

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

May 12-13, 2010

Austin, Texas

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/s/ Carol A. Felkel  
Secretary to the Board of Regents  
June 28, 2010

MINUTES  
U. T. System Board of Regents  
Audit, Compliance, and Management Review Committee  
May 12, 2010

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 11:00 a.m. on Wednesday, May 12, 2010, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Hicks, presiding  
Vice Chairman Foster  
Vice Chairman Longoria  
Regent Stillwell

Also present were Chairman McHugh, Regent Meijer, Regent Powell, Executive Director Martinez, and Assistant General Counsel to the Board Rabon.

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

1. **U. T. System: Report on the Systemwide Compliance Work Plan for 2010 - 2011**

***Committee Meeting Information***

***Presenter(s):*** Mr. Lawrence Plutko, Systemwide Compliance Officer

***Status:*** Reported/Discussed

**Discussion at meeting:**

*Chairman McHugh applauded Mr. Plutko for paying close attention to the HIPAA changes, to the high tech rules and regulations, and to issues with coding and billing in the health field since that is a revenue issue for U. T. System institutions.*

*In response to a question from Vice Chairman Longoria about participation in the Virtual Compliance Academy, Mr. Plutko said the program is voluntary.*

2. **U. T. System: Presentation on the U. T. Systemwide Endowment Compliance Program**

**Committee Meeting Information**

**Presenter(s):** Dr. Randa S. Safady, Vice Chancellor for External Relations

**Status:** Reported

3. **U. T. System: Internal Audit Department report for U. T. Health Science Center – Tyler**

**Committee Meeting Information**

**Presenter(s):** Ms. Kris Kavasch, Director of Internal Audit, U. T. Health Science Center – Tyler

**Status:** Reported/Discussed

**Discussion at meeting:**

Vice Chairman Longoria asked about the Internal Audit reporting structure (Slide 4 on Page 55 of the Agenda Book). Ms. Kavasch said that “reporting functionally” means that the president and the Internal Audit Committee (IAC) have a say in, for example, the direction of activities and in oversight and would provide input into her annual performance review. She said “reporting administratively” means, for example, that the president approves her leave requests.

Vice Chairman Longoria asked Mr. Chaffin if the reporting structure is a best practice, and Mr. Chaffin explained that while he reports to the Board of Regents, it is almost impossible for the internal auditors at the U. T. System institutions to report to the president, although by rule, they do especially functionally in their role as auditors. Due to the complexity and size of many U. T. System institutions, the internal auditors may also report administratively to another official. The internal auditors also have a dual reporting relationship to their IAC and to Mr. Chaffin. Ms. Kavasch added that the IAC approves the internal audit plan.

4. **U. T. System: Report on the Systemwide internal audit activities, including the results of the Systemwide Huron/Effort Certification and Reporting Technology (ECRT) audit**

**Committee Meeting Information**

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

**Status:** Reported/Discussed

**Discussion at meeting:**

Mr. Chaffin reviewed the history leading up to the contract with Huron for its Effort Certification and Reporting Technology (ECRT), which was the first attempt at a

*Systemwide shared services information technology (IT) solution. He said 10 U. T. System institutions have successfully implemented the ECRT solution within budget and four more institutions are considering using the technology.*

*Mr. Chaffin reviewed the audit objectives and the success factors that included an effective project management team, U. T. M. D. Anderson Cancer Center's willingness to host the system on its computer, and strong executive sponsorship. He noted the following lessons learned:*

- *The connectivity between the institution and the host needs to be more efficient so the work can be done quickly, easily, and in a secure manner.*
- *Tell the vendor in advance that this is a shared service and there are inherent complexities to be dealt with.*
- *Communicate all requirements to the vendor to avoid ad hoc solutions.*

#### RECESS TO EXECUTIVE SESSION

At 11:56 a.m., the Committee recessed to Executive Session pursuant to *Texas Government Code* Section 551.074 to consider the matter 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 Administration and institutional employees involved in internal audit and compliance functions

#### RECONVENE IN OPEN SESSION

The Executive Session ended at 12:00 p.m., and the Committee reconvened in Open Session to consider agenda items and adjourn. No action was taken on items discussed in Executive Session.

#### ADJOURNMENT

Committee Chairman Hicks adjourned the meeting at 12:00 p.m.

MINUTES  
U. T. System Board of Regents  
Finance and Planning Committee  
May 12, 2010

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 2:33 p.m. on Wednesday, May 12, 2010, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Vice Chairman Foster, presiding  
Regent Gary  
Regent Huffines (for Items 2 - 5)  
Regent Powell

Also present were Chairman McHugh (for Items 3 - 5), Regent Dannenbaum, Regent Hicks, Regent Meijer, Regent Stillwell (for Items 4 - 5), 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 Foster called the meeting to order.

