding the delegation of authority by the Audit, Compliance, and Management Review Committee (ACMRC) for approval of non-audit services, to read as set forth below:

Sec. 2 Non-Audit Services.

- 2.1 ACMRC Review and Approval. The U. T. System and the institutions may not engage the external audit firm to perform non-audit services unless the proposed engagement is reviewed and approved by the ACMRC.
- 2.2 Delegation of authority. The ACMRC Chairman may delegate to one or more designated members of the ACMRC the authority to grant the approval required in the previous Subsection. The decision(s) of any member to whom authority to approve is delegated shall be presented to the full ACMRC at the next Committee meeting.
- 2.3 Conflict of Interest Not Permitted. If, upon review of a proposed engagement for non-audit services under Subsection 2.1 of this Rule, the ACMRC determines that a conflict of interest exists between the external audit firm's obligations to perform audit services and that firm's anticipated obligations to perform non-audit services contemporaneously with the performance of audit services, then U. T. System and the institutions may not engage the external audit firm to perform the non-audit services.

Sec. 3 Prohibited Non-Audit Services. Neither U. T. System nor any of the institutions may engage an external audit firm to provide prohibited non-audit services contemporaneously with the provision of audit services.

Previously, Section 3.1 of Regents' Rule 20402 required ACMRC review and approval if the aggregate amount of fees to be paid to an external audit firm for the performance of non-audit services exceeded 5% of the total amount of fees anticipated to be paid to the external audit firm for the performance of audit services (specifically, to express an opinion on the financial statements of University of Texas System or any of the institutions) provided during any fiscal year in which non-audit services will be provided.

This change to Section 2.1 results in a more conservative approach by requiring all non-audit services provided by an external audit firm to be reviewed and considered for approval by the ACMRC. The addition of Section 2.2 allows the approval of

non-audit services to be facilitated in a timely manner through a delegation of authority to one or more members of the ACMRC with a report to the full ACMRC at the next Committee meeting.

6. U. T. System: Report and approval of recommendations on review of U. T. System compliance with the Texas Public Information Act

Chancellor Cigarroa reported and provided the recommendations set forth below on the direction of a review of University of Texas System compliance with the Texas Public Information Act (TPIA) as recommended by the Audit, Compliance, and Management Review Committee (ACMRC) on May 8, 2013. The recommendations were approved by the ACMRC on August 21, 2013 (see Committee Minutes) and then by the full Board.

Based upon examination with U. T. Systemwide Compliance Officer Larry Plutko and U. T. System subject matter experts on the TPIA, the Chancellor recommended that the ACMRC consider directing a targeted compliance review of procedures and applications of the TPIA at U. T. System Administration, at U. T. System flagship academic and health institutions (The University of Texas at Austin and The University of Texas Southwestern Medical Center), and at an emerging research institution (The University of Texas at San Antonio). It was noted the review should include the following areas of TPIA processes and applications:

1. Procedures on handling and processing TPIA requests
2. Processes on notifying the correct Executive Officers and employees to provide responsive documents
3. Decision-making on release and/or maintaining the confidentiality of documents
4. Adequate staffing to ensure timely responsiveness
5. Appropriate in-house expertise of the TPIA
6. Whether documentary samples to the Attorney General are truly "representative samples"
7. Website compliance with U. T. System's request for transparency
8. Relevant record management issues

Further, it was recommended that after completion of the review, to be no later than October 31, 2013, the U. T. Systemwide Compliance Officer 1) provide a "white paper" outlining best practices for U. T. System Administration and the U. T. System institutions to follow, and 2) develop an educational webinar to assist in training for compliance with the requirements of the TPIA and U. T. System's efforts at providing more transparency to the public.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 22 - 90).--Committee Chairman Foster 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 Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund

The Board approved that

- a. the Fiscal Year 2014 distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be \$689,365,138. The distribution equates to 5.50% of the trailing 12-quarter average of the net asset value of the PUF;
- b. the distribution rate for the Permanent Health Fund (PHF) be increased from \$0.0573 per unit to \$0.0585 per unit for Fiscal Year 2014 (effective with November 30, 2013 distribution);
- c. the distribution rate for The University of Texas System Long Term Fund (LTF) be increased from \$0.3283 per unit to \$0.3352 per unit for Fiscal Year 2014 (effective with November 30, 2013 distribution); and
- d. the distribution rate for the U. T. System Intermediate Term Fund (ITF) remain at 3.0% per annum (paid monthly) for Fiscal Year 2014.

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

distribution shall be 5.0% of the trailing 12-quarter average. “Expected Return” is the Expected Annual Return or Benchmarks set out in Exhibit A to the PUF Investment Policy Statement.

As shown in the table below, the average annual return of the PUF investments for the trailing 12 quarters ending February 28, 2013, has exceeded the Expected Return by 25 basis points or more (≥.25%). Therefore, as outlined in the PUF Investment Policy, the “default” distribution rate for Fiscal Year 2013-2014 would be 5.0%, or \$626,695,580.

	Trailing 12 Quarters Ending February 28, 2013	Expected or Benchmarks	Excess (Deficit)
Average Annual Rate of Return	9.06%	7.36%	1.70%

However, the U. T. System Board of Regents (U. T. System Board) has the authority to distribute an amount that it deems appropriate up to a maximum rate of 7.0% (except as necessary to pay PUF bond debt service). Due to continued strong royalty income, strong investment performance by UTIMCO, and a desire of the U. T. System Board to provide assistance in reducing the need for resident undergraduate tuition increases, the Chancellor and the Executive Vice Chancellor for Business Affairs recommended that the distribution from the PUF to the AUF for Fiscal Year 2014 be \$689,365,138 or 5.50% of the trailing 12-quarter average of the net asset value of the PUF. This calculation is shown below:

<u>Quarter Ended</u>	<u>Net Asset Value</u>
5/31/2010	10,524,153,261
8/31/2010	10,724,962,438
11/30/2010	11,619,582,822
2/28/2011	12,338,732,852
5/31/2011	12,908,189,971
8/31/2011	12,687,945,718
11/30/2011	12,389,608,519
2/29/2012	12,971,283,084
5/31/2012	12,843,337,655
8/31/2012	13,470,262,684
11/30/2012	13,686,958,344
2/28/2013	14,241,921,929
	<u>\$150,406,939,277</u>
Number of quarters	<u>12</u>
Average Net Asset Value	<u>\$ 12,533,911,606</u>
Distribution Percentage	<u>5.50%</u>
FY 2013-14 Distribution	<u><u>\$ 689,365,138</u></u>

Article VII, Section 18 of the *Texas Constitution* requires that the amount of distributions to the AUF be determined by the U. T. System Board in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the U. T. System Board's discretion to set annual PUF distributions to the satisfaction of three tests:

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The proposed distribution of \$689,365,138 is substantially greater than PUF bond debt service of \$250,800,000 projected for FY 2013-2014.

System	Debt Service
U. T.	\$165,900,000
TAMU	84,900,000
Total	\$250,800,000

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

2. The U. T. System Board may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule below indicates, the average annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 28, 2013, was 5.89%, which indicates that the purchasing power test was met.

Average Annual	Percent
Rate of Total Return, Net of Investment Manager Fees	9.19%
Mineral Interest Receipts	3.83%
UTIMCO Management Fees	(0.07)%
West Texas Lands Management Fees	(0.07)%
Other	(0.03)%
Inflation Rate	(2.40)%
Distribution Rate	(4.56)%
Net Real Return	5.89%

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

Value of PUF Investments (1)	Distribution	Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$12,533,911,606	\$689,365,138	5.50%	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and LTF are to

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

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

The 2.1% increase in the PHF distribution rate of \$0.0573 to \$0.0585 per unit was based on the PHF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The PHF's distribution rate calculated using the prior 12-quarter average value of the PHF is 5.0%, within the range of 3.5% to 5.5% set forth in the PHF Investment Policy Statement.

The 2.1% increase in the LTF distribution rate from \$0.3283 to \$0.3352 per unit was based on the LTF's Investment Policy Statement to increase the distributions by the average rate of inflation for the trailing 12 quarters. The LTF's distribution rate calculated using the prior 12-quarter average value of the LTF is 5.2%, within the range of 3.5% to 5.5% set forth in the LTF Investment Policy Statement. The increase in the consumer price index for the prior three years as of November 30, 2012, was 2.1%.

The distribution rate for the ITF was originally set at 3.0% per annum for Fiscal Year 2007 by the U. T. System Board on May 11, 2006, and has continued at that rate for each succeeding fiscal year. The distribution rate of 3.0% for Fiscal Year 2014 will be continued.

4. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended May 31, 2013

The May 31, 2013 UTIMCO Performance Summary report is set forth on Page 27.

The Investment Reports for the quarter ended May 31, 2013, are set forth on Pages 28 - 31.

Item I on Page 28 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter was 2.44% versus its composite benchmark return of 1.65%. The PUF's net asset value increased by \$389 million since the beginning of the quarter to \$14,631 million. The increase was due to \$255 million PUF Lands receipts, plus a net investment return of \$339 million, less distributions made to the Available University Fund (AUF) of \$205 million.

Item II on Page 29 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 2.45% versus its composite benchmark return of 1.65%. The GEF's net asset value increased by \$154 million during the quarter to \$7,589 million.

Item III on Page 30 reports activity for the Intermediate Term Fund (ITF). The ITF's net investment return for the quarter was 1.41% versus its composite benchmark return of .22%. The net asset value increased during the quarter to \$5,414 million due to net investment return of \$72 million, plus net contributions of \$139 million, less distributions of \$40 million.

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

Item IV on Page 31 presents book and market values of cash, debt, equity, and other securities held in funds outside of the PUF, GEF and ITF. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus and Fidelity money market funds, decreased by \$174 million to \$2,024 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$22 million versus \$23 million at the beginning of the period; equities: \$73 million versus \$57 million at the beginning of the period; and other investments: \$5 million versus \$2 million at the beginning of the period.

UTIMCO Performance Summary

May 31, 2013

	Net Asset Value 5/31/2013 (in Millions)	Periods Ended May 31, 2013									
		(Returns for Periods Longer Than One Year are Annualized)					Year to Date				
		Short Term		Fiscal		Calendar		Historic Returns			
	1 Mo	3 Mos	1 Yr	3 Yrs	5 Yrs	10 Yrs	1 Yr	3 Yrs	5 Yrs	10 Yrs	
ENDOWMENT FUNDS											
Permanent University Fund	\$ 14,631	0.59%	2.44%	8.88%	4.96%	12.92%	9.69%	3.20%	8.48%		
General Endowment Fund		0.62	2.45	9.04	5.03	13.15	9.80	3.20	8.56		
Permanent Health Fund	1,027	0.59	2.38	8.89	4.95	12.95	9.70	3.12	8.46		
Long Term Fund	6,562	0.59	2.38	8.89	4.95	12.96	9.70	3.12	8.47		
Separately Invested Funds	146	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Total Endowment Funds	22,366										
OPERATING FUNDS											
Intermediate Term Fund	5,414	(0.49)	1.41	6.05	2.95	10.64	8.04	3.23	N/A		
Debt Proceeds Fund	368	0.01	0.03	0.12	0.05	0.16	N/A	N/A	N/A		
Short Term Fund	1,610	0.01	0.03	0.09	0.04	0.14	0.18	0.51	1.95		
Total Operating Funds	7,392										
Total Investments	\$ 29,758										
VALUE ADDED (1) (Percent)											
Permanent University Fund		0.91%	0.79%	1.34%	1.08%	0.01%	1.20%	2.21%	2.13%		
General Endowment Fund		0.94	0.80	1.50	1.15	0.24	1.31	2.21	2.21		
Intermediate Term Fund		1.01	1.19	2.03	1.71	2.48	2.26	2.32	N/A		
Debt Proceeds Fund		-	-	0.03	0.02	0.04	N/A	N/A	N/A		
Short Term Fund		-	-	-	0.01	0.02	0.07	0.19	0.21		
VALUE ADDED (1) (\$ IN MILLIONS)											
Permanent University Fund		\$ 133	\$ 112	\$ 180	\$ 150	\$ 2	\$ 472	\$ 1,454	\$ 2,614		
General Endowment Fund		72	60	106	84	15	280	812	1,478		
Intermediate Term Fund		55	64	103	89	120	322	552	N/A		
Total Value Added		\$ 260	\$ 236	\$ 389	\$ 323	\$ 137	\$ 1,074	\$ 2,818	\$ 4,092		

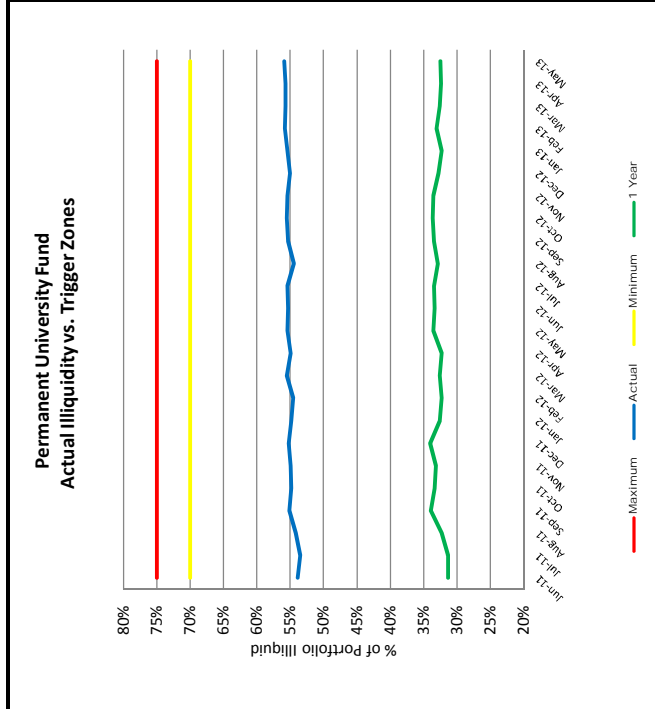
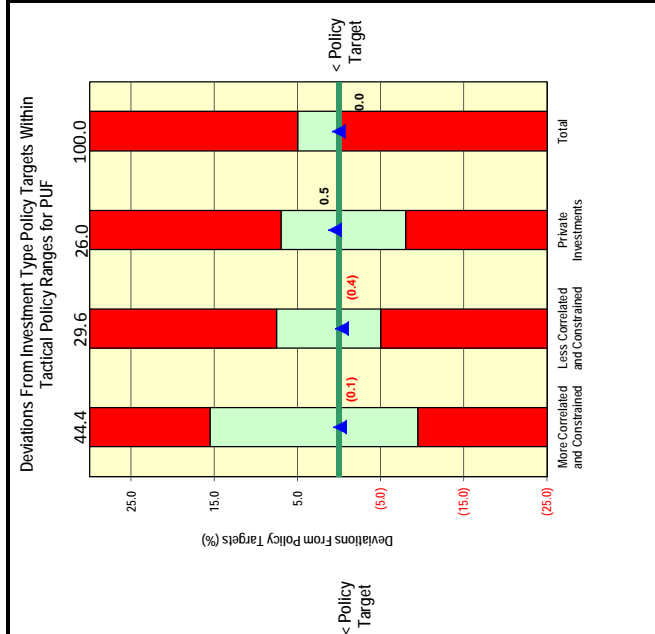
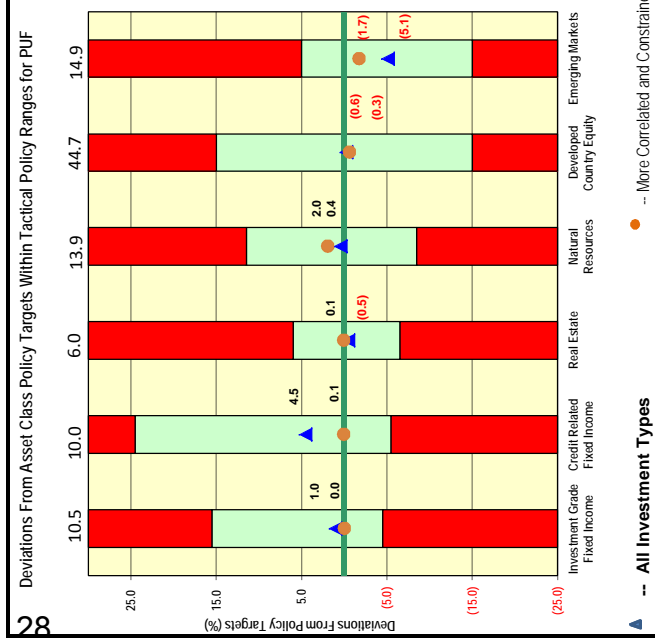
Footnotes available upon request.

UTIMCO 6/28/2013

I. PERMANENT UNIVERSITY FUND
Investment Reports for Periods Ended May 31, 2013
 Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
	Fiscal Year Ended August 31, 2012	Quarter Ended May 31, 2013	Fiscal Year to Date May 31, 2013
Beginning Net Assets (\$ millions)	\$ 12,688	\$ 14,242	\$ 13,470
PUF Lands Receipts	955	255	631
Investment Return (Net of Expenses)	403	339	1,174
Distributions to AUF	(576)	(205)	(644)
Ending Net Assets	\$ 13,470	\$ 14,631	\$ 14,631

	Fiscal Year to Date		
	Returns	Policy Benchmark	Value Added
More Correlated and Constrained:			
Investment Grade	1.19%	-2.98%	0.34%
Credit-Related	8.06%	9.91%	0.00%
Real Estate	9.52%	12.51%	-0.10%
Natural Resources	-11.25%	-3.79%	-0.63%
Developed Country	23.97%	17.06%	0.94%
Emerging Markets	9.08%	8.12%	0.10%
Total More Correlated and Constrained	6.68%	7.32%	0.65%
Less Correlated and Constrained	11.04%	7.24%	0.58%
Private Investments	10.27%	8.21%	0.13%
Total	8.88%	7.54%	1.36%



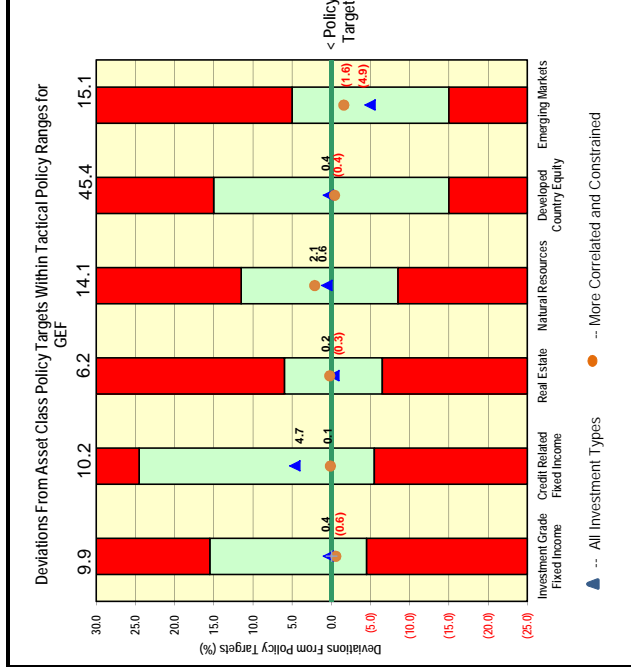
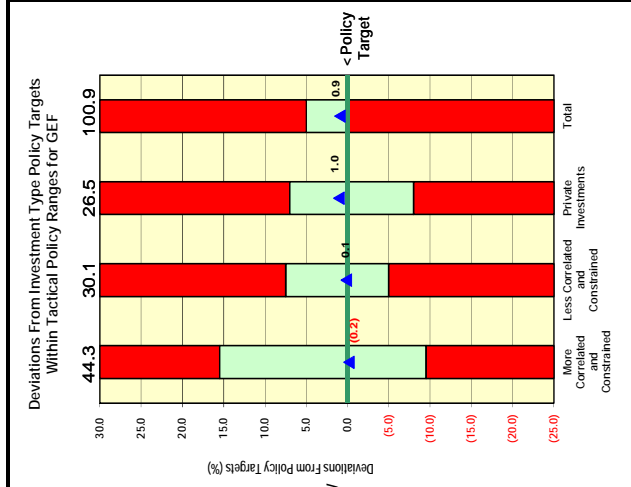
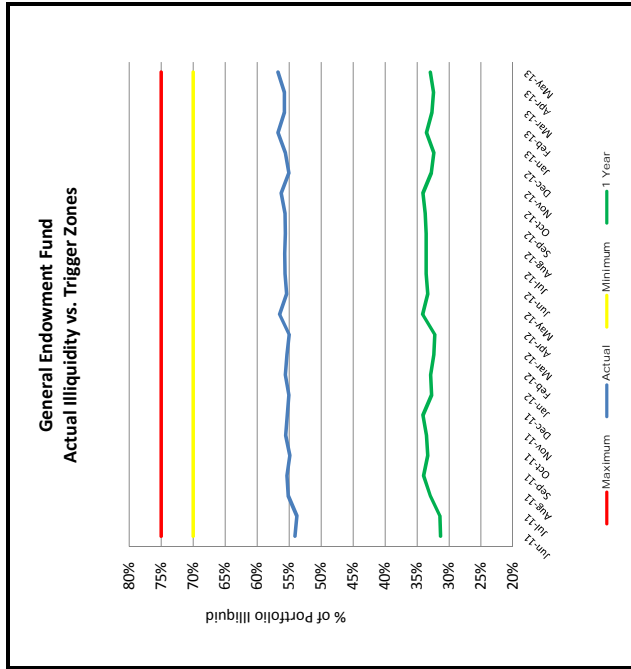
II. GENERAL ENDOWMENT FUND

Investment Reports for Periods Ended May 31, 2013

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2012	Quarter Ended May 31, 2013	Fiscal Year to Date May 31, 2013
Beginning Net Assets	\$ 7,049	\$ 7,435	\$ 7,105
Contributions	194	70	127
Withdrawals	(17)	(5)	(9)
Distributions	(344)	(91)	(270)
Investment Return (Net of Expenses)	223	180	636
Ending Net Assets	\$ 7,105	\$ 7,589	\$ 7,589

	Returns		Fiscal Year to Date	
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection
More Correlated and Constrained:				
Investment Grade	2.05%	-2.98%	-0.08%	0.41%
Credit-Related	8.06%	9.91%	0.00%	0.00%
Real Estate	9.52%	12.51%	0.00%	-0.10%
Natural Resources	-11.23%	-3.79%	-0.39%	-1.02%
Developed Country	23.97%	17.06%	-0.31%	0.93%
Emerging Markets	9.32%	8.12%	-0.14%	0.13%
Total More Correlated and Constrained	7.02%	7.32%	-0.92%	0.74%
Less Correlated and Constrained				
Private Investments	11.04%	7.24%	0.51%	0.60%
Total	10.27%	8.21%	0.44%	0.14%
	9.04%	7.54%	0.03%	1.48%
				1.51%



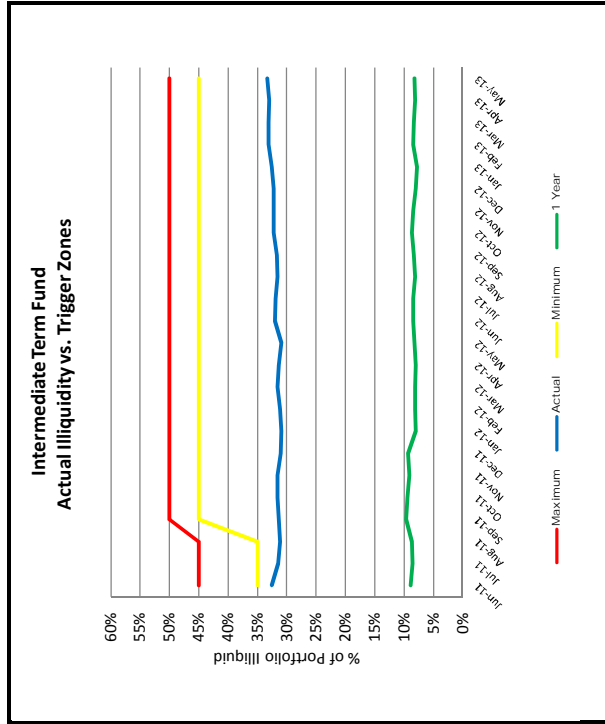
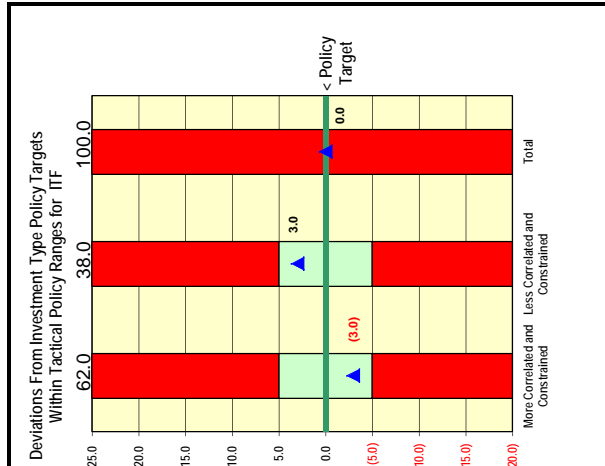
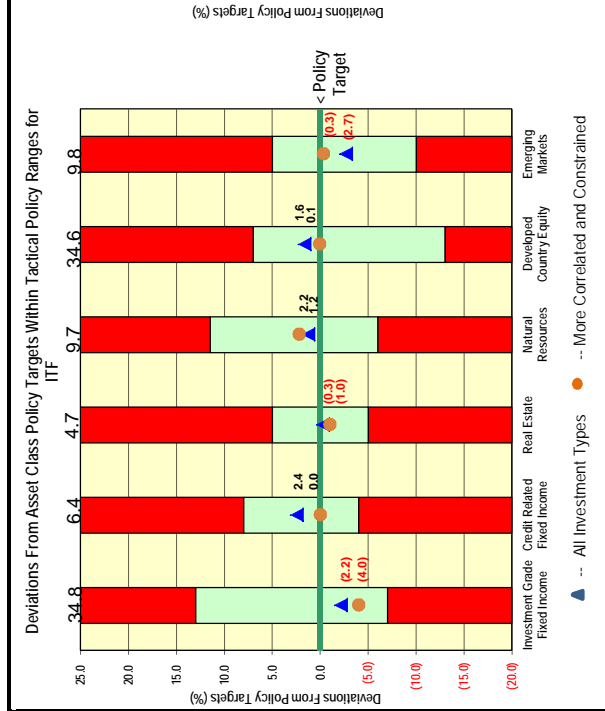
III. INTERMEDIATE TERM FUND

Investment Reports for Periods Ended May 31, 2013

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
	Fiscal Year Ended August 31, 2012	Quarter Ended May 31, 2013	Fiscal Year to Date May 31, 2013
Beginning Net Assets (\$ millions)	\$ 4,662	\$ 5,243	\$ 4,893
Contributions	420	171	433
Withdrawals	(183)	(32)	(94)
Distributions	(142)	(40)	(117)
Investment Return (Net of Expenses)	136	72	299
Ending Net Assets	\$ 4,893	\$ 5,414	\$ 5,414

	Fiscal Year to Date			
	Returns	Value Added		
	Portfolio	From Asset Allocation	From Security Selection	Total
More Correlated and Constrained:				
Investment Grade	0.30%	0.12%	1.16%	1.28%
Credit-Related	0.00%	0.00%	0.00%	0.00%
Real Estate	9.70%	-0.18%	-0.12%	-0.30%
Natural Resources	-9.34%	-0.45%	-0.45%	-0.90%
Developed Country	24.52%	-0.26%	0.66%	0.40%
Emerging Markets	10.40%	-0.04%	0.16%	0.12%
Total More Correlated and Constrained	3.15%	-0.81%	1.41%	0.60%
Less Correlated and Constrained	11.01%	0.73%	0.70%	1.43%
Private Investments	0.00%	0.00%	0.00%	0.00%
Total	6.05%	-0.08%	2.11%	2.03%



IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at May 31, 2013
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	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	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET				
Cash & Equivalents:																																
Beginning value 02/28/13	-	1,873	1,873	1,873	69,065	69,065	69,065	69,065	1,802	1,802	1,802	1,802	3,974	3,974	3,974	3,974	76,714	76,714	76,714	76,714	2,121,186	2,121,186	2,121,186	2,121,186	2,197,900	2,197,900	2,197,900	2,197,900	(174,318)	(174,318)	2,023,582	2,023,582
Increase/(Decrease)	-	-	1,461	1,461	(30,120)	(30,120)	(30,120)	(30,120)	(320)	(320)	(320)	(320)	(2,108)	(2,108)	(2,108)	(2,108)	(31,087)	(31,087)	(31,087)	(31,087)	(143,231)	(143,231)	(143,231)	(143,231)	(174,318)	(174,318)	(174,318)	(174,318)				
Ending value 05/31/13	-	3,334	3,334	3,334	38,945	38,945	38,945	38,945	1,482	1,482	1,482	1,482	1,866	1,866	1,866	1,866	45,627	45,627	45,627	45,627	1,977,955	1,977,955	1,977,955	1,977,955	2,023,582	2,023,582	2,023,582	2,023,582				
Debt Securities:																																
Beginning value 02/28/13	-	-	45	45	12,052	13,235	13,235	13,235	8,859	9,359	9,359	9,359	-	-	-	-	20,956	22,639	22,639	22,639	-	-	-	-	-	-	-	-	20,956	22,639	20,956	22,639
Increase/(Decrease)	-	-	-	-	111	(172)	(172)	(172)	-	(135)	(135)	(135)	-	-	-	-	111	(307)	(307)	(307)	-	-	-	-	-	-	-	-	111	(307)	111	(307)
Ending value 05/31/13	-	-	45	45	12,163	13,063	13,063	13,063	8,859	9,224	9,224	9,224	-	-	-	-	21,067	22,332	22,332	22,332	-	-	-	-	-	-	-	-	21,067	22,332	21,067	22,332
Equity Securities:																																
Beginning value 02/28/13	461	2,999	1,295	1,429	31,599	37,530	37,530	37,530	13,700	15,063	15,063	15,063	-	-	-	-	47,055	57,021	57,021	57,021	-	-	-	-	-	-	-	-	47,055	57,021	47,055	57,021
Increase/(Decrease)	700	1,751	11,201	11,062	4,735	2,693	2,693	2,693	-	237	237	237	-	-	-	-	16,636	15,743	15,743	15,743	-	-	-	-	-	-	-	-	16,636	15,743	16,636	15,743
Ending value 05/31/13	1,161	4,750	12,496	12,491	36,334	40,223	40,223	40,223	13,700	15,300	15,300	15,300	-	-	-	-	63,691	72,764	72,764	72,764	-	-	-	-	63,691	72,764	63,691	72,764				
Other:																																
Beginning value 02/28/13	-	-	730	730	11	11	11	11	474	132	132	132	630	630	630	630	1,845	1,503	1,503	1,503	-	-	-	-	-	-	-	-	1,845	1,503	1,845	1,503
Increase/(Decrease)	-	-	(337)	(337)	1	1	1	1	12	1	1	1	3,915	3,915	3,915	3,915	3,591	3,580	3,580	3,580	-	-	-	-	-	-	-	-	3,591	3,580	3,591	3,580
Ending value 05/31/13	-	-	393	393	12	12	12	12	486	133	133	133	4,545	4,545	4,545	4,545	5,436	5,083	5,083	5,083	-	-	-	-	-	-	-	-	5,436	5,083	5,436	5,083
Total Assets:																																
Beginning value 02/28/13	461	2,999	3,943	4,077	112,727	119,841	119,841	119,841	24,835	26,356	26,356	26,356	4,604	4,604	4,604	4,604	146,570	157,877	157,877	157,877	2,121,186	2,121,186	2,121,186	2,121,186	2,267,756	2,267,756	2,267,756	2,267,756	2,279,063	2,279,063	2,279,063	2,279,063
Increase/(Decrease)	700	1,751	12,325	12,186	(25,273)	(27,598)	(27,598)	(27,598)	(308)	(217)	(217)	(217)	1,807	1,807	1,807	1,807	(10,749)	(12,071)	(12,071)	(12,071)	(143,231)	(143,231)	(143,231)	(143,231)	(153,980)	(153,980)	(153,980)	(153,980)	(155,302)	(155,302)	(155,302)	(155,302)
Ending value 05/31/13	1,161	4,750	16,268	16,263	87,454	92,243	92,243	92,243	24,527	26,139	26,139	26,139	6,411	6,411	6,411	6,411	135,821	145,806	145,806	145,806	1,977,955	1,977,955	1,977,955	1,977,955	2,113,776	2,113,776	2,113,776	2,113,776	2,123,761	2,123,761	2,123,761	2,123,761

Details of individual assets by account furnished upon request.

