COMMITTEE MEETING MINUTES

OF THE BOARD OF REGENTS

OF

THE UNIVERSITY OF TEXAS SYSTEM

November 12-13, 2008

El Paso, Texas

Minutes of Committee meetings are taken as a convenience for
research purposes and may be verified by recordings kept in the
Office of the Board of Regents or webcasts available at
http://www.utsystem.edu/bor/meetings/minutes.htm.

/s/ Carol A. Felkel
Assistant Secretary to the Board of Regents
December 8, 2008

MINUTES
U. T. System Board of Regents
Audit, Compliance, and Management Review Committee
November 12, 2008

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 2:05 p.m. on Wednesday, November 12, 2008, in the Templeton Suite, Union Building East, The University of Texas at El Paso, 500 West University Avenue, El Paso, Texas, with the following participation:

Attendance
Regent Foster, presiding
Vice Chairman Rowling
Regent Longoria
Regent McHugh

Also present was Executive Director Martinez.

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

1.   **U. T. System: Approval of the U. T. Systemwide Internal Audit Plan for Fiscal Year 2009**

<table>
<tr><td align="center">***Committee Meeting Information***</td></tr>
<tr><td>***Presenter(s):*** *Committee Chairman Foster*
Status: *Reported*
Future Action: *Amend U. T. Medical Branch – Galveston FY 2009 audit plan, delayed due to Hurricane Ike, and present to the Committee & full Board for approval*</td></tr>
</table>

Discussion at meeting:

Committee Chairman Foster said this item was approved by the Committee on October 8, 2008, and will be presented to the full Board for ratification tomorrow (November 13). He said completion of the amended audit plan for U. T. Medical Branch – Galveston is delayed due to the impact of Hurricane Ike and will be presented to the Committee at a later date.

2. **U. T. System Board of Regents: Report on results of the audits of funds managed by The University of Texas Investment Management Company (UTIMCO)**

Committee Meeting Information

Presenter(s): *Mr. Tom Wagner, Deloitte & Touche*
Status: *Reported*
Future action: *At the February Audit Committee meeting, discuss conducting an audit of UTIMCO internal controls.*

Discussion at meeting:

Mr. Wagner said this was a financial audit and although internal controls are reviewed, the review is not performed thoroughly enough to issue an opinion on the strength of those internal controls. Regent Longoria asked if there were any close calls of material weakness and Mr. Wagner said no material weaknesses or significant deficiencies were found.

Mr. Zimmerman noted the UTIMCO Board is considering engaging an outside audit of its internal controls since it has been a couple of years that the last such audit was performed. Regent Longoria asked about the process of review of UTIMCO internal controls by U. T. System Administration auditors and Mr. Chaffin responded that an internal control audit has been done in the past but has not been done for about two years. Mr. Zimmerman added the audit predates him but it was almost a Sarbanes-Oxley type of audit. Regent Longoria expressed interest in conducting such an audit in the interest of fiduciary responsibilities, and Committee Chairman Foster agreed, noting the question is how often and to what extent these audits should be conducted. Mr. Chaffin suggested the matter be considered again at the February 2009 Committee meeting and Committee Chairman Foster said how much work should be done internally or externally can also be discussed.

Mr. Wagner pointed out there was a small list of investments that Deloitte was unable to verify. He said the risk that fund managers are misstating anything is very low, and that there is more stringent methodology for independent verification. Mr. Wagner said the audit was conducted on funds as of August 31, 2008, whereas an audit of funds as of September 30, 2008, would have been very different due to the fall of stock prices.

3. **U. T. System: Report on the Fiscal Year 2008 Consolidated Annual Financial Report audit**

Committee Meeting Information

Presenter(s): *Mr. Charles Chaffin, Chief Audit Executive*
Status: *Reported*

Discussion at meeting:

Mr. Chaffin reported no significant deficiencies of internal control that would cause a material weakness U. T. Systemwide.

4.   U. T. System: Report on the Systemwide internal audit activities and Internal Audit Department report for U. T. Health Science Center – Tyler

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Committee Meeting Information
Presenter(s): *Mr. David Hullum, Administrative Director of Internal Audit, U. T. Health Science Center – Tyler; Mr. Charles Chaffin, Chief Audit Executive*
Status: *Reported*

Discussion at meeting:

Vice Chairman Rowling asked if the institutions had started to implement the Huron Consulting software, an online effort certification reporting tool, and Mr. Richard St. Onge, Associate Vice Chancellor for Health Affairs, described the progress being made at the institutions. He said the program is being implemented at multiple campuses simultaneously through shared services.

5.   U. T. System: Report on the Systemwide Compliance Program, including introduction of the new Systemwide Compliance Officer

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Committee Meeting Information
Presenter(s): *Mr. Charles Chaffin, Chief Audit Executive; Mr. Larry Plutko, Systemwide Compliance Officer*
Status: *Reported*

Discussion at meeting:

Committee Chairman Foster welcomed Mr. Larry Plutko, Systemwide Compliance Officer. Mr. Plutko presented the compliance report and noted he was impressed with the Systemwide program, particularly the level of specialized training available. In response to a question from Regent McHugh about whether he had any matters of concern to report, Mr. Plutko said he was not aware of anything but that his primary efforts to this point related to organization of the compliance program and assuring that the program is freestanding. Regent McHugh extended the invitation for him to come to any member of this Committee or other members of the Board with any issues. Vice Chairman Rowling asked who he reports to and Mr. Plutko responded he reports to the Chancellor.

RECESS TO EXECUTIVE SESSION

At 2:30 p.m., the Committee recessed to Executive Session pursuant to *Texas Government Code* Section 551.074 to consider matters listed on the Executive Session agenda as follows:

Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – *Texas Government Code* Section 551.074

> U. T. System: Discussion with institutional auditors and compliance officers concerning evaluation and duties of individual System and institutional employees involved in internal audit and compliance functions

RECONVENE IN OPEN SESSION

The Executive Session ended at 2:40 p.m., and the Committee reconvened in Open Session to adjourn. No action was taken on items discussed in Executive Session.

ADJOURNMENT

Committee Chairman Foster adjourned the meeting at 2:40 p.m.

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
November 12, 2008

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 2:55 p.m. on Wednesday, November 12, 2008, in the Tomás Rivera Conference Center, Union Building East, The University of Texas at El Paso, 500 West University Avenue, El Paso, Texas, with the following participation:

Attendance
Vice Chairman Rowling, presiding
Regent Barnhill
Regent Foster
Regent Longoria

Also present were Chairman Caven, Vice Chairman Huffines, Regent Dannenbaum, Regent Dower, Regent Gary, Regent McHugh, and General Counsel to the Board Frederick.

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

1. **U. T. System: Discussion and appropriate action related to approval of _Docket No. 136_**

Committee Meeting Information
Presenter(s): *Committee Chairman Rowling*
Status: *Discussed*

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

Committee Meeting Information
Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs*
Status: *Reported*

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3. **U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the fiscal year and quarter ended August 31, 2008**

Committee Meeting Information
Presenter(s): *Mr. Bruce Zimmerman, Chief Executive Officer and Chief Investment Officer, UTIMCO*
Status: *Reported*
Future action*: Vice Chairman Huffines cautioned presidents to control expenses and suggested the Facilities Planning and Construction Committee also review expenses vis-à-vis construction costs. Committee Chairman Rowling suggested there could be projects that could be deferred.*

Discussion at meeting:

Mr. Zimmerman reported the 2008 Fiscal Year ended with losses in the PUF, GEF, and ITF but he said the losses were significantly better than benchmarks as relative to peers. UTIMCO was in the 36th percentile, which was just below the desirable first percentile. He reported that at the end of the fiscal year, UTIMCO was within all asset ranges and risk budget. UTIMCO had little (1.5%) leverage on the total portfolio and the portfolio was liquid enough to allow conversion of 50% into cash within 90 days and roughly 75% into cash within one year.

Mr. Zimmerman reported that September and October 2008 were difficult months. Endowments lost approximately 8.4% in September and the ITF was down about 8%. Endowments are expected to be down about 10% in October and the ITF down about 12%. Mr. Zimmerman reported that recent discussions have been held by the UTIMCO Risk Committee and the UTIMCO Board on the significant losses and he will be meeting in about three weeks with the institutional business officers to focus on the ITF. Looking forward, Mr. Zimmerman said UTIMCO remains concerned about the state of economic affairs and said there are views that the recession could turn into a depression. He spoke about the public equity exposure and the hedge fund model.

Mr. Zimmerman then described short-, medium-, and long-term investment opportunities such as dislocated and distressed debt.

Committee Chairman Rowling briefly compared UTIMCO's liquidity and investments with the University of Virginia. He noted that UTIMCO has good fund managers and good outside directors serving on the UTIMCO Board. He said staff is transparent with the UTIMCO Board.

Vice Chairman Huffines cautioned presidents to control expenses and suggested the Facilities Planning and Construction Committee also review expenses vis-à-vis construction costs. Committee Chairman Rowling suggested there could be projects that could be deferred.

4. **U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center: Request for authorization to a) file Federal Emergency Management Agency (FEMA) documents, b) dispose of salvageable property, and c) execute all documents related thereto**

Committee Meeting Information
Presenter(s): *Mr. Phillip Dendy, Director of Risk Management*
Status: *Approved*
Motion: *Made by Regent Barnhill, seconded by Regent Longoria, and carried unanimously*

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5. **U. T. System: Adoption of a Resolution related to a contract to hedge the price and sell a portion of the future oil and gas royalty production from the Permanent University Fund Lands**

Committee Meeting Information
Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs*
Status: *Approved with the amendment that transactions may move forward upon approval by the Board of Regents vs. by the Chairman and Vice Chairmen*
Motion: *Made by Regent Longoria, seconded by Regent Barnhill, and carried unanimously*

Discussion at meeting:

Dr. Kelley said the market economics are not favorable to execute a forward sale but he would like to be prepared to execute the transaction should conditions change. He noted that, on the advice of counsel, it was clarified within the Resolution that any such transaction is determined to be a prudent investment and therefore not counted as debt; it is considered an authorized investment under the Texas Constitution.

He clarified the term of the transaction was not to exceed six years and he noted the agenda item calls for him coming forward to the Board Chairman and Vice Chairmen for authorization prior to proceeding with the transaction.

Committee Chairman Rowling noted the forward sale was not executed when oil was $140/barrel and gas was at $13, and now that prices have fallen, the time is not right to execute a forward sale. Regent Longoria asked if staff could move forward with diligence to prepare the necessary documents and other steps and bring the proposal back to the full Board. The Committee agreed the Resolution should be revised to reflect that transactions can move forward upon approval by the Board of Regents instead of upon approval by the Chairman and Vice Chairmen.

Regent Longoria also pointed out that discussions in July 2008 included diversifying into other assets but since there have been losses in every area that was probably not an important consideration.

6. **U. T. System: Update on the credit markets and the impact on U. T. System debt programs and credit ratings**

> ***Committee Meeting Information***
> *Presenter(s): Mr. Philip R. Aldridge, Vice Chancellor for Finance and Business Development*
> *Status: Reported*

Discussion at meeting:

Mr. Aldridge reported that U. T. System debt continues to be rated high with Permanent University Fund (PUF) and Revenue Financing System (RFS) programs rated at AAA. He talked about the tax-exempt municipal bond market and the rising cost of debt. Vice Chancellor Aldridge said that while not immune to the market, U. T. System short-term debt is trading well (commercial paper at 0.7-1% rate of interest) and he attributed the good rate to lack of need for bond insurance and external liquidity. He suggested the future possibility of purchasing external liquidity to issue variable rate debt and he spoke about the flexibility of ways and times to issue debt.

Committee Chairman Rowling asked if there was any problem with the auction rate or commercial paper and Mr. Aldridge said no, since the U. T. System did not need bond insurance and had internal liquidity. Vice Chairman Rowling also asked if all short-term borrowing is in commercial paper and Mr. Aldridge responded that most is either commercial paper or in variable rate demand bonds.

7. **U. T. System Board of Regents: Adoption of Resolutions authorizing the use of tender programs and direct debt repurchases to refund and retire outstanding Permanent University Fund Bonds and Revenue Financing System Bonds, and authorization to complete all related transactions**

> ***Committee Meeting Information***
> *Presenter(s): Mr. Philip R. Aldridge, Vice Chancellor for Finance and Business Development*
> *Status: Approved*
> *Motion: Made by Regent Longoria, seconded by Regent Barnhill, and carried unanimously*

Discussion at meeting:

In looking for ways to benefit from current market conditions, Mr. Aldridge noted that U. T. System debt is trading at a low price because there are no buyers on the long end of the market and because of the "de minimus" rule, which he briefly described. He said Agenda Items 7 and 8 propose to obtain specific authority from the Board to buy back U. T. System's debt if it makes sense economically.

Mr. Aldridge stated that Item 8 also restores the PUF Bond capacity to $500 million. Vice Chairman Rowling noted that he was surprised to learn that the Master Resolution did not provide this specific authority sought by Item 7 and called for one motion on Items 7 and 8.

8. **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**

Committee Meeting Information
Presenter(s): *Mr. Philip R. Aldridge, Vice Chancellor for Finance and Business Development*   ***Status:*** *Approved*   ***Motion:*** *Made by Regent Longoria, seconded by Regent Barnhill, and carried unanimously*

See Item 7 above.

9. **U. T. System: Shared Services Initiative Report including Regional Data Centers, North Texas Student Information System, Time and Effort Reporting, and Supply Chain Alliance**

Committee Meeting Information
Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs*   ***Status:*** *Reported*

Discussion at meeting:

Dr. Kelley said with an investment in the Shared Services Initiative of about $44 million over the past 2.5 years, approximately $35.7 million has been saved to date and is projected to yield almost $120 million of benefit over the next five years.

10. **U. T. System: Discussion with representative chief business officers regarding the challenges of institutional budget and finance**

Committee Meeting Information
Presenter(s): *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs; Ms. Cynthia Villa, Vice President for Business Affairs, U. T. El Paso*   ***Status:*** *Discussed*   ***Future action:*** *Continue discussion at the December 2008 retreat on managing institutional costs while trying to be efficient, competitive, and productive.*

Discussion at meeting:

Dr. Kelley introduced the forum as a meaningful discussion that will help inform chief business officers (CBOs) Systemwide on some of their work challenges and to

*provide an opportunity for Committee members to meet the CBOs. He said
Mr. Gregg Lassen, Vice President for Business Affairs at U. T. Tyler, was not able
to attend the meeting.*

*Dr. Kelley said there is substantial pressure to manage costs in a university setting.
Trying to offset efficiencies and trying to be competitive naturally drive up costs, and
he said trying to measure true productivity by tying increases in investments to
outcomes is particularly challenging. He said the CBOs are required to think
creatively and Committee Chairman Rowling suggested the topic be continued at
the December 2008 retreat.*

ADJOURNMENT

Committee Chairman Rowling adjourned the meeting at 3:45 p.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
November 12, 2008

The members of the Academic Affairs Committee of the Board of Regents of
The University of Texas System convened at 3:47 p.m. on Wednesday,
November 12, 2008, in the Tomás Rivera Conference Center, Union Building
East, The University of Texas at El Paso, 500 West University Avenue, El Paso,
Texas, with the following participation:

Attendance
Regent Barnhill, presiding
Regent Foster
Regent Gary
Regent McHugh

Also present were Chairman Caven, Regent Dannenbaum, Regent Dower, and
General Counsel to the Board Frederick.