**1. U. T. System: Discussion and appropriate action related to approval of Docket No. 142**

***Committee Meeting Information***

**Presenter(s):** *Committee Chairman Foster*

**Status:** *Reported*

**Discussion at meeting:**

*Committee Chairman Foster mentioned several of the larger items found in the Docket:*

- *A Memorandum of Understanding documenting sharing of up to approximately \$15.9 million in bonded indebtedness between U. T. System Administration and U. T. Austin for the previously approved building purchase and renovation at 1616 Guadalupe Street in Austin, on Docket Page 2*
- *Extension of a contract between U. T. Austin and Paciolan, Inc., for ticketing support and fundraising services for approximately \$4.1 million, on Docket Page 14. He noted that a correction will be made in the Docket to reflect that this contract and the football game agreement with Brigham Young University, also on Docket Page 14, are "Funds Going Out"*

- *A 10-year space lease in the Bay Colony Professional Building for U. T. Medical Branch – Galveston pediatric primary and specialty care clinics at a total rental of approximately \$8.1 million, on Docket Page 24*
- *A dialysis services contract between U. T. M. D. Anderson Cancer Center and Inter-Medical Inc. for \$7 million, on Docket Page 30*
- *A three-year contract, with the option to renew for two additional 12-month terms, for consulting and implementation services between U. T. M. D. Anderson Cancer Center and IBM Global Services at a cost of approximately \$17.2 million for the initial term, on Docket Page 34*

*He also noted that included on Page 5 of the Docket is the agreement with Dr. Sandra Woodley, Vice Chancellor for Strategic Initiatives at U. T. System.*

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

### **Committee Meeting Information**

**Presenter(s):** *Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs*

**Status:** *Reported*

### **Discussion at meeting:**

*Dr. Kelley noted a general increase in revenues and expenses largely attributed to clinical activities, and he said the campuses are generally doing well. In reference to the recent 5% budget cut mandated by the Governor, Dr. Kelley noted a caveat that some funds are being saved to take the cuts next year. These savings are reflected in a higher operating surplus this year for some of the campuses.*

*In reply to a question from Chancellor Cigarroa, Dr. Kelley affirmed that U. T. Medical Branch – Galveston has, for the first time in his tenure at U. T. System, been able to maintain a positive cash flow and a positive operating balance including expensing and depreciation.*

*Dr. Kelley summarized the cost efficiency efforts by saying the campuses have been working diligently to maintain strong operating results and to increase productivity. In the academic arena, there are increases in semester credit hour (SCH) production, with teaching loads averaging 25 SCH or approximately eight courses a year. He noted the minimum course load set by the Board is 18 SCH or approximately six courses per year. He said this is reflective of the efforts of the campuses to increase productivity, and he added there has been an increase in online and hybrid course offerings. Dr. Kelley added that undergraduate enrollment increased 16.2% in the last six years, while undergraduate degree completions in that same period increased about 23.3%, for an overall increase in productivity of degree completion of a little over 6%.*

*Dr. Kelley stated that shared services and other efficiency efforts at U. T. System Administration and on the campuses have generated cost savings (or cost avoidance) of \$.5 billion over the last four to six years. He said the degree of productivity has increased at least 5-10% over the last few years, and further increases are being targeted going forward.*

**3. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2010**

**Committee Meeting Information**

**Presenter(s):** *Mr. Bruce Zimmerman, Chief Executive Officer and Chief Investment Officer, UTIMCO*  
**Status:** *Reported*

**Discussion at meeting:**

*Mr. Zimmerman reported for the month of March 2010, endowments were up approximately 2.9%, and up another 1.1% in April. The fiscal year-to-date investment return for the endowment funds through April was 13.5% and 11% for the Intermediate Term Fund (ITF). Mr. Zimmerman said the markets continue to be strong, and UTIMCO continues to significantly outperform the investment policies as a result of manager performance as well as tactical weighting of the portfolio.*

*Dr. Kelley noted when the ITF was created in 2006, a proxy portfolio was established to determine how those funds had been invested prior to establishment of the ITF and to track over time whether investment in the ITF added value. Through the first couple of years, the ITF added significant value, but once the market correction hit, the value added was lost as were real dollars. However, all the value has returned, and the ITF value is positive; through April, the ITF has done better than it would have in the proxy portfolio. He noted the market has done well as has UTIMCO against benchmarks.*

*In accordance with the ITF investment policy approved by the Board of Regents last summer, Mr. Zimmerman said pure equity exposure has been reduced and replaced with more hedge fund exposure to lessen the volatility and increase the protection in less strong equity markets, while retaining sufficient earning power. Mr. Zimmerman offered UTIMCO's investment perspective. He said that despite strong markets, UTIMCO management remains concerned that markets may have gotten ahead of themselves, and there remains a strong weight on economies particularly in developed countries because of debt. He noted it will be a long and painful process to work out from that debt. He said good investment opportunities exist for entities with capital such as the U. T. System.*

*In response to a question from Regent Gary about a frontier-type market, Mr. Zimmerman listed the typical emerging markets as Brazil, Russia, India, and China. He said UTIMCO engages a manager who invests in banks and telephone companies in the Middle East and sub-Saharan Africa, and he remarked that these*

*frontier markets were hit hard. As capital begins to flow again, these markets have not rebounded as much as the developed and emerging markets, despite being well managed and appearing to have great value.*

*Regent Dannenbaum asked about interest rates, and Mr. Zimmerman said there is a significant degree of uncertainty, and in the near term, there is a strong case to be made that there will not be inflation since there is a great deal of capacity in the system: 10% unemployment and vacancies in buildings and manufacturing plants. In the absence of inflation, one would not expect to see higher yields in fixed income markets. On the other hand, there is a great deal of legitimacy to the argument that there is a tremendous amount of liquidity that has flooded the system. There is a large amount of sovereign debt. The laws of supply and demand suggest that as federal governments continue to borrow, they would arguably need to pay more for the debt being incurred.*