5. U. T. System Board of Regents: Approval of amendments to the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, the Permanent Health Fund, the Long Term Fund, the Intermediate Term Fund, the Liquidity Policy, and the Derivative Investment Policy

Upon recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board approved amendments to the following Investment Policy Statements, including asset allocation, the Liquidity Policy, and the Derivative Investment Policy, as set forth on the referenced pages.

- a. Permanent University Fund (PUF) (Pages 34 - 35)
- b. General Endowment Fund (GEF) (Pages 34 - 35)
- c. Permanent Health Fund (PHF) (Pages 34 - 35)
- d. Long Term Fund (LTF) (Pages 34 - 35)
- e. Intermediate Term Fund (ITF) (Pages 36 - 37)
- f. Liquidity Policy (Pages 38 - 41)
- g. Derivative Investment Policy (Pages 42 - 47)

The Master Investment Management Services Agreement (IMSA) between The University of Texas System Board of Regents and UTIMCO requires that UTIMCO review the current Investment Policies for each Fund at least annually. The review includes distribution (spending) guidelines, long-term investment return expectations and expected risk levels, Asset Class and Investment Type allocation targets and ranges for each eligible Asset Class and Investment Type, expected returns for each Asset Class, Investment Type, and Fund, designated performance benchmarks for each Asset Class and/or Investment Type, and such other matters as the U. T. System Board or its staff designees may request.

The UTIMCO Board approved these amendments to the Investment Policy Statements, the Liquidity Policy, and the Derivative Investment Policy on July 22, 2013.

Exhibits to the Investment Policy Statements for the PUF, GEF, PHF, LTF (Attachment 1) and ITF (Attachment 2) have been amended to reflect changes to the Targets and Ranges for Asset Classes and Investment Types proposed for Fiscal Year Ending (FYE) 2014. The Policy Benchmarks and Expected Annual Return (Benchmarks) target have been updated, and the one year downside deviation has been adjusted to reflect the revised Asset Class and Investment Type targets for FYE 2014.

All amended Investment Policy Statements will be effective September 1, 2013.

Amendments to the Liquidity Policy change the ranges and trigger zones for the ITF. The allowable range for illiquid investments changes from "0% to 50%" to "0% to 55%" and the trigger zone for illiquid investments requiring prior approval by the UTIMCO Risk Committee or UTIMCO Board changes from "45% to 50%" to "50% to 55%."

The Derivative Investment Policy is amended to require that all over the counter (OTC) derivatives, with the exception of Bona Fide Spot Foreign Exchange Transactions, be subject to established International Swaps and Derivatives Association (ISDA) Netting Agreements and have full documentation of all legal obligations of the U. T. System Board funds consistent with Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) Protocol 2.0, which requires most FX derivatives swaps to trade under an ISDA Master Agreement beginning July 1, 2013.

To that end, amendments to the Derivative Investment Policy are as follows:

- a. Definition of Derivatives: changed language "foreign currency contracts that mature within thirty (30) days of initial settlement" to "Bona Fide Spot Foreign Exchange Transactions."
- b. Counterparty Risks: changed language "foreign currency contracts that mature within 91 days of initial settlement and are traded with a counterparty that has been pre-approved by UTIMCO" to "Bona Fide Spot Foreign Exchange Transactions."
- c. Glossary of Terms: added definition of Bona Fide Spot Foreign Exchange Transaction.

ATTACHMENT 1
EXHIBIT FOR PUF, GEF, PHF and LTF
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2013

POLICY PORTFOLIO	FYE 2014		
	Min	Target	Max
<u>Asset Classes</u>			
Investment Grade Fixed Income	5.0%	10.5%	25.0%
Credit-Related Fixed Income	0.0%	8.8%	30.0%
Real Estate	0.0%	8.2%	12.5%
Natural Resources	5.0%	13.3%	25.0%
Developed Country Equity	30.0%	43.8%	60.0%
Emerging Markets Equity	5.0%	15.4%	25.0%
<u>Investment Types</u>			
More Correlated & Constrained	35.0%	41.5%	60.0%
Less Correlated & Constrained	25.0%	30.0%	37.5%
Private Investments	17.5%	28.5%	35.0%

*The total Asset Class & Investment Type exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 105% of the Asset Class & Investment Type exposures excluding the amount of derivatives exposure not collateralized by Cash.

POLICY BENCHMARK (reset monthly)	FYE 2014
Barclays Capital Global Aggregate Index	7.5%
FTSE EPRA/NAREIT Developed Index Net TRI USD	2.5%
50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	7.5%
MSCI World Index with net dividends	14.0%
MSCI Emerging Markets with net dividends	10.0%
Hedge Fund Research Indices Fund of Funds Composite Index	30.0%
Venture Economics Custom Index	23.3%
NACREIF Custom Index	5.2%



POLICY/TARGET RETURN/RISKS	FYE 2014
Expected Annual Return (Benchmarks) **	7.40%
One Year Downside Deviation	9.30%
Risk Bounds	
Lower: 1 Year Downside Deviation	75%
Upper: 1 Year Downside Deviation	115%

**Equal to nominal return, net of all investment-related expenses and assuming an inflation rate of 2.5%.

ATTACHMENT 1
(continued)
EXHIBIT FOR PUF, GEF, PHF and LTF
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE SEPTEMBER 1, 2013

POLICY BENCHMARKS BY ASSET CLASS AND INVESTMENT TYPE: FYE 2014

FYE 2014		More Correlated & Constrained	Less Correlated & Constrained	Private Investments	Total
Fixed Income	Investment Grade	Barclays Capital Global Aggregate Index (7.5%)	3.0%	0.0%	10.5%
	Credit-Related	0.0%	5.0%	3.8%	8.8%
Real Assets	Real Estate	FTSE EPRA/NAREIT Developed Index Net TRI USD (2.5%)	0.5%	Custom NACREIF 5.2%	8.2%
	Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index (7.5%)	0.0%	5.8%	13.3%
Equity	Developed Country	MSCI World Index with Net Dividends (14.0%)	19.5%	10.3%	43.8%
	Emerging Markets	MSCI EM Index with Net Dividends (10.0%)	2.0%	3.4%	15.4%
Total		41.5%	30.0%	28.5%	100.0%

 Hedge Fund Research Indices Fund of Funds Composite Index
 Venture Economics Custom Index

Investment Policy/Benchmarks are indicated in Black/Bold
Reportable Targets are indicated in Gray

ATTACHMENT 2
EXHIBIT A - INTERMEDIATE TERM FUND
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES, AND PERFORMANCE OBJECTIVES
EFFECTIVE SEPTEMBER 1, 2013

POLICY PORTFOLIO	FYE 2014		
	Min	Target	Max
<u>Asset Classes</u>			
Investment Grade Fixed Income	30.0%	34.5%	50.0%
Credit-Related Fixed Income	0.0%	7.5%	12.0%
Real Estate	0.0%	4.0%	10.0%
Natural Resources	2.5%	7.0%	20.0%
Developed Country Equity	20.0%	38.0%	45.0%
Emerging Markets Equity	2.5%	9.0%	17.5%
<u>Investment Types</u>			
More Correlated & Constrained	50.0%	55.0%	65.0%
Less Correlated & Constrained	35.0%	45.0%	50.0%

*The total Asset Class & Investment Type exposure, including the amount of derivatives exposure not collateralized by Cash, may not exceed 100% of the Asset Class & Investment Type exposures excluding the amount of derivatives exposure not collateralized by Cash.

POLICY BENCHMARK (reset monthly)	FYE 2014
Barclays Capital Global Aggregate Index	30.0%
FTSE EPRA/NAREIT Developed Index Net TRI USD	3.0%
50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index	7.0%
MSCI World Index with net dividends	9.0%
MSCI Emerging Markets with net dividends	6.0%
Hedge Fund Research Indices Fund of Funds Composite Index	45.0%


POLICY/TARGET RETURN/RISKS	FYE 2014
Expected Annual Return (Benchmarks) **	6.03%
One Year Downside Deviation	5.65%
Risk Bounds	
Lower: 1 Year Downside Deviation	70%
Upper: 1 Year Downside Deviation	115%

**Equal to nominal return, net of all investment-related expenses and assuming an inflation rate of 2.5%.

ATTACHMENT 2
(continued)
EXHIBIT A - INTERMEDIATE TERM FUND
ASSET CLASS AND INVESTMENT TYPE TARGETS, RANGES AND PERFORMANCE OBJECTIVES
EFFECTIVE DATE SEPTEMBER 1, 2013

POLICY BENCHMARKS BY ASSET CLASS AND INVESTMENT TYPE: FYE 2014

FYE 2014		More Correlated & Constrained	Less Correlated & Constrained	Total
Fixed Income	Investment Grade	Barclays Capital Global Aggregate Index (30.0%)	4.5%	34.5%
	Credit-Related	(0.0%)	7.5%	7.5%
Real Assets	Real Estate	FTSE EPRA/NAREIT Developed Index Net TRI USD (3.0%)	1.0%	4.0%
	Natural Resources	50% Dow Jones-UBS Commodity Total Return Index and 50% MSCI World Natural Resources Index (7.0%)	0.0%	7.0%
Equity	Developed Country	MSCI World Index with Net Dividends (9.0%)	29.0%	38.0%
	Emerging Markets	MSCI EM Index with Net Dividends (6.0%)	3.0%	9.0%
Total		55.0%	45.0%	100.0%

 Hedge Fund Research
Indices Fund of Funds
Composite Index

Investment Policy/Benchmarks are indicated in Black/Bold
Reportable Targets are indicated in Gray

The University of Texas Investment Management Company

Liquidity Policy

Effective Date of Policy: August 22, 2013
Date Approved by U.T. System Board of Regents: August 22, 2013
Date Approved by UTIMCO Board: July 22, 2013
Original Effective Date of Policy: August 7, 2003
Supersedes: Liquidity Policy dated August 23, 2012

Purpose:

The purpose of this Liquidity Policy is to establish limits on the overall liquidity profile of investments in (1) the Permanent University Fund (PUF) and the General Endowment Fund (GEF), hereinafter collectively referred to as the Endowment Funds and, (2) the Intermediate Term Fund (ITF). For the purposes of this policy, “liquidity” is defined as a measure of the ability of an investment position to be converted into Cash. The established liquidity profile limits will act in conjunction with, but do not supersede, the Investment Policies adopted by the U. T. System Board of Regents.

Objective:

The objective of this Liquidity Policy is to control the element of total risk exposure of the Endowment Funds and the ITF stemming from the uncertainties associated with the ability to convert longer term investments to Cash to meet immediate needs or to change investment strategy, and the potential cost of that conversion.

Scope:

This Liquidity Policy applies to all PUF, GEF, and ITF investments made by The University of Texas Investment Management Company (UTIMCO), both by internal and by external managers. Policy implementation will be managed at the aggregate UTIMCO level and will not be a responsibility of individual internal or external managers managing a portion of the aggregate assets.

Definition of Liquidity Risk:

“Liquidity risk” is defined as that element of total risk resulting from the uncertainty associated with both the cost and time period necessary to convert existing investment positions to Cash. Liquidity risk also entails obligations relating to the unfunded portions of capital commitments. Liquidity risk can result in lower than expected returns and reduced opportunity to make changes in investment positions to respond to changes in capital market conditions. Modern finance theory asserts that liquidity risk is a systematic risk factor that is incorporated into asset prices such that future longer-term returns will be higher for assets with higher liquidity risk, although that may not be the case in the short term.

Definition of Cash:

Cash is defined as short term (generally securities with time to maturity or mandatory purchase or redemption of three months or less), highly liquid investments that are readily convertible to known amounts and which are subject to a relatively small risk of changes in value. Holdings may include:

- the existing Dreyfus Institutional Preferred Money Market Fund mandate and any other UTIMCO Board approved SEC Rule 2a-7 money market fund rated AAAM by Standard & Poor’s or the equivalent by a Nationally Recognized Statistical Rating Organization (NRSRO),
- securities of the U.S. Treasury and U.S. Agencies and their instrumentalities with maturities of 397 days or less,
- separately managed accounts with investment guidelines equivalent to, or more stringent than, unaffiliated liquid investment funds rated AAAM by Standard & Poor’s Corporation or the equivalent by a NRSRO,
- the Custodian’s late deposit interest bearing liquid investment fund,
- municipal short term securities,
- commercial paper rated in the two highest quality classes by Moody’s Investor Service, Inc. (P1 or P2) or Standard & Poor’s Corporation (A1 or A2 or the equivalent),

The University of Texas Investment Management Company

Liquidity Policy

- negotiable certificates of deposit with a bank that is associated with a holding company whose short-term rating meets the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps, and
- repurchase agreements and reverse repurchase agreements transacted with a dealer that is approved by UTIMCO and selected by the Federal Reserve as a Primary Dealer in U.S. Treasury securities and rated A-1 or P-1 or the equivalent.

Liquidity Risk Measurement-The Liquidity Profile:

For the purposes of this Liquidity Policy, potential liquidity risk will be monitored by measuring the aggregate liquidity profile of the Endowment Funds and ITF. All individual investments within the Endowment Funds and ITF will be segregated into two categories:

- **Liquid:** Investments that could be converted to Cash within a period of 90 days or less in an orderly market at a discount of 10% or less.
- **Illiquid:** Investments that could be converted to Cash in an orderly market over a period of more than 90 days or in a shorter period of time by accepting a discount of more than 10%.

UTIMCO staff will report individual investments within the Endowment Funds and ITF categorized as follows:

- **Cash:** Short term (generally securities with time to maturity or mandatory purchase or redemption of three months or less), highly liquid investments that are readily convertible to known amounts and which are subject to a relatively small risk of changes in value.
- **Liquid (Weekly):** Investments that could be converted to Cash within a period of one day to less than 7 days in an orderly market at a discount of 5% or less.
- **Liquid (Quarterly):** Investments that could be converted to Cash within a period of 90 days or less in an orderly market at a discount of 10% or less.
- **Liquid (Annual):** Investments that could be converted to Cash within a period of one day to less than 365 days in an orderly market at a discount of 10% or less.

The measurements necessary to segregate all existing investments into one of the two categories assume normally functioning capital markets and cash market transactions. In addition, swaps, derivatives, or other third party arrangements to alter the status of an investment classified as illiquid may be considered, with the prior approval of the UTIMCO Board or the Risk Committee, in determining the appropriate liquidity category for each investment.

The result of this liquidity risk measurement process will be a liquidity profile for the Endowment Funds and the ITF which indicates the percentage of the total portfolio assets within each liquidity category. This Liquidity Policy defines the acceptable range of percentage of total assets within each liquidity category, specifies “trigger zones” requiring special review by UTIMCO staff and special action by the UTIMCO Board or the Risk Committee, and specifies the method of monitoring and presenting actual versus policy liquidity profiles.

Liquidity Policy Profile:

The current Liquidity Policy Profile ranges and trigger zones for each of the Endowment Funds are defined by the table below:

	<u>FY 09</u>	<u>FY 10+</u>
Liquidity above trigger zone:	35.0%	30.0%
Liquidity within trigger zone:	30.0%-35.0%	25.0%-30.0%
Liquidity below trigger zone:	<30.0%	<25.0%

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Liquidity Policy

Investments that maintain liquidity below the trigger zone do not require any action by the UTIMCO Board or the Risk Committee. Liquidity within the trigger zone requires special action by the UTIMCO Board or the Risk Committee. For example, the allowable range for **illiquid** investments in FY 09 is up to 70.0% of the total portfolio. However, any **illiquid** investments made in the 65.0% to 70.0% trigger zone require prior approval by the Risk Committee or the UTIMCO Board. Risk Committee review of new investments in the illiquid trigger zone will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

The current Liquidity Policy Profile ranges and trigger zones for the ITF are defined by the table below:

	<u>FY 09-11</u>	<u>FY 12-13</u>	<u>FY 14+</u>
Liquidity above trigger zone:	65%	55%	50%
Liquidity within trigger zone:	55%-65%	50%-55%	45%-50%
Liquidity below trigger zone:	<55%	<50%	<45%

The allowable range for **illiquid** investments is 0% to 55% of the total portfolio for the ITF. However, any **illiquid** investments made in the 50% to 55% trigger zone require prior approval by the Risk Committee or the UTIMCO Board. Risk Committee review of new investments in the illiquid trigger zone will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

Unfunded Commitments:

As used herein, “unfunded commitments” refers to capital that has been legally committed from an Endowment Fund and has not yet been called but may still be called by the general partner or investment manager. The Maximum Permitted Amount of unfunded commitments for each Endowment Fund is:

	<u>FY 09</u>	<u>FY 10+</u>
Unfunded Commitment as a percent of total invested assets:	27.5%	30.0%

No new commitments may be made for an Endowment Fund without approval from the Risk Committee if the actual amount of unfunded commitments for such Endowment Fund exceeds, or, as a result of such commitment, would exceed the Maximum Permitted Amount.

Documentation and Controls:

Managing Directors responsible for each asset class are responsible for determining the liquidity category for each investment in that asset class as well as the amount of unfunded commitments for each Endowment Fund. The determination of liquidity will include underlying security trading volumes, notice periods, redemption dates, lock-up periods, and “soft” and “hard” gates. These classifications will be reviewed by the Risk Manager and the Chief Compliance Officer, and must receive final approval from the Chief Investment Officer. Classifications and weights within each liquidity category will be updated and reported on a monthly basis. All new investments considered will be categorized by liquidity category, and a statement regarding the effect on overall liquidity and the amount of unfunded commitments for each Endowment Fund of the addition of a new investment must be an element of the due diligence process and will be a part of the recommendation report to the UTIMCO Board.

As additional safeguards, trigger zones have been established as indicated above to trigger required review and action by the UTIMCO Board or the Risk Committee in the event any investment action would cause the actual investment position in illiquid investments to enter the designated trigger zone, or in the event market actions caused the actual investment position in illiquid investments to move into trigger zones. In addition, any proposed investment actions which would increase the actual investment position in illiquid investments in any of the PUF, the GEF, or the ITF by 10% or more of the total asset value of such fund would also require review and action by

The University of Texas Investment Management Company Liquidity Policy

the UTIMCO Board or the Risk Committee prior to the change. Any actual positions in any trigger zones or outside the policy ranges will be communicated to the Chief Investment Officer immediately. The Chief Investment Officer will then determine the process to be used to eliminate the exception and report promptly to the UTIMCO Board and the Risk Committee the circumstances of the deviation from Policy and the remedy to the situation. Furthermore, as indicated above, no new commitments may be made for an Endowment Fund without approval from the Risk Committee if the actual amount of unfunded commitments for such Endowment Fund exceeds, or, as a result of such new commitment, would exceed, the Maximum Permitted Amount.

Reporting:

The actual liquidity profiles of the Endowment Funds and the ITF, including a detailed analysis of liquidity by category, and the status of unfunded commitments for each Endowment Fund, and compliance with this Liquidity Policy will be reported to the UTIMCO Board on at least a quarterly basis. Any exception to this Liquidity Policy and actions taken to remedy the exception will be reported promptly.

The University of Texas Investment Management Company

Derivative Investment Policy

Effective Date of Policy: August 22, 2013

Date Approved by U. T. System Board of Regents: August 22, 2013

Date Approved by UTIMCO Board: July 22, 2013

Supersedes: Derivative Investment Policy approved August 23, 2012

Purpose:

The purpose of the Derivative Investment Policy is to set forth the applications, documentation and limitations for investment in derivatives in the Permanent University Fund (PUF), the General Endowment Fund (GEF), the Intermediate Term Fund (ITF), and the Separately Invested Funds (SIF), hereinafter referred to as the Funds. The Board of Regents approved investment policy guidelines for the Funds to allow for investment in derivatives provided that their use is in compliance with UTIMCO's Board approved Derivative Investment Policy. This Derivative Investment Policy supplements the Investment Policy Statements for the Funds.

Objective:

The objective of investing in derivatives is to facilitate risk management and provide efficiency in the implementation of various investment strategies for the Funds. Derivatives can provide the Funds with more economical means to improve the Funds' risk/return profile.

Scope:

This Policy applies to all derivatives in the Funds executed by UTIMCO staff and by external managers operating under an Agency Agreement. This Policy does not apply to external managers operating under limited partnership agreements, offshore corporations, or other Limited Liability Entities that limit the liability exposure of the Funds' investments. Derivative policies for external managers are established on a case-by-case basis with each external manager, as described below.

This Policy applies to both exchange traded derivatives and over the counter (OTC) derivatives. This Policy shall not be construed to apply to index or other common or commingled funds that are not controlled by UTIMCO. These commingled investment vehicles are governed by separate investment policy statements.

External Managers:

External managers are selected to manage the Funds' assets under either an Agency Agreement or through a Limited Liability Entity. An external manager operating under an Agency Agreement may engage in derivative investments only if (i) such manager has been approved to use derivatives by the UTIMCO Chief Investment Officer and (ii) the investments are consistent with the overall investment objectives of the account and in compliance with this Policy. The use of derivatives by an external manager operating under an Agency Agreement shall be approved by the UTIMCO Chief Investment Officer only for external managers that (i) demonstrate investment expertise in their use, (ii) have appropriate risk management and valuation policies and procedures, and (iii) effectively monitor and control their use.

While this Policy does not specifically include external managers operating through a Limited Liability Entity, it is noted that selecting and monitoring external managers through a Limited Liability Entity requires a clear understanding of the external managers' use of derivatives, particularly as it relates to various risk controls and leverage. The permitted uses of derivatives and leverage must be fully documented in the limited liability agreements with these managers.

Definition of Derivatives:

Derivatives are financial instruments whose value is derived, in whole or part, from the value of any one or more underlying securities or assets, or index of securities or assets (such as bonds, stocks, commodities, and currencies). For the purposes of this Policy, derivatives shall include Derivative Investments but shall not include a broader range of securities, including mortgage backed securities, structured notes, convertible bonds, exchange traded funds (ETFs), and Bona Fide Spot Foreign Exchange Transactions. Derivatives may be purchased through a national or international

The University of Texas Investment Management Company Derivative Investment Policy

exchange or through an OTC direct arrangement with a counterparty. Refer to the attached Exhibit A for a glossary of terms.

Permitted Derivative Applications:

The primary intent of derivatives should be to hedge risk in portfolios or to implement investment strategies more effectively and at a lower cost than would be possible in the Cash market.

Permitted Derivative Applications are Derivative Investments used:

- To implement investment strategies in a low cost and efficient manner;
- To alter the Funds' market (systematic) exposure without trading the underlying Cash market securities through purchases or short sales, or both, of appropriate derivatives;
- To construct portfolios with risk and return characteristics that could not be created with Cash market securities;
- To hedge and control risks; or
- To facilitate transition trading.

UTIMCO staff may not enter into any Derivative Investment that is not a Permitted Derivative Application. To the extent that a Derivative Investment is a Permitted Derivative Application but is not within the delegated authority as set forth on Exhibit B, the UTIMCO Board will be provided with an "Option to Review" following the process outlined in Exhibit A to the Delegation of Authority Policy. This "Option to Review" applies to any new Derivative Investment recommended by UTIMCO staff and approved by UTIMCO's Chief Investment Officer that is not within the delegated authority set forth on Exhibit B or the engagement of an external manager operating under an Agency Agreement that seeks to engage in a Derivative Investment that is not within the delegated authority set forth on Exhibit B. Notwithstanding, with respect to any Derivative Investment, UTIMCO's Chief Investment Officer, the Risk Manager, or Chief Compliance Officer may determine that presentation and approval of the proposed Derivative Investment at a UTIMCO Board meeting is warranted before engaging in the Derivative Investment.

Risk and Investment Policy Controls:

Following the implementation of any Derivative Investment, the Funds' projected downside deviation and risk bounds, and projected exposure to Asset Class and Investment Type, must be within the permissible ranges as set forth in the Funds' Investment Policy Statements.

Documentation and Controls:

Prior to the implementation of a new Derivative Investment by UTIMCO staff, UTIMCO staff shall document the purpose, valuation method, methods for calculating delta, delta-adjusted exposure, Asset Class and Investment Type exposure, the effect on portfolio leverage (if applicable), risks (including, but not limited to modeling, pricing, liquidity and counterparty risks), the expected increase or reduction in risk resulting from the Derivative Investments, and the procedures in place to monitor and manage the derivative exposure. For any short exposure, UTIMCO staff shall also document the basis risk and appropriate stop-loss procedures. UTIMCO shall establish appropriate risk management procedures to monitor daily the risk of internally managed and of externally managed accounts operating under an Agency Agreement that utilize derivatives. Internal control procedures to properly account and value the Funds' exposure to the Derivative Investment shall be fully documented.

Additional Limitations:

Leverage: Leverage is inherent in derivatives since only a small cash deposit is required to establish a much larger economic impact position. Thus, relative to the Cash markets, where in most cases the cash outlay is equal to the asset acquired, Derivative Investments offer the possibility of establishing substantially larger market risk exposures with the same amount of cash as a traditional Cash market portfolio. Therefore, risk management and control processes must focus on the total risk assumed in a Derivative Investment. Exhibits A of the Fund's Investment Policy Statements provide a limitation on the amount of uncollateralized derivative exposure that can be utilized by the Funds whereby, the total Asset Class and Investment Type exposure, including the amount of derivatives exposure not collateralized by

The University of Texas Investment Management Company Derivative Investment Policy

cash, may not exceed 105% (100% in the ITF) of the Asset Class and Investment Type exposures excluding the amount of derivatives exposure not collateralized by cash.

Counterparty Risks: In order to limit the financial risks associated with Derivative Investments, rigorous counterparty selection criteria and netting agreements shall be required to minimize counterparty risk for over the counter (OTC) derivatives. Any counterparty in an OTC derivative transaction with the Funds must have a credit rating of at least A- (Standard and Poor's) or A3 (Moody's). All OTC derivatives, with the exception of Bona Fide Spot Foreign Exchange Transactions, must be subject to established ISDA Netting Agreements and have full documentation of all legal obligations of the Funds. In the event a counterparty is downgraded below the minimum credit rating requirements stated above, UTIMCO staff will take appropriate action to protect the interests of the Funds, including availing itself of all potential remedies contained in the ISDA agreements. The net market value, net of collateral postings, of all OTC derivatives for any individual counterparty may not exceed 1% of the total market value of the Funds.

Risk Management and Compliance:

To ensure compliance with all terms and limitations of this Policy, all internally managed and externally managed Derivative Investments in accounts under Agency Agreements will be marked to market on a daily basis by the Funds' custodian and reviewed periodically, but no less frequently than monthly, for accuracy by the UTIMCO Risk Manager. In addition, data from the external risk model will be reviewed for accuracy and completeness by the UTIMCO Risk Manager.

Compliance with this Policy will be monitored by the UTIMCO Chief Compliance Officer using data provided by the custodian and the external risk model.

Any instances of noncompliance with this Policy will be reported immediately to the UTIMCO Chief Compliance Officer and the UTIMCO Chief Investment Officer, who will determine the appropriate remedy and report promptly to the Chairs of the Risk Committee, the Audit & Ethics Committee, and the UTIMCO Board Chairman. The UTIMCO Board Chairman may waive immediate remedial action in appropriate circumstances.

Reporting:

On a quarterly basis, UTIMCO shall provide a comprehensive report to UTIMCO's Board and the Risk Committee. This report shall include all outstanding Derivative Investments, by type, entered into during the period being reported for both internal managers and external managers operating under Agency Agreements. Asset allocation as provided in the Funds' Investment Policy Statements shall incorporate the impact of uncollateralized derivative exposure associated with derivatives. For risk reporting purposes, the models used to calculate the expected profit or loss in each scenario will include the effect of delta sensitivity and other derivative sensitivity parameters as appropriate. Risk calculations will take into account leverage, correlation, and exposure parameters such as beta for equities and duration for fixed income. The UTIMCO Risk Manager will calculate risk attribution - i.e., how much of the overall risk is attributed to each Asset Class and Investment Type, including the full effect on risk of the derivatives in each. The UTIMCO Risk Manager will calculate risk attribution for each Derivative Investment.

The University of Texas Investment Management Company

Derivative Investment Policy

Derivative Investment Policy Exhibit A

Glossary of Terms

Agency Agreement – A form of legal agreement that typically grants limited investment discretion to an external investment manager to act as the investment agent of the Funds but does not limit the liability of the Funds for actions taken by that agent.

Basket – A group of securities and a weighting scheme, or a proprietary index. Baskets are typically defined to achieve a certain investment goal, within certain limitations. For example, a Basket could replicate an emerging market index, excluding certain companies that UTIMCO is not permitted to hold.

Bona Fide Spot Foreign Exchange Transaction – Generally, a foreign exchange transaction that settles via an actual delivery of the relevant currencies within two business days (T+2). In addition, an agreement, contract or transaction for the purchase or sale of an amount of foreign currency equal to the price of a foreign security with respect to which (i) the security and related foreign currency transactions are executed contemporaneously in order to effect delivery by the relevant securities settlement deadline and (ii) actual delivery of the foreign security and foreign currency occurs by such deadline (such transaction, a “Securities Conversion Transaction”). For Securities Conversion Transactions, the Commodity Futures Trading Commission (CFTC) will consider the relevant foreign exchange spot market settlement deadline to be the same as the securities settlement deadline.

Cash market - The physical market for a commodity or financial instrument.

Counterparty - The offsetting party in an exchange agreement.

Derivative Investment – An investment in a futures contract, forward contract, swap, and all forms of options.

Exchange traded derivatives - A Derivative Investment traded on an established national or international exchange. These derivatives “settle” daily in that cash exchanges are made between the exchange and parties to the contracts consistent with the change in price of the instrument. Fulfillment of the contract is guaranteed by the exchange on which the derivatives are traded. Examples include S&P 500 futures contracts and Goldman Sachs Commodities Index futures contracts.

Forward contract - A nonstandardized contract for the physical or electronic (through a bookkeeping entry) delivery of a commodity or financial instrument at a specified price at some point in the future. The most typical Forward contract is a forward foreign currency contract, which involves the contemplated exchange of two currencies.

Futures contract - A standardized contract for either the physical delivery of a commodity or instrument at a specified price at some point in the future, or a financial settlement derived from the change in market price of the commodity or financial instrument during the term of the contract.

ISDA Netting Agreement - The International Swaps and Derivatives Association (ISDA) is the global trade association representing participants in the privately negotiated derivatives industry, covering swaps and options across all asset classes. ISDA has produced generally accepted “Master Agreements,” a 1992 Master Agreement and a 2002 Master Agreement, that are used by most counterparties in OTC derivatives. Netting agreements are terms within the applicable Master Agreement that deal with the calculation of exposure for each counterparty. These netting agreements require that exposures between counterparties will be “netted” so that payables and receivables under all existing derivatives between two counterparties are offset in determining the net exposure between the two counterparties.

Limited Liability Entity – A legal entity created to define how assets contributed to the entity by external partners to the agreement will be managed by the manager of the entity. These entities are typically limited liability partnerships,

The University of Texas Investment Management Company Derivative Investment Policy

corporations, or other such entities that limit the liability of external investors to the current value of the external investors' investment in the entity.

Long exposure to an Asset Class – The Net Asset Value of the Asset Class and Investment Type as defined in the Funds' Investment Policy Statement.

Option - A derivative that conveys the right but not the obligation to buy or deliver the subject financial instrument at a specified price, at a specified future date.