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

1. **U. T. Dallas: Creation of advisory councils for the Office of International
   Education, the Institute of Public Affairs, and the Institute for Urban
   Policy Research (Regents' *Rules and Regulations*, Rule 60302, relating
   to advisory councils)**

> ***Committee Meeting Information***
> ***Presenter(s):*** *President David E. Daniel, U. T. Dallas; Dr. David B. Prior, Executive Vice Chancellor
> for Academic Affairs*
> ***Status:*** *Approved*
> ***Motion:*** *Made by Regent McHugh, seconded by Regent Gary, and carried unanimously*

2. **U. T. Austin: Request to approve the honorific naming of the new
   Experimental Science Building as the Norman Hackerman Building**

> ***Committee Meeting Information***
> ***Presenter(s):*** *President William Powers, Jr., U. T. Austin; Dr. Randa S. Safady, Vice Chancellor for
> External Relations*
> ***Status:*** *Approved*
> ***Motion:*** *Made by Regent Foster, seconded by Regent McHugh, and carried unanimously*

3.   U. T. Austin: Update regarding the School of Undergraduate Studies

> ***Committee Meeting Information***
> ***Presenter(s):*** *President William Powers, Jr., U. T. Austin; Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs*
> ***Status:*** *Reported*

4.   U. T. System: Report on Textbook Study Group recommendations

> ***Committee Meeting Information***
> ***Presenter(s):*** *Dr. James Studer, Associate Vice Chancellor for Student Affairs*
> ***Status:*** *Reported*

Discussion at meeting:

Dr. Studer presented remarks on the Textbook Study Group essentially as follows:

Report on Textbook Study Group

Chairman Barnhill and members of the Academic Affairs Committee, I will briefly describe the work of the U. T. System Textbook Study Group, including findings, recommendations, and follow-up.

In Fall 2007, Chancellor Yudof asked the Office of Academic Affairs to engage in a study on how to reduce the costs of textbooks. Participants were from the Office of General Counsel, Office of Governmental Relations, Office of Finance, and Office of Academic Affairs. I chaired the group and Dr. Ed Baldwin, Senior Policy Analyst, was the principle analyst and writer for the group.

We took on this study because of the ever-increasing price for learning materials and the concern of students, parents, and legislators about those costs. In the 80th Legislature, five bills were introduced addressing various ways to address this cost issue. At the federal level, there have been two major studies on textbook costs and a variety of proposals have been introduced by our national lawmakers.

There are many factors that contribute to the costs of textbooks. It is a complex subject that involves publishers, authors, bookstores, the used book market, and the emerging use of technology to develop e-books.

What is extremely important is that we do not want to devise a solution or solutions that take away the authority of the classroom teacher to determine what learning materials he/she is going to require students to purchase.

Accordingly, our primary conclusion was -- faculty members selecting learning materials, being mindful of the costs, are the key to controlling and possibly reducing the expense students face with regard to textbooks.

Thus, we have asked for directed and deliberate discussions to take place on our campuses in academic departments and faculty senates on ways in which students' costs can be reduced when purchasing textbooks and other learning materials. We think these discussions amongst our faculty will produce a variety of ways in which to reduce costs by sharing their own experiences. Our Presidents, Provosts, and the U. T. System Faculty Advisory Council (FAC) have endorsed this process.

Our study showed that careful buying by students online could save up to 50% of the cost of textbooks. The dilemma for students motivated to save money is to know which books are required for their courses. Faculty members need to make timely textbook decisions, and the information needs to be posted where students can readily access it in order to shop online (or through other sources) to acquire their textbooks prior to the beginning of classes. In order for the process to work, cooperation needs to occur amongst the faculty, the academic departments, and the class registration process or some other process that allows for the posting of required texts. The recently passed Reauthorization of the Higher Education Act requires universities to develop a process of posting textbook information similar to the Task Force recommendations.

The University of Texas at Austin this spring semester will be engaged in an experiment to offer electronic textbooks to students in certain courses to see if they and the instructors are comfortable with electronic course material. This type of medium offers significant cost reductions for textbooks because there are no printing costs so the books are cheaper. However, because everybody gets a book through a license agreement with the publisher, the publisher has the ability to make more or the same amount of money.

Changing technology and changes in the delivery of knowledge on campuses across the country are reshaping the textbook industry. Eventually the industry will become a digital marketplace where printed course materials will no longer be the norm but that electronic learning materials will be the norm and additional cost savings will be passed on to students.

In response to a question by Regent Barnhill about selling old textbooks, Dr. Studer said the early notification of textbook selection by professors allows bookstores to purchase used books; a savings of about 1/3 to 40 percent. Regent Dower expressed appreciation for the sensitivity shown in this matter of fast depreciation of textbooks, thanking the faculty on all campuses for being sensitive to students' costs.

5. **U. T. Arlington: Report on potential natural gas production and plans for investing projected revenues**

Committee Meeting Information
Presenter(s): President James D. Spaniolo, U. T. Arlington
Status: Reported

Discussion at meeting:

President Spaniolo said it is hoped the Barnett Shale, one of the largest natural gas fields in the U.S., will jumpstart the first capital campaign over the next few years.

6. **U. T. System: Discussions on academic leadership matters - the importance of research as part of the higher education enterprise**

Committee Meeting Information
Presenter(s): Dr. David B. Prior, Executive Vice Chancellor for Academic Affairs
Status: Discussed

Discussion at meeting:

Dr. Prior made a PowerPoint presentation attached on Pages 6 - 11 and then called on a few of the academic presidents for comments on research education, which he defined as "to engage graduate and undergraduate students in developing intellectual capacity through state-of-the-art information and inquiry-based learning." He said the desire is for both faculty and students to have inquiring minds.

President Spaniolo spoke about applied research at U. T. Arlington. He defined applied research as research that is designed to solve practical problems rather than to acquire basic knowledge for the sake of creating or discovering new knowledge. He remarked that applied research helps society solve problems by applying basic research. President Spaniolo gave examples of a biomedical imaging group researching noninvasive procedures to detect and combat diseases and the study of rehabilitation of military personnel with chronic pain. All these projects, he said, involve students.

President Daniel spoke about basic research at U. T. Dallas, saying basic research is why things are the way they are. Dr. Daniel said that universities that can attract research dollars are able to recruit talent and interested scientists and technicians enjoy working at universities, rather than in industry, because they like education and want to work with young people (students). He said the innovations of basic research push discoveries into the application side of research that then leads to advancements in fields such as nanotechnology.

Then Dr. Romo, President of U. T. San Antonio, spoke about humanities research.

Regent Dannenbaum asked if inter-institutional collaboration on research is appropriate for resource allocation and achievement of new thresholds. President Spaniolo, President Powers, and Chancellor Shine spoke in favor of collaboration and provided some examples of collaboration occurring at U. T. System institutions.

Committee Chairman Barnhill asked about ways that research education contributes to improved teaching and President Cárdenas, President Romo, and President Natalicio provided examples of how research enhances teaching. President Powers commented on the lack of funding for basic research and said such research is often considered knowledge for knowledge's sake without knowing the future implications.

In closing, Dr. Prior discussed the future funding of research and said the question of how to value research and scholarship could be discussed in the future.

ADJOURNMENT

Committee Chairman Barnhill adjourned the meeting at 4:50 p.m.

"Leadership Conversations 3"

" The importance of research as part of the higher education enterprise"

David Prior, Jim Spaniolo, David Daniel, Ricardo Romo

and the Academic Institution Presidents

November 2008

THE UNIVERSITY *of* TEXAS SYSTEM

Nine Universities. Six Health Institutions. Unlimited Possibilities.

Board of Regents' Meeting
Academic Affairs Committee
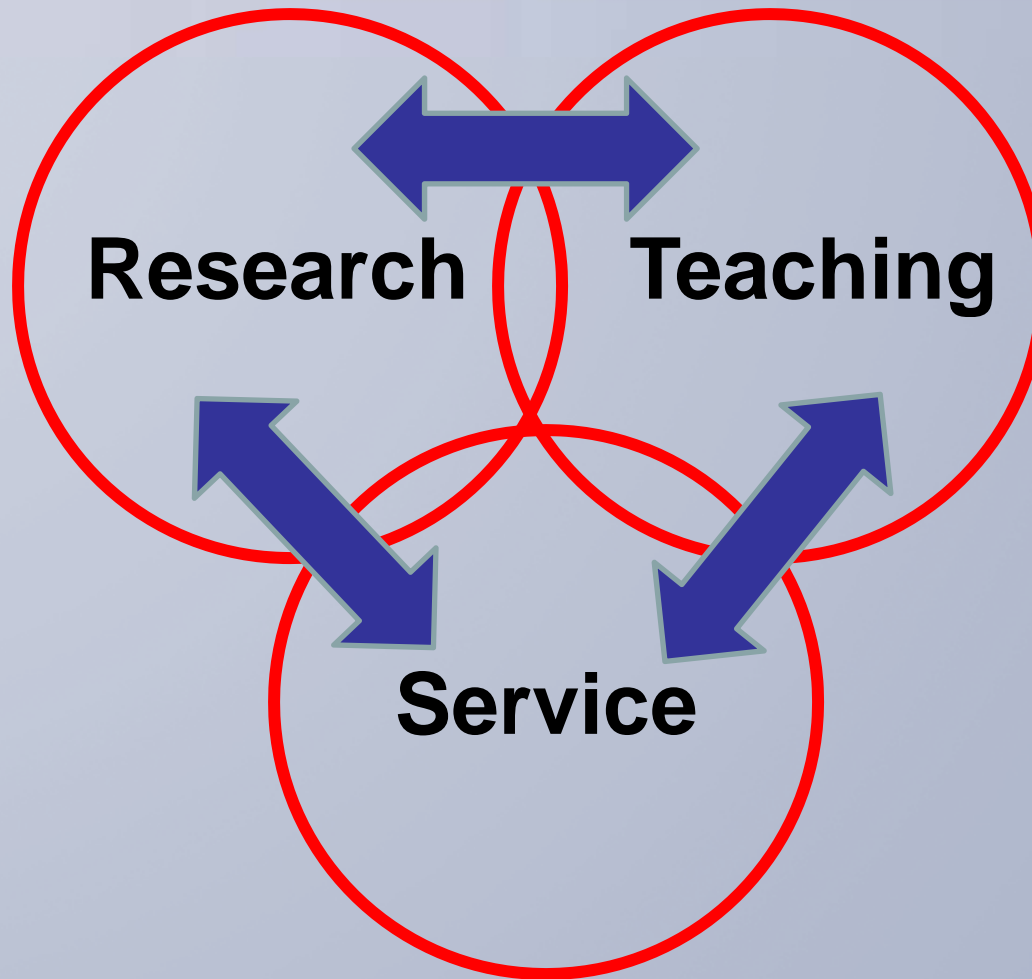
Research Education

- ## The integration of research and teaching
  - ### Research
    - To seek and to share new understanding
    - To advance the state of knowledge
  - ### Teaching
    - To share new, tested concepts, ideas, interpretations, technologies and data with students in the classrooms, laboratories and in the field
  - ### Research education
    - To engage graduate and undergraduate students in developing intellectual capacity through state-of-the-art information and inquiry-based learning
    - Inquiring faculty teaching students to have inquiring minds
    - Inquiry ➡ research ➡ scholarship ➡ Informed teaching

What is research?

- ## **Research – Basic, Applied, Humanities**
  - Conduct scholarly work
    - In laboratories, libraries, in the field
  - Obtain funding and support (in some but not all disciplines)
    - From industry, state and federal agencies, and foundations
  - Publish
    - Books; book chapters; refereed journals, conference proceedings; trade journals
  - Give state-of-the-art presentations
    - Wide variety of forums – including the classroom
  - Incorporate findings into teaching and instruction
  - Engage in technology transfer and commercialization, where appropriate

Research and scholarship – The Sciences

Know the field and its knowledge gaps

Have a good idea or formulate a hypothesis

Identify potential funding sources

Write proposals

Negotiate and secure funding

Recruit graduate students and staff

Purchase equipment

Plan and implement project

Monitor and report progress

Evaluate and interpret results

Build new concepts and explanations

Write reports and publications

Make presentations

Incorporate into teaching

Commercialize – where appropriate

Have another good idea !

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10

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Research -
Outputs and indicators of excellence

- **Publications**
  - **Leading refereed journals**
  - **Books and book chapters**
  - **Juried works**
- **Presentations**
- **Performances in the fine arts**
- **Citations**
- **Fellowships**
- **Awards**
- **Patents and commercialization**
- **Industry / agency consultancies**
- **Member of international / national boards / task forces**
- **Member of international / national editorial boards / Editor**
- **Significant sustained external funding for research**
- **Evidence of creative professional practice**
- **Evidence of sustained and repeated engagement**

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MINUTES
U. T. System Board of Regents
Special Health Affairs Committee Meeting
November 13, 2008

The members of the Health Affairs Committee of the Board of Regents of The
University of Texas System convened a special called meeting at 8:35 a.m. on
Thursday, November 13, 2008, in the Tomás Rivera Conference Center, Union
Building East, The University of Texas at El Paso, 500 West University Avenue,
El Paso, Texas, with the following participation:

Attendance
Regent McHugh, presiding
Vice Chairman Huffines
Vice Chairman Rowling
Regent Dannenbaum

Also present were Regent Barnhill, Regent Dower, Regent Foster, Regent Gary,
Regent Longoria, and General Counsel to the Board Frederick.

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

Leadership and Management Development Programs

Committee Meeting Information
Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; health presidents
Status: Discussed

Discussion at meeting:

*Dr. Shine said the U. T. System has had strong leadership in the health institutions
and he called on the health presidents to discuss programs on their campuses to
develop leadership and management skills. The following presidents discussed the
handout materials that are attached on the pages indicated.*

President Cigarroa, U. T. Health Science Center – San Antonio
Leadership Education and Development (LEAD) (Pages 4 - 9)

*Mr. David Hullum, Administrative Director of Internal Audit, for President Calhoun,
U. T. Health Science Center – Tyler*
2009 Leadership Development Calendar (Pages 10 - 11)

President Mendelsohn, U. T. M. D. Anderson Cancer Center
Faculty Leadership Academy & Administrative Leadership Program (Pages 12 - 20)

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President Podolsky, U. T. Southwestern Medical Center – Dallas
U. T. Southwestern/U. T. Dallas Physician Leadership Development Program,
June 2007 (Pages 21 - 29) and Physician Leadership Program, Next-Level Leaders
(Pages 30 - 42)

President Kaiser described the leadership program organized through the Office of the Executive Vice President for Academic Affairs at U. T. Health Science Center – Houston. He also spoke about similar experiences with a leadership school at Penn State.

President Callender described three interactive leadership programs at U. T. Medical Branch – Galveston and said an annual leadership conference is held. Further, the institution is starting a faculty leadership program similar to the program at U. T. M. D. Anderson Cancer Center.

Dr. Shine also asked the health presidents to speak to how the U. T. System Leadership Institute can add value to their institutional leadership programs. Dr. Cigarroa cited the example of the U. T. System Innovations in Education program where faculty members from the different institutions learn about experiences and best practices at other institutions. He said leaders from the institutional leadership programs would benefit in the same way and added that institutional leaders could also learn what issues are being faced by U. T. System leaders. Dr. Mendelsohn suggested there would be added value for leadership program planners to exchange best practices but that faculty and staff would probably prefer to attend a program locally due to time constraints. Dr. Geri Malandra, Vice Chancellor for Strategic Management, thanked the presidents for the examples of best practices of approaches to customized leadership development and she agreed with President Mendelsohn that those responsible for making the leadership programs as good as they can be benefit from meeting and sharing experiences. Vice Chancellor Malandra also spoke about the work of the planning committee of the U. T. System Leadership Institute, including quickly moving relevant resources to the campuses.