*Mr. Zimmerman said UTIMCO's posture is to remain diversified and flexible. UTIMCO remains overweight in investment grade fixed income with approximately 12% of the portfolio there. He said UTIMCO does worry about endowment performance in periods of high inflation, and they have bought insurance against higher inflation. Also, UTIMCO has begun to move some of the portfolio into gold.*

**4. U. T. System Board of Regents: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, the Long Term Fund, and the Intermediate Term Fund**

**Presenter(s):** *Mr. Bruce Zimmerman, Chief Executive Officer and Chief Investment Officer, UTIMCO*  
**Status:** *Approved*  
**Motion:** *Made by Regent Powell, seconded by Regent Gary, and carried unanimously*

**Discussion at meeting:**

*Committee Chairman Foster noted the recommended distributions were approved by the UTIMCO Board of Directors in April 2010.*

**5. U. T. System Board of Regents: Adoption of a Supplemental Resolution authorizing the issuance, sale, and delivery of Revenue Financing System Bonds, authorization to designate all or a portion of the bonds as Build America 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 Powell, seconded by Regent Gary, and carried unanimously*



## **Discussion at meeting:**

*Chancellor Cigarroa asked about the savings from the previous Build America Bond program, and Mr. Aldridge responded savings were a significant 1%. Regent Gary asked if the issuance authority goes away legislatively at some point and Mr. Aldridge stated the authority expires at the end of the calendar year. Mr. Aldridge added that legislation has been proposed to extend the program at perhaps a lower subsidy rate, and he is monitoring that closely in terms of performing another favorable transaction this calendar year. In response to a question from Committee Chairman Foster, Mr. Aldridge stated an additional authorization for Fiscal Year 2011 will come before the Board in August 2010.*

*In response to a question from Regent Dannenbaum regarding risks of the Build America Bond program, Mr. Aldridge described the risks: i) the program could change over time, potentially retroactively, and ii) to the extent that a taxpayer, as defined by their taxpayer number, is perceived to owe taxes for other matters, that payment can be offset against the subsidy, which is not good for debt service purposes. Mr. Aldridge said he is exploring ways to mitigate or eliminate that risk; possibly through creation of another taxpayer identification number just for this program. He added that if there is a shortfall from not receiving the full subsidy the holder would pay the debt service. The money would be collected from the institutions pro rata on that particular transaction if it is Revenue Financing System debt, then the funds would be pursued and reimbursed to the institutions. Due to the significant savings, Mr. Aldridge said it is worth pursuing the Build American Bond debt program rather than the Tax Exempt Program although that may not be true in the coming years.*

## **ADJOURNMENT**

Committee Chairman Foster adjourned the meeting at 3:15 p.m.

MINUTES  
U. T. System Board of Regents  
Academic Affairs Committee  
May 12, 2010

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 4:15 p.m. on Wednesday, May 12, 2010, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Stillwell, presiding  
Vice Chairman Foster  
Vice Chairman Longoria

Absent

Regent Huffines

Also present were Chairman McHugh, Regent Dannenbaum (for Items 2-5), Regent Gary, Regent Meijer, 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 Stillwell called the meeting to order.

1. **U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 40601, Sections 1.3(b) and (c), concerning proposed name changes of the U. T. Arlington College of Business Administration to the College of Business and the College of Education to the College of Education and Health Professions**

**Committee Meeting Information**

**Presenter(s):** *President James D. Spaniolo, U. T. Arlington; Executive Vice Chancellor for Academic Affairs David B. Prior*

**Status:** *Approved*

**Motion:** *Made by Vice Chairman Longoria, seconded by Vice Chairman Foster, and carried unanimously*

**Discussion at meeting:**

*In response to a question from Committee Chairman Stillwell, President Spaniolo said the name changes will make clear the College of Education includes a broad array of programs including health professions. Vice Chairman Foster asked if there will be any expense involved, such as a change of signage, and President Spaniolo responded nothing of any consequence.*

2. **U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 40601, Section 1.8 to reflect the reorganization and change the name of the U. T. Pan American College of Science and Engineering to the College of Engineering and Computer Science and the College of Science and Mathematics**

**Committee Meeting Information**

**Presenter(s):** President Robert S. Nelsen, U. T. Pan American; Executive Vice Chancellor for Academic Affairs David B. Prior

**Status:** Approved

**Motion:** Made by Vice Chairman Foster, seconded by Vice Chairman Longoria, and carried unanimously

**Discussion at meeting:**

*Dr. Prior said the faculty and facilities exist for the proposed reorganization, but there will be some costs associated with hiring a new dean and creating a new administration for a second college. In reply to a question from Committee Chairman Stillwell about graduate programs, President Nelsen said approval of this agenda item will allow the institution to focus on and create unique engineering-related programs, such as manufacturing engineering, for the Valley.*

*Regent Dannenbaum asked about the scientific prerequisites for engineering, and Dr. Nelsen said the split into two colleges will allow the institution to concentrate on the curriculum, including chemistry and physics. In answer to Regent Dannenbaum's concern about the administrative interface of the deans of science and engineering, Dr. Nelsen added assurance that a concurrent curriculum committee will be working together, and faculty from the two disciplines are already housed together.*

*Vice Chairman Longoria asked about the juxtaposition of putting engineering and computer science together in the same college. President Nelsen said the focus will be on computer engineering in particular. He added that the institution also wants to focus on health care with computer science.*