Over the counter (OTC) derivatives - A derivative which results from direct negotiation between a buyer and a counterparty. The terms of such derivatives are nonstandard and are the result of specific negotiations. Settlement occurs at the negotiated termination date, although the terms may include interim cash payments under certain conditions. Examples include currency swaps and forward contracts, interest rate swaps, and collars.

Replicating Derivatives – Derivatives that are intended to replicate the return characteristics of an underlying index or any other Cash market security.

Swap - A contract whereby the parties agree to exchange cash flows of defined investment assets in amounts and times specified by the contract.

The University of Texas Investment Management Company

Derivative Investment Policy

Derivative Investment Policy Exhibit B

Delegated Derivative Investments

Subject to the limitations contained in the Derivative Investment Policy, the UTIMCO Board hereby delegates to the UTIMCO Chief Executive Officer the authority to enter into the following Derivative Investments:

Delegated Derivative Investments:

1. Replicating Derivatives - Derivative Investments that replicate the return characteristics of a long exposure to an underlying index, Basket or commodity. These investments are generally futures contracts and swaps on a passive index, Basket or commodity.
2. Derivative Investments that upon their expiration would not exceed the loss of a similar investment in the cash index being referred to in the derivative contract. These investments may include swaps whereby the holder of the instrument will forgo potential upside return in exchange for downside protection or receive a multiple of a referenced return should the return of the underlying referenced index be within a certain range and may also include the selling of put options.
3. Derivative Investments that reduce long exposure to an Asset Class or hedge against risk, and limit maximum loss to the premium paid for the Derivative Investment, i.e., purchase options. The aggregate prorated annual premium of all Derivative Investments under this provision shall be as set forth in the respective Fund's Investment Policy Statement.
4. Futures contracts and forward contracts on foreign currency if used (i) by an external fixed income manager within its investment guidelines, (ii) for hedging purposes by an external equities manager within its investment guidelines, or (iii) to hedge existing or prospective foreign currency risk by UTIMCO staff.
5. Derivative Investments used to manage bond duration or hedge equity exposure to countries, sectors or capitalization factors, or individual stock(s) swaps within the portfolio only if subsequent to the investment the portfolio would not be net short to any one of those factors. An example of such a hedge is selling futures contracts or call options on a country or sector index, provided the manager is exposed to that country or sector.
6. Derivative Investments used to gain long exposure to an Asset Class and limit maximum loss to the premium paid for the Derivative Investment.

The delegated authority set forth above should not be construed to permit UTIMCO staff to enter into Derivative Investments that are unhedged or 'naked' short positions containing unlimited loss.

Modeling: Each Delegated Derivative Investment must be such that it can be decomposed into one or more components, and each said component can be modeled using a model such as the CDS valuation model, Black-Scholes model, including modifications for foreign currency ("Quanto"), allowing both normal and log-normal distributions (the Black model), and modifications to handle dividends or other model approved by the Policy Committee.

Leverage: Each Delegated Derivative Investment must be modeled on a fully collateralized basis. During the course of the investment, cash collateral backing a Derivative Investment may be utilized to invest in other investments thereby creating leverage at the Fund level. This is only allowed if within the Funds' Investment Policy Statements.

6. U. T. System Board of Regents: Approval of amendments to The University of Texas Investment Management Company (UTIMCO) Bylaws

Upon recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board approved the amendments to the UTIMCO Bylaws as set forth on Pages 49 - 62.

Section 66.08 of the *Texas Education Code* requires that The University of Texas System Board of Regents approve the Bylaws of UTIMCO and any amendments thereto. Amendments to the Bylaws were approved by the UTIMCO Board of Directors on July 22, 2013, and are summarized as follows:

- Section 66.08 of the *Texas Education Code* was amended by Senate Bill 1604, which was passed during the 83rd Regular Session of the Texas Legislature and signed into law by Governor Rick Perry on June 14, 2013. The amendments, which became effective immediately, provide that the Chancellor of the U. T. System may, but is not required, to serve as a Director on the UTIMCO Board of Directors.
- Article III, Sections 3 and 8 and Article V, Section 6 of the UTIMCO Bylaws were amended to give effect to the requirements of this legislation. Further, the language in Section 3 related to the appointment of directors by The Texas A&M University System Board of Regents was deleted as Texas A&M has already appointed its first two directors; therefore, this language is no longer applicable. Conforming editorial amendments were made to the Regents' *Rules and Regulations*, Rule 10402.

BYLAWS
OF
THE UNIVERSITY OF TEXAS INVESTMENT
MANAGEMENT COMPANY

Restated to Include
Amendments Adopted on

March 13, 1997

(Approved by the Board of Regents on May 8, 1997)

May 2, 1997

(Approved by the Board of Regents on May 8, 1997)

September 22, 1999

(Approved by the Board of Regents on November 11, 1999)

December 9, 1999

(Approved by the Board of Regents on February 10, 2000)

October 26, 2001

(Approved by the Board of Regents on November 8, 2001)

June 26, 2003

(Approved by the Board of Regents on August 7, 2003)

Ratified September 29, 2004

(Approved by the Board of Regents on August 12, 2004)

May 25, 2006

(Approved by the Board of Regents on July 13, 2006)

January 30, 2008

(Approved by the Board of Regents on February 7, 2008)

July 14, 2011

(Approved by the Board of Regents on August 25, 2011)

July 22, 2013

(Approved by the Board of Regents on August 22, 2013)

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BYLAWS
OF
THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY

ARTICLE I
STRUCTURE AND PURPOSES

Section 1. Structure. The University of Texas Investment Management Company (the “Corporation”) is a nonprofit corporation organized under the laws of the State of Texas, including the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann. art. 1396-1.01 (the “Act”). The Articles of Incorporation of the Corporation (as amended from time to time, the “Articles of Incorporation”) were filed in the office of the Secretary of the State of Texas on November 15, 1995.

Section 2. Member. The Corporation shall have no members.

Section 3. Purposes. The Corporation is organized and will be operated exclusively for charitable and educational purposes. In accomplishment of such purposes, the Corporation will be administered solely for the purpose of aiding, assisting, supporting and acting on behalf of The University of Texas System (the “System”), an agency of the State of Texas, in the performance of its essential governmental function of providing higher education in accordance with the laws of the State of Texas authorizing and governing the System and the creation of the Corporation. The Corporation shall have, without limitation, the following purposes:

- (a) To invest funds under the control and management of the Board of Regents of the System (the “Board of Regents”), including the permanent university fund, as designated by the Board of Regents in accordance with the laws of the State of Texas; and
- (b) To perform such other activities or functions that the Board of Directors of the Corporation determines are necessary or appropriate for the accomplishment of the purposes of the Corporation, provided, however, that the Corporation may not engage in any business other than investing funds designated by the Board of Regents pursuant to a contract with the System for the investment of such funds.

Section 4. Approval by System. Notwithstanding the powers delegated to the Board of Directors of the Corporation, the Corporation may not contract with the Board of Regents to invest funds under the control and management of the Board of Regents, including the permanent university fund, unless and until the Board of Regents has approved (i) the Articles of Incorporation and Bylaws of the Corporation; (ii) the investment policies of the Corporation; (iii) the audit and ethics committee of the Corporation; and (iv) the code of ethics of the Corporation. Furthermore, the Board of Regents must approve (i) any amendments to the Articles of Incorporation and Bylaws of the Corporation; (ii) any changes to the investment policies of the Corporation; (iii) any changes in the audit and ethics committee of the

Corporation; and (iv) any changes in the code of ethics of the Corporation. The Corporation shall file reports with the Board of Regents quarterly, and at such other times as requested by the Board of Regents, concerning such matters as required by the Board of Regents.

Section 5. Prohibited Transactions. In addition to the prohibitions of the laws of the State of Texas, the Corporation may not enter into an agreement or transaction with a former director, officer, or employee of the Corporation, or a business entity in which a former director, officer, or employee of the Corporation has an interest, on or before the first anniversary of the date the person ceased to be a director, officer, or employee of the Corporation. For purposes of this section (i) a former director, officer, or employee of the Corporation has an interest in a business entity if such person owns (a) five percent or more of the voting stock or shares of the business entity or (b) five percent or more of the fair market value of the business entity, and (ii) a former director of the Corporation has an interest in a business entity if money received by such person from the business entity exceeds five percent of the person's gross income for the preceding calendar year. A two-thirds majority of the Board of Directors of the Corporation shall be required to forward to the Board of Regents a change to this Section.

Section 6. Revolving Door. A former director or employee of the Corporation may not make any communication to or appearance before a current director or employee of the Corporation before the second anniversary, in the case of a former director, or the first anniversary, in the case of a former employee, of the date the former director or employee ceased to be a director or employee of the Corporation if the communication or appearance is made (a) with the intent to influence, and (b) on behalf of any person in connection with any matter on which the person seeks action by the Corporation. If a director of the Corporation knowingly communicates with a former director or employee of the Corporation, whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such director shall be subject to removal from serving as a director of the Corporation. If an employee of the Corporation knowingly communicates with a former director or employee of the Corporation whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such director or employee shall be subject to disciplinary action. A two-thirds majority of the Board of Directors of the Corporation shall be required to forward to the Board of Regents a change to this Section.

ARTICLE II OFFICES

Section 1. Principal Place of Business. The principal place of business of the Corporation shall be located at 401 Congress Avenue, Suite 2800, Austin, Texas 78701. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Section 2. Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Corporation's registered office, as required by the Act. The registered office may, but need not, be identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors in accordance with applicable law.

ARTICLE III BOARD OF DIRECTORS

Section 1. Powers. The property, business, and affairs of the Corporation shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, the Articles of Incorporation, and these Bylaws, the Board of Directors shall exercise all of the powers of the Corporation.

Section 2. Number. The Board of Directors shall consist of nine (9) Directors consistent with Texas Education Code Section 66.08.

Section 3. Appointment and Term. In compliance with applicable law, six (6) Directors shall be appointed by the Board of Regents, pursuant to a process determined by the Board of Regents and shall include (i) at least three (3) persons then serving as members of the Board of Regents ("Regental Directors"), (ii) three (3) persons with substantial background and expertise in investments, and (iii) one qualified individual as determined by the Board of Regents, which may include the Chancellor of The University of Texas System; and two (2) Directors shall be appointed by the Board of Regents of The Texas A&M University System pursuant to a process determined by the Board of Regents of The Texas A&M University System and shall include at least one (1) person with substantial background and expertise in investments. If appointed to the UTIMCO Board by the Board of Regents, the Chancellor of the System shall serve as a Director so long as he or she remains Chancellor of the System or until the Chancellor's earlier removal or resignation as provided in these Bylaws. The three (3) Regental Directors shall serve for two-year terms that expire on the first day of April of each odd-numbered year. The remaining Directors (other than the Chancellor of the System and the Regental Directors) shall serve three-year staggered terms that expire on the first day of April of the appropriate year. No such Director (other than the Chancellor of the System and the Regental Directors) shall serve more than three (3) full three-year terms. Notwithstanding the foregoing, the Board of Regents may, from time to time, alter the terms of the Directors it is authorized to appoint and the Board of Regents of The Texas A&M University System may, from time to time, alter the terms of the Directors it is authorized to appoint. Each person serving as a Director shall serve until the expiration of such Director's term, or until such Director's successor has been chosen and qualified, or until such Director's earlier death, resignation, or removal as provided in these Bylaws.

Section 4. Removal and Resignation. Any Director appointed by the Board of Regents may be removed from office at any time, with or without cause, by the Board of Regents. Any Director appointed by the Board of Regents of The Texas A&M University

System may be removed from office at any time, with or without cause, by the Board of Regents of The Texas A&M University System. Any Director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Vacancies. Any vacancy occurring in the office of a Director, whether by death, resignation, removal, increase in the number of Directors, or otherwise, shall be filled by the entity authorized to appoint the Director.

Section 6. Meetings of Directors. The Directors may hold meetings and keep the Corporation's books and records at such place or places within the State of Texas as the Board of Directors may from time to time determine.

Section 7. Annual Meetings. The annual meeting of the Board of Directors ("Annual Meeting") shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors, or, if not so designated, on the third Thursday of the month of April of each year at the Corporation's principal office for the purpose of (i) electing officers for the ensuing year, and (ii) transacting such other business as may be properly brought before such Annual Meeting. Notice of Annual Meetings shall be required.

At the request of the U. T. Board of Regents, a joint meeting with the U. T. Board of Regents ("Joint Meeting") shall be held to discuss investment policies including asset allocation, investment performance, determination of risk, performance of the Corporation, organizational issues, proposed budget, and related issues. Notice of Joint Meetings shall be required.

Section 8. Regular Meetings. Regular meetings of the Board of Directors ("Regular Meetings") shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of Regular Meetings shall be required. The UTIMCO President shall consult with the Chairman and the Chancellor on the draft agenda for meetings of the UTIMCO Board at least three (3) weeks prior to each regular UTIMCO Board meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors ("Special Meetings") shall be held at such times and places as shall be designated from time to time by the Chairman or, on the written request of any Director, by the Secretary or on the written request of the Board of Regents. Notice of Special Meetings shall be required.

Section 10. Notice of Meetings. The Secretary shall give notice of the time and place of each Annual, Joint, Regular and Special Meeting to each Director in person, or by mail, electronic mail, telegraph, or telephone, at least five (5) days before and not sooner than fifty (50) days before such meeting; provided, however, that in the case of a Special Meeting called because of an emergency or urgent necessity, notice will be provided as required by the Texas Open Meetings Act.

Section 11. Quorum. A majority of the then acting Directors shall constitute a quorum for the consideration of any matters pertaining to the Corporation's purposes. If at any meeting of the Board of Directors there is less than a quorum present, the Chairman may adjourn the meeting from time to time. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 12. Voting. Directors must vote in person and proxy voting is prohibited.

Section 13. Conduct of Business. At meetings of the Board of Directors, matters pertaining to the Corporation's purposes shall be considered.

At all meetings of the Board of Directors, the Chairman of the Board shall preside, and in the absence of the Chairman of the Board, the Vice Chairman of the Board or the Vice Chairman for Policy shall preside. In the absence of the Chairman of the Board and the Vice Chairmen of the Board, a chairman shall be chosen by the Board of Directors from among the Directors present.

The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the Chairman may appoint any person to act as secretary of the meeting.

The chairman of any meeting of the Board of Directors shall determine the order of business and the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business pursuant to a duly posted agenda.

Section 14. Compensation of Directors; Expenses. Persons serving as Directors shall not receive any salary or compensation for their services as Directors. A Director shall be entitled to reimbursement for reasonable expenses incurred by the Director in carrying out duties as a Director.

ARTICLE IV COMMITTEES

Section 1. Board Committees. The Board of Directors may from time to time designate members of the Board of Directors to constitute committees that shall have and may exercise such powers as a majority of the Board of Directors may determine in the resolution that creates the committee; provided, however, that the Board of Regents must approve the audit and ethics committee of the Corporation as required by applicable law and further provided that the full UTIMCO Board shall fully review, discuss, and approve performance compensation for UTIMCO officers and employees following careful consideration and due diligence. The Board of Directors may appoint individuals who are not members of the Board of Directors to any committee; provided, however, that a majority of the committee

members shall be members of the Board of Directors if such committee exercises the authority of the Board of Directors in the management of the Corporation.

Other committees, not having and exercising the authority of the Board of Directors in the management of the Corporation, may be designated and members appointed by a resolution adopted by the Board of Directors. Membership of such committees may, but need not, be limited to Directors.

Any Director appointed to a committee designated by the Board of Directors shall cease to be a member of such committee when he or she is no longer serving as Director.

Section 2. Procedures; Meetings; Quorum. Any committee created by the Board of Directors or these Bylaws, unless otherwise expressly provided herein, shall (i) have a chairman designated by the Board of Directors, (ii) fix its own rules or procedures, (iii) meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board of Directors, and (iv) keep regular minutes of its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation, and report the same to the Board of Directors at its next Regular Meeting. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum, and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any action, unless otherwise expressly provided in the committee's rules or procedures or these Bylaws or by the Board of Directors.

The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee.

Section 3. Nominating Committee. The Chairman may appoint a Nominating Committee to make recommendations to him or her on positions as requested.

ARTICLE V OFFICERS

Section 1. Number, Titles, and Term of Office. The officers of the Corporation shall consist of a Chairman of the Board, a Vice Chairman for Policy, a Vice Chairman of the Board, a President, a Secretary, a Treasurer, and such other officers and assistant officers as the Board of Directors may from time to time elect or appoint. Such other officers and assistant officers shall have such authority and responsibility as may be assigned to them by the Board of Directors. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary and the offices of Chairman and Vice Chairman. Except for those officers elected at the organizational meeting (the "Organization Meeting"), the term of office for each officer shall be until the next succeeding Annual Meeting at which officers are elected. The term of office for those officers elected at the Organization Meeting shall be that period of time beginning on the date of the Organization Meeting and

ending on the date of the first Annual Meeting. In any event, a duly-elected officer shall serve in the office to which he or she is elected until his or her successor has been duly elected and qualified.

Section 2. Removal. Any officer or agent or member of a committee elected or appointed by the Board of Directors may be removed by the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Election or appointment of an officer or agent or member of a committee shall not of itself create contract rights.

Section 3. Vacancies. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 4. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors. The Chairman of the Board shall be appointed by the Board of Directors. No Director shall serve more than three (3) full one-year terms as Chairman.

Section 5. Powers and Duties of the Vice Chairman of the Board. The Vice Chairman of the Board shall have such powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors and shall exercise the powers of the Chairman during that officer's absence or inability to act. Any action taken by the Vice Chairman in the performance of the duties of the Chairman shall be conclusive evidence of the absence or inability to act of the Chairman at the time such action was taken. The Vice Chairman of the Board shall be appointed by the Board of Directors. No Director shall serve more than three (3) full one-year terms as Vice Chairman.

Section 6. Powers and Duties of the Vice Chairman for Policy. If appointed to the UTIMCO Board by the Board of Regents, the Chancellor of the System shall serve as Vice Chairman for Policy; otherwise, the Board shall appoint another Director to serve as the Vice Chairman for Policy. The Vice Chairman for Policy shall coordinate those responsibilities, including the appropriate resolution of policy issues, assigned to UTIMCO and System by the Rules and Regulations of the Board of Regents and the Master Investment Management Services Agreement with UTIMCO to facilitate UTIMCO's performance of its core investment duties. The Vice Chairman for Policy shall exercise the powers of the Chairman during the absence or inability to act of both the Chairman and the Vice Chairman of the Board. Any action taken by the Vice Chairman in the performance of the duties of the Chairman shall be conclusive evidence of the absence or inability to act of the Chairman and the Vice Chairman at the time such action was taken.

Section 7. Powers and Duties of the President. All references to the President in this document shall mean the Chief Executive Officer of the Corporation. If the positions of President and Chief Executive Officer are held by different individuals the responsibilities designated to the President in these Bylaws shall be performed by the Chief Executive Officer. Subject to the control of the Board of Directors, the President shall have general executive charge, management, and control of the properties, business, and operations of

the Corporation with all such powers as may be reasonably incident to such responsibilities; shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness, and other obligations in the name of the Corporation subject to the approval of the Board of Directors and the Executive Committee, if any; and shall have such other powers and duties as may be designated in these Bylaws and as may be assigned to such officer from time to time by the Board of Directors pursuant to a duly approved Delegation of Authority Policy.

Section 8. Powers and Duties of the Treasurer. The Treasurer shall have custody of all of the Corporation's funds and securities that come into such officer's hands. When necessary or proper, the Treasurer may endorse or cause to be endorsed, in the name and on behalf of the Corporation, checks, notes, and other obligations for collection and shall deposit or cause to be deposited the same to the credit of the Corporation in such bank or banks or depositories and in such manner as shall be designated and prescribed by the Board of Directors; may sign or cause to be signed all receipts and vouchers for payments made to the Corporation either alone or jointly with such other officer as may be designated by the Board of Directors; whenever required by the Board of Directors, shall render or cause to be rendered a statement of the cash account; shall enter or cause to be entered regularly in the Corporation's books to be kept by such officer for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors; and shall, if required by the Board of Directors, give such bond for the faithful discharge of such officer's duties in such form as the Board of Directors may require.

Section 9. Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; shall attend to the giving and serving of all notices; in furtherance of the Corporation's purposes and subject to the limitations contained in the Articles of Incorporation, may sign with the President in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; shall have charge of the Corporation's books, records, documents, and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall be open at reasonable times to the inspection of any Director upon application at the Corporation's office during business hours; and shall in general perform all duties incident to the office of Secretary subject to the control of the Board of Directors. The Secretary shall assure that current copies of the Corporation's Articles of Incorporation and Bylaws, Corporation Policies, Investment Policies approved by the Board of Regents, Committee Charters, and Minutes of all meetings of the Corporation and Committees are posted on the Corporation's website. The Secretary will assure that all open meetings of the Corporation are recorded and that recordings are available upon request.

ARTICLE VI
MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The Corporation's fiscal year shall be as determined from time to time by the Board of Directors.

Section 2. Seal. The Corporation's seal, if any, shall be such as may be approved from time to time by the Board of Directors.

Section 3. Notice and Waiver of Notice. Whenever any notice is required to be given by mail under the provisions of these Bylaws, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed postpaid wrapper addressed to the person or Board of Regents entitled thereto at such person's post office address, as such appears in the records of the Corporation, and such notice shall be deemed to have been given on the date of such mailing. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 4. Public Information. The Board of Directors shall comply with applicable provisions of the Texas Public Information Act.

Section 5. Open Meetings. The Board of Directors shall conduct open meetings in accordance with Section 66.08(h), Texas Education Code. The Secretary is required to provide public notice of such meetings in accordance with applicable law therewith.

ARTICLE VII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Subject to any limitations and conditions in these Bylaws, including, without limitation, this Article VII, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (a "Proceeding"), or any appeal of such a Proceeding or any inquiry or investigation that could lead to a Proceeding, by reason of the fact that he or a person of whom he is the legal representative, is or was a Director or officer of the Corporation, or while a Director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, shall be indemnified by the Corporation to the fullest extent authorized by the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with a Proceeding, but if the Proceeding was brought by or in behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred or suffered

by such person in connection therewith, and indemnification under these Bylaws shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. In no case, however, shall the Corporation indemnify any person, or the legal representatives of any person, with respect to any matters as to which such person shall be finally adjudged in any such Proceeding to be liable on the basis that personal benefit resulted from an action taken in such person's official capacity, or in which such person is found liable to the Corporation. Any person entitled to indemnification pursuant to this Article VII is sometimes referred to herein as an "Indemnified Person."

Section 2. Advance Payment. An Indemnified Person's right to indemnification conferred in this Article VII shall include the right to be paid or reimbursed by the Corporation the reasonable expenses incurred by an Indemnified Person who was, is or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding; provided, however, that the payment of such expenses incurred by an Indemnified Person in advance of the final disposition of a Proceeding shall be made only upon delivery to the Corporation of a written affirmation by such Indemnified Person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article VII and a written undertaking by or on behalf of such Indemnified Person to repay all amounts so advanced if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified under this Article VII or otherwise.

Section 3. Appearance as a Witness. Notwithstanding any other provision of this Article VII, the Corporation may pay or reimburse expenses incurred by an Indemnified Person in connection with his or her appearance as a witness or other participation in a Proceeding at a time when the Indemnified Person is not a named defendant or respondent in the Proceeding.

Section 4. Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article VII shall not be exclusive of any other right which an Indemnified Person may have or hereafter acquire under any law (common or statutory), the Articles of Incorporation, the Bylaws, agreement, vote of disinterested Director or otherwise.

Section 5. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself or any Indemnified Person, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article VII.

Section 6. Savings Clause. If this Article VII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each Indemnified Person as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article VII that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VIII
AMENDMENTS

Section 1. Amendment. These Bylaws may be altered, amended, or repealed by the Board of Directors with the approval of the Board of Regents. A request by the Board of Regents to consider an alteration, amendment, or repeal of these Bylaws will be considered at the next regular meeting of the Corporation or at a special meeting called for that purpose.

7. U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds and authorization to complete all related transactions

The Board

- a. adopted a Resolution, substantially in the form previously approved, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed \$500 million to be used to refund certain outstanding PUF Bonds; to refund PUF Flexible Rate Notes, Series A; to refund PUF Commercial Paper Notes; to provide new money to fund construction and acquisition costs; and to pay the costs of issuance; and
- b. authorized appropriate officers and employees of the U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such bonds.

On August 23, 2012, the Board of Regents adopted a resolution authorizing the issuance of PUF Bonds in an amount not to exceed \$500 million. Adoption of this Resolution rescinds the resolution approved by the Board of Regents in August 2012, and provides a similar authorized amount and purposes as the prior resolution.

Adoption of the Resolution authorizes the advance or current refunding of a portion of certain outstanding PUF Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date, whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Resolution provides the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Resolution also authorizes the current refunding of all or a portion of the PUF Commercial Paper Notes. The PUF Commercial Paper Note program is used to provide interim financing for PUF projects approved by the Board. Adoption of the Resolution permits the interim financing provided through the Notes to be replaced with long-term financing. The Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Resolution also authorizes the appropriate officers and employees of the U. T. System to refund outstanding PUF Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding PUF Bonds when economically advantageous.

8. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds and authorization to complete all related transactions

The Board

- a. adopted a Supplemental Resolution, substantially in the form previously approved, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed \$500 million to be used to refund certain outstanding RFS Bonds, to refund RFS Commercial Paper Notes, to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program, and to pay the costs of issuance; and
- b. authorized appropriate officers and employees of U. T. System as set forth in the Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein, to make certain covenants and agreements in connection therewith, and to resolve other matters incident and related to the issuance, sale, security, and delivery of such RFS Bonds.

On August 23, 2012, the Board of Regents adopted a resolution authorizing the issuance of additional RFS Bonds in an amount not to exceed \$500 million. Adoption of this Supplemental Resolution rescinds the remaining issuance authority under the prior resolution and provides a similar authorized amount and purposes as the prior resolution.

Adoption of the Supplemental Resolution authorizes the advance or current refunding of a portion of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds more than 90 days in advance of the call date, whereas a current refunding involves issuing bonds to refund outstanding bonds within 90 days of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. Adoption of this Supplemental Resolution will provide the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing.

The Supplemental Resolution also authorizes the current refunding of all or a portion of the RFS Commercial Paper Notes. The RFS Commercial Paper Note program is used to provide interim financing for RFS projects approved by the Board. Adoption of the Supplemental Resolution will permit the interim financing provided through the

Notes to be replaced with long-term financing. The Supplemental Resolution also authorizes the issuance of bonds to provide new money to fund the capital costs of eligible projects.

The Supplemental Resolution also authorizes the appropriate officers and employees of the U. T. System to refund outstanding RFS Bonds pursuant to a tender program and to use lawfully available funds to defease outstanding RFS Bonds when economically advantageous.

9. U. T. System Board of Regents: Adoption of resolutions authorizing certain bond enhancement agreements for Revenue Financing System debt and Permanent University Fund debt, including ratification of U. T. System Interest Rate Swap Policy

The Board adopted resolutions substantially in the form set out on Pages 66 - 88 (the Resolutions) authorizing appropriate officers of The University of Texas System to enter into bond enhancement agreements related to its Revenue Financing System (RFS) and Permanent University Fund (PUF) debt programs in accordance with the U. T. System Interest Rate Swap Policy and to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents.

Texas Education Code Section 65.461 provides specific authority to the U. T. System Board of Regents to enter into "bond enhancement agreements," which include interest rate swaps and related agreements in connection with administration of the U. T. System's RFS and PUF debt programs.

The U. T. System Interest Rate Swap Policy was approved by the Board of Regents as a Regental Policy on February 13, 2003, and was incorporated into the Regents' *Rules and Regulations*, Rule 70202 on December 10, 2004. The Rule was subsequently amended on August 23, 2007. Section 1371.056(l) of the *Texas Government Code* requires that while an interest rate management agreement transaction is outstanding, the governing body of the issuer shall review and ratify or modify its related risk management policy at least biennially.

On August 23, 2012, the Board approved bond enhancement agreement resolutions for Fiscal Year 2013. Approval of this item authorizes the execution of bond enhancement agreement transactions related to RFS and PUF debt in accordance with the U. T. System Interest Rate Swap Policy for FY 2014 and will ratify the existing U. T. System Interest Rate Swap Policy, set out as Exhibit B, as required by *Texas Government Code*, Section 1371.056. The determination to utilize bond enhancement agreements will be made based on market conditions at the time of pricing the related debt issuance. The Chancellor and the Chairman of the Board's Finance and Planning Committee will be informed in advance of any proposed transactions to be undertaken pursuant to the resolutions.

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF BOND ENHANCEMENT AGREEMENTS RELATING TO REVENUE FINANCING SYSTEM DEBT AND AUTHORIZING AND APPROVING OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID AGREEMENTS

August 22, 2013

WHEREAS, the Board of Regents (the "Board") of The University of Texas System (the "System") is the governing body of the System, an institution of higher education under the *Texas Education Code* and an agency of the State of Texas; and

WHEREAS, on February 14, 1991, the Board adopted the First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System and amended such resolution on October 8, 1993, and August 14, 1997 (referred to herein as the "Master Resolution"); and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution or as set forth in Exhibit A hereto; and

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of the institutions now or hereafter constituting components of the System that are designated "Members" of the Financing System by action of the Board and pledges the Pledged Revenues attributable to each Member of the Financing System to the payment of Parity Debt to be outstanding under the Master Resolution; and

WHEREAS, the Board has adopted Supplemental Resolutions to the Master Resolution authorizing the issuance of Parity Debt thereunder as special, limited obligations of the Board payable solely from and secured by a lien on and pledge of Pledged Revenues pledged for the equal and proportionate benefit and security of all owners of Parity Debt; and

WHEREAS, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) executed or to be executed thereunder; and

WHEREAS, the Board hereby desires to ratify and approve the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System's Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

NOW THEREFORE BE IT RESOLVED, that

SECTION 1. DEFINITIONS. In addition to the definitions set forth in the preamble of this Resolution, the terms used in this Resolution and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit A to this Resolution attached hereto and made a part hereof.

SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a "Confirmation", and collectively with the applicable Master Agreement, a "Bond Enhancement Agreement") when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System's Interest Rate Swap Policy and either (i) the transaction is expected

to reduce the net interest to be paid by the Board with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2014.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board's obligations with respect to its outstanding Parity Debt or Parity Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a "Credit Agreement" as defined in the Master Resolution and a "bond enhancement agreement" under Section 65.461 of the *Texas Education Code*, as amended ("Section 65.461"). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not be considered a "credit agreement" under Chapter 1371 of the *Texas Government Code*, as amended ("Chapter 1371"), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative, such Authorized Representative shall submit this Resolution to the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Maximum Term. The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related Parity Debt or the related Parity Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related Parity Debt and related Parity Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same Parity Debt may exceed the principal amount of the related Parity Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. No Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. In addition to subsections (a) and (b) of Section 6 hereof, each Authorized Representative is hereby severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

SECTION 3. BOND ENHANCEMENT AGREEMENTS AS PARITY DEBT. The costs of any Bond Enhancement Agreement and the amounts payable thereunder shall be payable out of Pledged Revenues and each Bond Enhancement Agreement shall constitute Parity Debt under the Master Resolution, except to the extent that a Bond Enhancement Agreement provides that an obligation of the Board thereunder shall be payable from and secured by a lien on Pledged Revenues subordinate to the lien securing the payment of the Parity Debt. The Board determines that this Resolution shall constitute a Supplemental Resolution to the Master Resolution and as required by Section 5(a) of the Master Resolution, the Board further determines that upon the delivery of the Bond Enhancement Agreements authorized by this Resolution it will have sufficient funds to meet the financial obligations of the System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System and that the Members on whose behalf such Bond Enhancement Agreements are entered into possess the financial capacity to satisfy their Direct Obligations after taking such Bond Enhancement Agreements into account.