Vice Chairman Rowling suggested that codes of ethics and conflicts of interest be incorporated in the leadership development curriculum and Regent Barnhill initiated discussion about the selection of program participants. Regent Gary asked if participants think of the leadership program as a career track, and Dr. Mendelsohn answered affirmatively. Regent Dannenbaum asked if the programs stimulate awareness on healthy lifestyles and disease prevention and the presidents responded those are separate programs. Regent Dannenbaum also asked if the culture of caring is part of a leadership program and Dr. Podolsky answered that the mission of caring to relieve human suffering is inherently implemented by all faculty and staff. In response to a question by Regent Foster, Dr. Shine answered that leadership principles are being infused in undergraduate education. Regent Dower suggested pulling in a smaller group of people from the different institutions once a year as a way to increase collaboration and relieve time demands on busy faculty and staff.

Dr. Shine summarized the discussion by saying there is a spectrum of leadership programs across the health institutions, interest in the young beginner and in developing leaders, an effort to increasingly give credit to those who enroll in the program, a desire to add program evaluation and follow-up, and a desire to incorporate leadership skills into the overall ethos of health professional education.

ADJOURNMENT

Committee Chairman McHugh adjourned the meeting at 9:30 a.m.

LEAD • LEADERSHIP EDUCATION AND DEVELOPMENT

UT HEALTH SCIENCE CENTER™

WE MAKE LIVES BETTER

Program Overview

Executive Development Group, LLC

Handout at
Special Called
Health Affairs
Committee
meeting 11/13/2008

Common Themes

The need areas for Leadership Development are clustered in nine areas:

- **Self-Discovery**: The need to understand current leadership ability, strengths, opportunities and how to achieve the next step of excellence on an individual leadership basis. The broadly defined target group for this program needs individual knowledge, information and techniques to lead authentically from a variety of organizational positions.

- **Interpersonal Effectiveness**: Mastery of these skills tie closely to Self-Discovery. Those interviewed discussed the need to understand personality and style differences and how to bridge those differences effectively as leaders. The need to build effective relational bridges was particularly strong between functional areas and schools.

- **Vision**: The expressed need was both how to develop a shared vision within participant's sphere of influence, as well as across the institution and to the community at large.

- **Fostering Collaboration and Leading Teams**: The need expressed in this area related to both leading teams of direct reports and to fostering collaboration across functional areas. There is significant potential within the executive team to align itself and further enhance the leadership necessary to engage the organization and enroll others in a rich and compelling vision.

- **Strategy, Mission and Priorities**: The expressed need in this area has two components:
    - To better develop and communicate a shared vision for the organizational system
    - To enroll others in this vision through norms of candor and openness

- **Business Savvy**: The Health Science Center Leaders find they now need skills in understanding financial reports, financial margin and the implication of leadership decisions on a financial basis. EDG recommends utilizing internal UTHSCSA resources in this area. EDG expertise can architect linkages between The Leadership Education and Development program and this knowledge area to ensure consistency and applicability.

- **Coaching**: The themes expressed in this area were multifaceted and included:
  - Mentoring for optimal performance
  - Performance Management issues of clarifying expectations, providing feedback, ensuring accountability and handling performance problems

- **Leading Change:** Factors in this area include transitioning to new facilities, designing the patient care and administrative infrastructure models needed to make transitions, mastering the leadership skills needed to support the culture change that is perceived as needed and forthcoming with the positioning of the new President. There were continuous references to a climate of fear and turfism that has developed over the years. The Executive team needs to be able to model and create a culture that embraces candor and receptivity to ideas and dialogue.

- **Common Leadership Language:** The theme expressed in this area related to the various leadership initiatives and practices in place without deliberate cohesion among them to ensure optimization.

Proposed Design

Based on these common themes, the uniquely created program begins with a two-day retreat followed by six half-day sessions.

Leadership Education and Development (LEAD)

Session One: Leadership Authenticity   *2 Days (2 facilitators)*

- Leadership defined – Kouzes and Posner Definition

- The 5 Practices of Leadership

- Self-Assessments

    - LPI – The 5 Practices Instrument

    - MBTI Personality Profile

    - Thomas-Kilman Conflict Inventory

- Interpersonal Effectiveness: Techniques and skills

- The Aligned Organization

The additional sessions will focus on Leadership Development Practices using the Kouzes and Posner model from The Leadership Challenge.

Session Two: Model the Way

- Values clarification

- Personal / team / UTHSCSA values alignment

- Decision-making and values alignment

Session Three: Inspire a Shared Vision

- Essential elements of the practice

- Making the vision "come alive"

- Enlisting and enrolling others in a vision

- Communicating the vision

- Translating the vision into action planning

- Tools for enrolling and managing teams in a common vision.

Session Four: Optimizing Funding and Talent Streams

- Identification of institutional and departmental portfolios of funding.

- Aligning department funding with the institutional strategic plan.

- Effective use of financial reporting resulting in informed decision making.

- Finding, selecting and retaining the right people

- Critical success factors in managing and leading faculty and staff

Session Five: Challenge the Process

- Essential elements of the practice

- Identification of processes to challenge and revise in the participants' sphere of leadership

- Influencing strategy to address obstacles and maximize opportunities

- Tools to challenge processes for maximum effectiveness

- Action planning

Session Six: Enable Others to Act

- Key components of the practices

- Effective dialogue practices reviewed and reinforced on a deeper level

- Tools to develop team protocols and to foster collaboration

- Action planning

Session Seven: Encourage the Heart

- Essential elements of Encourage the Heart

- Importance of Encourage the Heart in leadership

- Identification of team and individual strategies

- Experiential learning for the Encourage the Heart practice

  Participants deliver 5-8 minute presentations on:

    - Program Learnings

    - Application of Learnings

    - Results Achieved

    - Individual Leadership Credo

Executives, Deans, Administrative Leaders attend to applaud, support and assist with awarding certificates, plaques or engraved crystal gifts, as defined.

UTHSCT

2009 Leadership Development Calendar

Selected Date	Selected Time	Location	Topic	Presenter
January 15th	3-3:30pm	Hudnall	**Employee Engagement**	Chris Taylor
February 19th	3-3:30pm	Hudnall	**Y2 What?** Leadership Amid Generation Gaps	Monica Benson
March 19th	3-3:30pm	Hudnall	**Talent Acquisition:** Right People, Right Job	TBA
April 16th	3-3:30pm	Hudnall	**On-boarding:** What To Do When The Honeymoon Is Over	Melissa Maeker
May 21st	3-3:30pm	Hudnall	**Forced Ranking:** The 4-1-1	Monica Benson
June 18th	3-3:30pm	Hudnall	**Firefighting 101:** It's Time To Retire The Gear	Chris Taylor
July 16th	3-3:30pm	Hudnall	**Incentives:** Feeding Your Employees a Balanced Diet	TBA
August 13th	3-3:30pm	Hudnall	**Eye to Eye:** Why Employees Quit Their Managers	Monica Benson
Sept. 17th	3-3:30pm	Hudnall	**Execution:** The Art of Self-Discipline	Chris Taylor
Oct. 15th	3-3:30pm	Hudnall	**Good to Great:** New Heights at UTHSCT	TBA

Handout at Special Called Health Affairs Committee meeting 11/13/2008

Activity:	Objectives:	Budget:
I. Cultivating Leadership: "21 Irrefutable Laws of Leadership," by John C. Maxwell. A. Program utilizes a text in which the OD&T staff present main themes from. 1. Course meets monthly, includes presentation and group interaction.	To provide leadership with the opportunity to address current trends or best practice in leadership through the utilization of texts by top authors, speakers, etc.	Cost varies depending on number of attendees and materials but in general, should include about $5 per person for printing and materials. Does not include staff presentation cost.
II. Learning to Lead: Utilizes Leadership Core Competencies to educate new leaders to their role. A. Program centered around the "5 Pillars" (People, Service, Quality, Growth, Finance) 1. Finance topics include: preparing a public budget, introduction business ops, policy and procedure, conflict of interest, contract management, vendor relationships, acquiring assets, ie. equipment, etc. 2. Quality topics include a non-clinical approach to quality management for all leadership and a clinical component for clinical leaders. 3. Growth topics include: strategic planning, SMART goal setting, ideation, aligning organizational goals with individual effort. 4. Service topics include: customer service philosophy/delivery standards, 4D approach (define, develop, direct, deliver) a leader's role in customer service strategy and Inchstones, a course in measuring outcomes to achieve customer service goals. 5. People topics include: behavioral interviewing, talent acquisition, competency assessment, employee onboarding, mentoring, performance management, employee engagement, effective coaching and counseling as well as an overview of federal/state/local labor laws.	To provide those new to the leadership role the opportunity to explore and challenge their current knowledge against what is required to do the job here at UTHSCT. Course also provides specific leadership competencies, in which all leaders are held accountable for, and in which development plans are built around.	Cost varies depending on number of quarterly attendees and materials but in general, should include about $8 per attendee for materials and printing. Does not include staff presentation cost.
III. Executive Coaching: Allows leaders the opportunity to individually consult with OD&T staff in order to develop customized topics to enhance personal development.	To provide leaders with a confidential assessment of their leadership behaviors, note areas for improvement and open discussion.	Salary of staff conducting the coaching should be considered, printing and material cost is negligible.
IV. Leadership Library: Allows all leaders the opportunity to connect with online and print resources to enhance their leadership capabilities. Resources include regular updates, printed articles, hot topics, texts, etc.	To provide evidence-based resources for leaders to review and connect with on an individual level. Review industry best practice.	Cost of materials, space, access to a PC and printer, etc can vary greatly. Online access may be cheaper, depending on circumstance.
V. Leader E-News: A brief email that contains leadership stories, lessons learned, tips, goals, etc. Focus is on best practice, and does not contain stories centered solely around health care.	To provide direct resources to quality information; designed for brief contact on busy schedules.	Cost of staff preparation is the only considerable cost.
VI. Leadership Retreats: Annual retreats are conducted for members of the Operations Council (senior leaders), with the OD&T staff conducting small scale retreats for individual department heads and their leadership teams.	Customized learning opportunities with the focus of leadership socialization and sharing of ideas, resources, hear central message, etc.	Leadership retreats vary greatly, an offsite event can be upwards of $15-20,000. On site retreats designed by OD&T can be prepared for about $10-15 per person.

11

Faculty Leadership Academy

&

Administrative Leadership Program

Submitted by

Janis Apted, MLS
Associate Vice President
Faculty Development

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Employee Development

THE UNIVERSITY OF TEXAS
MD ANDERSON
CANCER CENTER
Making Cancer History®

Handout at Special Called Health Affairs Committee meeting 11/13/2008

SUMMARY

The original charge for both faculty and administrative leadership development was to design an experientially based skill building program that would specifically focus on the M. D. Anderson organizational culture and use examples from this institution. Neither of the programs were to be a mini-MBA course that emphasized theory only. The programs were to be fully aligned with our vision and strategic goals. Further, executives and senior faculty leaders were to be integrated into the program as co-facilitators.

FACULTY LEADERSHIP ACADEMY

Recognizing that the continued success and vitality of the University of Texas M. D. Anderson Cancer Center requires an institutional commitment to the development of faculty beyond their technical expertise, the executive and senior leadership authorized the creation of the Faculty Leadership Academy (FLA) and the Administrative Leadership Program. Launched in September 2002, the FLA has expanded into a three-tiered program with several hundred faculty participants and graduates, and resulted in positive behavioral changes and measurable clinical improvements.

1) The eight-month long **Faculty Leadership Academy** (FLA) has graduated more than 180 faculty leaders, including 68% of our chairs *(see page 2)*.

2) **Managing Others: Your Role as a Manager**, introduced in 2008, is a three-day program for mid-career faculty that builds on the concepts and techniques learned in *The Heart of Leadership.* Faculty focus intensively on performance management and staff development *(see page 3)*.

3) **The Heart of Leadership: Core Skills Program** provides early career faculty with 2 ½ days of leadership development skill building. As of November 2008, 228 faculty have participated in the program *(see page 4)*.

The **FLA Graduates Seminar** is held twice a year for those who have completed the FLA. The Graduates Seminar presents advanced leadership topics in a three-hour seminar format.

Curriculum

The FLA begins with a two-day offsite retreat. Four executive leaders share openly and candidly their journeys toward senior leadership positions and the challenges they faced along the way. This is an opportunity to facilitate the introspection needed for faculty to begin considering themselves as the instruments of leadership. Self-awareness assessment tools such as the Myers-Briggs Personality Type Indicator and the Thomas-Kilmann Conflict Mode Instrument are used to stimulate self-reflection. As part of the curriculum, each participant receives a 360 feedback report with a debriefing by one of the leadership development consultants.

The rest of the curriculum is delivered at eight 4-hour monthly sessions. Another one-day retreat on situational leadership takes place midway through the program at M. D. Anderson. The monthly sessions focus on the further development and practice of critical interpersonal skills and the skills needed to both manage and lead high-achieving faculty and multidisciplinary teams.

Curriculum of the Faculty Leadership Academy

James Kouze's and Barry Posner's Five Practices of Leadership (from *The Leadership Challenge*) provide the framework for five of the monthly sessions:

Model the Way
By identifying personal values, leaders can create an environment in which values are shared, affirmed and adhered to. Participants clarify their values, discuss how to uncover their personal voice as a leader and commit to aligning their actions with shared values.

Inspire a Shared Vision
Faculty develop a personal vision statement and learn how to imagine and articulate the possibilities, find a common purpose, and appeal to common ideals.

Challenge the Process
Faculty learn how to effectively search for opportunities, seize the initiative, and generate small wins. They create a personal action list to "challenge the process" in some aspect of their work life.

Enable Others to Act
By creating a climate of trust and facilitating relationships, faculty leaders can empower others, enhance individual self-determination, and allow their faculty and staff to develop confidence and competence. Leaders learn how to motivate and engage others plus recognize the efforts of team members.

Encourage the Heart
The faculty participants graduate and present 8-10 minute presentations on what they learned, how they applied the leadership skills, and their newly defined leadership credo. Faculty leaders discuss the value of creating a strong sense of community among their staff and the need to express their own passion and commitment for the collective work of the team.

In addition to the opening and mid-point retreats, the remaining two sessions are:

Diversity
A special six-hour session co-facilitated by our Office of Institutional Diversity is designed to increase the knowledge and sensitivity of faculty leaders to the growing diversity among faculty and staff. The ability to successfully manage highly diverse groups is a necessary skill for all leaders.

Leading Teams
Creating, engaging, and sustaining high performing teams that go through the four stages of development (i.e., forming, storming, norming, and performing) is the focus of this session.

Curriculum of Managing Others: Your Role as a Manager

A continuation of *The Heart of Leadership: Core Skills Program,* mid-level faculty hone the skills needed to focus on their role of manager, enhance their ability to influence, clarify their roles as coach, provide strategies for faculty to develop and maximize the results within their respective areas, as well as "manage from the middle" and manage change.

DAY ONE
Review of Interpersonal Effectiveness and Applications
This interactive recap of the interpersonal skills training of *The Heart of Leadership: Core Skills Program* refreshes participants on the strategies and practice of active listening and assertion.

Negotiation Skills
The second half of Day One introduces participants to different negotiation strategies and styles, clarifies the pros and cons of each and identifies the dominant strategies and styles of participant

DAY TWO
Situational Leadership
Participants explore and reflect upon their use of the three skills of a situational leader: diagnosis, flexibility, and partnering for performance. They learn how to diagnose where their team members are and adjust their leadership and coaching style accordingly.