*At Regent Dannenbaum's suggestion, Dr. Nelsen will contact Jack W. Smith, M.D., Ph.D., Dean of the School of Health Information Sciences at U. T. Health Science Center – Houston, who recently received a \$30 grant for a biomedical information initiative. Regent Dannenbaum expressed that it is important for the U. T. System institutions to share that kind of information and not duplicate tasks. Dr. Nelsen said an assessment of jobs needed in the Rio Grande Valley showed that areas such as computer science in health care are important. Executive Vice Chancellor Shine said Dean Smith will be reaching out to the institutions in the electronic health record and research components.*

**3. U. T. Pan American: Request to approve renaming the Computer Center as the Research and Innovation Building**

**Committee Meeting Information**

**Presenter(s):** President Robert S. Nelsen, U. T. Pan American

**Status:** Approved

**Motion:** Made by Vice Chairman Longoria, seconded by Vice Chairman Foster, and carried unanimously

**4. U. T. System: Status report on community college partnership activities including discussions related to dual credit**

**Committee Meeting Information**

**Presenter(s):** Dr. Martha Ellis, Associate Vice Chancellor for Community College Partnerships

**Status:** Reported

**Discussion at meeting:**

*The presentation by Dr. Ellis is set forth on Pages 12 - 25, and her remarks follow, essentially as delivered.*

**Remarks by Dr. Ellis**

*Successful student transfer is central to the higher education environment in Texas. According to the Texas Higher Education Coordinating Board, approximately 80% of Texas baccalaureate degree holders attend more than one college or university. Nationally, one in five Ph.D. holders began at a community college.*

*The objective of increasing the number of transfer students to become baccalaureate degree completers is a significant component for the Texas policy of "Closing the Gaps 2015." There is research validating that the path from community college to university is a difficult journey.*

*Two and one-half years ago, the U. T. System began the community college initiative to provide leadership in simplifying that journey from the community college to the university. Having success in assisting community college students to transfer to a university and graduate with a baccalaureate degree or beyond is paramount for the State of Texas and is not self-serving for the U. T. System institutions. By increasing collaboration with community colleges and other universities, the goal of this initiative is to be action-oriented and results-driven to help students succeed. We have no time to waste and no talent to lose if we are going to foster a robust, knowledge-based economic future for Texas.*

*In 2009, 75% of freshman and sophomore students in Texas were enrolled in community colleges. Approximately 40% of these students are enrolled in associate transfer degree programs. Upon review of student performance, transfer students who complete at least 30 semester credit hours (SCH) at the community college do as well as native students in university grade point averages (GPA).*

*(Slide 4 on Page 15 showed the university GPAs for students who completed their general education courses at a community college and then transferred to a U. T. System institution. Slide 5 on Page 16 showed the university GPAs for students who completed an associate degree prior to transfer. The students do quite well.)*

*Unfortunately only about 20% of qualified community college students actually transfer to a university.*

*The U. T. System and all nine general academic institutions have increased their work to harvest the low-hanging fruit in making progress for student transfer. Here are a few of the highlights of this year and I want to expand on four of these.*

*All-Texas Academic Team Awards Ceremony  
Dual Credit Principles  
[www.Transfer101.org](http://www.Transfer101.org)  
Enrollment numbers*

*In an effort to recognize outstanding community college students and raise awareness about community college transfer, the U. T. System last year reinstated and became a co-sponsor of the annual All-Texas Academic Team awards ceremony and reception, which honors high-achieving community college students from across the state.*

*The U. T. System invited the Texas Association of Community Colleges (TACC) and the Texas A&M University System to participate in a community college working group that has become a partnership to address transfer issues. Two examples of this partnership are the development of dual credit principles and Transfer101.*

*Many young people begin their college career while still in high school. The process of obtaining both high school and college credit for a course is called dual credit. In the last four months, principles to guide the quality and effectiveness of dual credit were developed by community college presidents, university provosts, and executive vice chancellors of U. T. System, Texas A&M University System, TACC, and Texas State University System. The systems endorse the importance of early college start programs that allow qualified high school students to take true college-level courses prior to high school graduation. The collaborations between independent school*

*districts (ISD), community colleges, and universities are valuable resources for enhancing performance related to ISD and higher education accountability systems. The purpose of dual credit is to deliver a high quality curriculum and an educational experience that facilitates the transition from high school into a college or university maximizing state resources by increasing student retention and decreasing time to graduation. These principles are providing a framework for the statewide discussion and study of dual credit.*

*The second partnership initiative addresses the primary barrier to transfer identified by students and that is the lack of reliable, easily accessible, user-friendly information with step-by-step instructions on how to successfully transition from community colleges to universities. In September 2009, the U. T. System, Texas A&M University System (TAMU), and TACC launched the Transfer101 From Community College to University Web portal.*

*The Transfer101.org Web portal was developed based on insights from the working group, community college students, and successful transfer students.*

- *Transfer101 exists as an online resource for those students seeking information about the process of transferring between a community college and four-year institution.*
- *Target audiences are:*
  - *graduating high school students deciding how and where to continue their education*
  - *adult students who are seeking to return to complete a baccalaureate degree or interested in furthering their education directly from the community college. They are working adults and may have families with little time to visit a campus during traditional hours of operation.*
  - *first generation college students who have little knowledge and few resources about the process of transfer*
  - *advisors referring students to Transfer101 as a reference site for information and helpful links*
- *Key concepts of the portal include clarity, jargon-free language, and simple functionality to model the transfer step process to be as easy as 1, 2, 3.*
- *The interactive site includes direct links to specific departments within universities, such as student advising, financial aid, and the university's transfer page. Checklists for applying for admission, financial aid, scholarships, and questions to ask advisors are also included.*
- *Transfer101 extends to social media networking tools. Transfer101 utilizes Twitter and Facebook, and there is even an iPhone Application for Transfer101.*
- *Success by Degrees is a section that includes stories from successful university students who transferred from a community college.*