SECTION 4. AUTHORIZATION FOR SPECIFIC TRANSACTIONS. (a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to Parity Debt then outstanding bearing interest at a variable rate and Parity Debt anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable Parity Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to Parity Debt then outstanding bearing interest at a fixed rate and Parity Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate Parity Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the Parity Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate Parity Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as the London Interbank Offered Rate ("LIBOR"), with respect to a designated maturity or principal amount of outstanding Parity Debt and Parity Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its Parity Debt, (iii) lower net interest cost by effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on Parity Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding Parity Debt or additional Parity Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in subsection (a) hereof.

SECTION 5. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.

(a) General. Except as further limited by subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a "credit agreement" under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for construction by the Board and that the applicable projects have received the required approval or review of the Texas Higher Education Coordinating Board to the extent and as required by the provisions of Chapter 61 of the *Texas Education Code*, including Section 61.058 thereof; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the Parity Debt or anticipated issuance of Parity Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

SECTION 6. BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PARITY DEBT.

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated Parity Debt. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Parity Debt is not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event to (i) delay the effective date of such Bond Enhancement Agreement; or (ii) replace such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated Parity Debt as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of Parity Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated Parity Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement to (i) reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated Parity Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated Parity Debt with any then outstanding Parity Debt having the same types of interest rates (fixed or variable) as the anticipated Parity Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable Parity Debt.

(c) Board Recognition of Anticipated Parity Debt. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Parity Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including, but not limited to, a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed by such anticipated issuance of debt and the amount of such debt to be issued, or (iii) the Board's action pursuant to subsection (e) hereof with respect to Parity Debt anticipated to be issued to refund outstanding Parity Debt.

(d) Required Description of Anticipated Parity Debt. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of Parity Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated Parity Debt stating: (i) the anticipated issuance date of such Parity Debt or a range of anticipated dates of up to six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such Parity Debt in the Board's then current Capital Improvement Program; (ii) whether such Parity Debt will bear interest at a fixed or variable rate; (iii) if such Parity Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such Parity Debt is anticipated; (iv) if such Parity Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such Parity Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such Parity Debt will be used; and (vii) for Parity Debt anticipated to be issued for new money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with Parity Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with Parity Debt anticipated to be issued for the purpose of advance refunding any existing Parity Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of Parity Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in a supplemental resolution approved by the Board authorizing the issuance of additional Parity Debt), and in such event, the Board hereby declares its intention to cause such Parity Debt to be issued. No such certification or declaration shall be applicable in connection with Parity Debt anticipated to be issued for the purpose of currently refunding any existing Parity Debt within ninety (90) days of the date of issuance of such anticipated Parity Debt.

SECTION 7. MASTER AGREEMENTS.

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding Parity Debt or Parity Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

SECTION 8. ADDITIONAL AUTHORIZATION; RATIFICATION AND APPROVAL OF SWAP POLICY.

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this

Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions credit support documents and any documentation pursuant to an ISDA DF Protocol, and any such actions heretofore taken are hereby ratified, approved and affirmed in all respects.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies, approves and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

EXHIBIT A

DEFINITIONS

As used in this Resolution the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Representative" – As defined in the System's Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

"Board" – The Board of Regents of The University of Texas System.

"Bond Enhancement Agreement" – Collectively, each Confirmation and the applicable Master Agreement.

"Chapter 1371" – Chapter 1371 of the *Texas Government Code*, as amended.

"Confirmation" – Each confirmation entered into by an Authorized Representative on behalf of the Board pursuant to this Resolution.

"Executed Master Agreements" – The following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

(i) ISDA Master Agreement with Bank of America, N.A., dated as of December 6, 2005;

(ii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of May 2, 2006;

(iii) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of May 1, 2006;

(iv) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 6, 2005;

(v) ISDA Master Agreement with UBS AG, dated as of November 1, 2007;

(vi) ISDA Master Agreement with Goldman Sachs Bank USA, dated as of August 1, 2009;

(vii) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of August 21, 2009;

(viii) ISDA Master Agreement with Barclays Bank PLC, dated as of November 4, 2010;

(ix) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of May 1, 2011;

(x) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011;
and

(xi) ISDA Master Agreement with Citibank, N.A., dated as of October 26, 2011.

"ISDA" – The International Swaps and Derivatives Association, Inc.

"ISDA DF Protocol" – Any protocol developed by ISDA in response to provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act relating to derivatives.

"LIBOR" – London Interbank Offered Rate.

"Master Agreements" – Collectively, the Executed Master Agreements and any New Master Agreements.

"Master Resolution" – The First Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993, and August 14, 1997.

"New Master Agreements" – Any ISDA Master Agreements entered into by an Authorized Representative pursuant to Section 7(a) of this Resolution.

"Section 65.461" – Section 65.461 of the *Texas Education Code*, as amended.

"System" – The University of Texas System.

EXHIBIT B

**INTEREST RATE SWAP POLICY
OF THE UNIVERSITY OF TEXAS SYSTEM**

[See Regents' *Rules and Regulations*, [Rule 70202](#) titled Interest Rate Swap Policy]

EXHIBIT C

EXECUTED MASTER AGREEMENTS

[On file with the U. T. System Office of Business Affairs]

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF
BOND ENHANCEMENT AGREEMENTS RELATING TO PERMANENT
UNIVERSITY FUND DEBT AND AUTHORIZING AND APPROVING
OTHER INSTRUMENTS AND PROCEDURES RELATING TO SAID
AGREEMENTS

August 22, 2013

WHEREAS, the Board of Regents (the “Board”) of The University of Texas System (the “System”) is the governing body of the System, an institution of higher education under the Texas Education Code and an agency of the State of Texas (the “State”); and

WHEREAS, the Permanent University Fund is a constitutional fund and public endowment created in the Texas Constitution of 1876, as created, established, implemented and administered pursuant to Sections 10, 11, 11a, 11b, 15 and 18 of Article VII of the Constitution of the State, as amended, and by other applicable present and future constitutional and statutory provisions, and further implemented by the provisions of Chapter 66, *Texas Education Code*, as amended (the “Permanent University Fund”); and

WHEREAS, the Available University Fund is defined by the Constitution of the State and consists of distributions made to it from the total return on all investment assets of the Permanent University Fund, including the net income attributable to the surface of Permanent University Fund land, as determined by the Board pursuant to Section 18 of Article VII of the Constitution of the State, as amended (the “Available University Fund”); and

WHEREAS, Section 18 of Article VII of the Constitution of the State, as may hereafter be amended (the “Constitutional Provision”), authorizes the Board to issue bonds and notes (“PUF Debt”) 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 (the “Interest of the System”) to secure the payment of the principal of and interest on PUF Debt, 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 institutions of the System as listed in the Constitutional Provision; and

WHEREAS, the Constitutional Provision also provides that out of the Interest of the System in the Available University Fund there shall be appropriated an annual sum sufficient to pay the principal and interest due on PUF Debt, and the remainder of the Interest of the System in the Available University Fund (the “Residual AUF”) shall be appropriated for the support and maintenance of The University of Texas at Austin and the System Administration; and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning as set forth in Exhibit A hereto; and

WHEREAS, the Board has previously entered into certain Executed Master Agreements (as defined herein) with certain counterparties setting forth the terms and conditions applicable to each Confirmation (as defined herein) to be executed thereunder; and

WHEREAS, the Board hereby desires to ratify and approve the U.T. System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B, and to severally authorize each Authorized Representative (as defined in the System's Interest Rate Swap Policy) to enter into Bond Enhancement Agreements (as defined herein) from time to time, all as provided in this Resolution.

NOW THEREFORE BE IT RESOLVED, that

SECTION 1. DEFINITIONS. Capitalized terms used in this Resolution and not otherwise defined shall have the meanings given in Exhibit A attached hereto and made a part hereof.

SECTION 2. AUTHORIZATION OF BOND ENHANCEMENT AGREEMENTS.

(a) Delegation. Each Authorized Representative is hereby severally authorized to act on behalf of the Board in accepting and executing new or amended confirmations under one or more of the Master Agreements (each, a "Confirmation" and, collectively with the applicable Master Agreement, a "Bond Enhancement Agreement") when, in his or her judgment, the execution of such Confirmation is consistent with this Resolution and the System's Interest Rate Swap Policy and either (i) the transaction is expected to reduce the net interest to be paid by the Board with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future over the term of the Bond Enhancement Agreement or (ii) the transaction is in the best interests of the Board given the market conditions at that time. Prior to entering into any such transaction, an Authorized Representative must deliver to the General Counsel of the Board a certificate setting forth the determinations of the Authorized Representative in connection with the foregoing. Each Authorized Representative is also severally authorized to execute any required novation agreement related to the execution and delivery of a new or amended Confirmation undertaken in conjunction with the novation of an existing Confirmation. The delegation to each Authorized Representative to execute and deliver Bond Enhancement Agreements on behalf of the Board under this Resolution shall expire on September 1, 2014.

(b) Authorizing Law and Treatment as Credit Agreement. The Board hereby determines that any such Bond Enhancement Agreement entered into by an Authorized Representative pursuant to this Resolution is necessary or appropriate to place the Board's obligations with respect to its outstanding PUF Debt or PUF Debt anticipated to be issued in the future on the interest rate, currency, cash flow or other basis set forth in such Bond Enhancement Agreement as approved and executed on behalf of the Board by an Authorized Representative. Each Bond Enhancement Agreement constitutes a "bond enhancement agreement" under Section 65.461 of the *Texas Education Code*, as amended ("Section 65.461"). Pursuant to Section 65.461, a Bond Enhancement Agreement authorized and executed by an Authorized Representative under this Resolution shall not

be considered a “credit agreement” under Chapter 1371 of the *Texas Government Code*, as amended (“Chapter 1371”), unless specifically designated as such by such Authorized Representative. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a “credit agreement” under Chapter 1371 and this Resolution has not previously been submitted to the Attorney General by an Authorized Representative, such Authorized Representative shall submit this Resolution to the Attorney General for review and approval in accordance with the requirements of Chapter 1371 as the proceedings authorizing Bond Enhancement Agreements entered into by the Board pursuant to this Resolution.

(c) Costs; Maximum Term. The costs of any Bond Enhancement Agreement and the amounts payable thereunder, including but not limited to any amounts payable by the Board as a result of terminating a Bond Enhancement Agreement, shall be payable from the Residual AUF as a cost of the support and maintenance of System administration or from any other source that is legally available to make such payments.

The maximum term of each Bond Enhancement Agreement authorized by this Resolution shall not exceed the maturity date of the then outstanding related PUF Debt or the related PUF Debt anticipated to be issued in the future, as applicable.

(d) Notional Amount. The notional amount of any Bond Enhancement Agreement authorized by this Resolution shall not at any time exceed the aggregate principal amount of the then outstanding related PUF Debt or related PUF Debt anticipated to be issued in the future, as applicable; provided that the aggregate notional amount of multiple Bond Enhancement Agreements relating to the same PUF Debt may exceed the principal amount of the related PUF Debt if such Bond Enhancement Agreements are for different purposes, as evidenced for example by different rates for calculating payments owed, and the aggregate notional amount of any such Bond Enhancement Agreements for the same purpose otherwise satisfies the foregoing requirements.

(e) Early Termination. No Confirmation entered into pursuant to this Resolution shall contain early termination provisions at the option of the counterparty except upon the occurrence of an event of default or an additional termination event, as prescribed in the applicable Master Agreement. In addition to subsections (a) and (b) of Section 5 hereof, each Authorized Representative is hereby severally authorized to terminate any Bond Enhancement when, in his or her judgment, such termination is in the best interests of the Board given the market conditions at that time.

(f) Maximum Rate. No Bond Enhancement Agreement authorized by this Resolution shall be payable at a rate greater than the maximum rate allowed by law.

(g) Credit Enhancement. An Authorized Representative may obtain credit enhancement for any Bond Enhancement Agreement if such Authorized Representative, as evidenced by a certificate delivered to the General Counsel to the Board, has determined that after taking into account the cost of such credit enhancement, such credit enhancement will reduce the amount payable by the Board pursuant to such Bond Enhancement Agreement; provided that the annual cost of credit enhancement on any

Bond Enhancement Agreement entered into pursuant to this Resolution may not exceed 0.50% of the notional amount of such Bond Enhancement Agreement.

SECTION 3. AUTHORIZATION FOR SPECIFIC TRANSACTIONS.

(a) In addition to the authority otherwise granted in this Resolution, each Authorized Representative is hereby severally granted continuing authority to enter into the following specific transactions pursuant to a Confirmation (or other agreement or instrument deemed necessary by an Authorized Representative) upon satisfaction of the following respective conditions:

(1) Floating-to-fixed rate interest rate swap transactions under which the Board would pay an amount based upon a fixed rate of interest and the counterparty would pay an amount based upon a variable rate of interest with respect to PUF Debt then outstanding bearing interest at a variable rate and any PUF Debt anticipated to be issued in the future that will bear interest at a variable rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that (i) the synthetic fixed rate to the Board pursuant to the swap transaction is lower than the rate available to the Board for comparable fixed rate debt at the time of the swap transaction, and (ii) if the variable rate being paid or expected to be paid by the Board on the applicable PUF Debt is computed on a basis different from the calculation of the variable rate to be received under the swap transaction over the stated term of such swap transaction, the basis risk of the transaction is expected to be minimal based upon historical relationships between such bases.

(2) Fixed-to-floating rate interest rate swap transactions under which the Board would pay an amount based upon a variable rate of interest and the counterparty would pay an amount based upon a fixed rate of interest, with respect to PUF Debt then outstanding bearing interest at a fixed rate or PUF Debt anticipated to be issued in the future that will bear interest at a fixed rate, as applicable. Prior to entering into such transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that converting such portion of fixed rate PUF Debt to a variable rate pursuant to the fixed-to-floating interest rate swap transaction would be beneficial to the System by (i) lowering the anticipated net interest cost on the PUF Debt to be swapped against or (ii) assisting in the System's asset/liability management by matching a portion of its variable rate assets with variable rate PUF Debt.

(3) Basis swap transactions under which the Board would pay a variable rate of interest computed on one basis, such as the Securities Industry and Financial Markets Association Municipal Swap Index, and the counterparty would pay a variable rate of interest computed on a different basis, such as a designated maturity of the London Interbank Offered Rate ("LIBOR"), with respect to a given principal amount of PUF Debt then outstanding or PUF Debt anticipated to be issued in the future, as applicable. Prior to entering into such transaction, an

Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that by entering into the basis swap transaction the Board is expected to be able to (i) achieve spread income or upfront cash payments, (ii) preserve call option and advance refunding capability on its PUF Debt, (iii) lower net interest cost by effecting a percent of LIBOR synthetic refunding without issuing additional bonds or acquiring credit enhancement, (iv) lower net interest cost on PUF Debt by layering tax risk on top of a traditional or synthetic fixed rate financing, (v) preserve liquidity capacity, or (vi) avoid the mark to market volatility of a fixed-to-floating or floating-to-fixed swap in changing interest rate environments.

(4) Interest rate locks, caps, options, floors, and collars for the purpose of limiting the exposure of the Board to adverse changes in interest rates in connection with outstanding PUF Debt or additional PUF Debt anticipated to be issued in the future. Prior to entering into such a transaction, an Authorized Representative must deliver to the General Counsel to the Board a certificate to the effect that such transaction is expected to limit or eliminate such exposure.

(b) The foregoing is not intended to be a comprehensive list of permissible types of transactions, but rather to specify additional conditions necessary to enter into the specified types of transactions. The requirements of Section 2(a) above shall apply to any transaction not specified in Section 3(a) above.

SECTION 4. APPLICATION OF PAYMENTS RECEIVED UNDER BOND ENHANCEMENT AGREEMENTS.

(a) General. Except as provided in subsection (b) hereof, to the extent the Board receives payments pursuant to a Bond Enhancement Agreement, such payments shall be applied for any lawful purpose.

(b) Payments under Chapter 1371 Credit Agreements. In the event an Authorized Representative elects to treat a Bond Enhancement Agreement authorized by this Resolution as a “credit agreement” under Chapter 1371 and such Bond Enhancement Agreement is executed and delivered pursuant to Chapter 1371, to the extent that the Board receives payments pursuant to such a Bond Enhancement Agreement, such payments shall be applied as follows: (i) to pay (A) debt service on the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement, or (B) the costs to be financed by the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; provided that, if applicable, such costs shall have been approved for construction by the Board and that the applicable projects have received the required approval or review of the Texas Higher Education Coordinating Board to the extent and as required by the provisions of Chapter 61 of the *Texas Education Code*, including Section 61.058 thereof; (ii) to pay other liabilities or expenses that are secured on parity with or senior to the PUF Debt or anticipated issuance of PUF Debt related to the Bond Enhancement Agreement; or (iii) to the extent that costs set forth in (i) and (ii) have been satisfied, for any other lawful purpose.

SECTION 5. BOND ENHANCEMENT AGREEMENTS IN CONNECTION WITH ANTICIPATED PUF DEBT.

(a) Requirement to Terminate or Modify Agreement for Non-issuance of Anticipated PUF Debt. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such PUF Debt is not actually issued on or prior to the effective date of such agreement, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement in such event (i) to delay the effective date of such Bond Enhancement Agreement; or (ii) to replace such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt.

(b) Requirement to Terminate or Modify Agreement for Notional Amount in Excess of Anticipated PUF Debt as Issued. In the event a Bond Enhancement Agreement is entered into under this Resolution in connection with the anticipated issuance of PUF Debt and such Bond Enhancement Agreement has a notional amount that at any time exceeds the principal amount to be outstanding of such anticipated PUF Debt as actually issued, an Authorized Representative shall either terminate such Bond Enhancement Agreement or amend such Bond Enhancement Agreement (i) to reduce the notional amount of such Bond Enhancement as appropriate so that such notional amount does not exceed at any time the principal amount to be outstanding of such anticipated PUF Debt as actually issued or (ii) supplement or replace all or a portion of such anticipated PUF Debt with any then outstanding PUF Debt having the same types of interest rates (fixed or variable) as the anticipated PUF Debt as necessary to ensure that the notional amount of such Bond Enhancement Agreement does not exceed at any time the principal amount of the applicable PUF Debt.

(c) Board Recognition of Anticipated Parity Debt. No Bond Enhancement Agreement may be entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of PUF Debt unless such anticipated issuance of future debt shall have been recognized by official action of the Board pursuant to (i) the Board's prior adoption of a resolution authorizing the issuance of such debt, including but not limited to a resolution delegating the parameters of such issuance to an Authorized Representative or a resolution authorizing the issuance of commercial paper notes, (ii) the Board's prior approval of its then current Capital Improvement Program contemplating the financing of the projects to be financed by such anticipated issuance of debt and the amount of such debt to be issued, or (iii) the Board's action pursuant to subsection (e) hereof with respect to PUF Debt anticipated to be issued to refund outstanding PUF Debt.

(d) Required Description of Anticipated PUF Debt. To the extent that a Bond Enhancement Agreement is entered into under this Resolution with respect to the Board's obligations under an anticipated future issuance of PUF Debt, an Authorized Representative must also deliver to the General Counsel to the Board at the time such agreement is entered into a certificate with respect to such anticipated PUF Debt stating: (i) the anticipated issuance date of such PUF Debt or a range of anticipated dates of up to

six months for such issuance, provided that such date or range of dates may not be more than the lesser of seventy-two (72) months after the date of the applicable Confirmation or the latest date contemplated for the issuance of such PUF Debt in the Board's then current Capital Improvement Program; (ii) whether such PUF Debt will bear interest at a fixed or variable rate; (iii) if such PUF Debt will bear interest at a fixed rate, what fixed interest rate or range of interest rates with respect to such PUF Debt is anticipated; (iv) if such PUF Debt will bear interest at a variable rate, what basis is anticipated to be used to compute such variable rate; (v) the assumed maturity schedule and amortization for such PUF Debt, including the assumed interest cost; (vi) the anticipated purposes for which the proceeds of such PUF Debt will be used; and (vii) for PUF Debt anticipated to be issued for new money projects, a list or description of such projects anticipated to be financed, provided that each such project must be contemplated for financing with PUF Debt by the Board's then current Capital Improvement Program or have otherwise received Board approval for financing.

(e) Board's Statement of Intent to Issue Advance Refunding Debt for Savings. If the conditions in this Resolution are otherwise satisfied, the Board hereby authorizes each Authorized Representative to enter into a Bond Enhancement Agreement in connection with PUF Debt anticipated to be issued for the purpose of advance refunding any existing PUF Debt, provided that as certified by an Authorized Representative to the General Counsel to the Board, such anticipated issue of PUF Debt, when taking into consideration the effect of such Bond Enhancement Agreement, is expected to result in a present value savings in connection with such advance refunding of at least 3.0% (determined in the manner set forth in the resolution approved by the Board authorizing the issuance of such anticipated issue of PUF Debt), and in such event, the Board hereby declares its intention to cause such anticipated PUF Debt to be issued. No such certification or declaration shall be applicable in connection with PUF Debt anticipated to be issued for the purpose of currently refunding any existing PUF Debt within ninety (90) days of the date of issuance of such anticipated PUF Debt.

SECTION 6. MASTER AGREEMENTS.

(a) New Master Agreements. Each Authorized Representative is hereby severally authorized to enter into ISDA Master Agreements (the "New Master Agreements") with counterparties satisfying the ratings requirements of the System's Interest Rate Swap Policy. Such New Master Agreements shall be in substantially the same form as the Executed Master Agreements, with such changes as, in the judgment of an Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable (i) to carry out the intent of the Board as expressed in this Resolution, (ii) to receive approval of this Resolution by the Attorney General of the State of Texas, if pursuant Section 2(b) of this Resolution, an Authorized Representative elects to designate any Bond Enhancement Agreement entered into by the Board pursuant to this Resolution as a "credit agreement" under Chapter 1371, (iii) to accommodate the credit structure or requirements of a particular counterparty or (iv) to incorporate comments received or anticipated to be received from any credit rating agency relating to a New Master Agreement. Each Authorized Representative is authorized to enter into such New Master Agreements and to enter into Confirmations thereunder in accordance

with this Resolution and in furtherance of and to carry out the intent hereof. If a New Master Agreement entered into pursuant to this subsection replaces a then effective Master Agreement with the same or a related counterparty, each Authorized Representative is hereby severally authorized to terminate such existing Master Agreement upon the New Master Agreement becoming effective and to take any and all actions necessary to transfer any Confirmations thereunder to such New Master Agreement.

(b) Amendments to Master Agreements. Each Authorized Representative is hereby further severally authorized to enter into amendments to the Master Agreements to allow Confirmations thereunder to be issued and entered into with respect to any then outstanding PUF Debt or PUF Debt anticipated to be issued in the future and to make such other amendments in accordance with the terms of the respective Master Agreements as in the judgment of such Authorized Representative, with the advice and counsel of the Office of General Counsel and Bond Counsel, are necessary or desirable to allow the Board to achieve the benefits of the Bond Enhancement Agreements in accordance with and subject to the System's Interest Rate Swap Policy and this Resolution.

SECTION 7. ADDITIONAL AUTHORIZATION; RATIFICATION AND APPROVAL OF SWAP POLICY.

(a) Additional Agreements and Documents Authorized. Each Authorized Representative and all officers of the Board are severally authorized to execute and deliver such other agreements and documents as are contemplated by this Resolution and the Master Agreements or are otherwise necessary in connection with entering into Confirmations and Bond Enhancement Agreements as described in this Resolution, as any such Authorized Representative or officer shall deem appropriate, including without limitation, officer's certificates, legal opinions, credit support documents and any documentation pursuant to an ISDA DF Protocol, and any such actions heretofore taken are hereby ratified, approved and affirmed in all respects.

(b) Further Actions. Each Authorized Representative and all officers of the Board are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Board to pay all such expenses as in his or her judgment shall be necessary or advisable in order fully to carry out the purposes of this Resolution.

(c) Swap Policy. The Board has reviewed and hereby ratifies, approves and affirms the System's Interest Rate Swap Policy, a copy of which is attached hereto as Exhibit B.

[Remainder of page intentionally left blank]

EXHIBIT A

DEFINITIONS

As used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Authorized Representative” shall have the meaning given to such term in the System’s Interest Rate Swap Policy (a copy of which is attached hereto as Exhibit B).

“Available University Fund” shall have the meaning given to such term in the recitals to this Resolution.

“Board” shall have the meaning given to such term in the recitals to this Resolution.

“Bond Enhancement Agreement” shall have the meaning given to such term in Section 2(a) hereof.

“Chapter 1371” shall have the meaning given to such term in Section 2(b) hereof.

“Confirmation” shall have the meaning given to such term in Section 2(a) hereof.

“Constitutional Provision” shall have the meaning given to such term in the recitals to this Resolution.

“Executed Master Agreements” shall mean the following existing and fully executed ISDA Master Agreements currently in effect between the Board and the respective counterparty noted below (copies of which are attached hereto as Exhibit C):

(i) ISDA Master Agreement with Bank of America, N.A., dated as of December 1, 2007;

(ii) ISDA Master Agreement with Goldman Sachs Capital Markets, L.P., dated as of December 1, 2007;

(iii) ISDA Master Agreement with JPMorgan Chase Bank, National Association, dated as of December 1, 2007;

(iv) ISDA Master Agreement with Merrill Lynch Capital Services, Inc., dated as of December 1, 2007;

(v) ISDA Master Agreement with Morgan Stanley Capital Services Inc., dated as of December 1, 2007;

(vi) ISDA Master Agreement with UBS AG, dated as of April 1, 2008;

(vii) ISDA Master Agreement with Barclays Bank PLC, dated as of February 3, 2011;

(viii) ISDA Master Agreement with Deutsche Bank AG, New York Branch, dated as of February 1, 2011;

(ix) ISDA Master Agreement with Royal Bank of Canada, dated as of June 8, 2011; and

(x) ISDA Master Agreement with Wells Fargo Bank, National Association, dated as of January 15, 2010.

“Interest of the System” shall have the meaning given to such term in the recitals to this Resolution.

“ISDA” shall mean the International Swaps and Derivatives Association, Inc.

“ISDA DF Protocol” shall mean any protocol developed by ISDA in response to provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act relating to derivatives.

“LIBOR” shall have the meaning given to such term in Section 3(a)(3) hereof.

“Master Agreements” shall mean, collectively, the Executed Master Agreements and any New Master Agreements.

“New Master Agreements” shall have the meaning given to such term in Section 6(a) hereof.

“Permanent University Fund” shall have the meaning given to such term in the recitals to this Resolution.

“PUF Debt” shall have the meaning given to such term in the recitals to this Resolution.

“Residual AUF” shall have the meaning given to such term in the recitals to this Resolution.

“Section 65.461” shall have the meaning given to such term in Section 2(b) hereof.

“State” shall have the meaning given to such term in the recitals to this Resolution.

“System” shall have the meaning given to such term in the recitals to this Resolution.

EXHIBIT B

**INTEREST RATE SWAP POLICY
OF THE UNIVERSITY OF TEXAS SYSTEM**

[See Regents' *Rules and Regulations*, [Rule 70202](#) titled Interest Rate Swap Policy]

EXHIBIT C

EXECUTED MASTER AGREEMENTS

[On file with the U. T. System Office of Business Affairs]

10. U. T. System Board of Regents: Approval of aggregate amount of \$184,841,000 of equipment financing for Fiscal Year 2014 and resolution regarding parity debt

The Board

- a. approved an aggregate amount of \$184,841,000 of Revenue Financing System Equipment Financing for Fiscal Year 2014 as allocated to those University of Texas System institutions set out on Page 90; and
- b. resolved 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 cost of equipment including costs incurred 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;
 - the U. T. System institutions, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their 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 \$184,841,000 for the purchase of equipment; and
 - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of Title 26 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

On April 14, 1994, the U. T. System Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System. Equipment financing is used for the purchase of equipment in lieu of more costly vendor financing. The guidelines specify that the equipment to be financed must have a useful life of at least three years. The debt is amortized twice a year with full amortization not to exceed 10 years.

On August 23, 2012, the Board approved a total of \$164,482,000 of equipment financing for Fiscal Year 2013, of which \$59,797,000 has been issued as of July 31, 2013.

Further details on the equipment to be financed and debt service coverage ratios for individual institutions may be found on the following page.

APPROVAL OF U. T. SYSTEM EQUIPMENT FINANCING
FY 2014

Institution	\$ Amount of		Description of Expected Capital Equipment	DSC*
	Request			
U. T. Arlington	\$3,000,000	IT equipment		3.4x
U. T. Austin	1,500,000	Classroom equipment, athletics equipment, research equipment, and IT equipment		3.5x
U. T. Dallas	12,000,000	Classroom, business, IT, and research equipment		2.2x
U. T. El Paso	2,741,000	IT equipment, vehicles, waste equipment, and athletic equipment		1.8x
U. T. San Antonio	2,000,000	IT equipment		2.6x
U. T. Southwestern Medical Center	40,000,000	Information resources equipment, clinical equipment, and non-clinical equipment		2.5x
U. T. Medical Branch - Galveston	25,000,000	Clinical equipment, IT equipment, research-related equipment, facilities-related equipment		2.7x
U. T. Health Science Center - Houston	2,000,000	Research equipment		3.1x
U. T. Health Science Center - San Antonio	7,000,000	Research equipment and clinical equipment		2.5x
U. T. M. D. Anderson Cancer Center	80,000,000	Medical, diagnostic, and research equipment, IT systems		6.9x
U. T. Health Science Center - Tyler	9,600,000	Clinical equipment		2.9x
Total	\$184,841,000			

* Debt Service Coverage ("DSC") ratios based on 2012 Analysis of Financial Condition.

U. T. System Office of Finance, July 11, 2013

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE

(Pages 91 - 94).--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. Pan American: Appointment of Dr. Miguel A. Nevárez as President Emeritus

The Board appointed Miguel A. Nevárez, Ph.D., as President Emeritus at The University of Texas-Pan American. Approval of this recommendation was requested in accordance with the Regents' *Rules and Regulations*, Rule 20301.

Dr. Nevárez is the longest serving president in the 87-year history of the University, having served as President of U. T. Pan American from 1981-2004. During his tenure as President, he awarded approximately 30,000 diplomas and was credited by the *Wall Street Journal* with developing a strong middle class of Hispanic citizens for Texas. He also guided U. T. Pan American through its merger into The University of Texas System and saw the University's endowment grow from \$70,000 to \$50 million.

Upon Dr. Nevárez's retirement in 2004, former Chancellor William H. Cunningham credited him with the construction of 15 new buildings on the U. T. Pan American campus and with helping to create the South Texas Community College in McAllen. Dr. Cunningham also called Dr. Nevárez "the driving force in the South Texas Border Initiative," a most significant effort that resulted in major advances for higher education in the Rio Grande Valley.

Dr. Nevárez's immense value to U. T. Pan American, U. T. System, and the State of Texas was best described by past U. T. Pan American Foundation Chair, Mr. Joseph Ramirez, when he said at the retirement ceremony, "your best accomplishment is positioning U. T. Pan American for the future."

3. U. T. System Board of Regents: Approval to create the College of Pharmacy at U. T. Tyler and amendment of the Regents' *Rules and Regulations*, Rule 40601, Section 1.11 to add Subsection (f) to include the College of Pharmacy

The Board granted approval to create the College of Pharmacy at The University of Texas at Tyler. Subsequently, the Regents' *Rules and Regulations*, Rule 40601, Section 1.11, concerning institutions comprising The University of Texas System, was amended to include the College of Pharmacy at (f) 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:

...

1.11 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 College of Pharmacy

The College of Pharmacy at U. T. Tyler is established in partnership with The University of Texas Health Science Center at Tyler, and will be self-sustaining through tuition and philanthropic donations and require no State appropriations for operations. U. T. Tyler will lead the curriculum and teaching elements of the college, while U. T. Health Science Center - Tyler will lead the research efforts. The joint U. T. Tyler/U. T. Health Science Center - Tyler 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.