Performance Management
Participants discuss performance management issues and role-play how to approach their employees about these issues with active listening and assertion skills.

DAY THREE
Coaching
Handling Difficult Performance Issues
Implementing Change
Building on what participants learned in the first two days, the final day covers the essentials of coaching employees and peers, how to give high quality feedback, and how to deal with performance issues. Participants also discuss how to manage and implement change.

Curriculum of The Heart of Leadership: Core Skills Program

The Heart of Leadership: Core Skills Program, a 2 ½ half day condensed version of the highly successful *Faculty Leadership Academy,* is the foundational course in our three-tier leadership program and the prerequisite to the *Managing Others* course. With more than 150 graduates, *Heart of Leadership: Core Skills,* offered to all assistant and new professors, provides an opportunity to become more self-aware and gain a greater understanding of the M.D. Anderson culture. The program is designed specifically for faculty not yet in formal leadership positions.

Limited to 25 participants for optimal interactions, the program consists of one full day session and three half-day sessions. The interactive sessions allow new and early-career faculty to understand the basics of the interpersonal skills needed to effectively manage and lead staff as well as collaborate successfully in teams across the institution.

Interpersonal Effectiveness
The goals of this module include enhancing the interactive tools and skills relevant to the daily challenges of work within M. D. Anderson, helping faculty understand and better able to fulfill the supervisory role they play as a faculty member within M. D. Anderson and creating a common language and consistent practice of leadership throughout the institution.

Conflict Management
Participants uncover their current styles of conflict management using the Thomas-Kilmann Conflict inventory and are introduced to strategies to enhance effectiveness in managing conflict, explore the dynamics of conflict in organizations, identify the causes of conflict and examine conflict resolution strategies, and identify and apply the tools for effective conflict discussions.

Coaching
In this interactive session, participants identify essential skills and attributes for effective coaching, describe criteria for effective coaching, define the practice of coaching for building commitment, and identify tools and techniques for the coaching conversation.

Team Development
In this module participants understand and apply the Stages of Team Development, examine the key attributes of High Performing Teams, and enhance their effectiveness as a member of a team. This module concludes with participants developing a specific action plan unique to their situation.

Select Successes and Representative Quotes

Assessment of the impact of FLA is an on-going, qualitative process. When queried about the impact of the FLA, faculty have reported clinical successes and provided quotes that also reflect positive behavioral changes.

Results of the Faculty Leadership Academy
- 41 of our 60 chairs have graduated from the Faculty Leadership Academy.
- Eleven faculty were promoted to chair at MDA after completing the FLA.
- Responses from a survey done in summer 2008 indicated that 100% of the responding chairs support the program and nominate faculty to attend.
- Over 30 team alignments or team development projects have been completed in clinical and research teams by FLA faculty leader graduates. This team development work has resulted in significant improvements in team performance including the ability to handle conflict, define a team vision, collaborate to reach challenging goals, and improve procedures and processes.

Faculty attributed the following successes to their participation
- Reduced the age of admission to the Pediatric Intensive Care Unit
- Reduced the rate of infection in Critical Care
- Resolved the animal overcrowding problem
- Increased the number of men getting tested on the Prostate Outreach Project
- Improved clinical care through more open team communications and sharing of innovative ideas

Representative quotes from FLA graduates
"Had the FLA not come along, I doubt I would have made it as a chair."

"I have become much more aware of the messages leaders send by their actions."

"I developed clear expectations for faculty and staff and communicated them to each individual. I now do more coaching and career development of team members."

"I have taken on institutional and national projects and tasks I would not have done before."

"I'm delegating more so I can focus on the bigger leadership issues."

"Our clinical care is getting better and better. Team members are much more open in their interchanges and more sharing of innovative ideas is going on."

Administrative Leadership Program

The Faculty Leadership Academy and Administrative Leadership Program are designed to enhance the effectiveness of individuals who serve in Faculty and Administrative leadership roles across the organization.

Building on the success and curriculum of the Faculty Leadership Academy, the Administrative Leadership Program (ALP) was launched in August 2003 and currently consists of two phases of development: Administrative Leadership Program and The Management Curriculum: Core Skills Program.

1) The **Administrative Leadership Program** (ALP) is designed for Director-level leaders and consists of over 50 hours of curriculum presented in a cohort-based format. Participation in the program is determined by the executive leadership team, and a select number of cohort members are chosen from each area of the organization each year. To date, 181 administrative leaders have graduated from the ALP. An additional 31 are currently participating in the program and will graduate in March 2009 *(see page 7)*.

2) **The Management Curriculum: Core Skills Program** provides a foundational level of knowledge and skill in communication and influence, performance management, situational leadership, diversity, and establishing strategy.

These courses are required for all ALP cohort members prior to the start of the ALP curriculum activities. In addition, over 1050 middle and first line managers have completed one or more courses in this sequence *(see page 8)*.

We have also held a **Coaching a Culture of Leadership** seminar for those who have successfully completed the ALP program.

This intensive workshop focuses on the further development of leadership and coaching capability in these senior leaders. Key leaders become more aware of their strengths and weaknesses, understand the impact of their behavior on others and are better positioned to develop capability in others.

The program consists of two 2 day workshops separated by an interim period to allow participants to practice case studies in their work environments and receive personal feedback from an executive coach.

Curriculum of the Administrative Leadership Program

The Administrative Leadership Program is the cornerstone course in Director-level development. Each cohort group is limited to 30 participants for optimal interactions and individual attention. During the duration of the program, individuals complete several different classroom-based and project-oriented activities to support their development as leaders of change in the organization.

Leadership Practices
Parallel to the Faculty Leadership Academy, the ALP is based on Kouze's and Posner's Five Practices of Leadership (from *The Leadership Challenge*). The program begins with a two-day offsite retreat and includes personal perspectives on leadership shared by each of our executive leaders. Subsequent sessions in the series are held in eight-hour sessions, and include analysis and application of each of the Five Practices of Leadership (see FLA description above).

360 Feedback
As part of the curriculum, each participant selects individuals who can most accurately assess his or her effectiveness in demonstrating the Five Practices of Leadership through every day interactions with others. Upon completion of the assessment, each ALP participant receives a 360 feedback report and a personalized debriefing and coaching session with one of the leadership development consultants. Leaders develop action plans based on what they learn.

Diversity Leadership
A special eight-hour session facilitated by our Office of Institutional Diversity focuses on the strategic importance of inclusiveness in an increasingly diverse work population. The business case for leveraging the strength that diversity creates is established and explored in this scenario-based workshop. Leaders discuss their current challenges and share examples of what has worked effectively within the context of their various organizations.

Leading Change: Project Activity
In addition to learning how to apply the leadership practices to their own work units, the participants are also asked to complete a project as part of a multi-disciplinary team. The project challenges participants to demonstrate their ability to affect organizational change beyond their own areas of responsibility. During the course of the program, the teams identify a project, develop a vision and scope, win support for their recommendations, and work to bring them to implementation. During the final session in the series, the teams present their work to the executive leadership team and discuss how to sustain the change they have led.

Curriculum of The Management Curriculum: Core Skills Program

Leaders who complete the Core Skills Program complete various self-awareness instruments, including the Myers-Briggs Type Indicator (MBTI), Thomas-Kilmann Conflict Mode Instrument, Situational Leadership LEAD-Self Analysis, and Management Team Roles Indicator. The series is based on a threaded case study that reflects the organizational and operational challenges of leading in the M. D. Anderson Cancer Center environment.

Principles and Practices of Management I
Participants understand and resolve transition challenges related to the role of managing people, explore the differences in work and communication styles through use of the Myers-Briggs Type Indicator, and practice balanced communication skills needed to achieve results through other people.

Performance Management
The focus of this module is to help managers effectively and positively enhance the performance of the individuals they supervise. Participants learn to actively set direction through establishing job expectations, and address both desirable outcomes and underperformance as needed.

Situational Leadership A
By adapting their leadership and coaching styles to the situational needs of staff at different performance levels, managers learn to maximize the effectiveness of specific tasks and overall job performance. In this module they learn to identify employee ability and willingness to perform various job responsibilities.

Situational Leadership B
This module helps managers advance their situational leadership skills through understanding of the role of power in a manager's influence potential. It also addresses the power bases that drive the leadership style needed by employees at different readiness levels.

Principles and Practices of Management II
Participants explore the process establishing a vision for their business units in support of the organization's mission, vision, and values. They also expand skills in diplomacy, networking, and persuasion that are needed during the execution of strategic change.

Managing Across Difference I
This interactive session builds essential competencies for interacting and communicating with the diverse group of employees that reflect the changing demographics of our workforce.

Managing Across Difference II
Building on the concepts presented in the first level, this program provides managers with the skills needed to effectively recruit, orient, develop and retain a diverse employee population. Managers discuss how to create an environment where each employee is valued and challenged to reach their full potential.

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UT Southwestern/ UT Dallas Physician Leadership Development Program

June 2007

Handouts at Special Called Health Affairs Committee meeting 11/13/2008

Program Goals

- **Increase the leadership competencies of Chairs and others in Clinical Leadership roles**
- **Utilize existing local college (UTD) teaching expertise in management/ business practices, but customize to UT Southwestern practices and goals**
- **Identify emerging leaders and prepare them for future leadership roles**
- **Build partnerships between Physician and Administrative Leadership**
- **Ultimately, extend to Academic Faculty leadership**

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Participants

- **Clinical Chairs**
- **Selected Vice-Chairs or other physician leaders**
- **Clinical Administrative Leadership**

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Learning Modules

- **Leadership Skills**
- **Process Improvement/ Project Management Skills**
- **Business Skills**
- **"Capstone" Project**

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Leadership Skills Content

- **Coaching and mentoring skills**
- **Motivational Styles: Matching individual behavior to job requirements**
- **Situational leadership styles and team climate**
- **Large-scale change management**
- **<u>Case Study</u> – Beth Israel Turnaround**

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Process Improvement/ Project Management Skills Content

- **How to develop a project plan**
- **Managing project scope/cost/time**
- **Clinical process improvement**
- **Service enhancement**
- **Measurement and reporting**

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Business Skills Content

- **Cash vs. Accrual Accounting**
- **Fund Accounting vs. Cost Accounting**
- **Expense Variance Reporting and Analysis**
- **Reimbursement principles**
- **Revenue Cycle (Charge capture, cash flow, front end/ back end)**
- **Pro forma development**
- **Capital Budgeting**
- **Service line planning and physician capacity analysis**
- <u>**Possible Case Studies:**</u>
  - **Analysis of departmental expense variance**
  - **Developing a P and L for a new business**
  - **Maximizing revenue capture**

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Capstone Project

- **Brings together entire curriculum content**

- **Use Business and Process Improvement Principles to Develop Department-level "Balanced Scorecard"**

- **Apply Leadership Principles to development of implementation, accountability, and communications plans**

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Program Format

- **Five or six Two-day sessions (Friday/ Saturday), spread over six months**
- **Repeated after first six months**
- **Co-led by UTD Faculty and UT Southwestern Content Experts**
- **Classes divided into work teams consisting of Chairs and Administration, which vary throughout the program**
- **Held on UT Southwestern campus**
- **Certificate awarded upon completion**

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Physician Leadership Program

Next–Level Leaders

30
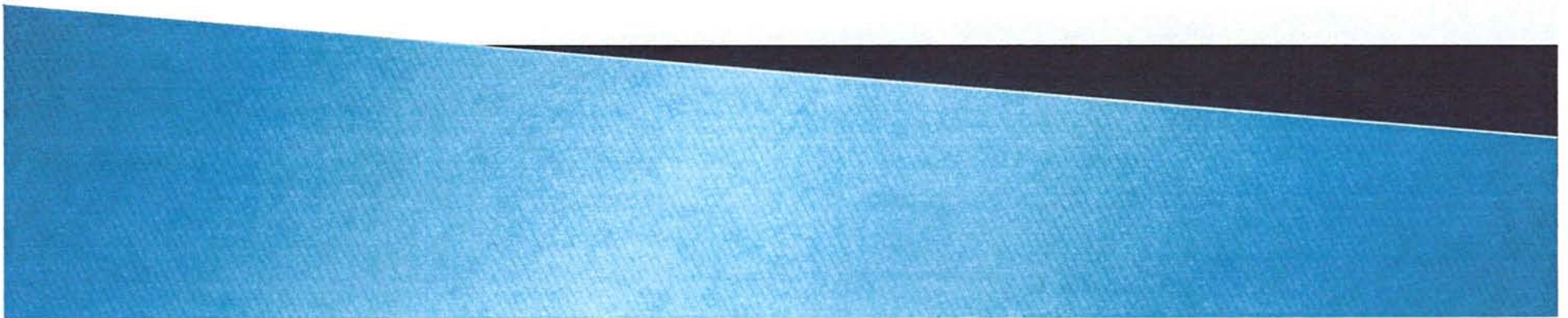
Background

- ▸ In January, 2008, we rolled out a Clinical Chairs Leadership Development Program (in collaboration with faculty from UTD)
- ▸ Five sessions were held – one Saturday per month – focused on Leadership Styles and Skills
- ▸ The Program was intended to be "cascaded down" to next–level physician leaders, after the Chairs experienced and critiqued it.
- ▸ The program was deemed to be a success by the Chairs.
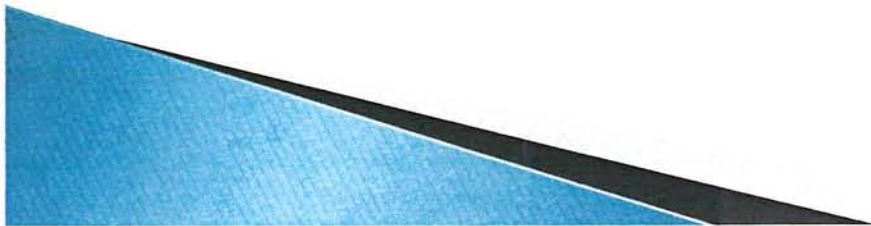
Goals of the Next–Level Program

▸ **Develop Leadership Skills for Current Roles**
▸ **Identify and Develop Leaders for Future Roles**
▸ **Build Inter–Departmental Teamwork**
▸ **Improve Staff Morale and Retention**
▸ **Improve Patient Satisfaction**
▸ **Increase Clinical Productivity**

32
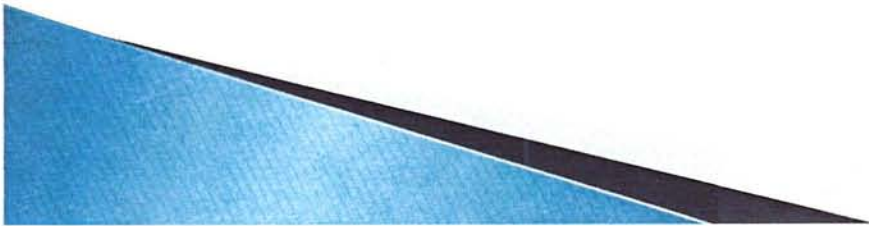
Participants

▸ Division/ Section Heads

▸ Medical Directors

▸ Hospital Clinical Leaders

▸ Program Directors

▸ Special Focus– New Leaders (Less than Two Years in Role)
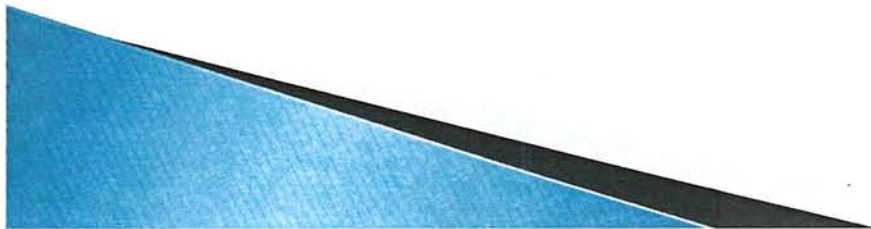
Session 1: Your Leadership Style