*Expansion:*

- *U. T. System and TAMU System institutions were the universities initially included at the launch of Transfer101.org in September 2009.*
- *Invitations went out to the other universities in the state and now all but eight public universities in the state are part of Transfer101.*
- *To promote ease of student access to information, the 50 community college districts are in the process of adding a Transfer101 link to their websites. As of May 1, 39 community colleges have completed this process.*

*In October 2009, the first full month of operation, 551 people visited Transfer101 and six months later, there were 5,455 visits to the site.*

*Lastly, perhaps the most telling measure of success for the community college initiative will be the increasing number of community college students transferring to universities. This last fall, the U. T. System institutions saw an 11.3% increase in community college transfer students over Fall 2008.*

*The enrollment management offices at some of the institutions report there will be a continued increase in Fall 2010 over this year.*

*We are not finished yet, but through collaborations and partnerships we are making progress to benefit students and the State of Texas.*

*Committee Chairman Stillwell asked how big can the program get, and is there capacity at the U. T. System institutions to admit the transfer students? Dr. Ellis deferred to the institutional presidents to answer the latter part of the question and said there would be a substantial increase in the number of admissions if all 40% of the qualified transfer students enrolled in universities. She noted there are 700,000 students in community colleges.*

*Regent Stillwell also asked if money is the primary reason only 20% of students transfer, and Dr. Ellis responded that money is part of the reason, but also there is a misunderstanding of what it costs to go to a university. She said community college students tend to overestimate how much it costs to go to a university, so providing realistic information is important as is making sure there are scholarships available to transfer students. She said there is a lack of understanding about the basic process to transfer to a university, particularly since many of these students are first-generation students, hence the Transfer101 website. Dr. Ellis said there are few advisors at community colleges and any information provided online is helpful. Regent Stillwell said that students telling students about how the transfer process works would also be helpful, and Dr. Ellis noted that U. T. San Antonio has such a model whereby university students go back to their high school and community college to speak with students.*

*Dr. Ellis answered a question from Regent Meijer about the location of advisors and noted that the Transfer101 website provides such information. Vice Chairman Longoria added that there will probably never be a sufficient number of advisors at the campus level, but this Web portal helps to give students the information they need. President Mabry noted that U. T. Tyler pays for an advisor to work full time at the local community college to advise students to go anywhere, including U. T. Tyler.*

*Regent Dannenbaum commended U. T. Austin President Powers on the outreach to the Houston Community College System. He expressed concern about advising for those students whose goal is not a baccalaureate degree, and Dr. Ellis noted that approximately 60% of community college students are interested in an associate of applied science degree. She also mentioned that the Bachelor of Applied Arts and Sciences (B.A.A.S.) and Bachelor of Applied Technology (B.A.T.) degrees available at U. T. Brownsville/Texas Southmost College (UTB/TSC) and other institutions are recognized as valuable to society and provide a pathway for students to complete a baccalaureate degree sometime later in their lives. Dr. García added that the B.A.A.S. and B.A.T. degrees were invented on the UTB/TSC campus exactly for that reason and provide an open door to students to obtain a baccalaureate degree for career mobility.*

*President Romo spoke about the Head Start Summer program at U. T. San Antonio that helps teachers earn a bachelor's degree and the need to help ensure that credits can indeed transfer to a four-year institution.*

*Regent Stillwell concluded the discussion by encouraging the U. T. System institutional presidents to continue to share thoughts and ideas in this area.*

**5. U. T. System: Discussions on academic leadership matters related to the importance of graduate students to higher education and issues of concern**

**Committee Meeting Information**

**Presenter(s):** Executive Vice Chancellor for Academic Affairs David B. Prior; Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs; President James D. Spaniolo, U. T. Arlington; President Robert S. Nelsen, U. T. Pan American; President William Powers, Jr., U. T. Austin; Dr. Dan Formanowicz, Chair of the Faculty Advisory Council; Mr. Bradley Carpenter, Chair of the Student Advisory Council

**Status:** Discussed

**Future action:** Regent Stillwell asked if there is an effort to inform the Legislature re tuition waivers, and Dr. Prior said a position paper will be distributed to the Regents on why the subject is important.

**Discussion at meeting:**

*Dr. Prior read a paragraph from a 2007 publication titled "Graduate Education: The Backbone of American Competitiveness and Innovation:"*

*A highly trained workforce is essential to America's future economic competitiveness and national security. Graduate*



*education, a vital part of the U.S. education system, must be strengthened as part of a national strategy on innovation and competitiveness. The work of graduate students contributes directly to our sustained economic growth and prosperity. Graduate students conduct groundbreaking research in universities, national laboratories, and private industry.*

*He continued to say that one of the principle assumptions was that "U.S. graduate schools must be able to attract the best and brightest students from around the world." Dr. Prior then called on Presidents Spaniolo, Nelsen, and Powers for remarks.*