The addition of a College of Pharmacy at U. T. Tyler is in line with the University's vision of becoming nationally recognized as a destination university for high-ability students. The pharmacy program will enable the University to further build its already solid reputation in chemistry and biology and to recruit outstanding pharmacy graduate students.

A College of Pharmacy also supports U. T. Tyler's goals listed in the Framework for Advancing Excellence. Specifically, the College will strongly support U. T. Tyler's increased enrollment and retention targets.

Texas Education Code Section 65.11 authorizes the Board of Regents to provide for the "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[.]"

Secretary's Notes: A project for the construction of a New Pharmacy School Building at U. T. Tyler was also added to the FY 2014-2019 Capital Improvement Program (see Item 8 on Page 106 of these Minutes). On September 17, 2013, following discussions in Executive Session, the Board approved the naming of the Pharmacy School building as the W. T. Brookshire Pharmacy Building for the Brookshire Grocery Company's founder, Mr. Wood T. Brookshire. On the same day, the Board approved the naming of the College of Pharmacy as the Ben and Maytee Fisch College of Pharmacy.

4. U. T. El Paso: Allocation of \$10 million of Permanent University Fund Bond Proceeds for the Campus Transformation Project

The Board granted authorization to allocate \$10 million from Permanent University Fund (PUF) Bond Proceeds to replace the Revenue Financing System (RFS) debt previously approved by the Board, with the \$10 million to serve as a match for an \$8 million investment made by the Texas Department of Transportation (TxDOT) for the Campus Transformation Project at The University of Texas at El Paso.

The U. T. El Paso Campus Transformation Project will complete the campus outdoor space reconfiguration that began more than 10 years ago to improve access and space utilization and to enhance the safety and security for students. The primary organizational framework of current outdoor spaces, especially parking and streets, no longer meets even minimal campus needs. Restricting vehicles to roadways along the campus perimeter and providing safe and convenient walkways for pedestrians all across the campus have become increasingly urgent priorities.

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 TxDOT and the City of El Paso. The project began with the creation of a loop route around the campus perimeter and construction of three parking garages at strategic locations along it, at a total cost of \$50 million. TxDOT made major investments (\$22 million) in improving the safety and efficiency of U. T. El Paso's access to IH-10 by constructing a new exit ramp, campus entrance roundabout, and pedestrian bridge.

TxDOT has also begun construction of a new campus access road, Spur 1966, providing a direct connection from U. T. El Paso to Loop 375, at a projected cost of \$73 million. TxDOT also plans to widen Sun Bowl Drive later this year (2013) at an

estimated cost of \$4.5 million. The City of El Paso added major improvements to two major sections of U. T. El Paso's perimeter loop route (North Oregon Street and West Schuster Avenue) and partnered with U. T. El Paso by constructing a \$13 million parking garage and transit terminal.

At the heart of this plan is the creation of a continuous pedestrian environment that uses walkways, bike paths, and green spaces to knit together campus buildings, improve circulation to and from classes, increase pedestrian safety, and create more inviting gathering spaces on an inner campus that has previously been dominated by vehicles. In addition to improving safety, this more appealing campus environment and the sense of community it builds will help to foster student success.

In addition to matching the TxDOT funding, the PUF allocation will allow U. T. El Paso to redirect its RFS debt capacity toward other institutional priorities.

In August 23, 2012, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$25 million with funding from Revenue Financing System Bond Proceeds. On February 14, 2013, the Board approved design development and appropriation of funds and authorization of expenditure.

5. U. T. System Board of Regents: Announcement of recipients for the 2013 Regents' Outstanding Teaching Awards and remarks by representative faculty

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

REPORT AND RECOMMENDATION OF THE HEALTH AFFAIRS COMMITTEE
(Pages 95 - 98).--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 action set forth in the Minute Order that follows was 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. Medical Branch - Galveston: Report on the status of health professions education in Texas

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

3. U. T. System: Approval to distribute a portion of The University of Texas System Professional Medical Liability Benefit Plan premium returns and approve rates for the Plan

Following consideration of staff recommendations based upon consultation with Milliman, Inc., actuary for The University of Texas System Professional Medical Liability Benefit Plan (Plan), the Board approved that

- a. overall premium rates remain unchanged;
- b. \$15 million in premiums be returned to the participating U. T. System institutions based on a methodology that considers each institution's losses; and
- c. \$2 million be distributed for clinical effectiveness, patient safety, and quality of care initiatives.

The distribution of \$17 million is set forth in Exhibit 1 (Page 97).

With the implementation of tort reform in 2003, the Plan Management Committee has consistently recommended significant reductions in total Plan assets to bring the reserve levels to those generally accepted by the industry. The Committee continues balancing Plan revenue from premiums charged and investment income with adequate capitalization from which to pay Plan claims, reserves for future claims, and administrative expenses. As part of this effort, Plan premiums were significantly

reduced for several years immediately following tort reform adoption, and since 2007, the premium rates have either been reduced or unchanged. However, Plan premiums are adjusted annually for institutional loss experience.

For the coming year, the Committee recommended maintaining overall premiums at the current rate with modifications for institutional loss experience. Based on Plan investment income and efficient management of claims, the Committee recommended a return to the contributing institutions of \$15 million so that excessive reserves are not maintained. The combination of unchanged rates along with this distribution should still allow for adequate capitalization of the Plan.

The methodology for distribution of \$15 million to participating institutions considers the proportion of each institution's payment into the Plan as well as each institution's loss experience. Thus, those institutions with higher claims receive lower distributions.

In addition to the \$15 million to be distributed to participating U. T. System institutions, \$2 million is for U. T. System efforts in clinical effectiveness, patient safety, and quality of care. Funds were initially authorized for this purpose in 2008 and again in 2010. With this funding, a grant competition has funded research, collaboration, and education in the area of patient safety and quality improvement. This funding has also enabled the expansion of clinical effectiveness courses to all U. T. System health institutions to educate health care providers in current methodologies and best practices to improve clinical care. This additional \$2 million in funding will permit the new Executive Vice Chancellor for Health Affairs to consider new initiatives or continue the current efforts in clinical effectiveness, patient safety, and quality of care.

Exhibit 1
The University of Texas System Professional Medical Liability Benefit Plan
Proposed Distribution of Plan Returns
FY 2013

<i>Institution</i>	<i>Premium Paid</i>	<i>Claims Expenses</i>	<i>Net Contribution Amount</i>	<i>Rebate based on Net Contribution</i>
	<i>2011-2013</i>	<i>2011-2013</i>		
UTSWMC	\$ 6,225,610	\$ 2,383,654	\$ 3,841,956	\$ 3,907,568
UTMB	4,524,330	1,352,244	3,172,086	3,226,258
UTHSCH	3,852,377	2,620,838	1,231,539	1,252,571
Medical Foundation (UTHSCH)	1,812,794	1,233,275	579,519	589,416
UTHSCSA	4,980,224	1,568,848	3,411,376	3,469,634
UTMDACC	3,348,341	1,120,809	2,227,532	2,265,573
UTHSCT	226,260	4,506	221,754	225,541
UT Arlington	4,107	-	4,107	4,177
UT Austin	56,227	3,816	52,411	53,306
UT Dallas	1,394	-	1,394	1,418
UT El Paso	523	-	523	532
UT San Antonio	3,939	-	3,939	4,006
Subtotal	\$ 25,036,126	\$ 10,287,990	\$ 14,748,136	\$ 15,000,000
Clinical Effectiveness, Patient Safety, and Quality Initiatives				\$ 2,000,000
TOTAL PROPOSED DISTRIBUTION				\$ 17,000,000

4. U. T. System: Discussion on the impact of federal sequestration on U. T. System health institutions

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

5. U. T. System: Quarterly report on health matters of interest to the U. T. System, including application of systems engineering to health

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

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 99 - 112).--Interim 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 Board of Regents: Approval to issue a Request for Qualifications for development of a Campus Master Plan for the new university in the Rio Grande Valley

The Board approved a Request for Qualifications (RFQ) for development of a Campus Master Plan for the new University of Texas System institution in the Rio Grande Valley.

The 83rd Texas Legislature approved the creation of a new university in South Texas. On July 10, 2013, the Board approved the guiding principles for the new University of Texas in the Rio Grande Valley that will provide an outstanding education to the students of South Texas. This RFQ will begin the groundwork for the development of the University.

3. U. T. Arlington: Baseball and Softball Facility Improvements - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Baseball and Softball Facility Improvements project at The University of Texas at Arlington as follows:

Project No.:	301-780
Institutionally Managed:	Yes
Project Delivery Method:	Competitive Sealed Proposals
Substantial Completion Date:	January 2015

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$5,500,000

Funding Note: ¹ Revenue Financing System debt to be repaid from existing student fees

Investment Metrics: By 2015

- Enhance student athlete programs in baseball and softball
- Provide locker rooms and restrooms at both facilities

This project will construct field houses for the Men's Baseball and Women's Softball programs and will include minor improvements to both the Clay Gould Ballpark and Allan Saxe Softball Field. The baseball field modifications will include partial replacement of bleachers, press box modifications, new dugouts, flagpoles, and miscellaneous stadium work. The softball field modifications will include new dugouts, a field irrigation system replacement, bleacher improvements, a new sound system, branding and painting, netting, and miscellaneous small repairs and enhancements.

Currently, the baseball and softball locker rooms are housed off-site from the fields. The field houses will provide on-site locker room and restroom facilities for the players, coaches, and umpires. Improvements will allow U. T. Arlington to recruit high-quality student athletes and coaches with first-class facilities that will pass Title IX expectations.

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

4. U. T. Arlington: E. H. Hereford University Center Repurposing 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 approved the amendment of the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the E. H. Hereford University Center Repurposing Renovations project at The University of Texas at Arlington as follows:

Project No.:	301-781
Institutionally Managed:	Yes
Project Delivery Method:	Design-Build
Substantial Completion Date:	August 2014

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$2,500,000
	Unexpended Plant Funds ²	<u>\$1,400,000</u>
		\$3,900,000

Funding Notes: ¹ Revenue Financing System debt to be from Designated Tuition
² Unexpended Plant Funds to be from Designated Tuition

- a. approve a total project cost of \$3,900,000 with funding of \$2,500,000 from Revenue Financing System (RFS) Bond Proceeds and \$1,400,000 from Unexpended Plant Funds;
- b. appropriate funds;
- c. authorize U. T. Arlington 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. Arlington, 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 \$2,500,000.

Debt Service

The \$2,500,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the \$2,500,000 RFS debt is expected to be \$196,376. The institution's debt service coverage is expected to be at least 2.2 times and average 2.8 times over FY 2014-2019. This project is below the Capital Improvement cost threshold but is being added to the CIP due to the use of debt financing.

Project Description

This project will renovate approximately 26,000 gross square feet (GSF) in the existing E. H. Hereford University Center. Work will include typical office and small

conference room construction, mechanical and electrical upgrades incorporating energy efficiency improvements, finishes, information technology, audiovisual, and telecommunications. Significant fire alarm and sprinkler modifications and emergency egress lighting will be enhanced in spaces within this project. The project includes an allowance to add a small emergency generator to support vital services.

The renovation will allow for expansion and relocation of key programs and services that will attract students, promote a sense of community, prepare students for engagement and involvement in leadership, and assist students with career development internships and job placement, giving students abundant opportunities to develop their intellects, leadership abilities, careers, and civic engagement.

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

5. U. T. Austin: Medical District Utility System Infrastructure - Amendment of the FY 2014-2019 Capital Improvement Program to include project; appropriation and authorization of expenditure of partial funding for equipment; authorization of partial institutional management; and resolution regarding parity debt (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Medical District Utility System Infrastructure project at The University of Texas at Austin as follows:

Project No.: 102-783

Institutionally Managed: Partial

Project Delivery Method: Design-Build

Substantial Completion Date: July 2016

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$96,000,000

Funding Note: ¹ Revenue Financing System debt to be repaid from incremental revenues from utilities being charged to the Medical District

Investment Metric: Install systems necessary to power, heat, and cool the Medical District

- a. appropriate and authorize expenditure of partial funding in the amount of \$24,000,000 from Revenue Financing System (RFS) Bond Proceeds for equipment relating to the project;
- b. authorize partial institutional management to U. T. Austin to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; 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 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 \$24,000,000.

Debt Service

The \$24,000,000 in aggregate Revenue Financing System debt will be repaid from utility rates. Annual debt service on the \$24,000,000 Revenue Financing System debt is expected to be \$1,560,000. The debt service coverage for the institution is expected to be at least 1.7 times and average 1.9 times over FY 2014-2019.

Project Description

U. T. Austin seeks to construct a new thermal utility plant to support the new U. T. Austin Medical District. To meet the added load on existing systems, the project will construct a new chilling station, a new thermal energy storage system, and a high temperature hot water system. Additionally, the University will make improvements to the existing distribution system to deliver thermal energy and electrical power to the Medical District. The project will add a 60 MMBTU (Million British Thermal Units) hot water heating system, a 4,000,000 gallon chilled water thermal energy storage tank, a pumping station, and a 15,000 ton chilled water plant, with reserve space for future Medical District expansion.

U. T. Austin requested approval of appropriation and authorization to expend \$24,000,000 from RFS Bond Proceeds due to the long lead time for the purchase of necessary equipment.

This project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of remaining funding will be presented to the Board for approval at a later date. It has been determined that portions of this project would best be managed by U. T. Austin Facility Management personnel who have the experience and capability to manage certain aspects of the work, and the U. T. System Office of Facilities Planning and Construction will manage other elements and the distribution system portion of the project.

6. U. T. Austin: Renovate Moore-Hill Dormitory - 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 approved the amendment of the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Renovate Moore-Hill Dormitory project at The University of Texas at Austin as follows:

Project No.:	102-777	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	August 2014	
Total Project Cost:	<u>Source</u> Auxiliary Enterprises Balances ¹	<u>Current</u> \$8,000,000

Funding Note: ¹ Auxiliary Enterprises Balances will be funded by revenues collected from students living in the main campus dormitories.

- a. approve a total project cost of \$8,000,000 with funding from Auxiliary Enterprises Balances;
- b. appropriate funds; and
- c. authorize U. T. Austin to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

This project will renovate Moore-Hill Dormitory including many of the building systems original to the building complex, portions of which date from 1930 and 1956.

The mechanical system upgrades in the building will include replacement of induction units in 209 student rooms and replacement of two air handlers. Select portions of the electrical and plumbing systems will be replaced and upgraded. On the interior, existing built-in furnishings in the student rooms will be removed and new room finishes will be provided.

Moore-Hill Dormitory's infrastructure is increasingly difficult to maintain due to age. Replacement of the existing systems will ensure that student occupants experience a long-term safe, healthy, and comfortable living environment. Upgrading and maintaining the facilities is necessary to remain competitive in the student housing market and provide quality on-campus housing.

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 Facility Management personnel who have the experience and capability to manage all aspects of the work, as the project requires extensive coordination with the building occupants.

7. U. T. Dallas: Student Services Building Addition - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the Student Services Building Addition project at The University of Texas at Dallas as follows:

Project No.: 302-784

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: July 2016

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$17,000,000
	Auxiliary Enterprises Balances ²	\$ 9,000,000
		\$26,000,000

Funding Notes: ¹ Revenue Financing System debt to be repaid from existing student fees
² Auxiliary Enterprises Balances from existing student fees

Investment Metric: Directly supports the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students, creating a total student population of 21,000

This project will add a new expansion of approximately 61,000 gross square feet (GSF) to the existing Student Services Building. The space will include office

space for student services and support staff, individual and group study space, meeting rooms, a 300-seat multiuse lecture hall, and flexible programming space for student services to include an international student services office, new student programs, and the career center.

The requested space is critical for U. T. Dallas' ability to provide additional service support to address rapid enrollment growth and to meet the needs of new and existing student services and organizations. These activities will improve graduation rates and student success as stated in the Framework for Advancing Excellence.

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.

8. U. T. Tyler: New Pharmacy School Building - Amendment of the FY 2014-2019 Capital Improvement Program to include project (Preliminary Board approval)

The Board approved the amendment of the Fiscal Year 2014-2019 Capital Improvement Program (CIP) to include the New Pharmacy School Building project for the College of Pharmacy at The University of Texas at Tyler as follows:

Project No.: 802-779

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: June 2015

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

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

Investment Metrics:

- Enroll 100 pharmacy students by 2015
- Enroll 348 pharmacy students by 2019
- Graduate first class and attain full accreditation by 2019

This project will construct a pharmacy school building in close proximity to the chemistry, biochemistry, biology, nursing, and engineering departments at U. T. Tyler. 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 approximately 41,000 gross square foot (GSF) building will accommodate lecture halls, seminar rooms, classrooms, pharmacy practice areas, faculty offices, associated support areas, and parking.

A joint U. T. Tyler and University of Texas Health Science Center at Tyler self-supporting College of Pharmacy would 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 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.

This 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 Board for approval at a later date.

Secretary's Notes: See Item 3 on Page 92 of the minutes for the Academic Affairs Committee meeting creating the U. T. Tyler College of Pharmacy. On September 17, 2013, following discussions in Executive Session, the Pharmacy School building was named as the W. T. Brookshire Pharmacy Building for the Brookshire Grocery Company's founder, Mr. Wood T. Brookshire. Also, the College of Pharmacy was named as the Ben and Maytee Fisch College of Pharmacy.

9. U. T. Dallas: Bioengineering and Sciences Building - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

The Board approved the Bioengineering and Sciences Building project at The University of Texas at Dallas as follows:

Project No.: 302-679

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: September 2015

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$ 77,250,000
	Revenue Financing System Bond Proceeds ¹	\$ 26,750,000
	Unexpended Plant Funds ²	<u>\$ 4,000,000</u>
		\$108,000,000

Funding Notes: ¹ Revenue Financing System debt to be repaid from indirect cost recovery
² Unexpended Plant Funds from Designated Tuition

Investment Metrics:

- Add 2,220 new students in science, technology, engineering, and mathematics (STEM) fields with emphasis on life sciences, neurosciences, and bioengineering
 - Accommodate 70 new tenure and tenure-track faculty members
 - Generate \$17.5 million per year in externally funded research support
 - Create significant new technology transfer opportunities from new discoveries and trained entrepreneurs
- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$108,000,000 with funding of \$77,250,000 from Permanent University Fund (PUF) Bond Proceeds, \$26,750,000 from Revenue Financing System (RFS) Bond Proceeds, and \$4,000,000 from Unexpended Plant Funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$26,750,000.

Debt Service

The \$26,750,000 in aggregate Revenue Financing System debt will be repaid from indirect cost recovery. Annual debt service on the \$26,750,000 Revenue Financing System debt is expected to be \$1.74 million. The project's debt service coverage is expected to be at least 1.3 times and average 1.3 times over FY 2017-2022.

Previous Board Actions

On February 9, 2012, the Bioengineering and Sciences Building project was included in the Capital Improvement Program (CIP) with a total project cost of \$85,000,000 with funding of \$72,250,000 from PUF Bond Proceeds, \$8,750,000 from RFS Bond Proceeds, and \$4,000,000 from Unexpended Plant Funds.

On August 23, 2012, the Board approved an increase in total project cost to \$108,000,000 with funding of \$77,250,000 from PUF, \$26,750,000 from RSF, and \$4,000,000 from Unexpended Plant Funds. On August 23, 2012, the Board also approved the removal of the NSF Engineering Research Center project from the CIP.

Project Description

The project will provide a 220,000 gross square foot building to house research laboratories, instructional laboratories, faculty and teaching assistant offices, computational infrastructure, and core research space. The project will also incorporate space for the Texas Biomedical Device Center launched in partnership with The University of Texas Southwestern Medical Center to advance research and education related to biomedical devices such as health monitoring, biomedical devices, and research devices. Learning and work performed in the building will focus on functions of the brain, the nervous system, cells, genes, and the disciplines of engineering as they relate to electronic sensing devices and controls to improve human function.

The building will be located directly south of the current Natural Science and Engineering Research Laboratory (NSERL) and all laboratory floors will connect directly via a bridge, except for Level 1 that will connect to the existing facility by a covered walkway. The building is designed to incorporate the latest trends in research laboratory flexibility and science/engineering teaching pedagogies. Also included in this project as additive alternates are a flexible, 275-seat lecture hall to be located north of the building and the build-out of three conference rooms located under the canopy of the existing NSERL building.

10. U. T. Austin: Geography Building Renovation and Expansion - Amendment of the FY 2014-2019 Capital Improvement Program to increase total project cost and appropriation of funds and authorization of expenditure (Final Board approval)

The Board approved the Geography Building Renovation and Expansion project at The University of Texas at Austin as follows:

Project No.: 102-630

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: March 2015

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Designated Funds ¹	\$11,500,000	\$15,500,000

Funding Note: ¹ Designated Funds from Designated Tuition

- a. amend the FY 2014-2019 Capital Improvement Program (CIP) to increase the total project cost from \$11,500,000 to \$15,500,000; and
- b. appropriate and authorize expenditure of an additional \$4,000,000 from Designated Funds.

Previous Board Action

On May 12, 2011, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$11,500,000 with funding from Unexpended Plant Funds. On October 18, 2012, the Chancellor approved a revision in funding from Unexpended Plant Funds to Designated Funds and approved design development plans.

Project Description

The original project provided approximately 19,500 net assignable square feet to increase programmable space and efficiencies of the Geography Building; upgrade the mechanical, electrical, and plumbing systems to meet accessibility, egress, and code requirements; create better internal circulation and improve exterior entries to extend the useful life of the building for another 25 years.

The total project cost increase will fund the expansion of the building by an additional 4,700 gross square feet and the addition of space to the Center for Mexican American Studies for the proposed Department of Mexican American and Latina/o Studies and the Borderlands Research Institute. Combining this additional scope of work into the existing project will allow the departments to efficiently and expeditiously meet objectives.

Interim Committee Chairman Cranberg noted that the total project cost authorizations for Items 10 and 11 are ceilings and not targets, and University of Texas System management has been asked to report back on savings that secure below these authorizations and to look for ways to incentivize savings.

- 11. U. T. Austin: Norman Hackerman Building - Vivarium Phase 1 - Robert A. Welch Hall - 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 (Final Board approval)

The Board approved the Norman Hackerman Building - Vivarium Phase 1 - Robert A. Welch Hall project at The University of Texas at Austin as follows:

Project No.: 102-259

Project Delivery Method: Construction Manager-at-Risk

Substantial
 Completion Date: November 2014

Total Project Cost: <u>Source</u>	<u>Former</u>	<u>Current</u>
Tuition Revenue Bond Proceeds	\$ 105,000,000	\$105,000,000
Permanent University Fund Bond Proceeds	\$ 55,955,000	\$ 55,955,000
Revenue Financing System Bond Proceeds ¹	\$ 15,000,000	\$ 15,000,000
Available University Funds	\$ 19,075,000	\$ 27,075,000
Grants	\$ 3,841,038	\$ 3,841,038
Gifts	\$ 300,000	\$ 300,000
Unexpended Plant Funds ²	\$ 88,962	\$ 88,962
Designated Funds ³	\$ 0	\$ 12,000,000
	<u>\$ 199,260,000</u>	<u>\$219,260,000</u>

Funding Notes: ¹ Revenue Financing System debt to be repaid from indirect cost recovery
² Unexpended Plant Funds from cash balances contributed by the College of Natural Sciences
³ Designated Funds from Designated Tuition

- a. amend the FY 2014-2019 Capital Improvement Program (CIP) to increase the total project cost from \$199,260,000 to \$219,260,000;
- b. revise funding sources to include Designated Funds; and
- c. appropriate and authorize expenditure of an additional \$8,000,000 from Available University Funds (AUF) and \$12,000,000 from Designated Funds.

Previous Board Actions

On February 8, 2007, this project was designated as the Experimental Science Building/Vivarium/Phase I - Robert A. Welch Hall with a total project cost of \$175,000,000 with funding of \$55,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$105,000,000 from Tuition Revenue Bond (TRB) Proceeds, and \$15,000,000 from Revenue Financing System (RFS) Bond Proceeds.

On February 7, 2008, the Board approved design development plans. On November 13, 2008, the Board approved the honorific naming of the Experimental Science Building as the Norman Hackerman Building. On March 3, 2010, the Board approved an increase in total project cost to \$190,000,000 with additional funding of \$15,000,000 from PUF.

On July 14, 2010, the Chancellor approved an increase in total project cost to \$195,000,000 and revised funding to \$70,255,000 from PUF, \$105,000,000 from TRB, \$15,000,000 from RFS, \$300,000 from Gifts, \$515,000 from AUF, \$88,962 from Unexpended Plant Funds, and \$3,841,038 from Grants.

On May 19, 2011, the Chancellor approved an increase in total project cost to \$199,260,000 with additional funding of \$700,000 in PUF and \$3,560,000 from AUF. On February 1, 2013, the Chancellor approved a total project cost of \$199,260,000

and revised funding to \$55,955,000 from PUF, \$105,000,000 from TRB, \$15,000,000 from RFS, \$19,075,000 from AUF, \$3,841,038 from Grants, \$300,000 from Gifts, and \$88,962 from Unexpended Plant Funds.

Project Description

The original project constructed a six-level facility of approximately 290,000 gross square feet (GSF) with teaching and research laboratories, classrooms, and offices for neuroscience, computational biology, environmental sciences, pharmacy, and molecular and cellular biology disciplines. The project also included an approximately 20,000 GSF vivarium to support research in the Norman Hackerman Building and renovations to approximately 50,000 GSF in Robert A. Welch Hall for use as a modern chemistry teaching and research laboratory building.

The increase in total project cost will allow for the finish-out of up to 47,500 GSF of shell space, including the entire fourth floor of the building for scientific research.

Interim Committee Chairman Cranberg noted that the total project cost authorizations for Items 10 and 11 are ceilings and not targets, and University of Texas System management has been asked to report back on savings that secure below these authorizations and to look for ways to incentivize savings.

REPORT OF THE TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE
(Page 113).--Interim 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 the Texas FreshAIR (Academia-Industry Roundtable)
initiative

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

3. U. T. El Paso: Report on student technology startup, American Water Recycling

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

APPROVAL OF STANDING COMMITTEE RECOMMENDATIONS.--At 10:49 a.m., the Board voted and approved the Standing Committee recommendations.

RECESS TO EXECUTIVE SESSION.--At 10:50 a.m., Chairman Powell announced the Board would recess for a short press availability and then 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 4:40 p.m., the Board reconvened in open session for the following actions taken on matters discussed in Executive Session.

1. U. T. System: Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property

No action was taken on this item.

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

No action was taken on this item.

2b. U. T. Permian Basin: Approval to settle claims against the Estate of Mrs. Cristeena Meyer

Regent Stillwell moved that the Board delegate to President Watts the authority to settle claims against the Estate of Mrs. Cristeena Meyer on behalf of The University of Texas of the Permian Basin within the parameters recommended in Executive Session following consultation and approval by Chancellor Cigarroa, Executive Vice Chancellor Reyes, and Interim Vice Chancellor and General Counsel Sharporn.

The motion was seconded by Regent Aliseda and carried unanimously.

2c. U. T. System Board of Regents: Discussion and possible appropriate action regarding legal issues related to use of outside legal counsel

No action was taken on this item.

2d. U. T. System Board of Regents: Discussion and appropriate action regarding legal issues related to work of the Select Committee on Transparency in State Agency Operations of the Texas House of Representatives

No action was taken on this item.

- 2e. U. T. Austin: Discussion and appropriate action regarding legal issues concerning anonymous complaints regarding compliance issues

No action was taken on this item.

- 2f. U. T. Austin: Discussion with Counsel regarding legal issues concerning the U.S. Supreme Court ruling in *Fisher v. State of Texas, University of Texas at Austin, et al.*

No action was taken on this item.

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

Vice Chairman Hicks moved that the Board authorize the Presidents of The University of Texas at Austin, The University of Texas at San Antonio, The University of Texas at Tyler, and The University of Texas M. D. Anderson Cancer Center and the Vice Chancellor for External Relations to conduct and/or conclude negotiations necessary to finalize and accept gifts to benefit those institutions with potential naming features consistent with the terms and conditions outlined in Executive Session.

The motion was seconded by Vice Chairman Foster and carried unanimously.

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

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

- 3c. U. T. Tyler: Approval of proposed negotiated gifts with potential naming features

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

- 3d. 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 of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees including employees covered by Regents' Rules and Regulations, Rule 20204, regarding compensation for highly compensated employees, and Rule 20203, regarding compensation for key executives

No action was taken on this item.

- 4b. U. T. System: Discussion 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 and related personnel aspects of the operating budget for Fiscal Year 2014

See related Items 13 and 14 on the following pages for action taken on the personnel aspects of the Operating Budget for Fiscal Year 2014.

Secretary's Note: Salaries for the Chancellor, University of Texas System Executive Officers, Presidents, General Counsel to the Board, and U. T. System Chief Audit Executive were approved on September 12, 2013.

- 4c. U. T. System Board of Regents: Discussion regarding individual personnel matters associated with the organization of the Board of Regents and the election of officers

See Item 15 on Page 119 for action taken on this item.

5. U. T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices

No action was taken on this item.

AGENDA ITEMS

13. U. T. System: Approval of the nonpersonnel aspects of the operating budgets for Fiscal Year 2014, including the Permanent University Fund Bond Proceeds allocation for Library, Equipment, Repair and Rehabilitation Projects, allocation for the Science and Technology Acquisition and Retention Program, and Available University Funds allocation for strategic priorities in information technology and campus support for U. T. System

Chancellor Cigarroa presented the nonpersonnel aspects of The University of Texas System Operating Budgets for Fiscal Year 2014, including Educational and General Funds, Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical, Dental, Nursing, and Allied Health Faculty Services, Research and Development Plans. Prior to the vote on this item, Vice Chairman Foster, Vice Chairman Hicks, and Regent Stillwell reported on their review of the individual personnel aspects of The University of Texas System Administration operating budget for Fiscal Year 2014. The Board then approved the \$14.6 billion operating budget for the U. T. System, including the personnel aspects, with additional action on salaries for the Chancellor, U. T. System Executive Officers, Presidents, General Counsel to the Board, and U. T. System Chief Audit Executive to be considered at a future meeting (September 12, 2013).

Chancellor Cigarroa presented the following items:

- Fiscal Year 2014 Operating Budget
- Fiscal Year 2014 Library, Equipment, Repair and Rehabilitation (LERR) Budget
- Fiscal Year 2014 allocation of the Science and Technology Acquisition and Retention (STARs) Program
- Allocations in support of strategic priorities for U. T. System

Permanent University Fund (PUF) Bond Proceeds in the amount of \$30 million will be appropriated directly to the institutions to fund LERR Projects for Fiscal Year 2014.

Also, \$20 million of PUF Bond Proceeds were appropriated to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty known as the Faculty STARs program. Through a competitive proposal process determined by U. T. System Administration, funds will be distributed for the purpose of recruiting top researchers.

In addition, \$17.49 million of Available University Funds (AUF) was authorized to fund strategic priorities for U. T. System. The two strategic priorities and related allocations are:

1. Information Technology
 - a. Continuance of U. T. System Information Security Compliance staffing in an amount estimated not to exceed \$1.05 million annually from AUF. Funding provided by the Board on November 10, 2011 was for one year only. Future funding will be incorporated into the annual operating budget for U. T. System Administration.
2. Campus Support
 - a. \$15 million of AUF funded in Fiscal Year 2014 for additional support of a single instance of a PeopleSoft HR/Finance system at eight academic institutions and U. T. System Administration.
 - b. \$1.44 million of AUF funded in Fiscal Year 2014 for advance security, audit vault and database firewall, software license, and program support fees related to the implementation of the PeopleSoft HR/Finance system.

The appropriation of PUF Bond Proceeds will be presented in the Fiscal Year 2014 LERR Budget and, along with Faculty STARs, is subject to the budget rules adopted therein and the requirements of the U. T. Systemwide Policy *UTS168 Capital Expenditure Policy*. The allocation of these LERR funds to the U. T. System institutions was developed from prioritized lists of projects submitted by the institutions and reviewed by U. T. System Administration staff. The allocation of PUF Bond Proceeds for the U. T. System strategic priorities are also subject to the LERR budget rules. Additionally, PUF Bond Proceeds appropriated above to LERR, Faculty STARs, and other strategic priorities must be spent in accordance with the Article VII, Section 18 of the *Texas Constitution*. PUF Bond Proceeds may only be used for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment, and acquiring library books and library materials.