▸ **Leading vs. Managing**

▸ **Leadership Competencies**
  ◦ The Six UT Southwestern Leadership Competencies
  ◦ Self-Evaluation of Performance against UT Southwestern Leadership Competencies

▸ **Understanding Behavioral Styles / Situational Leadership**
  ◦ DiSC Profile Assessment
  ◦ Birkman Report
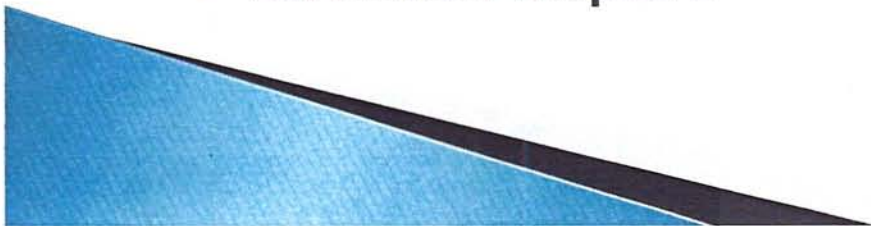
Session 2: Dealing with Conflict

▸ **Conflict Management Styles**
  ◦ Thomas–Kilmann Conflict Mode

▸ **Managing Change**
  ◦ The Stages of Change
  ◦ Transformational Change Principles

Session 3: Leading Teams

▶ **Influencing Skills**
  ◦ Influence Strategies Assessment

▶ **Leading and Managing Teams**
  ◦ Five Dysfunctions of a Team

Session 4: Coaching Skills

- **Coaching Defined**
- **Coaching Competencies**
- **Coaching Tools and Techniques**
  - Active Listening
  - Solution–Focused Inquiry
- **Developing Meaningful Action Plans**

UT SOUTHWESTERN
MEDICAL CENTER

Session 5: Putting it all Together – Your Individual Development Plan

▸ **Themes and Patterns from Assessments**

▸ **Individual Development Plan – with Chair**

39
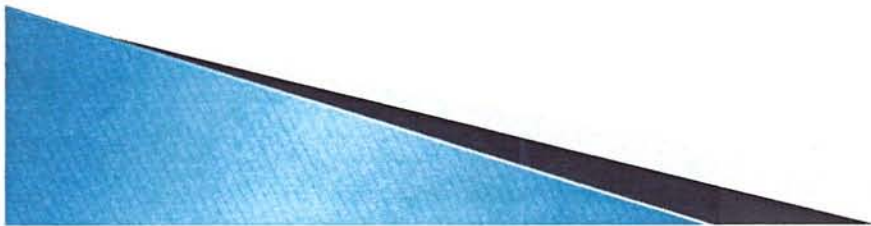
Facilitation and Support

▸ Classes Facilitated by Faculty from UTD Medical Management Program and UT Southwestern Leaders

▸ Each Participant will be assigned a Coach to help interpret their self assessments, and to assist in the creation of individual development plans

▸ Chairs will provide ongoing mentoring and feedback

▸ Participants must attend all sessions

40

Program Logistics

- **25 Participants per Cohort**
- **Five Sessions**
- **Sessions meet once per month on Saturdays – 8:00 am – 2:00 pm**
- **Chairs to join Session 5**
- **First Cohort to begin Fall 2008**
- **Classes held on UT Southwestern Campus**
- **Participants must commit to attend all sessions**

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Measuring Effectiveness

▸ Repeat Leadership Competency Self–Assessment at end of Course

▸ Conduct 360 Survey at 12 months

▸ Participant Course Evaluations

▸ Ongoing Measures of Turnover, Staff and Customer Satisfaction, and Productivity
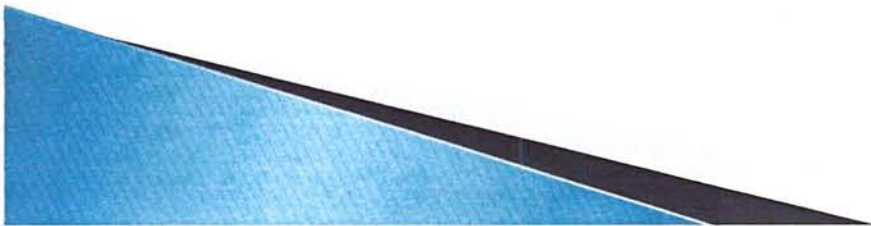
MINUTES
U. T. System Board of Regents
Health Affairs Committee
November 12, 2008

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 4:50 p.m. on Wednesday, November 12, 2008, in the Tomás Rivera Conference Center, Union Building East, The University of Texas at El Paso, 500 West University Avenue, El Paso, Texas, with the following participation:

Attendance
Regent McHugh, presiding
Vice Chairman Huffines
Vice Chairman Rowling
Regent Dannenbaum

Also present were Chairman Caven, Regent Gary, and General Counsel to the Board Frederick.

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

1. **U. T. M. D. Anderson Cancer Center: Authorization to acquire by purchase or exchange Blocks 14, 15, 16, 17, 18, 19, 21, and 22, and Lots 1 through 9 of Block 20 of the Institute Addition, and the real property within the area bounded by South Braeswood Boulevard to the north, Fannin Street to the west, Old Spanish Trail to the south, and Bertner Avenue to the east, and within the area bounded by Corder Street to the north, Almeda Road to the west, the alignment of Pawnee Street to the south, and Cayuga Street and a line extending from its centerline to the east, together with all improvements, adjacent streets, and alleys, if applicable, all in Houston, Harris County, Texas, as and when the individual properties or undivided interests therein become available for purchase, and each for a price not to exceed fair market value as established by independent appraisals, for future programmed development of campus expansion or other purposes related to the institution's mission**

    +--+
    | ***Committee Meeting Information*** |
    | ***Presenter(s):*** *John Mendelsohn, M.D., President, U. T. M. D. Anderson Cancer Center;* |
    | *Ms. Florence Mayne, Executive Director of Real Estate* |
    | ***Status:*** *Approved only acquisition of 0.115 of an acre at 1113 St. Agnes Street, Houston, Harris County, Texas* |
    | ***Motion:*** *Made by Regent Dannenbaum, seconded by Vice Chairman Huffines, and carried unanimously* |
    | ***Future action:*** *Bring back discussion of acquisition zones at the December 2008 meeting.* |
    +--+

Discussion at meeting:

Ms. Mayne commented that since there had been a number of property acquisitions for U. T. M. D. Anderson Cancer Center on the past few meeting agendas, this item might be helpful to bring forth the longer range planning of land acquisitions in the Mid-Campus and East Campus areas. She said the Board could consider designating these areas as acquisition zones whereby individual parcels would not come back to the Board for approval and the acquisition price would not exceed appraised values. As an example, Ms. Mayne said there is a vacant lot of about 1/10 of an acre in the Mid-Campus area with an appraised value of $350,000. She said the negotiated price is $275,000.

Committee Chairman McHugh expressed reservations about establishing acquisition zones and Vice Chairman Huffines asked Executive Vice Chancellor Kelley if there were precedents. Dr. Kelley answered that he thought there were precedents and he suggested that approval of this item could also expedite approval of a group of land acquisitions by the Texas Higher Education Coordinating Board.

Vice Chairman Rowling cautioned that property values are deflating and it is probably not the best time to buy land. President Mendelsohn noted that the world (financial markets) has changed dramatically since this request was written in August/September and he recommended purchase at this time of only the 1/10 acre parcel that Ms. Mayne had described earlier.

Vice Chairman Huffines recommended that Committee Chairman McHugh visit with Dr. Shine and Dr. Mendelsohn regarding an acquisition zone policy for discussion at the December 2008 Board meeting/retreat.

2. <u>**U. T. M. D. Anderson Cancer Center: Authorization to enter into contracts, easements, and agreements with CenterPoint Energy Houston Electric LLC, a Delaware limited liability company, which was selected through a request for proposals process to provide electrical utility distribution and transmission services to existing and future properties and facilities of U. T. M. D. Anderson Cancer Center in the Houston, Texas, Metropolitan Area**</u>

Committee Meeting Information
Presenter(s): *Ms. Florence Mayne, Executive Director of Real Estate*
Status: *Approved*
Motion: *Made by Vice Chairman Rowling, seconded by Regent Dannenbaum, and carried unanimously*

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3.   **U. T. Health Science Center – Houston: Report on activities related to a potential partnership between the Children's Learning Institute and the Knowledge Is Power Program**

> ***Committee Meeting Information***
> ***Presenter(s):*** *Larry R. Kaiser, M.D., U. T. Health Science Center - Houston*
> ***Status:*** *Reported*
> ***Future action:*** *Vice Chairman Huffines had agreed to oversee the project and to work further with President Kaiser.*

Discussion at meeting:

Vice Chairman Huffines remarked that Dr. Susan Landry, Professor in the Department of Pediatrics and head of the Children's Learning Institute, is a true asset to the U. T. System and he asked why a medical school (health science center) would need to get into the elementary charter school business. Dr. Kaiser clarified the program is housed in the Department of Pediatrics and is a part of the developmental pediatrics spectrum, including collaboration with the Dan L. Duncan Children's Neurodevelopmental Clinic. Pointing out that the U. T. System has a charter school in Austin, Vice Chairman Huffines expressed reservation about U. T. System involvement in charter schools in every community and said he would look hard at the business model, funding, allocation of resources, and fit with the U. T. System mission. He said that while the charter school in Austin is successful, charter schools generally come to a point where they are not self-sufficient.

Dr. Landry spoke briefly from the audience and Committee Chairman McHugh said Vice Chairman Huffines had agreed to oversee the project and to work further with President Kaiser.

4.   **U. T. System: Update on the status and cost savings of shared purchasing initiatives of the U. T. System Supply Chain Alliance**

> ***Committee Meeting Information***
> ***Presenter(s):*** *Mr. Richard St. Onge, Associate Vice Chancellor for Health Affairs*
> ***Status:*** *Reported*

Discussion at meeting:

Executive Vice Chancellor Shine asked what the total spend amount for the shared purchasing initiatives is likely to reach in 2009/2010 and Mr. St. Onge responded the savings over the next five years could approach $50 million.

Vice Chairman Rowling asked if the program is receiving any push-back and Mr. St. Onge said generic clinical core laboratory equipment will be purchased before physician preference items, focusing on product service lines, are addressed. He said there are lessons to be learned from, for instance, the University of California System that has experience in this challenging environment. Dr. Shine

said he hopes the presidents will help get the word out about this successful program and Executive Vice Chancellor Kelley commented that the stature of the U. T. System in innovative initiatives, such as this program of strategic sourcing, is being elevated nationally.

Regent Dower asked how much the search cost for the Supply Chain Alliance. Dr. Kelley said the program to date is self-sufficient with $600,000 provided by the U. T. System, $450,000 is in the process of being paid back, supported by the administrative fee. Dr. Kelley added that $150,000 is not to be paid back. He noted the administrative fee, which is on top of the noted savings, has been used to cover costs, so the savings reflected are net of the cost of infrastructure, the director and his staff, etc.

5. U. T. System: Quarterly report on health matters to cover discussion of leadership at the U. T. System health institutions

> ***Committee Meeting Information***
> **Presenter(s):** *Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs*
> **Status:** *Deferred*

Discussion at meeting:

Committee Chairman McHugh said that due to time constraints, Dr. Shine had deferred this item to the Special Called Meeting of the Health Affairs Committee to be held the next morning (November 13).

ADJOURNMENT

Committee Chairman McHugh adjourned the meeting at 5:26 p.m.

MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
November 13, 2008

The members of the Facilities Planning and Construction Committee of the
Board of Regents of The University of Texas System convened at 9:45 a.m. on
Thursday, November 13, 2008, in the Tomás Rivera Conference Center, Union
Building East, The University of Texas at El Paso, 500 West University Avenue,
El Paso, Texas, with the following participation:

Attendance
Vice Chairman Huffines, presiding
Regent Dannenbaum
Regent Gary
Regent Longoria

Also present were Chairman Caven, Vice Chairman Rowling (Items 4 – 13), Regent
Barnhill, Regent Dower, Regent Foster (Items 5 – 13), Regent McHugh, and General
Counsel to the Board Frederick.

In accordance with a notice being duly posted with the Secretary of State and
there being a quorum present, Committee Chairman Huffines called the meeting
to order. The PowerPoint presentation concerning all items is set forth on
Pages 8 – 68.

1.   **U. T. System Board of Regents: Amendments to Regents' _Rules
       and Regulations_, Rule 80402 (Major Construction and Repair and
       Rehabilitation Projects), Section 6, regarding Contract Management**

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and
Construction*
Status: *Approved*
Motion: *Made by Regent Dannenbaum, seconded by Regent Longoria, and carried unanimously*
Future action: *Send copy of OFPC's staff authority to Facilities Planning and Construction
Committee members.*

Discussion at meeting:

*Mr. O'Donnell said the Rules change aligns with current Office of Facilities
Planning and Construction (OFPC) operating procedures and facilitates the
appropriate delegation for contract management to program and project
management staff. Regent Dannenbaum asked if there is a cap on field staff's
authority and Mr. O'Donnell responded affirmatively, that it is scaled to project
size and position in the organization. Mr. O'Donnell said he would distribute a
copy to all members of the Committee.*

2. U. T. System: Report on Owner's Project Requirements

> **Committee Meeting Information**
> **Presenter(s):** Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction
> **Status:** Reported

Discussion at meeting:

In response to a question from Regent Dannenbaum about the initial project document, Mr. O'Donnell said the Office of Facilities Planning and Construction (OFPC) is moving away from building one project at a time and looking instead at the process. He said OFPC is bringing facility experts together in the design on the front-end and learning from the process.

Regent Gary asked how funds from private sources are managed and Mr. O'Donnell said donor input would be required up front. He also said that input from the Facilities Planning and Construction Committee (FPCC) early on could be important. Regent Gary also asked about the timeline from project planning to project completion and Mr. O'Donnell gave examples, saying it could be as long as five years or as short as 10 months.

3. U. T. System: Report on major investment impact metrics

> **Committee Meeting Information**
> **Presenter(s):** Dr. Geri H. Malandra, Vice Chancellor for Strategic Management
> **Status:** Reported

Discussion at meeting:

Committee Chairman Huffines encouraged Committee members to review Slide 14 (on Page 21) regarding research space at U. T. System institutions. Chancellor Shine noted the proportional increase of faculty in relation to research space in Slide 13 (on Page 20) and the resulting increased research productivity in terms of grants. He said that was important because in the current economic climate, Texas is in a good position with respect to facilities to attract good quality people. Vice Chairman Huffines noted more research facilities are in the pipeline.

Regent Dower wanted to confirm that U. T. Arlington's educational and general (E&G) space declined per Slide 14 and Dr. Malandra and President Spaniolo thought the timing of reporting was a factor since some space went offline while other major space was being built. Vice Chairman Huffines clarified that the dollar amount of research expenditures per square foot of research E&G ($97 to $176) was impressive.