#### *President Spaniolo*

- *Graduate students do not necessarily receive the attention they deserve.*
- *There is a desire to secure the best graduate students available.*
- *There are 6,700 graduate students at U. T. Arlington; 5,700 master's students and 1,000 doctoral students.*
- *As the institution pursues becoming a Tier One institution, there is a desire to be competitive in providing health insurance and other benefits to graduate students as well as competitive stipends -- have a three-year plan to increase stipends for graduate teaching assistants*

#### *President Nelsen*

- *Leadership is learned mostly in graduate education.*
- *Any investment in graduate education is an investment in human capital; an investment that will pay off in every way.*
- *The offshoot of investment in education is discovery and innovation.*
- *There are 2,403 graduate students at U. T. Pan American.*
- *Graduate students will continue to transform the Valley.*
- *Stipends are low (\$9,000-\$18,000).*
- *He highlighted one program -- Ph.D. in International Education -- a student is considered academically qualified once he/she has completed comprehensive exams; such students are hired as lecturers at a significant financial savings over hiring tenure-track faculty.*

#### *President Powers*

- *A two-year study of campus priorities conducted by faculty, department heads, and staff concluded the support of graduate students as one of three or four recommendations.*
- *He noted there are different kinds of graduate students, such as traditional academic Ph.D. students, graduate professional students; graduate students are an integral part of the research enterprise.*
- *The reputation of a major research university depends on the graduate programs/students but not at the expense of undergraduate programs; a balance is required; has invested in graduate stipends for reasons of competitiveness.*

- *He recommended to invest in the future by supporting graduate education now so that the infrastructure is there; this is a major issue in front of, for example, the National Science Foundation (NSF) in the way graduate education and research are supported.*

*Committee Chairman Stillwell asked if the program is challenged, and President Powers responded it is a funding challenge, and graduate students in the research enterprise are highly dependent on research funding. He said the Competitive Knowledge Fund in Texas, for instance, is an attempt to address that, and he noted the NSF and the National Institutes of Health (NIH) have challenged budgets. Dr. Nelsen indicated the NSF recommends about \$33,000/year as a stipend for a graduate student. Mr. Carpenter spoke briefly about the global competitive issue and the need for proactive spending in certain areas, such as graduate education, to remain competitive.*

*Chancellor Cigarroa asked President Powers if other nations are trying to compete for graduate students who are in the U.S., and President Powers answered that is probably the case for some graduate students, but primarily, other nations are competing for international students. About 20 years ago, American research universities would recruit graduate students from around the world who would stay and contribute to the local economy but as there are more developing economies around the world, those students are going back to other countries and universities are competing for those students with good stipends, insurance, and other benefits.*

*President Powers added that it is important to integrate graduate students in a department, and he said the unfortunate bottom line is that Texas universities are behind the curve in financial support of graduate students.*

*Executive Vice Chancellor Shine explained that the success of the American research university in the 20th century was largely due to educating students at the same place as research was being conducted. He remarked that graduate students are the engine of research in the health institutions and prospective faculty are interested in*

- 1. space (facilities)*
- 2. start-up packages*
- 3. graduate student pool.*

*He mentioned \$5 million that was authorized in October 2007 by the Board for the Graduate Programs Initiative to develop new models of graduate education.*

*Dr. Shine expressed concern about the talk amongst some higher education leaders in Texas of doing away with tuition waivers for individuals out-of-state or out-of-country. He said the argument is that Texans are paying for the education of graduate students who come from someplace else, and he pointed out that if the tuition waiver is removed, the researchers will have to pay for tuition to*

*remain competitive, and the competitive market will draw graduate students to other places in the country. President Daniel, U. T. Dallas, said removing tuition waivers would destroy U. T.'s ability to compete on the national landscape.*

*Dr. Daniel remarked that what made the American universities the envy of the world was that grants from the NSF, for example, were awarded competitively. He suggested the Board encourage national competitiveness and in seeing a drift toward entitlement, be wary of programs that dole out dollars not based on merit.*

*Regent Stillwell asked if there is an effort to inform the Legislature, and Dr. Prior said a position paper will be distributed on why the subject of tuition waivers is important. Chancellor Cigarroa noted he is beginning to educate individuals at the capitol on the importance of graduate programs. Dr. Formanowicz said it is not legal in Texas to waive tuition for graduate teaching or research assistants and that is a major issue for U. T. System's competitiveness nationally and internationally. He added that in the Science, Technology, Engineering, and Mathematics (STEM) fields, most of the tuition is compensated through fellowships at some institutions. He said there is a need to educate legislators on that issue and the health benefits issue.*

*In answer to a question from Regent Stillwell about health benefits, Dr. Shine said the State at one time provided health insurance for graduate students, who were considered half-time employees. Now, many graduate students go without health insurance or if they are working on a grant, the Principal Investigator may pay for health insurance.*

*Regent Dannenbaum said something needs to be done about immigration reform to retain international students. Mr. Carpenter agreed that immigration reform is important in determining the degree to which the university environment is hospitable, and he suggested empowering student leaders to talk to policy-makers at the State level.*

*President Powers noted it is important that research be adequately funded, in part to pay graduate students. Vice Chairman Longoria asked if rankings of schools or programs are important to attract graduate students, and President Powers said the faculty member is the most important factor, with the reputation of the program also a key factor. Dr. Shine agreed that reputation has an enormous effect on graduate students.*

*President García, U. T. Brownsville, remarked that regional graduate programs are important for those students who are not necessarily mobile, such as those who have families and/or jobs. President Natalicio, U. T. El Paso, addressed the*

*issue of preparing the next generation of researchers, and she recommended that the growing diverse domestic population, e.g., the growing Hispanic population, be proportionately represented in graduate education.*

#### ADJOURNMENT

Committee Chairman Stillwell adjourned the meeting at 5:40 p.m.