Additionally, the Chancellor was authorized to make editorial corrections therein and subsequent adjustments will be reported to the U. T. System Board of Regents through the Consent Agenda subject to the requirements of the Budget Rules and Procedures.

The U. T. System operating budgets are a part of the official copy of the Minutes and are made a part of the record of this meeting.

See also the Executive Session item related to the personnel aspects of the U. T. System Operating Budgets (Item 4b on Page 116) and related Item 14 below.

Secretary's Note: At the September 12, 2013 meeting, salaries for the Chancellor, U. T. System Executive Officers, Presidents, General Counsel to the Board, and U. T. System Chief Audit Executive were considered and approved (see Minutes for that meeting).

14. U. T. System: Approval of personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2014

Following Chancellor Cigarroa's presentation of the operating budget (Item 13) but prior to the vote on the item, Vice Chairman Foster, Vice Chairman Hicks, and Regent Stillwell reported on their review of the individual personnel aspects of The University of Texas System Administration operating budget for Fiscal Year 2014.

The Board approved the personnel aspects of the U. T. System Administration operating budget for Fiscal Year 2014 as included in the previous item (Item 13), with action on salaries for the Chancellor, U. T. System Executive Officers, Presidents, General Counsel to the Board, and U. T. System Chief Audit Executive deferred and approved on September 12, 2013 (see Minutes for that meeting).

15. U. T. System Board of Regents: Election of Paul L. Foster as Chairman, Wm. Eugene Powell as Vice Chairman, and R. Steven Hicks as Vice Chairman

Chairman Powell thanked his fellow Regents for the opportunity to serve as Chairman of the Board for the past two and a half years. He thanked the Chancellor, the institutional presidents, and all staff for the great work done during his term as Chairman.

Pursuant to Regents' *Rules and Regulations*, Rule 10102, the following officers were elected to the Board of Regents, effective immediately.

Chairman: Paul L. Foster

Vice Chairman (to act in place of the Chairman): Wm. Eugene Powell

Vice Chairman: R. Steven "Steve" Hicks

Chairman Foster thanked Vice Chairman Powell for his service as Chairman of the Board. Vice Chairman Powell received a round of applause.

Chairman Foster also thanked his fellow Regents for their confidence and support and said he looked forward to working with the Chancellor and The University of Texas System staff and the institutional presidents and their staff. He said the University is here for the students and for the future of this great state, and he is ready to get to work on the current list of priorities, and yet unidentified challenges and opportunities.

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on November 13-14, 2013, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 4:55 p.m.

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

October 24, 2013

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THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS

CONSENT AGENDA

Committee and Board Meetings:

8/21-22/2013

Austin, Texas

U. T. SYSTEM ADMINISTRATION

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meetings held on May 8-9, 2013, and July 10, 2013
2. Resolution - U. T. System Board of Regents: Adoption of resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, and to guarantee payments under Phase VI of The University of Texas System's Rolling Owner Controlled Insurance Program

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Executive Vice Chancellor for Health Affairs that the resolution to contract with Zurich American Insurance Company and affiliates, Schaumburg, Illinois, to guarantee payments under Phase VI of The University of Texas System's Rolling Owner Controlled Insurance Program, be adopted as set forth below:

RESOLUTION

WHEREAS, Zurich American Insurance Company and affiliates (Zurich), will insure The University of Texas System (U. T. System) and other persons under Phase VI of a Rolling Owner Controlled Insurance Program (ROCIP) for various construction projects managed by the Office of Facilities Planning and Construction or by a U. T. System institution in certain, pre-approved circumstances;

WHEREAS, Pursuant to this ROCIP, Zurich will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain deductibles of \$250,000 per claim subject to a maximum of \$375,000 per occurrence that include allocated costs and indemnity payments; however, such deductibles are subject to a minimum aggregate limit based on \$3,000,000,000 in construction value at a rate of \$13.33 per \$1,000 of construction value; and

WHEREAS, The Board of Regents of the U. T. System understands and agrees that this large deductible ROCIP requires the prompt reimbursement of sums advanced by Zurich to adjust or pay claims within the deductibles, and the Board desires to guaranty to Zurich the prompt reimbursement of the deductibles for the ROCIP;

NOW THEREFORE, BE IT RESOLVED, That the Board hereby guarantees to Zurich the prompt repayment of the sums advanced by Zurich to adjust or pay claims within the deductibles for the ROCIP, subject to the aggregate deductible limit for the Program. This guaranty shall remain fully binding although Zurich may waive one or more defaults of the insured or fail to exercise any rights against the insured or modify one or more terms of the ROCIP as required by law or with the consent of U. T. System; and, be it further

RESOLVED, That the Board represents and warrants to Zurich that the funds necessary to reimburse Zurich for the aggregate deductible liability of the insured for the ROCIP are included in the appropriations for the various construction projects heretofore approved by the Board.

The resolution, which will be provided in lieu of a letter of credit, trust agreement, or cash, provides Zurich with assurances necessary to complete the ROCIP Phase VI program.

3. Contract (funds going out) - U. T. System: Contract with MARSH USA Inc. to provide insurance, safety and program administration services for U. T. System's Rolling Owner Controlled Insurance Program (ROCIP)

Agency: MARSH USA Inc.

Funds: \$4,365,000 based on \$3,000,000,000 of construction values enrolled in ROCIP Phase VI

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

Period: March 1, 2013 through February 28, 2019 with option to renew for three additional one-year terms

Description: MARSH USA Inc. to perform insurance placement, safety, and program management services for U. T. System construction projects enrolled in its ROCIP. This contract was competitively procured.

4. Contract (funds going out) - U. T. System: Contract with Verite Healthcare Consulting, LLC to expand Graduate Medical Education in the Lower Rio Grande Valley

Agency: Verite Healthcare Consulting, LLC

Funds: \$572,700 for the original contract; \$480,000 for the amendment with a \$45,000 expense cap (amended contract is being brought forward for Board approval since, as amended, the contract will exceed the \$1,000,000 threshold)

Source of Funds: Designated Funds

Period: January 1, 2013 through December 31, 2013

Description: Verite Healthcare Consulting, LLC to expand the U. T. Health Science Center - San Antonio sponsored Graduate Medical Educational programs in the Lower Rio Grande Valley to eight residencies and 148 resident positions from the current two residencies [McAllen Family Medicine Residency Program and Regional Academic Health Center (RAHC) Internal Medicine Residency Program] and 33 resident positions. The six new residencies include Family Medicine, Internal Medicine, and Obstetrics/Gynecology at Doctors Hospital at Renaissance (DHR); Adult Psychiatry and Child/Adolescent Psychiatry at Valley Baptist-Brownsville; and General Surgery at DHR and Valley Baptist-Harlingen. The anticipated year for starting the six new residencies and doubling the number of first-year residents in the current RAHC Internal Medicine Residency is 2015.

5. Contract (funds going out) - U. T. System: Baker-Aicklen & Associates, Inc. to perform professional surveying services

Agency: Baker-Aicklen & Associates, Inc.

Funds: Anticipated total cost may exceed \$1,000,000 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: December 3, 2011 through December 2, 2017 (contract is being brought forward for Board approval as it is nearing the \$1,000,000 threshold)

Description: Baker-Aicklen & Associates, Inc. to perform miscellaneous professional surveying services for U. T. System on a job order basis. Services were competitively procured.

6. Contract (funds coming in) - U. T. System: Joint Admission Medical Program Council for Texas Medical and Dental Schools Application Service to perform administrative duties

Agency: Joint Admission Medical Program (JAMP)

Funds: The 83rd Texas Legislature allocated \$10,206,794 to the Texas Higher Education Coordinating Board (THECB) for JAMP. The funds were transferred from the THECB to U. T. System to be administered by the Texas Medical and Dental Schools Application Service (TMDSAS) for the use of the JAMP Council, which delegated the administrative duties of the program to TMDSAS.

Period: September 1, 2013 through August 31, 2015

Description: For TMDSAS to perform the administrative duties of JAMP as delegated by the JAMP Council

7. Employment Agreement - U. T. System: Appointment of Raymond S. Greenberg, M.D., Ph.D., as Executive Vice Chancellor for Health Affairs

The employment agreement summarized below has been awarded and approved by the Chancellor, and is recommended for approval by the U. T. System Board of Regents.

Item: Executive Vice Chancellor for Health Affairs

Funds: \$700,000 annually and eligible for the U. T. System Performance Based Compensation Plan

Period: Beginning September 1, 2013

Description: Agreement for employment of Raymond S. Greenberg, M.D., Ph.D., as Executive Vice Chancellor for Health Affairs. The Executive Vice Chancellor for Health Affairs reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. U. T. System will reimburse reasonable out-of-pocket relocation expenses up to one month salary. U. T. System will also reimburse monthly dues, professional memberships, continuing education, as well as reasonable travel related to U. T. business. During employment, Dr. Greenberg will be appointed as Professor at The University of Texas Health Science

Center at Houston. A secondary appointment is being considered at The University of Texas at Austin. Both positions are without compensation and therefore he will not be paid a salary as Professor.



The University of Texas System

Nine Universities. Six Health Institutions. Unlimited Possibilities.

Office of the Chancellor

601 Colorado Street, Austin, Texas 78701-2982
Phone: 512 499 4201 Fax: 512 499 4215

July 3, 2013

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

Raymond S. Greenberg, M.D., Ph.D.
910 Middle Street
Sullivan's Island, South Carolina 29482

Dear Ray:

I am delighted to offer you the position of Executive Vice Chancellor for Health Affairs at The University of Texas System, effective September 1, 2013. Your candidacy is highly recommended as a result of an extensive national search, as well as interviews with my executive team and the U. T. System health institution presidents. This offer will remain contingent upon the successful completion of a criminal background check.

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

The Executive Vice Chancellor for Health Affairs reports to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. Your initial compensation will be \$700,000 gross annual base salary to be paid monthly. This position is also eligible for the U. T. System Performance Based Compensation Plan (see attached). Additional information regarding your fringe benefits, including retirement plan and group insurance plans, will be provided by the Office of Employee Services. You will become benefits eligible on September 1, 2013, the date you become an official employee of the U. T. System.

In addition, certain club memberships and monthly dues, professional memberships, continuing education allowance, as well as reasonable travel expenses related to U. T. business, will be reimbursed by System Administration. The U. T. System will also make direct vendor payments or reimburse you for the actual costs of reasonable expenses related to moving your household, personal, and professional possessions, and will reimburse you for reasonable out-of-pocket expenses related to your relocation, up to one month of your salary, or \$58,333. Please contact my office before making any arrangements related to relocation or housing so that we may help facilitate the move.

I have spoken to President Giuseppe Colasurdo, and he will enthusiastically endorse your appointment as a professor on the tenure track at The University of Texas Health Science Center at Houston, without salary, and with tenure at U. T. Health Science Center Houston pending approval by the institution's Appointments and Promotion Committee and to the U. T. System Board of Regents. Upon acceptance, I will also seek a secondary appointment at The University of Texas at Austin.

www.utssystem.edu

Raymond S. Greenberg, M.D., Ph.D.
July 3, 2013
Page 2

State law allows the grant of development leave for up to one year at an academic salary rate for preparation to return to the faculty by an individual who has held an administrative position at U. T. System more than four years. The academic salary rate would be set by the institution consistent with the Texas Education Code. An administrator who receives development leave must return to the faculty at a U. T. System institution for an amount of time equal to the amount of time the administrator received development leave or repay the institution for all the costs of the development leave. The specific length of the development leave, if requested, will be negotiated dependent on your term of service as Executive Vice Chancellor, and other pertinent considerations should you leave the Executive Vice Chancellor position and return to faculty service at a U. T. System institution.

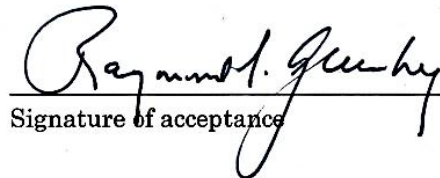
Ray, we are delighted that you will join our team and look forward to working with you as we move forward in our mission of excellence. With your background and expertise, I believe that U. T. System will continue on its path to be the premier provider of healthcare and lead the efforts of innovation and research across the nation.

To indicate your acceptance of these terms, please sign and date the enclosed copy of this letter and return it to my office. Our office will be happy to coordinate with you on a public announcement when appropriate. We are exceedingly proud that you and Leah will be joining the U. T. family! Ken and I stand ready to transition the Office of Health Affairs to you and look forward to working collaboratively as we expand the mission of the U. T. System

With greatest respect,


Francisco G. Cigarroa, M.D.
Chancellor

FGC/jbp


Signature of acceptance

7/8/13
Date

8. Request for Budget Change - **U. T. System**: Transfer \$550,000 from Interest on Designated Funds to U. T. System Administration Executive Searches Account for expenses associated with searches of executive management (RBC No. 153) -- amendment to 2012-13 budget

9. Transfer - **U. T. System**: Approval of transfer of funds between Legislative Appropriation items during the biennium beginning September 1, 2013

The Chancellor, with the concurrence of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the presidents of the U. T. System institutions, recommends that the U. T. System Board of Regents adopt the resolution that follows to provide for the most effective utilization of General Revenue Appropriations during the biennium beginning September 1, 2013.

RESOLUTION

Pursuant to the appropriate transfer provisions of the General Appropriations Act of the 83rd Legislature, it is hereby resolved that the State Comptroller be requested to make necessary transfers within the Legislative Appropriations (and/or Informational Items of Appropriation) from the General Revenue Fund as authorized by the Chief Financial Officer of each entity as follows:

The University of Texas at Arlington
 The University of Texas at Austin
 The University of Texas at Brownsville
 The University of Texas at Dallas
 The University of Texas at El Paso
 The University of Texas-Pan American
 The University of Texas of the Permian Basin
 The University of Texas at San Antonio
 The University of Texas at Tyler
 The University of Texas Southwestern Medical Center
 The University of Texas Medical Branch at Galveston
 The University of Texas Health Science Center at Houston
 The University of Texas Health Science Center at San Antonio
 The University of Texas M. D. Anderson Cancer Center
 The University of Texas Health Science Center at Tyler
 The University of Texas System Administration

This resolution is a standard action by the U. T. System Board of Regents at the beginning of each biennium and is pursuant to provisions of the General Appropriations Act, Article III, Section 4, enacted by the 83rd Texas Legislature.

10. Approval to exceed the Full-Time Equivalent (FTE) limitation on employees paid from appropriated funds - U. T. System: The following institutions have requested approval to exceed the FTE limitation for Fiscal Year 2014 as authorized by Article IX of the General Appropriations Act (All other institutions will not exceed their cap.)

<u>Institution</u>	Requested 2014 FTEs over the <u>Limitation</u>	2013 FTEs over the <u>Limitation</u>
U. T. Arlington	68.00	N/A
U. T. Dallas	59.00	158.00
U. T. El Paso	50.00	90.00
U. T. Pan American	12.00	N/A
U. T. Permian Basin	7.00	N/A
U. T. San Antonio	70.00	90.00
U. T. Tyler	63.00	34.00
U. T. Southwestern Medical Center	75.00	N/A
U. T. Medical Branch - Galveston	330.00	N/A
U. T. Health Science Center - Houston	30.00	N/A
U. T. M. D. Anderson Cancer Center	599.00	1,257.70
U. T. Health Science Center - Tyler	60.54	100.00
U. T. System Administration	81.80	42.87

Also as required by Article IX, Section 6.10 of the General Appropriations Act, it is recommended that the U. T. System Board of Regents submit a request to the Governor's Office and the Legislative Budget Board to grant approval for these institutions to exceed the authorized number of FTE employees paid from appropriated funds. All other institutions will not exceed their cap.

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

**THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System
Summary Report at May 31, 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 02/28/2013	\$ 1,724,977	\$ 10,569,549	\$ 102,850,530	\$ 276,631,751	\$ 1,601,467	\$ 3,161,384	\$ 106,176,974	\$ 290,362,684
Increase or Decrease	35,513	94,579	(4,388,371)	(4,940,148)	-	-	(4,352,858)	(4,845,569)
Ending Value 05/31/2013	\$ 1,760,490	\$ 10,664,128	\$ 98,462,159	\$ 271,691,603	\$ 1,601,467	\$ 3,161,384	\$ 101,824,116	\$ 285,517,114
Other Real Estate:								
Ending Value 02/28/2013	\$ 32,433	\$ 32,433	\$ 19,627	\$ 19,627	\$ -	\$ -	\$ 52,061	\$ 52,061
Increase or Decrease	(3,023)	(3,023)	(6,081)	(6,081)	-	-	(9,103)	(9,103)
Ending Value 05/31/2013	\$ 29,410	\$ 29,410	\$ 13,547	\$ 13,547	\$ -	\$ -	\$ 42,957	\$ 42,957

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

12. Contract (funds coming in) - U. T. Arlington: Interagency Cooperation Contract between Texas Department of Transportation (TxDOT) and U. T. Arlington to train TxDOT employees

Agency: Texas Department of Transportation (TxDOT), an agency of the State of Texas

Funds: \$1,674,025

Period: September 1, 2013 through August 31, 2015

Description: U. T. Arlington Division of Enterprise Development will deliver heavy equipment courses at designated locations throughout the state to TxDOT employees.

13. Changes to Admission Criteria - U. T. Arlington: Changes to the admission criteria and the criteria for award of institutional scholarships or fellowships

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

Summary of Changes to Admission Criteria

Department of English Doctoral Program

1. Increase verbal subtest score requirement from 500 to 550 (old scoring method). As the scoring method on the GRE has changed, program includes the new score equivalent to 550, which is 156 on the new scale.
2. Eliminate GRE analytic
3. Define expected length of the writing sample (15-20 pages)

Urban Planning and Public Policy Doctoral Program

1. Add emphasis on “flexible use” of GRE scores in admission decisions, emphasizing that the importance of evidence of verbal or quantitative skills will vary with the applicant’s intended area of study
2. Waive GRE requirement for students with Master’s degrees who have been employed in positions where work-related responsibilities increased over time
3. Include description of University minimum standardized test requirements for demonstrating proficiency in English
4. Eliminate one path to admission where higher GPA offset lower performance on the GRE Verbal subtest

Master’s in Accounting (M.S.), Professional Accounting (M.P.A.), Taxation (M.S.) Programs and Professional Program in Accounting Track

Note: All three programs and the Professional Program in Accounting Track (a pathway to these degrees) propose to:

1. Increase GMAT total score from 500 to 550
2. Increase GMAT percentile verbal score from 30th to 40th percentile
3. Increase GMAT percentile quantitative score from 30th to 40th percentile

Master of Science in Human Resource Management

1. GPA change from 3.25 to 3.0
2. Increase index score for unconditional admission from 1080 to 1100
3. Increase GMAT score from 480 to 500
4. Increase GRE score from the 40th to the 50th percentile

Public Administration Master's Program

Note: An entirely new policy setting conditions in which GRE test requirements will be waived is proposed. The program intends to waive the GRE requirement if an applicant meets any of the following conditions:

- A 3.25 or higher undergraduate GPA based on the last 60 hours of coursework and at least three years professional nonprofit or public service work experience (as judged by the MPA admission committee)
- A completed graduate degree from an accredited program in a related field such as, but not exclusively, political science, economics, urban planning, social work, criminal justice, and sociology; or a 3.0 or higher GPA after 12 hours of coursework in the accredited graduate degree program
- A commensurate UTA B.A. or B.S., completed no more than three academic years prior to admission to the graduate program, with 3.0 or higher GPA in the last 60 hours of coursework. Commensurate fields include, but not exclusively, political science, economics, urban planning, social work, criminal justice, and sociology.
- An equivalent GMAT or LSAT score from an exam taken within the last two years preceding the time of application. As the GMAT and LSAT are not directly comparable to the GRE, an equivalent performance is judged by the admission committee but will usually be based on percentile rank performance.

14. Employment Agreement - U. T. Arlington: Agreement of Head Women's Basketball Coach Krista Gerlich

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. Such employment under this 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 Arlington is a member, the Regents' *Rules and Regulations*, and the policies of The University of Texas at Arlington. The violation of the provisions of such constitution, bylaws, rules, regulations, or policies shall be grounds for suspension without pay or dismissal.

Item: Head Women's Basketball Coach

Funds: \$150,000 annually. If the Agreement is approved, total annual compensation plus incentives for Coach Gerlich could be in excess of \$250,000.

Period: April 15, 2013 through April 14, 2018

Description: Initial agreement for employment of Head Women's Basketball Coach, Krista Gerlich, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

Fringe

Benefits: **Summer Camps.** The University will sponsor summer women's basketball camps for youths. For the period that Coach is the Head Women's Basketball Coach, will be paid the net proceeds for each camp. The net proceeds are defined as revenues less expenses as determined by the University in accordance with generally accepted accounting principles. Coach shall use reasonable business judgment to determine the fair and reasonable amount to be paid to each assistant coach and others for summer camp service and such amounts will be treated as expenses. Payment to Coach will be made within 30 days after submission of complete summer camp financial records to the Athletic Director or his designee, which records must be satisfactory to the Athletic Director, and such financial records must be reconciled. In no event shall the payment be later than the end of the calendar year in which the camp ends. In the event a summer camp fails to yield net proceeds, the University maintains no obligation for payment to Coach. Coach shall not be entitled to conduct or direct summer camps that are not sponsored by the University.

Performance Incentives:

- (a) \$ 7,500 In any contract year in which the team wins the Conference Regular Season Championship
- (b) \$ 10,000 In any contract year in which the team wins the Conference Tournament Championship or gains an automatic NCAA Bid

- (c) \$ 2,500 In any contract year in which the team plays in a Conference Tournament Championship game, but does not win the Conference Tournament Championship
- (d) \$ 500 Each Conference game win in any contract year
- (e) \$ 2,500 20 win Season in any contract year
- (f) \$ 2,500 WNIT Appearance in any contract year
- (g) \$ 7,500 NCAA Appearance at Large Berth in any contract year
- (h) \$ 5,000 Post season win (NCAA OR WNIT) in any contract year
- (i) \$ 5,000 Conference Coach of the Year in any contract year
- (j) \$ 5,000 Final Season RPI of top 64 in Division 1 in any contract year
- Or
- (k) \$ 2,500 Or
Final Season RPI of top 125 in Division 1 in any contract year
- (l) \$ 7,000 Team Annual NCAA APR rate score of 975 or better in any contract year
- Or
- (m) \$ 5,500 Or
Team Annual NCAA APR rate score of 940 or better in any contract year
- (n) \$ 1,000 Every First Team Conference Player Recognition in any contract year
- (o) \$ 1,000 Every First Team All-Academic Player Recognition in any contract year
- (p) \$ 1,000 Player of the Year in Conference in any contract year

15. New Award of Tenure and Emeritus Appointments - U. T. Arlington: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Business Administration		
Information Systems and Operations Management		
Jie Zhang	Assistant Professor	Associate Professor (T)
Jingguo Wang	Assistant Professor	Associate Professor (T)
Management		
Marcus Butts	Assistant Professor	Associate Professor (T)
Kenneth G. Wheeler	Associate Professor (T)	Emeritus Associate Professor
Marketing		
Traci Freling	Assistant Professor	Associate Professor (T)
Zhiyong Yang	Assistant Professor	Associate Professor (T)
College of Education and Health Professions		
Curriculum and Instruction		
Nancy L. Hadaway	Professor (T)	Emeritus Professor
Educational Leadership and Policy Studies		
Casey Graham Brown	New Hire	Associate Professor (T)
Charles Funkhouser	Professor (T)	Emeritus Professor
Lewis Wasserman	Associate Professor	Associate Professor (T)
College of Engineering		
Bioengineering		
Young-Tae Kim	Assistant Professor	Associate Professor (T)
Computer Science and Engineering		
Chengkai Li	Assistant Professor	Associate Professor (T)
Electrical Engineering		
Samir Iqbal	Assistant Professor	Associate Professor (T)
Kai S. Yeung	Professor (T)	Emeritus Professor

Mechanical and Aerospace Engineering		
Hyejin Moon	Assistant Professor	Associate Professor (T)
College of Liberal Arts		
Communication		
Chunke Su	Assistant Professor	Associate Professor (T)
Criminology and Criminal Justice		
John Rodriguez	Assistant Professor	Associate Professor (T)
English		
Bruce Krajewski	New Hire	Professor (T)
Amy Tigner	Assistant Professor	Associate Professor (T)
Music		
Clifton Evans	Assistant Professor	Associate Professor (T)
Political Science		
Brent Sasley	Assistant Professor	Associate Professor (T)
College of Science		
Biology		
Jeff Demuth	Assistant Professor	Associate Professor (T)
Laura Mydlarz	Assistant Professor	Associate Professor (T)
Earth and Environmental Sciences		
Arne Winguth	Assistant Professor	Associate Professor (T)
Mathematics		
Gaik Ambartsoumian	Assistant Professor	Associate Professor (T)
Theresa Jorgensen	Assistant Professor	Associate Professor (T)
School of Architecture		
Architecture		
Kate Holliday	Assistant Professor	Associate Professor (T)
Taner Ozdil	Assistant Professor	Associate Professor (T)
School of Social Work		
Social Work		
Regina Aguirre	Assistant Professor	Associate Professor (T)
Donald K. Granvold	Professor (T)	Emeritus Professor
Mary J. Hunter	Professor (T)	Emeritus Professor
School of Urban and Public Affairs		
Interdisciplinary Studies		
Donna Akers	New Hire	Associate Professor (T)

16. Lease - U. T. Austin: Authorization to amend the lease of space in Darrell K Royal - Texas Memorial Stadium to Memorial Stadium Club Management Corp. for the operation of a club and related administrative offices

Description: Amendment of the lease of approximately 32,582 square feet at Darrell K Royal - Texas Memorial Stadium, Austin, Texas, for the operation of a club and related administrative offices. Lessee also has the exclusive right to cater all suites in the stadium, and a nonexclusive right to serve events in the North End Zone Club. The parties propose to amend the lease to restructure the rents and renovate the premises.

Lessee: Memorial Stadium Club Management Corp., a Texas corporation and a subsidiary of Club Corporation of America, a Delaware corporation

Term: The current lease commenced in 1998. In accordance with an extension option in the lease, Lessee will extend the term of the lease for 10 years from January 1, 2014 through December 31, 2023.

Lessee Improvements: Total renovation costs of up to \$3 million will be funded by Lessee in 2014; cost overruns caused by Lessee shall be at Lessee's additional expense.

Lease Revenue: Lessor shall receive rents that are a percentage of various income streams to the Lessee including 17% of food and beverage gross sales on game days, 2% of food and beverage gross sales at other times, and 2% of club membership dues. Lessee will also contribute food and services valued at up to \$15,000 annually to the Neighborhood Longhorns Program. Percentage rent related to Lessee's club initiation fees will be discontinued. In recognition of the Lessee's expense to renovate the club, Lessor will provide a one-time partial rent credit of \$90,000 in 2014. Rents to Lessor net of the rent credit to Lessee are expected to total \$3,554,300 over 10 years or an average of approximately \$355,400 annually. Rents received from 2010 through 2012 have averaged approximately \$342,300 annually. Lessee is responsible for paying the costs for cleaning and of utilities serving its premises.

17. Contract (funds going out) - U. T. Austin: Varsity Contractors, Inc. to provide custodial services to various academic and administrative buildings on the main campus of U. T. Austin

Agency: Varsity Contractors, Inc.

Funds: Estimated \$4,700,000 including all renewals

Source of Funds: Designated Funds

Period: May 1, 2013 through August 31, 2014, with the option to renew for four additional one-year periods

Description: Varsity Contractors, Inc. to provide custodial services to various academic and administrative buildings located on the main campus of U. T. Austin. The vendor was selected through the Request for Proposal process.

18. Contracts (funds going out) - U. T. Austin on behalf of U. T. System Office of Telecommunications Services: Consolidated Communications Enterprise Services, Inc. to provide dark optical fiber connection for U. T. Tyler

Agency: Consolidated Communications Enterprise Services, Inc.

Funds: \$1,131,213

Source of Funds: Education and General Funds

Period: From date of completion of the dark fiber installation (estimated completion date is October 2013) and continuing for 20 years

Description: Consolidated Communications Enterprise Services, Inc. will provide dark optical fiber connection for U. T. Tyler for the new U. T. System Research Collaborative and enhance services that connect U. T. Tyler to the U. T. System backbone. Consolidated Communications Enterprise Services, Inc. was selected through the Request for Proposal process.

19. Contract (funds coming in) - U. T. Austin: Interagency cooperation contract between the Texas Higher Education Coordinating Board and U. T. Austin to provide services to maintain the Texas Common Application system for admission into college

Agency: Texas Higher Education Coordinating Board

Funds: \$2,721,022

Period: September 1, 2013 through August 31, 2017

Description: Interagency cooperation contract between U. T. Austin and the Texas Higher Education Coordinating Board. U. T. Austin will maintain ApplyTexas, the Texas Common Application system for admission into college. Since 1998, U. T. Austin has developed and maintained this statewide electronic application system [as prescribed in *Texas Education Code*, Section 51.762(g)], on behalf of the Texas Higher Education Coordinating Board and general academic teaching institutions and community colleges in Texas. U. T. Austin will provide the computer programming and data storage capabilities for applications for: undergraduate, graduate, two-year college, and international admissions, scholarships, transfers, and online admission payments using credit cards. In addition, an administrative suite of tools for university administrators and a system for high school counselors to check the status of applications filled out by students at their high schools will be provided.

20. Request for Budget Change - U. T. Austin: Transfer a total of \$1,165,278 from Institute for Public School Initiatives (IPSI) Literacy Conference operating income account to various expense subaccounts to establish a budget for the Texas Literacy Conference Account. This account will be used to record revenue and expenses associated with IPSI literacy conferences (RBC No. 5204) -- amendments to the 2012-13 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
Institute for Public School Initiatives (IPSI)		
Amount of Transfer:	1,165,278	5204
From: Designated Funds - IPSI - Literacy Conferences - Operating Income	1,165,278	

To: Designated Funds -	
IPSI - Literacy Conferences -	
Administrative and Professional	
Salaries	98,264
Fringe Benefits	22,114
Small Vendor Contracts	86,000
Contracted Printed Services	300,000
Maintenance, Operation, and	
Equipment	87,660
Meeting Costs	279,619
Authorization for Professional	
Services Agreements	156,000
Travel	135,621

21. Request for Budget Change - U. T. Austin: Transfer a total of \$682,915 from Texas Performing Arts Revolving Fund Income account to Maintenance, Operation, and Equipment expense subaccount to budget excess income received over original budgeted amount for expenditure (RBC No. 5240) -- amendment to the 2012-13 budget

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
Texas Performing Arts		
Amount of Transfer:	682,915	5240
From: Designated Funds		
TPA - Texas Performing Arts		
Revolving Fund Income	682,915	
To: Designated Funds		
TPA - Texas Performing Arts		
Maintenance, Operation, and		
Equipment	682,915	

22. Request for Budget Change - U. T. Austin: Transfer a total of \$600,000 from U. T. System South Texas Replication Project operating income account to U. T. System South Texas Replication Project Pan Am and U. T. System South Texas Replication Project Brownsville subaccounts to budget anticipated income from pending invoice to U. T. System (RBC No. 5244) -- amendment to the 2012-13 budget

The pending invoice is based on a contract to support UTeach Replication at U. T. Pan American and U. T. Brownsville. UTeach is an innovative and successful secondary teacher preparation program at U. T. Austin for students majoring in science, mathematics, and computer science. The UTeach Institute partners with other universities to replicate the UTeach program model.