4. U. T. System: Fiscal Year 2008 Energy Utility Task Force Report

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Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Reported*
Future action:
1. *Distribute draft Sustainability Policy to institutions and FPCC members*
2. *Collect energy data by class of building (classrooms, research labs, etc.)*

Discussion at meeting:

Mr. O'Donnell addressed the matter of sustainability, saying there are bills that may or may not go through the Legislature this year. He spoke about standards of environmental sustainability and said that quantifiable energy reduction savings is the preferred method. He said that in 2007, U. T. System made a decision not to sign the College and University Presidents Climate Commitment that called for reduction of the carbon footprint to zero within three years but to instead reduce energy for greater impact on the environment. He mentioned a Sustainability Policy that has been vetted up through the level of the Chancellor and said a draft will be distributed to institutions and to Facilities Planning and Construction Committee (FPCC) members, with a final policy ready for consideration at the February Board meeting.

Regent Dannenbaum asked what initiatives are in the pipeline to conserve energy and reduce costs and Mr. O'Donnell referred to American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) 189 that looks at alternative energy sources. He said each project is formally evaluated for alternative energy use but the technology used in some projects has not yet reached the payback stage. He said this issue will be reviewed as the cost of energy and efficiencies in processes go up. In response to a question from Regent Gary, Mr. O'Donnell said the U. T. System builds to ASHRAE 90.1, the state-of-the-art code for energy efficiency.

Executive Vice Chancellor Kelley said that consideration is being given to wind energy from West Texas to power the grid and some campuses. With regard to sustainability, he said some campuses such as U. T. Austin and U. T. Arlington are well ahead nationally and noted from the energy utilization graph in Slide 21 (Page 28) that campuses in the past have taken significant steps to conserve energy, making further conservation challenging. Dr. Shine suggested collecting energy data by class of building (classrooms, research labs, etc.)

Regent Longoria asked about the potential use of geothermal energy and Mr. O'Donnell responded that is included in the evaluation of alternative energy for each project and while regional, it is being reviewed on a building-by-building basis. Regent Dower asked if the objective of the review is more for environmental or cost reduction purposes and Committee Chairman Huffines answered that it would be a combination.

5. **U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center: Hurricane Ike Recovery Projects - Amendment of the Capital Improvement Program to include projects; authorization of institutional management; approval of emergency interim financing; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Approved*
Motion: *Made by Regent Dannenbaum, seconded by Regent Gary, and carried unanimously*

Discussion at meeting:

Dr. Kelley explained the proposed interim financing. Regent Gary asked what is the worst case risk and Mr. Philip Dendy, Director of Risk Management, responded that receipt of $50 million is expected from the Federal Emergency Management Agency (FEMA) and $100 million is expected from insurance, with some advance payments already received. He said staff is working on any additional reimbursement beyond the $100 million to maximize the recovery. Dr. Shine clarified that it is more a matter of when, rather than if, FEMA funds are received.

6. **U. T. San Antonio: Athletics Complex - Phase I - Amendment of the FY 2008-2013 Capital Improvement Program to include project (Preliminary Board approval)**

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Approved*
Motion: *Made by Regent Dannenbaum, seconded by Regent Gary, and carried unanimously*

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7. **U. T. Southwestern Medical Center – Dallas: Paul M. Bass Administrative and Clinical Center Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)**

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Approved*
Motion: *Made by Regent Dannenbaum, seconded by Regent Gary, and carried unanimously*

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8. **U. T. Arlington: FY 09 High Priority Fire and Life Safety Corrections Phase 2 - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)**

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Approved*
Motion: *Made by Regent Dannenbaum, seconded by Regent Gary, and carried unanimously*

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9. **U. T. Medical Branch – Galveston: FY 09 High Priority Fire and Life Safety Projects - University Hospital Clinics Building - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)**

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Approved*
Motion: *Made by Regent Dannenbaum, seconded by Regent Gary, and carried unanimously*

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10.   U. T. Health Science Center – San Antonio: FY 09 High Priority Fire and Life Safety Projects - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction
Status: Approved
Motion: Made by Regent Dannenbaum, seconded by Regent Gary, and carried unanimously

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11.   U. T. El Paso: Swimming and Fitness Center - Phase II - Request for approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction
Status: Approved
Motion: Made by Regent Longoria, seconded by Regent Dannenbaum. and carried unanimously

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12.   U. T. Austin: Battle Hall Complex, Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to redefine the project as a study; redesignation of study as the Battle Hall Complex/West Mall Office Building Renovation; approval to decrease the total project cost; approval to revise the funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Preliminary Board approval)

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction
Status: Approved
Motion: Made by Regent Gary, seconded by Regent Dannenbaum, and carried unanimously

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13.   U. T. System: Report on construction projects completed in 2008

Committee Meeting Information
Presenter(s): *Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction*
Status: *Reported*

Discussion at meeting:

Mr. O'Donnell reported that the following projects were not completed as planned:
- *Biosciences Research Building at U. T. El Paso due to a redesign of the Biosafety Lab – 3*
- *University Center Expansion project at U. T. Tyler due to contractor issues.*

Regent Dannenbaum asked about earthquake insurance and due to time constraints, Mr. Philip Dendy, Director of Risk Management, was asked to answer the question following the meeting. Vice Chairman Rowling asked if this report includes U. T. M. D. Anderson Cancer Center and Committee Chairman Huffines responded no, saying to complete almost $1 billion of construction this year is impressive.

ADJOURNMENT

Committee Chairman Huffines adjourned the meeting at 10:40 a.m.

Agenda Items Included in FPCC November 2008

8

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

Office of Facilities Planning and Construction

Regents' Rule Amendment

Amendments to Regents' *Rules and Regulations*, Rule 80402 (Major Construction and Repair and Rehabilitation Projects), Section 6, regarding Contract Management

10

Report
on
The Owner's Project Requirements

Increasing Project Control and Influence

- OFPC has introduced *The Owner's Project Requirements* (OPR) to its core project delivery process.

    - Part of OFPC's strategic objective to improve overall project cost, scope, and schedule

    - The written plan is referred to as the *Owner's Project Requirements* document

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Project Control and Influence

INCREASING PROJECT INFLUENCE & CONTROL

INCREASING PROJECT COST & SCHEDULE IMPACT

RISK

OPR

Pre-Project Planning

Design Phase

Construction Phase

PROJECT TIMELINE

12

5

The Owner's Project Requirements

13

- The OPR details project:
  - Needs (*Statement of Need*)
  - Functional requirements
  - Expectations of how it will be used and operated

- The OPR includes:
  - Project goals
  - Measurable performance criteria
  - Supporting information
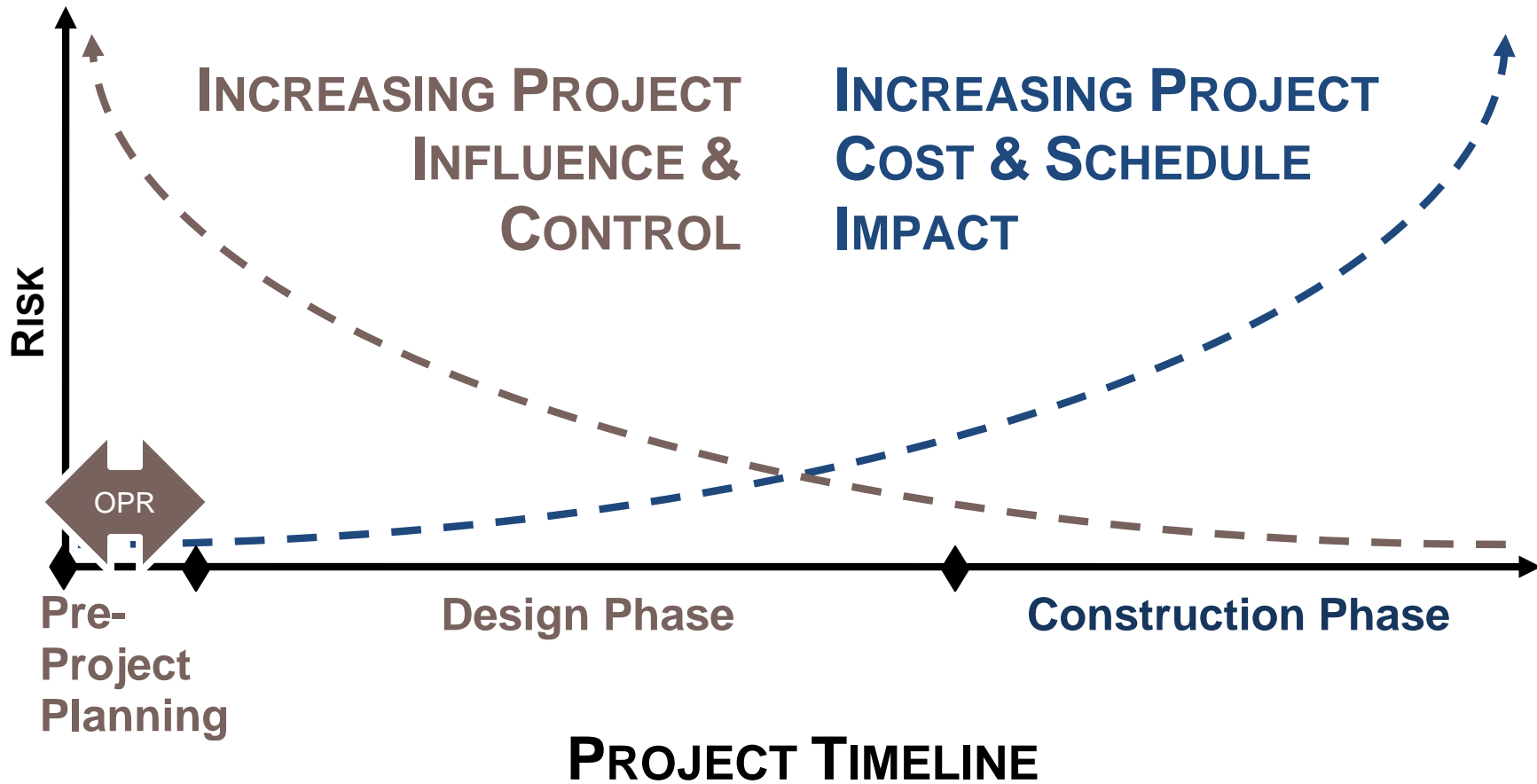
The Owner's Project Requirements

- The OPR requires that:

  - Project information is documented and approved by the Institution

  - Project needs are assessed at an early date and establish a basis for execution

  - Becomes the basic project execution reference and briefing document

  - Project team provides assistance, guidance, review, and support to the plan through project execution

The Owner's Project Requirements

- Initially crafted primarily from
  - *ASHRAE - Guideline 0*
  - UT System Capital Expenditure Policy

- Initial testing at UT Austin
  - Results are immediately beneficial and supported by all those involved
  - Project impact won't be known until the project(s) is complete over the next several years
  - Updating initial guidelines

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8

The Owner's Project Requirements

College of Communication Building - New

Report on
Major Investment Impact Metrics

By Dr. Geri H. Malandra

Purpose:

- Communicate to Board the specific results and impact of major capital and "talent" investments
- Provide information to help frame investment decisions

Method:

- Campuses to define specific impact indicators in agenda materials for all major new capital projects
- Customize metrics to type of project
- Data organized on a timeline for collection once completed projects go "on line"

Examples

	BOR Approval	First Report
UTA		
Civil Engineering Laboratory Building	12/7/2007	2009

Graduate student enrollment will increase from 206 to over 300 students by Year 5

Undergraduate enrollment will grow from 280 to over 400 by Year 5

Increased (enrollment and) graduation rates in Civil and Environmental Engineering

Increase research funding by $1.0 million annually by Year 5

Increase research funding by $2.0 million annually by Year 10

Increase research funding by $3.0 million annually thereafter (Year 11+)

	BOR Approval	First Report
UT Southwestern Medical Center		
Biotechnology Development Complex - Phase I Finish Out	11/9/2007	2011

Occupy/lease 1/3 of the space by 2010

Occupy/lease 2/3 of the space by 2012

Occupy/lease all space by 2014

At least 1 biotech tenant by 2010

At least 2 biotech tenants by 2012 (1/3 space)

At least 4 biotech tenants by 2014 (2/3 space)

U. T. System Capital Investments: Assessing Impact

Campus perspective:

- Correlation between capital investments, growth in faculty, and research productivity increases

System context:

- Office of Finance comprehensive investment tracking project

- In-depth reporting on major initiatives, e.g., STARS

- Accountability indicator

UT HEALTH INSTITUTIONS
Growth in Faculty, Space, Research and State Support
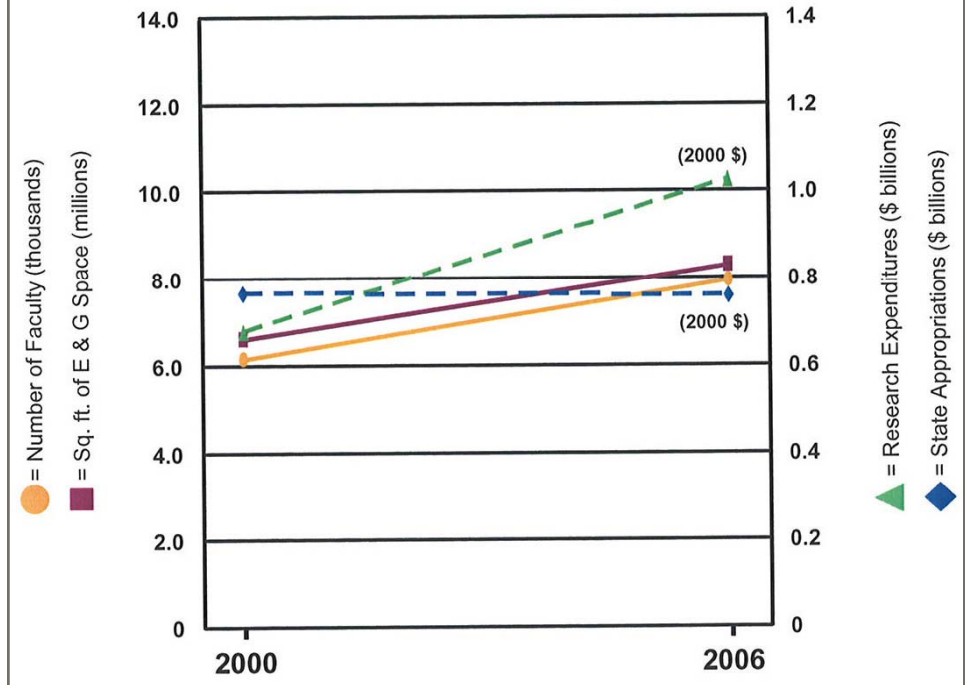
U. T. System Capital Investments: Assessing Impact

RESEARCH SPACE

	FY 07		FY 03	
	Research E&G Sq. Ft.	Research expenditures per research E&G Sq. Ft.	Research E&G Sq. Ft.	Research expenditures per research E&G Sq. Ft.
Academic				
UTA	225,174	$176	239,321	$97
Austin	1,519,016	$314	1,416,298	$266
UTB	8,145	$664	N/A	N/A
UTD	180,015	$258	143,340	$227
UTEP	164,856	$255	152,739	$182
UTPA	54,225	$133	32,683	$98
UTPB	11,392	$145	7,956	$141
UTSA	184,595	$175	86,438	$168
UTT	6,137	$235	4,029	$102
Health				
UTSWMC	690,800	$494	629,103	$442
UTMB	478,404	$326	445,878	$291
UTHSCH	404,398	$474	368,535	$413
UTHSCSA	523,151	$280	399,232	$299
UTMDA	741,242	$600	485,193	$582
UTHSCT	52,812	$257	39,612	$233

From *The University of Texas System Accountability and Performance Report 2007-08*

22

Report
on
Fiscal Year 2008
Energy Utility Task Force

Energy Utility Task Force

The Energy Utility Task Force (EUTF) was created by the Board of Regents in February 2001 to evaluate and recommend strategies for U. T. System institutions to:

1. Reduce energy consumption
2. Better manage commodity price risk
3. Leverage Systemwide purchasing power

Energy Utility Task Force

➤ In order to facilitate the achievement of these goals, several recommendations and energy consumption reduction targets were presented to the Board of Regents in November 2001.