# Community College Initiative



Martha Ellis, Ph.D.  
Associate Vice Chancellor for Community College  
Partnerships  
U. T. System Board of Regents' Meeting  
May 2010

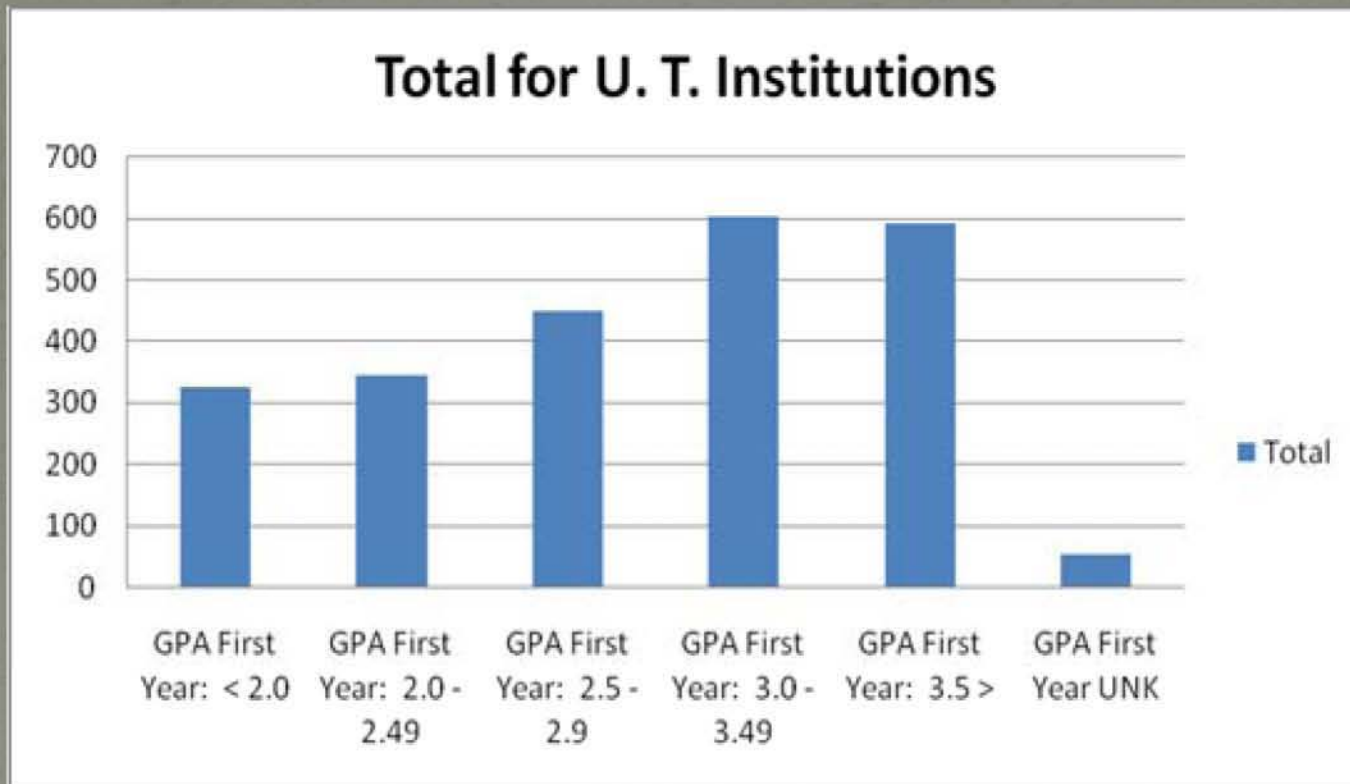
# U. T. System Leadership

- Increasing the number of community college students transferring in Texas
- Statewide responsibility
- Increasing collaboration
- Implementing change
- Helping students succeed
- Fostering a robust economic future in Texas