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
U. T. System South Texas Replication Project		
Amount of Transfer:	600,000	5244
From: Designated Funds		
UTI - U. T. System South		
Texas Replication Project		
Operating Income	600,000	
To: Designated Funds		
UTI - U. T. System South		
Texas Replication Project		
Pan Am	300,000	
Brownsville	300,000	

23. Employment Agreement - U. T. Austin: Amendment of nonguaranteed compensation to Agreement of Head Women's Softball Coach Connie S. Clark

The following Amendment No. 5 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 Amendment No. 5 is approved, total annual compensation for Coach Clark may be in excess of \$250,000. Such employment under the Agreement, as amended by Amendments No. 1 through 4, 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. The violation of the provisions 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: Head Women's Softball Coach Agreement

From: **Guaranteed compensation:**

Annual Salary:

FY 2012-13: \$175,000 annually

FY 2013-14: \$177,500 annually

FY 2014-15: \$183,000 annually

Automobile: \$7,500 annually, currently within Annual Salary

Product Endorsement:

FY 2012-13: \$12,500 annually

FY 2013-14: \$12,500 annually

FY 2014-15: \$12,500 annually

Nonguaranteed compensation:

Summer Camps: TBD after camps are completed

Team Performance Incentives: maximum \$60,000 annually

Team Academic Performance Incentives: maximum
\$10,000 annually

To: **Guaranteed compensation (remains the same):**

Annual Salary:

FY 2012-13: \$175,000 annually

FY 2013-14: \$177,500 annually

FY 2014-15: \$183,000 annually

Automobile: \$7,500 annually, currently within Annual Salary

Product Endorsement:

FY 2012-13: \$12,500 annually

FY 2013-14: \$12,500 annually

FY 2014-15: \$12,500 annually

Nonguaranteed compensation:

Sports Camps and Clinics: TBD after camps are completed

Team Performance Incentives: maximum \$60,000 annually

Team Academic Performance Incentives: maximum
\$10,000 annually

Equipment Agreement Performance Incentives: TBD

Honorary Coach Appointment (that is, to serve as head or
assistant coach for an amateur softball team to compete

nationally or internationally): TBD, subject to approval by Athletic
Director and University President

Source of Funds: Intercollegiate Athletics

Guaranteed
Compensation
Percent Change: No change

Nonguaranteed
Compensation
Change: Replaced the term "Summer Camps" with "Sports Camps and Clinics" and added "Equipment Agreement Performance Incentives" and "Honorary Coach Appointment" clauses

Description: Amendment No. 5 to the Agreement for employment of Head Women's Softball Coach Connie S. Clark

Period: Upon execution through August 31, 2015

24. Employment Agreement - U. T. Austin: Amended and restated Head Coach Agreement for Head Women's Volleyball Coach Jerritt K. Elliott

The following Head 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 annual compensation for Coach Elliott 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. The violation of the provisions 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: Head Women's Volleyball Coach Agreement

From: **Guaranteed compensation:**

Annual Salary:
FY 2013-14: \$165,000 annually
FY 2014-15: \$175,000 annually
FY 2015-16: \$187,000 annually

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

Product Endorsement
FY 2013-14: \$20,000 annually
FY 2014-15: \$20,000 annually
FY 2015-16: \$20,000 annually

Nonguaranteed compensation:

Summer Camps: TBD after camps are completed
Team Performance Incentives: maximum \$77,000 annually
Team Academic Performance Incentives: maximum
\$10,000 annually

To:

Guaranteed compensation:

Annual Salary:
FY 2013-14: \$215,000 annually
FY 2014-15: \$220,000 annually
FY 2015-16: \$225,000 annually
FY 2016-17: \$225,000 annually
FY 2017-18: \$230,000 annually

Retention Supplement:
FY 2013-14: \$10,000 annually
FY 2014-15: \$15,000 annually
FY 2015-16: \$15,000 annually
FY 2016-17: \$15,000 annually
FY 2017-18: \$20,000 annually

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

Product Endorsement
FY 2013-14: \$55,000 annually
FY 2014-15: \$55,000 annually
FY 2015-16: \$60,000 annually
FY 2016-17: \$60,000 annually
FY 2017-18: \$60,000 annually

Nonguaranteed compensation:

Sports Camps and Clinics: TBD after camps are completed
Team Performance Incentives: maximum \$92,000 annually
Team Academic Performance Incentives: maximum
\$20,000 annually
Social Club Membership: TBD, subject to approval by Athletic
Director

Honorary Coach Appointment (that is, to serve as head or assistant coach for an amateur volleyball team to compete nationally or internationally): TBD, subject to approval by Athletic Director and University President

Source of Funds: Intercollegiate Athletics

Guaranteed
Compensation

Percent Change: Annual Salary

FY 2013-14: 30% from current contract amount

FY 2014-15: 2% from FY 2013-14

FY 2015-16: 2% from FY 2014-15

FY 2016-17: 0% from FY 2015-16

FY 2017-18: 2% from FY 2016-17

Retention Supplement

FY 2013-14: (new category)

FY 2014-15: 50% from FY 2013-14

FY 2015-16: 0% from FY 2014-15

FY 2016-17: 0% from FY 2015-16

FY 2017-18: 33% from FY 2016-17

Product Endorsement

FY 2013-14: 175% from current contract amount

FY 2014-15: 0% from FY 2013-14

FY 2015-16: 9% from FY 2014-15

FY 2016-17: 0% from FY 2015-16

FY 2017-18: 0% from FY 2016-17

Nonguaranteed
Compensation

Change:

Replaced the term "Summer Camps" with "Sports Camps and Clinics," added "Social Club Membership" and "Honorary Coach Appointment" clauses, and modified "Team Performance Incentives," and "Team Academic Performance Incentives" as shown below:

Team Performance Incentives

FY 2013-14: 19% from current contract amount

FY 2014-15: 0% from FY 2013-14

FY 2015-16: 0% from FY 2014-15

FY 2016-17: 0% from FY 2015-16

FY 2017-18: 0% from FY 2016-17

Team Academic Performance Incentives

FY 2013-14: 100% from current contract amount

FY 2014-15: 0% from FY 2013-14

FY 2015-16: 0% from FY 2014-15
FY 2016-17: 0% from FY 2015-16
FY 2017-18: 0% from FY 2016-17

Description: Head Coach Agreement for employment of Head Women's Volleyball Coach Jerritt K. Elliott

Period: September 1, 2013 through August 31, 2018

25. Employment Agreement - U. T. Austin: Amendment of nonguaranteed compensation to Agreement of Head Men's Swimming and Diving Coach Edwin C. Reese

The following Amendment No. 6 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 Amendment No. 6 is approved, total annual compensation for Coach Reese may be in excess of \$250,000. Such employment under the Agreement, as amended by Amendments No. 1 through 5, 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. The violation of the provisions 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: Head Men's Swimming and Diving Coach Agreement

From: **Guaranteed compensation:**

Annual Salary:

FY 2012-13: \$166,104 annually
FY 2013-14: \$166,104 annually
FY 2014-15: \$166,104 annually
FY 2015-16: \$166,104 annually

Salary Supplement:

FY 2012-13: \$15,000 annually
FY 2013-14: \$15,000 annually
FY 2014-15: \$15,000 annually
FY 2015-16: \$15,000 annually

Automobile: one dealer car

Product Endorsement:
FY 2012-13: \$2,000 annually
FY 2013-14: \$2,000 annually
FY 2014-15: \$2,000 annually
FY 2015-16: \$2,000 annually

Nonguaranteed compensation:

Team Performance Incentives: maximum \$42,000 annually
Team Academic Performance Incentives: maximum \$10,000 annually

To: **Guaranteed compensation (remains the same):**

Annual Salary:
FY 2012-13: \$166,104 annually
FY 2013-14: \$166,104 annually
FY 2014-15: \$166,104 annually
FY 2015-16: \$166,104 annually

Salary Supplement:
FY 2012-13: \$15,000 annually
FY 2013-14: \$15,000 annually
FY 2014-15: \$15,000 annually
FY 2015-16: \$15,000 annually

Automobile: one dealer car

Product Endorsement:
FY 2012-13: \$2,000 annually
FY 2013-14: \$2,000 annually
FY 2014-15: \$2,000 annually
FY 2015-16: \$2,000 annually

Nonguaranteed compensation:

Sports Camps and Clinics: TBD after camps are completed
Team Performance Incentives: maximum \$42,000 annually
Team Academic Performance Incentives: maximum \$10,000 annually
Honorary Coach Appointment (that is, to serve as head or assistant coach for an amateur swimming and diving team to compete nationally or internationally): TBD, subject to approval by Athletic Director and University President

Source of Funds: Intercollegiate Athletics

Guaranteed
Compensation
Percent Change: No change

Nonguaranteed
Compensation
Change: Added "Sports Camps and Clinics" and "Honorary Coach
Appointment" clauses

Description: Amendment No. 6 to the Agreement for employment of Head
Men's Swimming and Diving Coach Edwin C. Reese

Period: Upon execution through August 31, 2016

26. Employment Agreement - U. T. Austin: Head Coach Agreement for Men's and
Women's Track and Field/Cross Country Coach Phillip Mario Sategna

The following Head 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 annual
compensation for Coach Sategna may 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. The violation of the provisions
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: Head Track and Field/Cross Country Coach Agreement

Proposed: **Guaranteed compensation:**

Annual Salary:

FY 2012-13: \$223,000 (prorated for June 20 - August 31, 2013)

FY 2013-14: \$223,000 annually

FY 2014-15: \$223,000 annually

FY 2015-16: \$223,000 annually

FY 2016-17: \$223,000 annually

FY 2017-18: \$223,000 annually

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

Product Endorsement

FY 2013-14: \$2,000 annually

FY 2014-15: \$2,000 annually

FY 2015-16: \$2,000 annually
FY 2016-17: \$2,000 annually
FY 2017-18: \$2,000 annually

Nonguaranteed compensation:

Sports Camps and Clinics: TBD after camps are completed
Team Performance Incentives: maximum \$52,000 annually
Team Academic Performance Incentives: maximum \$20,000 annually
Social Club Membership: TBD, subject to approval by Athletic Director
Honorary Coach Appointment (that is, to serve as head or assistant coach for an amateur track and field/cross country team to compete nationally or internationally): TBD, subject to approval by Athletic Director and University President

Source of Funds: Intercollegiate Athletics

Description: Head Coach Agreement for employment of Head Track and Field/Cross Country Coach Phillip Mario Sategna

Period: June 20, 2013 through August 31, 2018

27. Sale of Surplus Property - U. T. Austin: Authorization to sell a magnetic resonance imaging system

The following sale of surplus property has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A sale in the amount of \$100,000 or more requires approval through the Consent Agenda by the U. T. System Board of Regents to comply with Regents' *Rules and Regulations*, Rule 80201.

Item to be Sold: General Electric Signa EXCITE 3.0T Magnetic Resonance Imaging System presently in operation at U. T. Austin's Imaging Research Center (IRC) on the West Pickle Research Campus in the Imaging Research Center building

Amount: Between \$250,000 and \$400,000

Purchaser: Not yet determined

Explanation: The General Electric Signa EXCITE 3.0T Magnetic Resonance Imaging System was installed in the Imaging Research Center in 2005. The technology of MRI systems has changed significantly in the past decade and the GE MRI System proposed for sale is no longer adequate for current research at the University. A new MRI has been installed in the new IRC labs in

the Norman Hackerman Building. Operation of the GE MRI System requires a service contract with General Electric Medical Systems and significant institutional support. Offers from other University of Texas System institutions were solicited, but there was no interest in acquiring this MRI.

Method of Sale: Competitive bidding process

Authorization: U. T. Austin is requesting that the Board authorize the Vice President and Chief Financial Officer to conduct the bidding process and consummate the sale of the General Electric Signa EXCITE 3.0T Magnetic Resonance Imaging System.

28. New Award of Tenure and Emeritus Appointments - U. T. Austin: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
School of Architecture		
Architecture		
Allan W. Shearer	Assistant Professor	Associate Professor (T)
McCombs School of Business		
Accounting		
Urton L. Anderson	Professor (T)	Professor Emeritus
John M. McInnis	Assistant Professor	Associate Professor (T)
Robert G. May	Professor (T)	Professor Emeritus
Management		
Francisco Polidoro, Jr.	Assistant Professor	Associate Professor (T)
Marketing		
Ying Zhang	Assistant Professor	Associate Professor (T)
College of Communication		
Communication Sciences and Disorders		
Courtney T. Byrd	Assistant Professor	Associate Professor (T)
Chang Liu	Assistant Professor	Associate Professor (T)
Li Sheng	Assistant Professor	Associate Professor (T)

Communication Studies		
Keri K. Stephens	Assistant Professor	Associate Professor (T)
Journalism		
Hsiang (Iris) Chyi	Assistant Professor	Associate Professor (T)
Homero Gil de Zuniga	Assistant Professor	Associate Professor (T)
Radio-Television-Film		
Mary C. Beltran	Assistant Professor	Associate Professor (T)
Kathryn Fuller	New Hire	Professor (T)
Alisa H. Perren	New Hire	Associate Professor (T)
College of Education		
Curriculum and Instruction		
Catherine Riegler-Crumb	Assistant Professor	Associate Professor (T)
Allison Skerrett	Assistant Professor	Associate Professor (T)
Melissa R. Wetzel	Assistant Professor	Associate Professor (T)
Educational Administration		
Victor B. Saenz	Assistant Professor	Associate Professor (T)
Educational Psychology		
Stephanie W. Cawthon	Assistant Professor	Associate Professor (T)
Tiffany A. Whittaker	Assistant Professor	Associate Professor (T)
Special Education		
Marcia Barnes	New Hire	Professor (T)
College of Engineering		
Chemical Engineering		
Jennifer A. Maynard	Assistant Professor	Associate Professor (T)
Electrical and Computer Engineering		
Andrea Alu	Assistant Professor	Associate Professor (T)
Alexis Kwasinski	Assistant Professor	Associate Professor (T)
Haris Vikalo	Assistant Professor	Associate Professor (T)
Mechanical Engineering		
Dragan Djurdjanovic	Assistant Professor	Associate Professor (T)
Petroleum and Geosystems Engineering		
Matthew T. Balhoff	Assistant Professor	Associate Professor (T)
David DiCarlo	Assistant Professor	Associate Professor (T)

College of Fine Arts

Art and Art History

Edward Chambers	Assistant Professor	Associate Professor (T)
Thelma R. Coles	Professor (T)	Professor Emeritus
Mark K. Goodman	Professor (T)	Professor Emeritus
Kenneth J. Hale	Professor (T)	Professor Emeritus
Lawrence D. McFarland	Professor (T)	Professor Emeritus
Susan D. Whyne	Associate Professor (T)	Associate Professor Emeritus

Music

Sonia T. Seeman	Assistant Professor	Associate Professor (T)
Yevgeniy Sharlat	Assistant Professor	Associate Professor (T)
Daxun Zhang	Assistant Professor	Associate Professor (T)

Theatre and Dance

Lee E. Abraham	Associate Professor (T)	Associate Professor Emeritus
Laura G. Gutierrez	New Hire	Associate Professor (T)
Coleman A. Jennings	Professor (T)	Professor Emeritus
Amarante L. Lucero	Professor (T)	Professor Emeritus
Yacov Sharir	Professor (T)	Professor Emeritus
Susan L. Zeder	Professor (T)	Professor Emeritus

School of Geosciences

Geological Sciences

Ginny A. Catania	Assistant Professor	Associate Professor (T)
Jung-Fu Lin	Assistant Professor	Associate Professor (T)
Leon E. Long	Professor (T)	Professor Emeritus
James T. Sprinkle	Professor (T)	Professor Emeritus

School of Information

Information

Diane E. Bailey	Assistant Professor	Associate Professor (T)
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School of Law

Law

Justin Driver	Assistant Professor	Professor (T)
Jennifer E. Laurin	Assistant Professor	Professor (T)
Angela K. Littwin	Assistant Professor	Professor (T)
Sean H. Williams	Assistant Professor	Professor (T)

College of Liberal Arts

Anthropology

Kimberly M. Tallbear	New Hire	Associate Professor (T)
Anthony K. Webster	New Hire	Associate Professor (T)

Asian Studies		
Donald R. Davis, Jr.	New Hire	Associate Professor (T)
J. Patrick Olivelle	Professor (T)	Professor Emeritus
English		
Lars Hinrichs	Assistant Professor	Associate Professor (T)
Lisa Olstein	New Hire	Associate Professor (T)
Matthew T. Richardson	Assistant Professor	Associate Professor (T)
Geography and Environment		
Jennifer A. Miller	Assistant Professor	Associate Professor (T)
Germanic Studies		
Marc Pierce	Assistant Professor	Associate Professor (T)
Government		
Stephen A. Jessee	Assistant Professor	Associate Professor (T)
Christopher Wlezien	New Hire	Professor (T)
History		
Indrani Chatterjee	New Hire	Professor (T)
Sumit Guha	New Hire	Professor (T)
Linguistics		
John T. Beavers	Assistant Professor	Associate Professor (T)
Psychology		
Juan M. Dominguez	Assistant Professor	Associate Professor (T)
Alison R. Preston	Assistant Professor	Associate Professor (T)
College of Natural Sciences		
School of Biological Sciences - Integrative Biology		
Franklin H. Bronson	Professor (T)	Professor Emeritus
Nancy A. Moran	New Hire	Professor (T)
Howard Ochman	New Hire	Professor (T)
Mary Ann Rankin	Professor (T)	Professor Emeritus
School of Biological Sciences - Molecular Cell and Developmental Biology		
Sibum Sung	Assistant Professor	Associate Professor (T)
Computer Science		
Brent R. Waters	Assistant Professor	Associate Professor (T)

School of Human Ecology - Nutritional Sciences Molly S. Bray	New Hire	Professor (T)
Mathematics Thomas Chen Stephen G. Walker	Assistant Professor New Hire	Associate Professor (T) Professor (T)
Physics Gregory A. Fiete Xiaoqin (Elaine) Li	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
School of Nursing		
Nursing Miyong Kim	New Hire	Professor (T)
College of Pharmacy		
Pharmacy James W. McGinity	Professor (T)	Professor Emeritus
LBJ School of Public Affairs		
Public Affairs Joshua W. Busby William Inboden	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
School of Social Work		
Social Work Esther Calzada	New Hire	Associate Professor (T)

29. New Award of Tenure Appointments - U. T. Brownsville: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

College, Department, and Name From To

**College of Biomedical Sciences
and Health Professions**

Biomedicine Alexander Kazansky	Associate Professor	Associate Professor (T)
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College of Education

Health and Human Performance

Christopher Ledingham Assistant Professor Associate Professor (T)

Teaching, Learning and
Innovation

Maria Elena Valdes-Corbeil Assistant Professor Associate Professor (T)

College of Liberal Arts

Music

Jonathan Guist Assistant Professor Associate Professor (T)

Government

Guadalupe Correa-Cabrera Assistant Professor Associate Professor (T)

**College of Science, Mathematics,
and Technology**

Physics and Astronomy

Teviet Creighton Assistant Professor Associate Professor (T)

Chemistry and Environmental Sciences

Henry Justin Moore Assistant Professor Associate Professor (T)

Computer and Information Sciences

Liyu Zhang Assistant Professor Associate Professor (T)

School of Business

Management and Marketing

Kevin Cruthirds Assistant Professor Associate Professor (T)

Jennie Johnson Assistant Professor Associate Professor (T)

Accounting and Management

Information Systems

Anil Singh Assistant Professor Associate Professor (T)

30. Emeritus Appointment - U. T. Brownsville: Appointment of Yvonne Freeman from Professor in the Department of Language, Literacy, and Intercultural Studies to Professor Emeritus (RBC No. 5280) -- amendment to the 2012-2013 budget

31. Emeritus Appointment - U. T. Brownsville: Appointment of David Freeman from Professor in the Department of Language, Literacy, and Intercultural Studies to Professor Emeritus (RBC No.5281) -- amendment to the 2012-2013 budget

32. Tenure Appointment - U. T. Dallas: Amendment 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>	
Erik Jonsson School of Engineering and Computer Science					
Mechanical Engineering					
Associate Professor					
Stefano Leonardi (T)	7/1-5/31	100	09	118,000	5326

33. New Award of Tenure Appointments - U. T. Dallas: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
School of Arts and Humanities		
Arts and Technology		
Monica Evans	Assistant Professor	Associate Professor (T)
Todd Fechter	Assistant Professor	Associate Professor (T)
David Parry	Assistant Professor	Associate Professor (T)
History		
Peter Park	Assistant Professor	Associate Professor (T)
Monica Rankin	Assistant Professor	Associate Professor (T)
Emerging Media and Communications		
David Parry	Assistant Professor	Associate Professor (T)
School of Behavioral and Brain Sciences		
Neuroscience		
Francesca Filbey	Assistant Professor	Associate Professor (T)

Cognitive - Neuroscience Christa McIntyre Rodriquez	Assistant Professor	Associate Professor (T)
Erik Jonsson School of Engineering and Computer Science		
Electrical Engineering Roozbeh Jafari	Assistant Professor	Associate Professor (T)
School of Economic, Political and Policy Sciences		
Economics Xin (Sherry) Li	Assistant Professor	Associate Professor (T)
Political Science Clint Peinhardt	Assistant Professor	Associate Professor (T)
Naveen Jindal School of Management		
Accounting Zhonglan Dai Yibin Zhou	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Finance Valery Polkovnichenko Aljandro Zentner	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Marketing Ying Xie	Associate Professor	Associate Professor (T)
Management Information Systems Xianjun Geng	Assistant Professor	Associate Professor (T)
School of Natural Sciences and Mathematics		
Chemistry Mihaela Stefan	Assistant Professor	Associate Professor (T)
Physics Chuanwei Zhang	Associate Professor	Associate Professor (T)

34. Tenure Appointments - U. T. El Paso: Amendments to the 2012-13 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 Business Administration					
Accounting					
Professor and Paul L. Foster and Alejandra De La Vega Foster Distinguished Chair in International Business					
David B. Farber (T)	6/1	100	09	180,000	5250
College of Liberal Arts					
Public Administration					
Professor and Director of the Master of Public Administration Program					
Bradley S. Chilton (T)	5/16	100	09	95,000	5251

35. New Award of Tenure Appointments - U. T. El Paso: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Business Administration		
Economics and Finance		
Nathan Ashby	Assistant Professor	Associate Professor (T)
College of Education		
Teacher Education		
Alberto Esquinca	Assistant Professor	Associate Professor (T)
College of Engineering		
Computer Science and Electrical and Computer Engineering		
Jeanine Cook	New Hire	Professor (T)

Industrial, Manufacturing and Systems Engineering		
Jose Espiritu Nolasco	Assistant Professor	Associate Professor (T)
Heidi Taboada-Jimenez	Assistant Professor	Associate Professor (T)
Mechanical Engineering		
Chintalapalle Ramana	Assistant Professor	Associate Professor (T)
College of Health Sciences		
Rehabilitation Sciences		
Chih-Chin Chou	New Hire	Associate Professor (T)
College of Liberal Arts		
Creative Writing		
José de Piérola	Assistant Professor	Associate Professor (T)
Criminal Justice		
Leanne F. Alarid	New Hire	Associate Professor (T)
Egbert Zavala	New Hire	Associate Professor (T)
English		
Isabel Baca	Assistant Professor	Associate Professor (T)
Robert Gunn	Assistant Professor	Associate Professor (T)
Maryse Jayasuriya	Assistant Professor	Associate Professor (T)
Jonna Perrillo	Assistant Professor	Associate Professor (T)
Marion Rohrleitner	Assistant Professor	Associate Professor (T)
History		
Keith Erektion	Assistant Professor	Associate Professor (T)
Joshua Fan	Assistant Professor	Associate Professor (T)
Music		
Lorenzo Candelaria	New Hire	Professor (T)
Philosophy		
Marc Moffett	New Hire	Associate Professor (T)
College of Science		
Biological Sciences		
Eli Greenbaum	Assistant Professor	Associate Professor (T)
Manuel Miranda-Arango	Assistant Professor	Associate Professor (T)
Germán Rosas-Acosta	Assistant Professor	Associate Professor (T)
Geological Sciences		
Jasper Konter	Assistant Professor	Associate Professor (T)

36. New Award of Tenure and Emeritus Appointments - U. T. Pan American:
Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Arts and Humanities		
Art		
Robert Bradley	Assistant Professor	Associate Professor (T)
Marcus Farris	Assistant Professor	Associate Professor (T)
Donald Lyles	Assistant Professor	Associate Professor (T)
Elena Macias	Assistant Professor	Associate Professor (T)
Communication		
David Carren	Associate Professor	Associate Professor (T)
Jennifer Lemanski	Assistant Professor	Associate Professor (T)
Jack Stanley	Professor (T)	Emeritus Professor
English		
William Broz	Assistant Professor	Associate Professor (T)
Philip Zwerling	Assistant Professor	Associate Professor (T)
History and Philosophy		
Tamer Balci	Assistant Professor	Associate Professor (T)
Irving Levinson	Assistant Professor	Associate Professor (T)
Charles Waite	Assistant Professor	Associate Professor (T)
College of Education		
Educational Leadership		
Rosalinda Hernandez	Assistant Professor	Associate Professor (T)
Shirley Mills	Assistant Professor	Associate Professor (T)
Curriculum and Instruction		
Zulmaris Diaz	Assistant Professor	Associate Professor (T)
John W. McBride	Professor (T)	Emeritus Professor
Luz Murillo	Assistant Professor	Associate Professor (T)
Michael Whitacre	Assistant Professor	Associate Professor (T)
Health and Kinesiology		
Robert Guinn	Professor (T)	Emeritus Professor
Jung-il Oh	Assistant Professor	Associate Professor (T)
Lin Wang	Assistant Professor	Associate Professor (T)

**College of Engineering
and Computer Science**

Computer Science

Robert Schweller

Assistant Professor

Associate Professor (T)

Mechanical Engineering

Dorina Mihut

Assistant Professor

Associate Professor (T)

College of Business**Administration**

Computer Information Systems

Vishal Midha

Assistant Professor

Associate Professor (T)

Marketing

Mohammadali Zolfagharian

Assistant Professor

Associate Professor (T)

**College of Science and
Mathematics**

Chemistry

Kenneth Smith

Assistant Professor

Associate Professor (T)

**College of Social and
Behavioral Sciences**

Political Science

Xi Chen

Assistant Professor

Associate Professor (T)

Psychology

Michiyo Hirai

Assistant Professor

Associate Professor (T)

Public Affairs and Security
Studies

Aziza Zemrani

Assistant Professor

Associate Professor (T)

Sociology and Anthropology

Margaret Dorsey

Assistant Professor

Associate Professor (T)

37. New Award of Tenure Appointments - U. T. Permian Basin: New award of tenure appointments -- amendment to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
School of Business and Engineering		
Finance		
Shuming Bai	Assistant Professor	Associate Professor (T)
Mechanical Engineering		
Ramiro Bravo	Associate Professor	Associate Professor (T)
College of Arts and Science		
Mathematics		
Chris Hiatt	Assistant Professor	Associate Professor (T)
Criminal Justice		
Anthony Hoskin	Assistant Professor	Associate Professor (T)

38. Contract (funds going out) - U. T. San Antonio: Apex Systems, Inc. dba Virginia Apex Systems, Inc. to provide on-call professional temporary technical and consulting services and related services during the implementation of Oracle/PeopleSoft 9.1

Agency: Apex Systems, Inc. dba Virginia Apex Systems, Inc.

Source of Funds: Designated Tuition

Funds: Possible service fees of more than \$1,000,000 for the initial term and the two optional one-year renewal terms (cumulative)

Period: Initial 12-month term beginning March 8, 2013, with two additional 12-month renewal options

Description: On-call PeopleSoft professional temporary technical and consulting services related to the UTShare/PeopleSoft project at U. T. San Antonio

39. Contract (funds going out) - U. T. San Antonio: The Evolvers Group L.P. to provide on-call professional temporary technical and consulting services and related services during the implementation of Oracle/PeopleSoft 9.1

Agency: The Evolvers Group L.P.

Source of Funds: Designated Tuition

Funds: Possible service fees of more than \$1,000,000 for the initial term and the two optional one-year renewal terms (cumulative)

Period: Initial 12-month term beginning March 8, 2013, with two additional 12-month renewal options

Description: On-call PeopleSoft professional temporary technical and consulting services related to the UTShare/PeopleSoft project at U. T. San Antonio

40. Contract (funds going out) U. T. San Antonio: Neos Consulting Group, LLC to provide on-call professional temporary technical and consulting services and related services during the implementation of Oracle/PeopleSoft 9.1

Agency: Neos Consulting Group, LLC

Source of Funds: Designated Tuition

Funds: Possible service fees of more than \$1,000,000 for the initial term and the two optional one-year renewal terms (cumulative)

Period: Initial 12-month term beginning March 8, 2013, with two additional 12-month renewal options

Description: On-call PeopleSoft professional temporary technical and consulting services related to the UTShare/PeopleSoft project at U. T. San Antonio

41. Contract (funds going out) U. T. San Antonio: Peak Performance Technologies, Inc. to provide on-call professional temporary technical and consulting services and related services during the implementation of Oracle/PeopleSoft 9.1

Agency: Peak Performance Technologies, Inc.

Source of Funds: Designated Tuition

Funds: Possible service fees of more than \$1,000,000 for the initial term and the two optional one-year renewal terms (cumulative)

Period: Initial 12-month term beginning March 8, 2013, with two additional 12-month renewal options

Description: On-call PeopleSoft professional temporary technical and consulting services related to the UTShare/PeopleSoft project at U. T. San Antonio

42. Contract (funds going out) U. T. San Antonio: Precision Task Group, Inc. to provide on-call professional temporary technical and consulting services and related services during the implementation of Oracle/PeopleSoft 9.1

Agency: Precision Task Group, Inc.

Source of Funds: Designated Tuition

Funds: Possible service fees of more than \$1,000,000 for the initial term and the two optional one-year renewal terms (cumulative)

Period: An initial 12-month term beginning March 8, 2013, with two additional 12-month renewal options

Description: On-call PeopleSoft professional temporary technical and consulting services related to the UTShare/PeopleSoft project at U. T. San Antonio

43. New Hires with Tenure - U. T. San Antonio: Amendments to the 2012-13 budget

The following personnel actions involving new hires with tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2013 Annual Operating Budget and are consistent with the Regent's *Rules and Regulations*, Rule 31007.