➤ Energy Management Plans were completed by each institution in FY 2002, and have been updated several times since then. These plans serve as the "road map" for accomplishing the objectives of the EUTF.

FY 2008 EUTF Headlines

➢ A 5%-10% reduction in Systemwide energy use per square foot was targeted by the EUTF for FY 2006, and a 10%-15% reduction was targeted for FY 2011. Current FY 2008 estimates show a <u>6.9% reduction</u> from baseline levels.

➢ The cumulative reduction in energy consumption per square foot since 2001 has saved the U. T. System $89.3 million.

➢ While energy consumption has declined on a per square foot basis since 2001, the cost of energy has increased from $2.61 per square foot in FY 2001 to an estimated $3.42 per square foot in FY 2008.

Governor's Executive Order RP-49

➤ On October 27, 2005, the Governor's Office issued Executive Order RP-49, requiring each state agency to develop a plan for conserving energy and to set a percentage goal for reducing its usage of energy.

➤ In response to RP-49, each U. T. System institution updated its existing Energy Management Plan, including specific action items intended to reduce energy consumption.

Governor's Executive Order RP-49

➢ RP-49 requires quarterly reporting. The reports for U. T. System are available online in the Publications section of the U. T. System Web site under "Reports to the State of Texas."

➢ The quarterly reports detail literally hundreds of energy savings activities that are ongoing at our institutions.

Energy Utilization Index (EUI)

(Btu/ft^2/year)
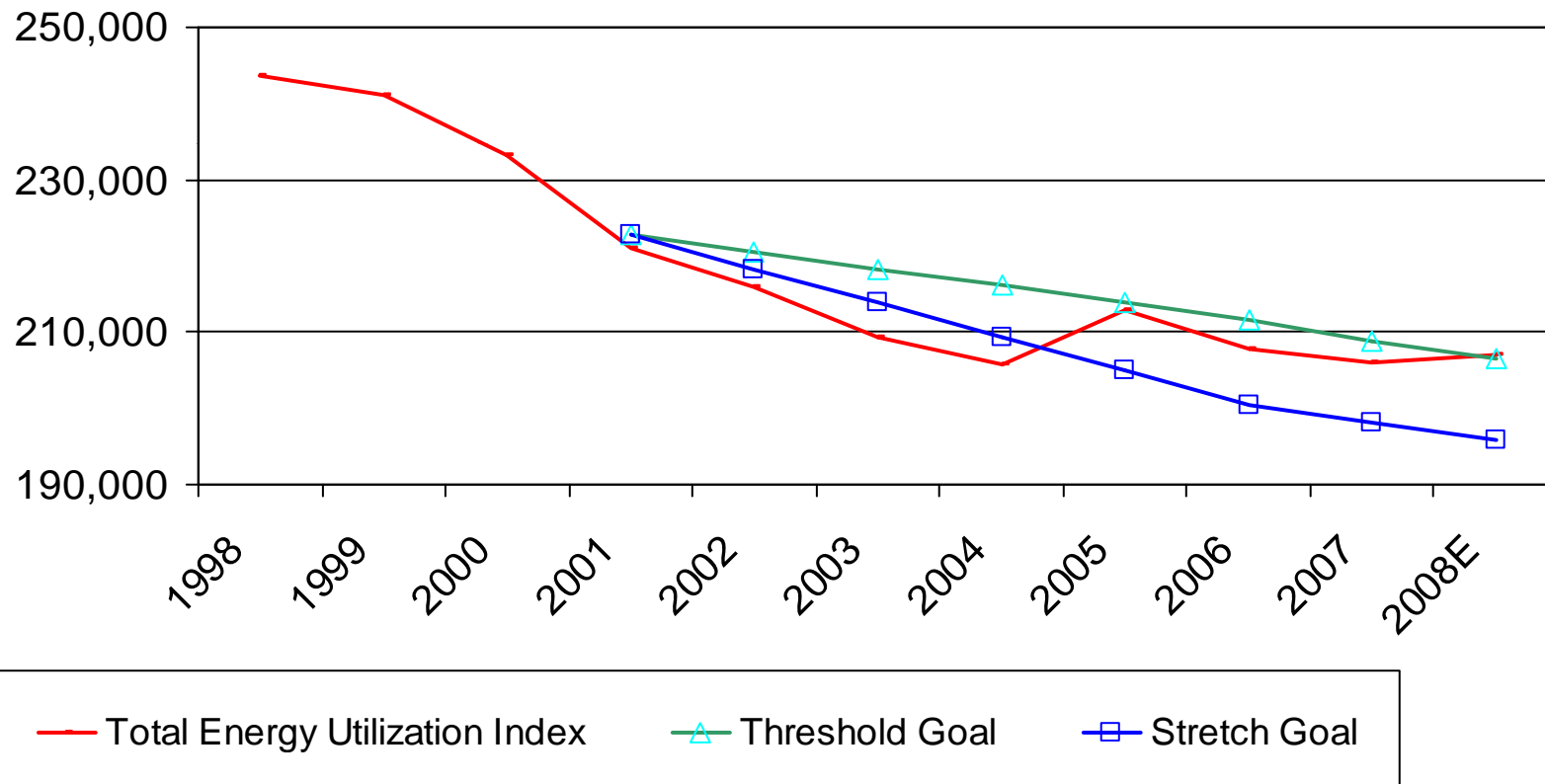
Energy Cost Index (ECI)

($/ft^2/year)
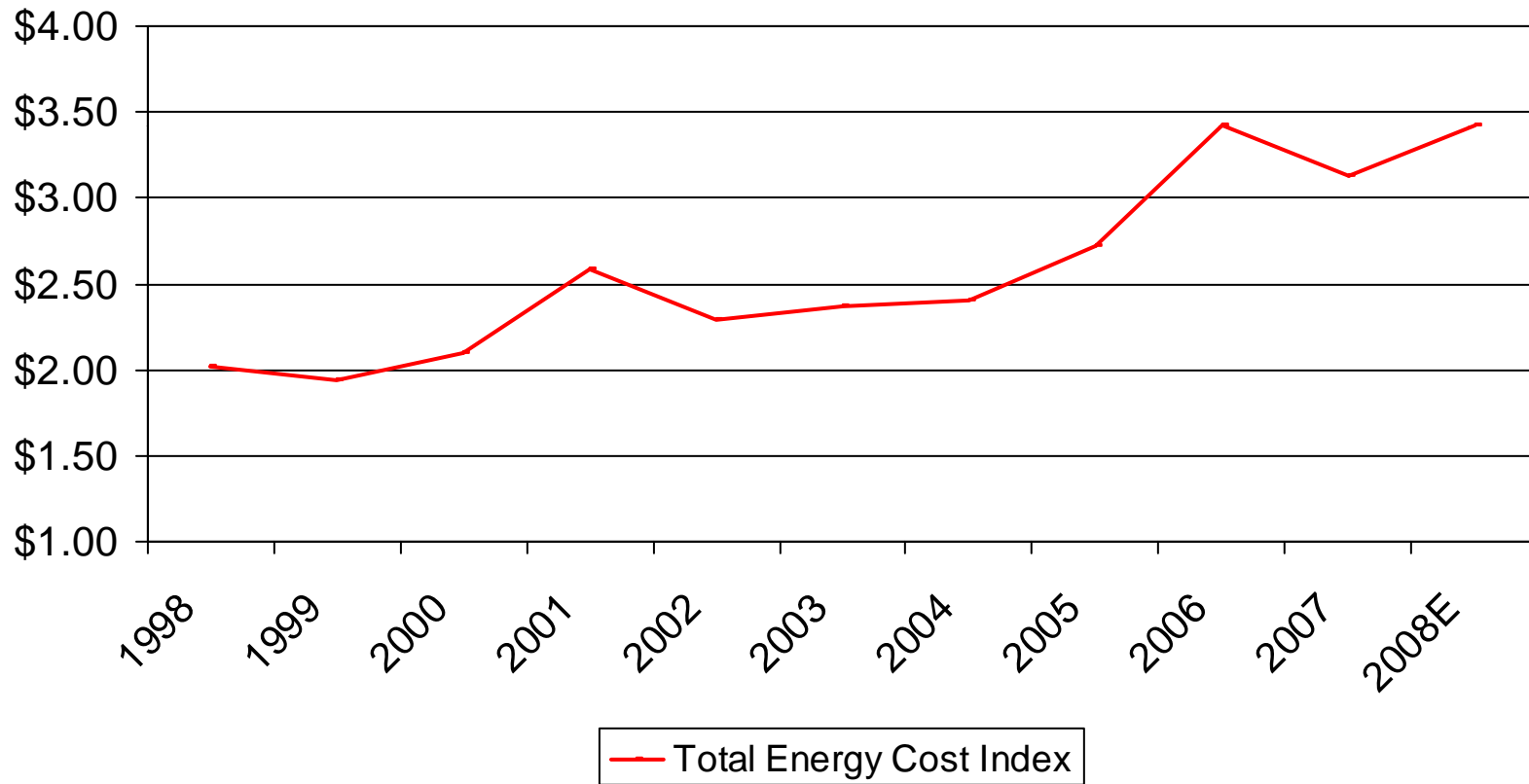
Why is Energy Use Not Declining?

➢ Much of the "low-hanging fruit" has been picked; for example, lights and AC are turned down at night and energy efficient light bulbs are installed.

➢ The mix of space has changed dramatically in recent years, shifting from academic facilities to health care, research, and lab space.

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U. T. System Energy Consumption and Costs

Fiscal Year	Electricity Usage (Kwh)	Natural Gas Usage (Mcf)	Electricity Cost ($/Kwh)	Natural Gas Cost ($/Mcf)	Total Energy Cost	Gross Square Footage	Total EUI (Btu/ ft²/ yr.)	Total ECI ($/ ft²/ yr.)
1998	1,003,307,037	7,146,175	$0.045	$2.72	$101,093,039	50,098,343	243,711	$2.02
1999	1,006,136,057	6,972,357	$0.044	$2.48	$ 99,614,128	51,322,666	241,113	$1.94
2000	1,059,087,750	7,057,246	$0.046	$3.40	$114,201,844	54,285,861	233,140	$2.10
2001	1,054,912,766	7,173,448	$0.057	$5.95	$149,007,978	57,647,676	221,082	$2.58
2002	1,084,142,327	7,161,616	$0.056	$3.82	$136,304,604	59,518,675	215,916	$2.29
2003	1,111,095,048	6,938,533	$0.056	$4.97	$144,915,729	61,027,968	209,227	$2.37
2004	1,164,660,799	7,544,840	$0.056	$5.03	$158,714,505	66,129,878	205,707	$2.40
2005	1,282,641,580	7,495,421	$0.060	$6.07	$186,414,656	68,638,056	212,821	$2.72
2006	1,377,078,325	7,317,172	$0.070	$10.24	$247,385,549	72,332,196	207,730	$3.42
2007	1,388,580,853	7,632,994	$0.074	$7.89	$233,876,958	74,640,581	205,956	$3.13
2008E	1,468,564,199	7,768,770	$0.083	$8.71	$261,138,029	76,395,040	206,977	$3.42

Consideration of Project Additions to the FY 2008-2013 Capital Improvement Program

Hurricane Ike Recovery Projects

- Provide emergency interim funding of $50,000,000 from Revenue Financing System Bond Proceeds for expenditures related to campuswide repair and renovation capital improvements resulting from Hurricane Ike recovery efforts

- Institutional Management

  - U. T. Medical Branch – Galveston $47,710,000
  - U. T. Health Science Center – Houston $ 740,000
  - U. T. M. D. Anderson Cancer Center $ 1,550,000

THE UNIVERSITY of TEXAS SYSTEM
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- Construct a combined soccer and track field stadium, including utilities, roads, and a 500-space surface parking lot

- Collaboration with City of San Antonio and Bexar County

- Total Project Cost is $22,050,000 with funding from Grants

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- Renovates and upgrades the building for office space to allow staff to move out of currently leased space

- Requesting institutional management

- Total Project Cost is $22,000,000 with funding from Revenue Financing System Bond Proceeds

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The University of Texas at Arlington FY 09 High Priority Fire and Life Safety Corrections Phase 2

- Addresses various fire and life safety deficiencies identified as high priority items including fire protection systems, egress deficiencies, emergency lighting systems, fire door retrofits, and the survey of campus buildings for design of handrail corrections

- Requesting institutional management

- Total Project Cost is $1,400,000 with funding from Permanent University Fund Bond Proceeds

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The University of Texas Medical Branch – Galveston FY 09 High Priority Fire and Life Safety Projects

- Addresses installation of fire sprinklers on all floors of the University Hospital Clinics building except the ground level; completes repairs and renovations needed to upgrade the building to current life safety codes

- Requesting institutional management

- Total Project Cost is $1,200,000 with funding of $600,000 from Permanent University Fund Bond Proceeds and $600,000 from Hospital Revenues

The University of Texas Health Science Center – San Antonio FY 09 High Priority Fire and Life Safety Projects

- Extends fire sprinkler system in the Auditorium and Basic Science buildings, and designs a fire alarm and sprinkler system in the Lecture Hall building

- Requesting institutional management

- Total Project Cost is $1,700,000 with funding from Permanent University Fund Bond Proceeds

CIP Additions

- Two Academic projects $23,450,000
- Six Health projects   <u>$74,900,000</u>
- Total Change in CIP $98,350,000

Consideration of Design Development

- The University of Texas at El Paso Swimming and Fitness Center – Phase II

Campus Aerial

Mesa Dr.

Sun Bowl Dr.

I-10

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Site Plan

View from Southeast

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The University of Texas at El Paso
Swimming and Fitness Center –
Phase II

View from Northwest

THE UNIVERSITY of TEXAS SYSTEM
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Total Project Cost is $32,000,000 with funding from Revenue Financing System Bond Proceeds

Investment Metrics:

- Increase student participation in wellness/fitness activities by providing state-of-the-art exercise equipment and recreational facilities by 2010

- Increase teaching and learning facilities for the Kinesiology and Recreational Sports Department by 2010

- Increase in organized fitness class offerings, both credit and non-credit, for students, faculty, and staff by 2010

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The University of Texas at Austin
Battle Hall Complex, Renovation

- Redefine the project as a study

- Redesignation of study as the Battle Hall Complex/West Mall Office Building Renovation

- Decrease total project cost to $2,000,000 with $1,000,000 from Unexpended Plant Funds and $1,000,000 from Revenue Financing System Bond Proceeds

- Appropriation of funds and authorization of expenditure

CIP Modification

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CIP Changes

- CIP Additions $98,350,000
- CIP Changes including DD (13,000,000)
- Total change in CIP $85,350,000

- This represents a .97% increase for a total of $8.9 billion

Report on
Substantial Completions on
OFPC Managed Projects
August 2007 – August 2008

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The University of Texas at Arlington
Maverick Activities Center

Architect: Page Southerland Page
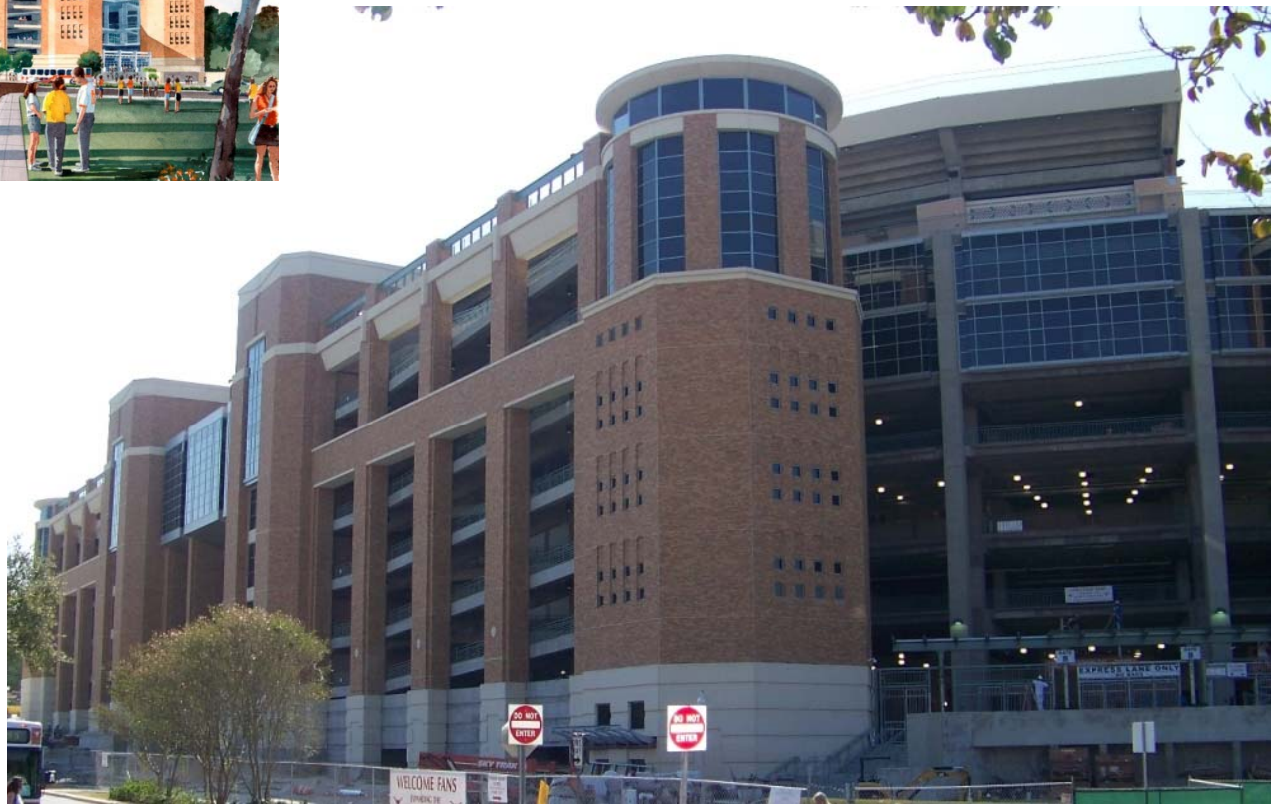Contractor: Hunt Construction

TPC $34.5M
SC   2/2008

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The University of Texas at Austin Darrell K Royal - Texas Memorial Stadium Expansion

Architect: Heery International
Contractor: Hensel Phelps

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TPC $176.5M
SC 10/2008

The University of Texas at Austin AT&T Executive Education and Conference Center

Architect: HKS/Lake Flato
Contractor: Austin Commercial

51

TPC $133.0M
SC   8/2008

44

The University of Texas at Austin
Biomedical Engineering Building

Architect: Parsons/3DI
Contractor: Vaughn Construction

TPC $57.1M
SC   8/2008

52

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The University of Texas at Austin Renovations to UFCU Disch-Falk Field

Architect: DLR Group
Contractor: Flintco

TPC $27.3M
SC   3/2008

53

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The University of Texas at El Paso Sun Bowl Parking Facility

Architect: Mijares Mora Architects
Contractor: C. F. Jordan

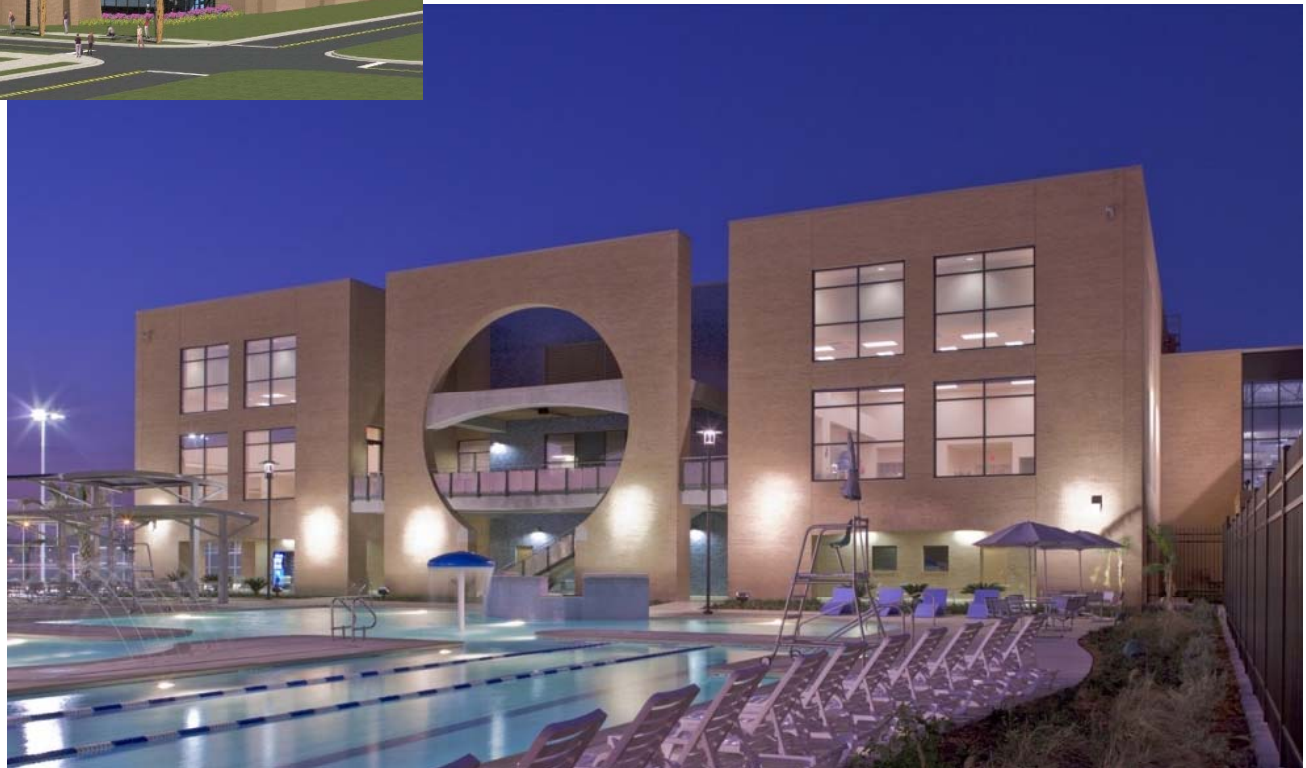TPC $24.7M
SC   8/2007

54

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The University of Texas – Pan American Wellness and Recreation Sports Complex

Architect: F & S Architects
Contractor: D. Wilson Construction

TPC $25.8M
SC   8/2007

55

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The University of Texas of the Permian Basin Student Housing Phase IV

Architect: Randall Scott Architects
Contractor: Mid-Tex of Midland

TPC $6.0M
SC 12/2007

The University of Texas at San Antonio University Center Expansion, Phase III

Architect: Perkins and Will
Contractor: SpawGlass

TPC $33.3M
SC   6/2008

57

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The University of Texas at San Antonio South Thermal Energy Plant/ South Parking Garage

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Architect: Shaw Smith & Associates
Contractor: Vaughn Construction

TPC $30.0M
SC   2/2008

51

The University of Texas at San Antonio Laurel Village at UTSA

Architect: BOKA Powell
Contractor: SpawGlass

TPC $44.2M
SC   5/2008

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The University of Texas at San Antonio Recreation and Wellness Facilities, Phase II

Architect: F & S Partners
Contractor: SpawGlass

TPC $45.7M
SC   1/2008

The University of Texas Southwestern Medical Center at Dallas Laboratory Research and Support Building

Architect: Perkins & Will/CRA
Contractor: McCarthy

TPC $36.6M
SC   6/2008

The University of Texas Medical Branch at Galveston – Galveston National Laboratory

Architect: Perkins & Will / B2HK
Contractor: Vaughn Construction

TPC $173.7M
SC   8/2008

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The University of Texas Health Science Center at Houston Replacement Research Facility

Architect: WHR Architects
Contractor: Vaughn Construction

TPC $80.8M
SC   11/2007

The University of Texas Health Science Center at San Antonio Academic Building

Architect: Kell Munoz Architects
Contractor: Bartlett Cocke

TPC $12.7M
SC   8/2007

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The University of Texas Health Science Center at San Antonio Academic and Clinical Research Building

Architect: FKP Architects
Contractor: SpawGlass

TPC $25.4M
SC   11/2007

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The University of Texas Health Science Center at San Antonio Ruth McLean Bowman Bowers Cyclotron Wing

Architect: Garza/Bomberger
Contractor: Garza/Bomberger+Bartlett Cocke

TPC $4.4M
SC   3/2008

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TPC

UT Austin Garrison Hall Renovations $11.4M

UT El Paso Thermal Plant Upgrades $ 4.3M

UT Permian Basin Industrial Technology
Building Renovations, Stage B $ 2.0M

UT SWMC Dallas Hazardous Waste
Handling Facility $ 3.9M

Academic $655.8M
Health   337.5M

Total $993.3M

MINUTES
U. T. System Board of Regents
Student, Faculty, and Staff Campus Life Committee
November 12, 2008

The members of the Student, Faculty, and Staff Campus Life Committee of the
Board of Regents of The University of Texas System convened at 2:10 p.m. on
Wednesday, November 12, 2008, in the Tomás Rivera Conference Center, Union
Building East, The University of Texas at El Paso, 500 West University Avenue,
El Paso, Texas, with the following participation:

Attendance
Regent Dannenbaum, presiding
Regent Barnhill
Regent Gary

Also present were Chairman Caven; Regent Dower; Mr. Michael Swindle, Chair,
Employee Advisory Council (EAC); Dr. Mansour El-Kikhia, Chair, Faculty Advisory
Council (FAC); Mr. Aaron Rosas, Chair, Student Advisory Council (SAC); and
General Counsel to the Board Frederick.

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

1.   **U. T. System: Annual Meeting with Officers of U. T. System Employee
      Advisory Council**

Committee Meeting Information
Presenter(s): *Mr. Michael Swindle, Chair; Vice Chair Dennie Clemons, U. T. Health Science Center – Houston; Secretary Teresa García, U. T. Pan American; Historian Dexter Jones, U. T. Health Science Center – Tyler* **Status:** *Reported*

Discussion at meeting:

Mr. Jones summarized the history of the Employee Advisory Council (EAC).

*Ms. Clemons reported on the recommendations of the Council's Compensatory Time
Committee and the Wellness Committee:*

*Recommendation: EAC expresses their concern at the inequity in how
compensatory time is handled across the U. T. System. Best practices are needed
to assure equitable workloads.*

> *Regent Dannenbaum requested more information on compensatory time and
> Ms. Clemons explained that some employees are given overtime payment*

and some are given compensatory time. Mr. Swindle said the EAC would like to see what practices work best for each institution and share that information.

Regent Gary asked for more information on the workflow issue of compensatory time and Mr. Swindle gave the example of student registration periods when work hours are extended. He noted that institutions award compensatory time in different ways and he said that is a common problem among institutions.

Recommendation: EAC encourages all institutions to utilize the wellness programs at U. T. System Administration and come up with best practices that work for their institution as well.

Then, Ms. García spoke about the following EAC recommendations:

Recommendation: Emphasize the importance of communication resources.

Ms. García noted that while the EAC is successful in orienting new employees, improvements in internal communications are needed to reach internal as well as external constituents, such as institutional consultants.

Recommendation: EAC encourages the U. T. System to proceed with allowing all institutions to participate in the use of iTunes U.

Ms. García said the Council recommends the use of iTunes U to provide information to a large student population such as about admissions and registration. Regent Dower asked for further clarification on the possible uses of this technology and Ms. García responded that iTunes U could be used as an electronic bulletin board and for information on training opportunities for staff. She summarized by saying the technology would provide another method to disseminate information.

Recommendation: Continue working on career ladders, leadership development, and management development.

Ms. García spoke about the importance of professional development and retention to support employee growth and about the Council's continuing work to be a role model in the area of employee workforce reduction.

In response to a question from Regent Barnhill, Mr. Swindle said no action was being requested today. Best practices will be shared with institutions and the Council's best practices document will be updated accordingly.

2. <u>**U. T. System: Update on U. T. System Leadership and Global Initiatives**</u>

> ***Committee Meeting Information***
> ***Presenter(s):*** *Dr. Geri H. Malandra, Vice Chancellor for Strategic Management*
> ***Status:*** *Reported*

Discussion at meeting:

Dr. Malandra said the leadership and global initiatives emerged from the U. T. System 10-year Strategic Plan and she said the strategy of the Leadership Initiative is to identify where U. T. System can add value to campus leadership. Dr. Malandra said a Leadership Institute director has been hired and customized programs to strengthen leadership development will be disseminated to U. T. System institutions.

Regent Dannenbaum asked what methods are used to determine who wants to be a leader and Dr. Malandra noted this is one of the most critical questions in higher education. She said that ways to define, cultivate, and reward leadership in academia is different from for-profit organizations and she discussed ways of identifying leadership traits among graduate students and faculty.

Regent Barnhill asked how the leaders for the Leadership Institute are selected and Dr. Malandra described the current pilot project and the eventual expansion to a larger group of hundreds of people. In response to a question from Mr. Rosas, she said students will be included in development of the program.

Regent Dower asked how success in leadership development is measured and Dr. Malandra answered by providing quantitative examples such as lower turnover, ease of recruiting personnel to leadership positions, smoother working operations, and reduced legal risks and operational costs.

Regent Barnhill asked if the leadership program will be open to alumni and Dr. Malandra clarified the program is limited to U. T. System employees, including alumni of the Leadership Institute.

Dr. El-Kikhia said that developing leaders in the U. T. System is of utmost importance.

Regarding the U. T. System Global Initiatives, Dr. Malandra reported that in a sample inventory of global activities, in 2007, 3,800 students studied abroad in 1,000 different programs, 58% of which were led by faculty from U. T. System institutions.

In response to a question from Regent Gary, Dr. Malandra said the University of Georgia System is a leader in best practices of global initiatives and those best practices helped frame the U. T. System program. She said the University of California is also a model of centralized global activities.

In response to Regent Dower's interest in the program, Dr. Malandra indicated that one of his predecessors, a Student Regent, had served on the early brainstorming

group. Committee Chairman Dannenbaum asked if international students had a part in the program and Dr. Malandra responded that the initiative will assist U. T. System institutions attract students from abroad and engage students, faculty, and staff in international programs. Dr. El-Kikhia suggested that a foreign language be mandated as a part of the core curriculum.

ADJOURNMENT

Committee Chairman Dannenbaum adjourned the meeting at 2:55 p.m.