<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 Business					
Department of Management					
Professor and Dean					
Wm. Gerard Sanders (T)	6/1-8/31	100	12	335,000	5264
College of Education and Human Development					
Department of Interdisciplinary Learning and Teaching					
Associate Professor					
Richard Boon (T)	8/19-5/31	100	09	65,000	4988
John Sutterby (T)	8/19-5/31	100	09	67,000	5263

College of Public Policy

Department Demography

Professor

Rene Zenteno (T)	7/17-5/31	100	09	135,000	5265
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College of Sciences

Department of Physics and Astronomy

Professor

Robert Whetten (T)	8/19-5/31	100	09	170,000	5266
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44. Request for Budget Change - U. T. San Antonio: Transfer \$2,900,000 from Campus Reserves fund to the North Thermal Energy Plant Steam-driven chiller replacement, April 2012 fund to provide funding to remove Chiller #2, a 38-year old, deteriorating, steam-driven chiller from the North Thermal Energy Plant and replace it with a new energy efficient electric-driven chiller (RBC No. 5209) -- amendment to the 2012-13 budget

45. Request for Budget Change - U. T. San Antonio: Transfer \$1,550,000 from the Texas Higher Education Coordinating Board to Voekler TRIP Matching; Zachry Mechanical Engineering Department Chair; Quincy Lee Professorship Endowment for Excellence in Real Estate Finance and Development Education; Nancy and Buck Kudla Endowed Fellowship in Information Assurance and Security; Bone Bank Allografts and Joe Mims Research Fellowship Endowment; and Robert A. Welch Distinguished University Chair to record Texas Research Incentive Program (TRIP) funding received in FY2013 (RBC No. 5303 and 5304) -- amendment to the 2012-13 budget

46. New Award of Tenure and Emeritus Appointments - U. T. San Antonio: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure and emeritus appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
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College of Business

Accounting

Dennis Lopez

Assistant Professor

Associate Professor (T)

Economics

Long Liu

Assistant Professor

Associate Professor (T)

Edgar Ghossoub

Assistant Professor

Associate Professor (T)

Finance Natasha Burns	Assistant Professor	Associate Professor (T)
Management Michael McDonald Pepe Chang	Associate Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
College of Education and Human Development		
Educational Leadership and Policy Studies Abraham DeLeon	Assistant Professor	Associate Professor (T)
Interdisciplinary Learning and Teaching Barbara Gonzalez-Pino	Associate Professor (T)	Associate Professor Emeritus
College of Engineering		
Biomedical Engineering JingYong Ye	Assistant Professor	Associate Professor (T)
Civil and Environmental Engineering Samer Dessouky Heather Shipley	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Electrical and Computer Engineering Brian Kelley Jianqui (Michelle) Zhang	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Mechanical Engineering Hung-da Wan	Assistant Professor	Associate Professor (T)
College of Liberal and Fine Arts		
Anthropology Michael Cepek Jamon Halvaksz	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Art and Art History Julie Johnson	Assistant Professor	Associate Professor (T)
Communication Karen Daas Seok Kang Juyan Zhang	Assistant Professor Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T) Associate Professor (T)

English		
Mark Bayer	Assistant Professor	Associate Professor (T)
David Vance	Assistant Professor	Associate Professor (T)
Modern Languages		
MaryEllen Garcia	Associate Professor (T)	Associate Professor Emeritus
Frank Pino, Jr.	Professor (T)	Professor Emeritus
Music		
Mark Brill	Assistant Professor	Associate Professor (T)
Matthew Dunne	Assistant Professor	Associate Professor (T)
John Millican	Assistant Professor	Associate Professor (T)
Philosophy and Classics		
Joel Christensen	Assistant Professor	Associate Professor (T)
Jill Hernandez	Assistant Professor	Associate Professor (T)
Alistair Welchman	Assistant Professor	Associate Professor (T)
Psychology		
Daniel Beal	Assistant Professor	Associate Professor (T)
College of Public Policy		
Criminal Justice		
Robert Tillyer	Assistant Professor	Associate Professor (T)
College of Sciences		
Biology		
Fidel Santamaria	Assistant Professor	Associate Professor (T)
Todd Troyer	Assistant Professor	Associate Professor (T)
Chemistry		
Douglas Frantz	Assistant Professor	Associate Professor (T)
Computer Science		
Jianhua Ruan	Assistant Professor	Associate Professor (T)

47. Approval of Dual Positions of Honor, Trust, or Profit - U. T. San Antonio: Appointment by the Texas Commission on the Arts of Ken Little, M.F.A., as State Visual Three-Dimensional Artist

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

It has been determined that the holding of this office 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 there is no conflict between the position and the University.

Name: Ken Little, M.F.A.
 Title: Professor
 Position: State Visual Three-Dimensional Artist
 Period: April 29, 2013 through April 28, 2014
 Description: The State Visual Three-Dimensional Artist represents the state's artistic legacy and is the highest accolade for excellence in the arts. Recipients represent the best in the rich and diverse artistic community, and inspire others through their unique creative expression.

48. New Hire with Tenure - U. T. Tyler: Amendment 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 conditioned upon approval of the creation of the U. T. Tyler College of Pharmacy (Academic Affairs Committee, Item 3):

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
College of Pharmacy					
Pharmacy					
Professor and Dean					
Lane Brunner (T)	8/19-5/31	100	09	230,000	5327

49. New Award of Tenure Appointments - U. T. Tyler: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Arts and Science		
Art and Science Merrie Wright	Assistant Professor	Associate Professor (T)
Biology John Placyk	Assistant Professor	Associate Professor (T)
Chemistry Randy Back	Assistant Professor	Associate Professor (T)
Social Sciences John Clark Thomas Guderjan	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
College of Business and Technology		
HRD, Marketing and Management Ann Gilley	New Hire	Professor (T)
College of Education and Psychology		
School of Education Frank Dykes	Assistant Professor	Associate Professor (T)
College of Engineering and Computer Science		
Civil Engineering Michael McGinnis	Assistant Professor	Associate Professor (T)
Computer Science Quoc-Nam Tran	New Hire	Professor (T)

HEALTH INSTITUTIONS

50. Contract - U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, and U. T. Medical Branch - Galveston: Participation in reorganization of Premier, Inc., a group purchasing organization in which the named institutions hold small owner-member interests

Agency: Premier, Inc.

Funds: Participation would require no outlay of funds. The named institutions would exchange existing ownership interests in Premier entities for interests in new entities created in the Premier reorganization.

Source of Funds: Named institutions would be responsible for all costs associated with their continued owner-member interests in Premier.

Period: Indefinitely, for so long as the named institutions maintain their interests in Premier. The institutions would be making a five-year participation commitment.

Description: Premier conducts competitive procurements for goods and services purchased by its members. The named institutions collectively have saved more than \$90 million from working with Premier over the past five years. U. T. M. D. Anderson Cancer Center and U. T. Southwestern Medical Center acquired their owner-member interests in Premier in the mid-1990s; U. T. Medical Branch - Galveston acquired its interest in September 2012. The interests collectively represent ownership in Premier of about 1.3%. Premier's reorganization is designed to facilitate a Premier IPO, in order to secure capital needed to improve Premier's service capabilities. Other owner-members of Premier are overwhelmingly supportive of the reorganization and IPO plans. The agreements being concluded (subject to Board approval) between the named institutions and Premier would result in title to the post-reorganization interests being held in the name of the Board of Regents, for the benefit of the named institutions and under the institutions' management. Associated voting rights would be exercised by way of a voting trust.

51. Degree Program - U. T. Southwestern Medical Center: Approval of preliminary planning authority for a Doctor of Philosophy degree program in Organic Chemistry

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Podolsky that the U. T. System Board of Regents approve preliminary planning authority for U. T. Southwestern Medical Center to include:

- a. a Doctor of Philosophy degree program in Organic Chemistry; and
- b. submission of the request to the Texas Higher Education Coordinating Board as notification. (Once the preliminary authority is approved, U. T. Southwestern Medical Center will develop a final degree program for approval by the U. T. System Board of Regents and the Coordinating Board.)

Program Description:

This program will prepare organic chemists for careers in drug discovery and development; and will provide them with the opportunity to obtain positions in the pharmaceutical industry, in government regulatory agencies, or as

independent researchers in academic or government settings. For this research focus, success requires an education that integrates organic chemistry with biology and biochemistry.

52. Degree Program - U. T. Southwestern Medical Center: Approval of preliminary planning authority for a Doctor of Philosophy degree program in Applied Clinical Research

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Podolsky that the U. T. System Board of Regents approve preliminary planning authority for U. T. Southwestern Medical Center to include:

- a. a Doctor of Philosophy degree program in Applied Clinical Research; and
- b. submission of the request to the Texas Higher Education Coordinating Board as notification. (Once the preliminary authority is approved, U. T. Southwestern Medical Center will develop a final degree program for approval by the U. T. System Board of Regents and the Coordinating Board.)

Program Description:

The proposed Ph.D. program is designed to provide research training in patient-oriented research for graduate-level health care professionals (holding a master's degree) having discipline specific clinical skills. The addition of doctoral-level research training in combination with their existing professional degree would enhance opportunities for professional growth (e.g., research) and employment (e.g., state, federal, academia, and nonprofit research institution).

53. Contract (funds coming in) - U. T. Southwestern Medical Center: Payment in support of a collaborative agreement with Children's Medical Center of Dallas to create a joint maternal/fetal medicine and obstetrics program

Agency:	Children's Medical Center of Dallas
Funds:	\$20,000,000
Period:	June 25, 2013 through October 1, 2013 (unless extended by both parties)
Description:	The parties will collaborate together to create a regional center of excellence for complex obstetrics and maternal/fetal medicine, devoted both to outstanding clinical quality and to an exceptional patient/family experience.

54. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide professional and technical services to support the operations of UT Southwestern Moncrief Cancer Center

Agency: UT Southwestern Moncrief Cancer Center

Funds: \$4,629,916

Period: September 1, 2013 through August 31, 2014

Description: UT Southwestern Moncrief Cancer Center is an affiliated entity and its financials are consolidated with the financials of U. T. Southwestern Medical Center and the President of U. T. Southwestern Medical Center is a member of UT Southwestern Moncrief Cancer Center.

55. Contract (funds going out) - U. T. Southwestern Medical Center: Anderson Emergency Physicians, P.A. dba Trinity River Emergency Specialists, P.A.

Agency: Anderson Emergency Physicians, P.A. dba Trinity River Emergency Specialists, P.A.

Funds: \$3,625,864

Source of Funds: Designated Funds - Medical Service Research Development Plan

Period: July 1, 2013 through August 31, 2017

Description: Anderson Emergency Physicians to provide emergency physician services

56. New Award of Tenure Appointments - U. T. Southwestern Medical Center: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
College of Biochemistry		
Biochemistry		
John MacMillan	Assistant Professor	Associate Professor (T)
Benjamin Peng-Chu Tu	Assistant Professor	Associate Professor (T)
College of Children's Medical Research Institute		
Children's Medical Research Institute		
Ralph DeBerardinis	Assistant Professor	Associate Professor (T)
College of Clinical Sciences		
Clinical Sciences		
Guanghua Xiao	Assistant Professor	Associate Professor (T)
Yang Xie	Assistant Professor	Associate Professor (T)
College of Immunobiology		
Immunobiology		
Lora Hooper	Assistant Professor	Professor (T)
Felix Yarovinsky	Assistant Professor	Associate Professor (T)
College of Internal Medicine		
Internal Medicine		
James Brugarolas	Assistant Professor	Associate Professor (T)
Zhi-Ping Liu	Assistant Professor	Associate Professor (T)
College of Microbiology		
Microbiology		
Neal Alto	Assistant Professor	Associate Professor (T)
College of Neurology and Neurotherapeutics		
Neurology and Neurotherapeutics		
Juan Pascual	Assistant Professor	Associate Professor (T)
College of Pediatrics		
Pediatrics		
James Amatruda	Assistant Professor	Associate Professor (T)
College of Physiology		
Physiology		
Chengcheng Zhang	Assistant Professor	Associate Professor (T)

57. Approval of Dual Positions of Honor, Trust, or Profit - U. T. Southwestern Medical Center: Appointment by Governor Perry of Robert B. Simonson, D.O., P.A., to the Texas Medical Board

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 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 there is no conflict between the position and the University.

Name: Robert B. Simonson, D.O., P.A.

Title: Associate Clinical Professor, Emergency Medicine

Position: Member, Texas Medical Board

Period: May 10, 2013 through April 13, 2015

Compensation: None

Description: Governor Perry appointed Dr. Simonson to the Texas Medical Board. The Texas Medical Board protects and enhances the public's health, safety, and welfare by establishing and maintaining standards of excellence used in regulating the practice of medicine and ensuring quality health care for Texans.

58. Degree Program - U. T. Medical Branch - Galveston: Approval of preliminary planning authority for a Doctorate in Occupational Therapy (O.T.D.)

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Callender that the U. T. System Board of Regents approve preliminary planning authority for U. T. Medical Branch - Galveston to include:

- a. a Doctorate in Occupational Therapy (O.T.D.); and
- b. submission of the request to the Texas Higher Education Coordinating Board as notification. (Once preliminary planning authority is approved, U. T. Medical Branch - Galveston will develop a final degree program for approval by the U. T. System Board of Regents and the Coordinating Board.)

Program Description:

The proposed degree plan would enable licensed occupational therapists with master's degrees and at least two years of practice experience to remain in the workforce while also enrolling in a course of study that would prepare them to assume more senior roles in practice settings and to serve as clinical faculty in the state's entry-level professional education programs. The program would be specifically designed to enhance partnerships between clinicians and academicians in the pursuit of knowledge with the ultimate goal of improving patient care.

Highly qualified and experienced occupational therapists in Texas are currently providing direct care and are committed to remaining in the workplace, but these future leaders want to contribute in ways that will make a bigger impact. They seek an advanced professional degree that is offered in other areas of the United States, but not in Texas institutions of higher learning. They currently need to go out of state if they wish to earn this degree.

59. Lease - U. T. Medical Branch - Galveston: Authorization to lease space from Huntsville Investments, LLC for medical office use

Description: Lease of approximately 7,744 square feet of office space at 200 River Pointe, Conroe, Texas, for medical office use for U. T. Medical Branch's Correctional Managed Care program

Lessor: Huntsville Investments, LLC, a Texas limited liability company

Term: The lease is estimated to commence on August 1, 2013 and the term is for a period of five years. U. T. Medical Branch has the option, exercisable in its discretion, to renew the lease for one five-year renewal term. Because the renewal option would result in total rent in excess of \$1,000,000, the institution is requesting Board approval of the lease.

Lease Costs: \$696,960 in rent during the initial five-year term. The rental rate for the first year of the term is \$17.50 per square foot annually and increases by \$0.25 per square foot each year of the term. Rent for the renewal option period will be at the then fair market rental, with a ceiling of \$20.35 per square foot per year for the first year of the renewal term. U. T. Medical Branch - Galveston

will contribute \$110,000 for construction of the improvements to the premises. The Lessor will pay construction costs exceeding the U. T. Medical Branch contribution, which additional costs are currently estimated to be \$20,000.

Source of Funds: Contract funds from the correctional managed care contract

60. Foreign Contract (funds coming in) - U. T. Medical Branch - Galveston: Contract with Rwanda Ministry of Health, Rwanda Human Resources for Health Program, and Rwanda Ministry of Health to advise the Rwanda Ministry of Health regarding health care delivery and procedures

Agency: Rwanda Ministry of Health

Funds: Not to exceed \$250,000

Period: August 1, 2013 through July 31, 2014

Description: U. T. Medical Branch - Galveston will send two internal medicine faculty to advise the Rwanda Ministry of Health regarding health care delivery and procedures to the various providers managing patients in Rwanda, based upon the conditions and resources available to the health care facilities in Rwanda. The Clinton Health Access Initiative has partnered with the Rwandan government to recruit and fund approximately 100 physicians and nurses to spend, on average, one year each in Rwanda. The U. T. Medical Branch - Galveston School of Medicine was selected to participate along with Duke University, New York University, the University of Maryland, Brown University, Harvard University, and others. This project provides a unique opportunity for international health experience in a well-designed project overseen by Ira Magaziner, former President Clinton's advisor on health care reform.

61. Contract (funds coming in) - U. T. Medical Branch - Galveston: Texas Department of Criminal Justice (TDCJ) to provide medical and psychiatric care to offenders in units operated by TDCJ

Agency: Texas Department of Criminal Justice

Funds: \$768,566,499

Period: September 1, 2013 through August 31, 2015

Description: U. T. Medical Branch - Galveston to provide medical and psychiatric care to offenders in units operated by TDCJ

62. Tenure and Emeritus Appointments - U. T. Medical Branch - Galveston:
Amendments to the 2012-13 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:

Description	Effective Date	% Time	Full-time Salary		RBC #
			No. Mos.	Rate \$	
Academic Enterprise					
Internal Medicine					
Robert Beach					5201
From: Clinical Professor		100	12	218,715	
To: Professor Emeritus	05/1-8/31				
Preventive Medicine and Community Health					
Daniel Freeman					5203
From: Director of Biostatistics		100	12		
To: Professor Emeritus	05/1-8/31				
Neurology					
Professor and Chair					
Anish Bhardwaj (T)	08/1-12/31	100	12	450,000	5285
Occupational Therapy					
Gretchen Stone					5289
From: Associate Professor (T)		100	12	76,000	
To: Emeritus Associate Professor	05/1-8/31				

63. Tenure - U. T. Medical Branch - Galveston: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
School of Medicine		
Biochemistry and Molecular Biology		
Kyung Choi	Assistant Professor	Associate Professor (T)
Marc Morais	Assistant Professor	Associate Professor (T)
Olivera Nestic-Taylor	Assistant Professor	Associate Professor (T)
Dermatology		
Michael Wilkerson	Associate Professor	Professor (T)
Internal Medicine		
Tapas Hazra	Associate Professor	Professor (T)
Neuroscience and Cell Biology		
Shao-Jun Tang	Assistant Professor	Associate Professor (T)
Obstetrics and Gynecology		
Shannon Clark	Assistant Professor	Associate Professor (T)
Maged Costantine	Assistant Professor	Associate Professor (T)
Jeff Temple	Assistant Professor	Associate Professor (T)
Otolaryngology		
Susan McCammon	Assistant Professor	Associate Professor (T)
Pathology		
Michael Loeffelholz	Associate Professor	Professor (T)
Thomas Ksiazek	Professor	Professor (T)
Gustavo Valbuena	Assistant Professor	Associate Professor (T)
Pharmacology and Toxicology		
Jia Zhou	Assistant Professor	Associate Professor (T)
Rehabilitation Sciences		
James Graham	Assistant Professor	Associate Professor (T)

64. Foreign Contract (funds coming in) - U. T. Health Science Center - Houston: Memorandum of Understanding with the Saudi Arabian Cultural Mission to provide funding to support Saudi Arabian physicians participating in U. T. Health Science Center - Houston's Graduate Medical Education Residency Programs

Agency: Saudi Arabian Cultural Mission

Funds: \$134,390

Source of Funds: Saudi Arabian Cultural Mission and Saudi Arabian Ministry of Higher Education

Period: July 1, 2013 through June 30, 2014

Description: The purpose of this agreement is to provide funding to U. T. Health Science Center - Houston to support two Saudi Arabian physicians participating in the Graduate Medical Education Residency Programs.

65. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of Jarvis Chan from Professor, School of Dentistry, to Professor Emeritus in the Department of Basic Sciences (RBC No. 5267) -- amendment to the 2013-2014 budget

66. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of James B. Sweet from Professor, School of Dentistry, to Professor Emeritus in the Department of Oral and Maxillofacial Surgery effective June 21, 2001 (RBC No. 5269)

Note: Due to processing errors at the institution, this request was not placed on the U. T. System Board of Regents' Docket at the time of Dr. Sweet's retirement. President Colasurdo has approved the retroactive date of June 2001 as the approval for this appointment.

67. Emeritus Appointment - U. T. Health Science Center - Houston: Appointment of John F. Helfrick from Professor and Chairman, School of Dentistry, to Professor Emeritus in the Department of Oral and Maxillofacial Surgery effective August 1, 2001 (RBC No. 5274)

Note: Due to processing errors at the institution, this request was not placed on the U. T. System Board of Regents' Docket at the time of Dr. Helfrick's retirement. President Colasurdo has approved the retroactive date of June 2001 as the approval for this appointment.

68. New Award of Tenure Appointments - U. T. Health Science Center - Houston: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
Medical School		
Biochemistry and Molecular Biology Lei Zheng	Assistant Professor	Associate Professor (T)
Internal Medicine, Cardiology H. Vernon Anderson	Professor	Professor (T)
Internal Medicine, Geriatrics Dongchuan Guo	Assistant Professor	Associate Professor (T)
Internal Medicine, Infectious Diseases Cesar A. Arias	Associate Professor	Associate Professor (T)
Internal Medicine, Renal Diseases Bruce C. Kone	Professor	Professor (T)
Obstetrics, Gynecology and Reproductive Sciences Sean C. Blackwell	Associate Professor	Professor (T)
Otorhinolaryngology Head and Neck Surgery Samer Fakhri	Associate Professor	Professor (T)

School of Biomedical Informatics

Biomedical Informatics

Hua Xu

Associate Professor

Associate Professor (T)

School of Public Health

Epidemiology and Disease Control,

Austin Regional Campus

Melissa H. Stigler

Assistant Professor

Associate Professor (T)

Management, Policy, and Community
Health

Lee Revere

New Hire

Associate Professor (T)

69. Tenure Appointment - U. T. Health Science Center - San Antonio: Amendment to the 2012-13 budget

The following Request for Budget Change has been administratively approved by the Executive Vice Chancellor for Health 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>	
School of Medicine					
Urology					
Professor and Chair					
Ronald Rodriguez (T)	1/1-8/31	100	12	385,000	5200

70. Emeritus Appointments - U. T. Health Science Center - San Antonio: Approval of Emeritus Titles

Kenneth Kalkwarf, from Special Assistant to the President to Dean Emeritus, Dean of the Dental School, effective 9/1/2013 (RBC No. 5321) -- amendment to the 2013-2014 budget

Carol Reineck, from Professor and Chair to Professor Emeritus, Health Restoration and Care Systems Management, effective 9/1/2013 (RBC No. 5322) -- amendment to the 2013-2014 budget

William McDavid, from Professor to Professor Emeritus, Department of Comprehensive Dentistry, effective 9/1/2012 (RBC No. 5225) -- amendment to the 2012-13 budget

Steven Schenker, from Professor to Professor Emeritus, Department of Medicine, effective 9/1/2009 (RBC No. 5191) -- amendment to the 2009-10 budget

Michael Stern, from Professor to Professor Emeritus, Department of Otolaryngology, effective 9/1/2009 (RBC No. 5196) -- amendment to the 2009-10 budget

G. Howard Holt, from Professor to Professor Emeritus, Department of Medicine, effective 9/1/2009 (RBC No. 5191) -- amendment to the 2009-10 budget

The Emeritus appointments -- amendments to the 2009-10 budget -- were Emeritus appointments that were originally prepared to be included with the August 2009 Docket; however, there is no record of submission by the institution.

71. New Award of Tenure Appointments - U. T. Health Science Center - San Antonio: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure appointments have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>
Dental School		
Comprehensive Dentistry		
Xiao-Dong Chen	Associate Professor	Professor (T)
Adriana Vargas-Green	Assistant Professor	Associate Professor (T)
Robert A. Kaminski	Assistant Professor	Associate Professor (T)
Endodontics		
Armen N. Akopian	Assistant Professor	Associate Professor (T)
Fabricio B. Teixeira	Associate Professor	Associate Professor (T)
School of Medicine		
Biochemistry		
Yuzuru Shiio	Assistant Professor	Associate Professor (T)
Cellular and Structural Biology		
Alexander J.R. Bishop	Assistant Professor	Associate Professor (T)
Qitao Ran	Assistant Professor	Associate Professor (T)
Suzette D. Tardif	Associate Professor	Professor (T)
Medicine		
Ricardo C.T. Aguiar	Associate Professor	Associate Professor (T)
Anand B. Karnad	Professor	Professor (T)
Donna M. Lehman	Associate Professor	Associate Professor (T)

Pathology Yuji Ikeno	Assistant Professor	Associate Professor (T)
Pediatrics Margarita M. Vasquez	Assistant Professor	Associate Professor (T)
Pharmacology Xin-Yun Lu	Associate Professor	Professor (T)
Physiology Salvatore Oddo	Assistant Professor	Associate Professor (T)
Radiology Rajeev Suri	Assistant Professor	Associate Professor (T)
Urology Susan S. Padalecki	Assistant Professor	Associate Professor (T)

School of Nursing

Family and Community Health Systems Norma Martinez Rogers	Clinical Professor	Professor (T)
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72. Approval of Dual Positions of Honor, Trust, or Profit - U. T. Health Science Center - San Antonio: Dual Appointments

The following items have 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 these offices is of benefit to the State of Texas and The University of Texas and there is no conflict between holding these positions and the appointments with the University. The Board is also asked to find that holding these positions is of benefit to the State of Texas and the University and there is no conflict between the positions and the University.

Name: Michael R. Arambula, Pharm.D.

Title: Adjunct Associate Professor, Department of Psychiatry

Name: Karl W. Swann, M.D.

Title: Adjunct Assistant Professor, Department of Neurosurgery

Position: Members, Texas Medical Board

Period: May 13, 2013 through April 13, 2019

Compensation: None

Description: Governor Perry has reappointed Dr. Arambula and Dr. Swann to the Texas Medical Board. The Board protects and enhances the public health, safety, and welfare by establishing and maintaining standards of excellence used in regulating the practice of medicine and ensuring quality health care for Texas.

Name: Geoffrey D. Clarke, Ph.D.

Title: Professor, Department of Radiology

Position: Member, Texas Board of Licensure for Professional Medical Physicists

Period: May 3, 2013 through February 1, 2019

Compensation: None

Description: Governor Perry has appointed Dr. Clarke to the Texas Board of Licensure for Professional Medical Physicists. The Board regulates the practice of medical physics in Texas.

Name: Curtis Triplitt, Pharm.D.

Title: Assistant Professor, Department of Medicine-Diabetes

Position: Member, Texas Diabetes Council

Period: April 17, 2013 through February 1, 2019

Compensation: None

Description: Governor Perry appointed Dr. Triplitt to the Texas Diabetes Council. The Council assists in the development and implementation of a public awareness strategy focusing on diabetes and its complications.

73. Lease - U. T. M. D. Anderson Cancer Center: Authorization to lease space to M. D. Anderson Physicians Network and M. D. Anderson Services Corporation for use as office space

Description: Lease of approximately 18,072 rentable square feet at 7007 Bertner Avenue, Houston, Texas, to be used by M. D. Anderson Physicians Network and M. D. Anderson Services Corporation as office space

Lessees: M. D. Anderson Physicians Network and M. D. Anderson Services Corporation, both 501(c)(3) Texas nonprofit corporations, and both affiliated with U. T. M. D. Anderson Cancer Center

Term: Term is anticipated to commence on October 24, 2013, and continues for 10 years with two five-year options to renew

Rent: Approximately \$6,524,376 in building rent over the initial 10-year term; operating expenses are included in the rent. Rent for the extension terms will be at the then current market rental rate. The Lessor will purchase furnishings with a value not to exceed \$750,000 to be used in, and remain with, leased premises. The Lessees will lease the furnishings for an additional monthly rental amount that will fully amortize the cost of the furnishings over the initial 10-year lease term.

74. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Epsilon Data Management, LLC to provide fundraising support services

Agency: Epsilon Data Management, LLC

Funds: Total cost of goods and services under this agreement will not exceed \$33,000,000 without prior written authorization from U. T. M. D. Anderson Cancer Center. The contract cap with all renewal options will not exceed \$55,000,000.

Source of Funds: Hospital patient income

Period: Term of the initial agreement will be for a period of 36 months, commencing on September 1, 2013, and continuing through August 31, 2016, with the option for two additional 12-month renewals

Description: Vendor will provide support for fundraising strategies, including mail and production services for various donor programs

75. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Fisk Electric Company to provide network cabling installation and testing services

Agency: Fisk Electric Company

Funds: The contract cap with all renewal options will not exceed \$6,715,000. Total cost of goods and services under the initial agreement will not exceed \$2,686,000 without prior written authorization from U. T. M. D. Anderson Cancer Center.

Source of Funds: Hospital patient income

Period: Term of the initial agreement will be for a period of 24 months, commencing on September 1, 2013, and continuing through August 31, 2015, with the option for three additional 12-month renewals

Description: Vendor will provide network cabling installation and testing services for cat 5 and cat 6 cabling, fiber and copper cabling, and all associated connectors, wall jacks, and termination points.

76. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: MCA Communications, Inc. to provide network cabling installation and testing services

Agency: MCA Communications, Inc.

Funds: The contract cap with all renewal options will not exceed \$6,715,000. Total cost of goods and services under the initial agreement will not exceed \$2,686,000 without prior written authorization from U. T. M. D. Anderson Cancer Center.

Source of Funds: Hospital patient income

Period: Term of the initial agreement will be for a period of 24 months, commencing on September 1, 2013, and continuing through August 31, 2015, with the option for three additional 12-month renewals

Description: Vendor will provide network cabling installation and testing services for cat 5 and cat 6 cabling, fiber and copper cabling, and all associated connectors, wall jacks, and termination points.

77. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Walker Engineering, Inc. to provide network cabling installation and testing services

Agency: Walker Engineering, Inc.

Funds: The contract cap with all renewal options will not exceed \$6,715,000. Total cost of goods and services under the initial agreement will not exceed \$2,686,000 without prior written authorization from U. T. M. D. Anderson Cancer Center.

Source of Funds: Hospital patient income

Period: Term of the initial agreement will be for a period of 24 months, commencing on September 1, 2013 and continuing through August 31, 2015, with the option for three additional 12-month renewals

Description: Vendor will provide network cabling installation and testing services for cat 5 and cat 6 cabling, fiber and copper cabling, and all associated connectors, wall jacks, and termination points.

78. Tenure Appointments - U. T. M. D. Anderson Cancer Center: Amendments to the 2012-13 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 Staff					
Radiation Oncology					
Professor					
Arnold dela Cruz Paulino (T)	7/1-8/31	100	12	432,000	5255

Infectious Diseases, Infection Control,
and Employee Health
Professor

Pablo Christian Okhuysen(T) 7/1-8/31 100 12 250,000 5257

Research Staff

Biostatistics

Associate Professor

Liang Li (T) 6/1-8/31 100 12 145,000 5256

79. Request for Budget Change - U. T. M. D. Anderson Cancer Center: Amendments to the 2012-13 budget

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
Auxiliary Services		
Amount of Transfer:	2,500,000	5302
From: Auxiliary Revenues	2,500,000	
To: Auxiliary Operating Expenses	2,500,000	

This transfer will adjust revenues, projected revenues, and expenses for this fiscal year due to increased activity.

80. New Award of Tenure - U. T. M. D. Anderson Cancer Center: Amendments to the 2013-14 budget

The following personnel actions involving new award of tenure have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2014 Annual Operating Budget and are consistent with the Regents' *Rules and Regulations*, Rule 31007.

<u>Department, and Name</u>	<u>From</u>	<u>To</u>
Experimental Therapeutics George Calin	Associate Professor	Professor (T)
Melanoma Medical Oncology Michael Davies	Assistant Professor	Associate Professor (T)

General Internal Medicine Holly Holmes	Assistant Professor	Associate Professor (T)
Behavioral Science Damon Vidrine	Assistant Professor	Associate Professor (T)
Palliative Care and Rehab Medicine Sriram Yennu	Assistant Professor	Associate Professor (T)
Surgical Oncology Thomas Aloia Elizabeth Mittendorf	Assistant Professor Assistant Professor	Associate Professor (T) Associate Professor (T)
Pulmonary Medicine Scott Evans	Assistant Professor	Associate Professor (T)
Molecular Pathology Sendurai Mani	Assistant Professor	Associate Professor (T)
Molecular and Cellular Oncology Dos Sarbassov	Assistant Professor	Associate Professor (T)
Epidemiology Paul Scheet	Assistant Professor	Associate Professor (T)
Gynecologic Oncology and Reproductive Medicine Kathleen Schmeler	Assistant Professor	Associate Professor (T)
Diagnostic Radiology Alda Tam	Assistant Professor	Associate Professor (T)
Neuro-Oncology Research Candelaria Gomez-Manzano	Assistant Professor	Associate Professor (T)
Hematopathology Sergej Konoplev Roberto Miranda Sa Wang	Assistant Professor Associate Professor Associate Professor	Associate Professor (T) Associate Professor (T) Associate Professor (T)
Clinical Cancer Prevention- Research Xiangwei Wu	Associate Professor	Associate Professor (T)

81. Dual Appointment of Honor, Trust, or Profit - U. T. M. D. Anderson Cancer Center: Appointment by Governor Perry of Leon J. Leach, Ph.D., to 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 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 there is no conflict between the position and the University.

Name: Leon J. Leach, Ph.D.

Title: Executive Vice President

Position: Member, Health and Human Services Council

Period: February 1, 2013 through February 1, 2019

Compensation: None

Description: Governor Perry has reappointed Dr. Leach to the Health and Human Services Council. The Health and Human Services Council assists in developing policies and rules for the Health and Human Services Commission and makes recommendations regarding management and operation of the Commission.

82. Emeritus Appointment - U. T. Health Science Center - Tyler: Appointment of Michael K. Pangburn, Ph.D., Professor of Biochemistry, to Emeritus Professor (RBC No. 5356) -- amendment to the 2013-14 budget