# Community College Initiative

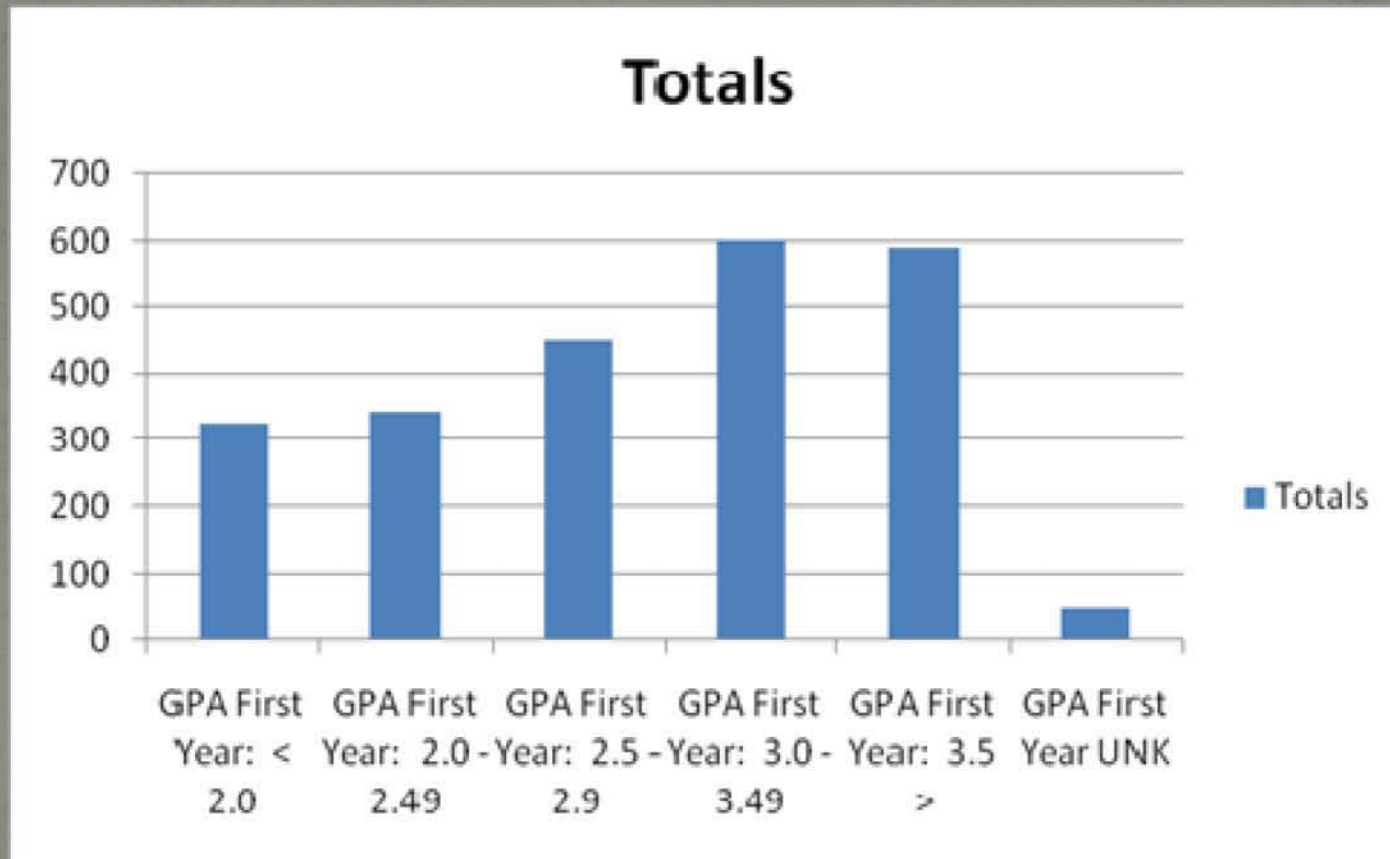
- 75% of freshman and sophomore students enrolled in community college
- 40% in Associate of Science, Associate of Arts, and Associate of Arts in Teaching programs
- University grade point average (GPA) comparable between community college transfer and native students
- Graduation rates higher for community college transfer students

# U. T. System: Core Completers and University GPA





# U. T. System: Associate Degree Completers and University GPA

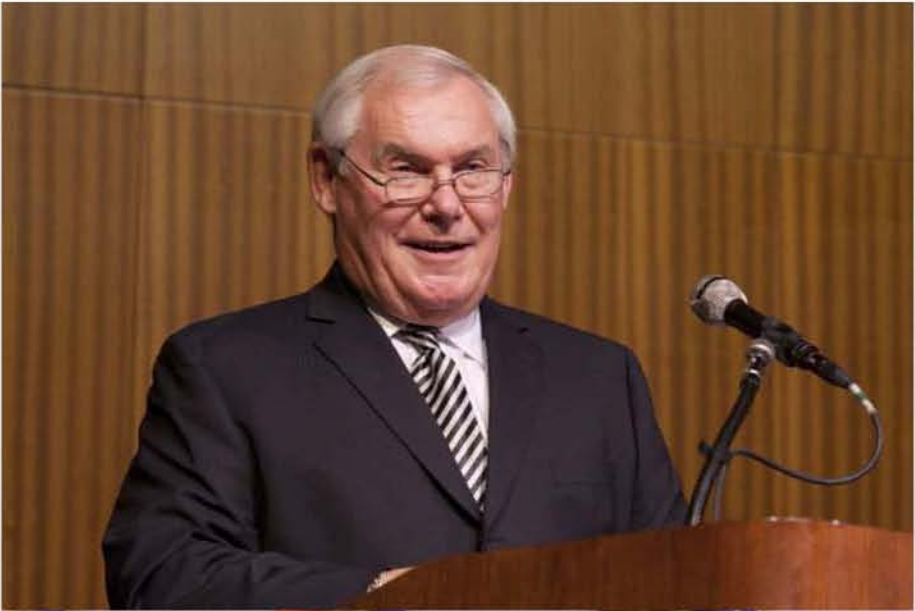


# Challenge and Response

- Only 19.6% of qualified community college students transfer to a university
- U. T. System taking the leadership role in addressing the statewide transfer issue

# Success by Degrees

- Better relationship with 50 community college districts
- Transfer Action Plans
- Degree completion programs
- All Texas Academic Awards Ceremony
- Dual Credit Principles
- [www.Transfer101.org](http://www.Transfer101.org)
- Increased numbers of community college students transferring to U. T. institutions



# Community College Partnership

20



Texas Association of  
Community Colleges



The University of  
Texas System



The Texas A&M  
University System

# Dual Credit Principles

Created by The University of Texas System, The Texas A&M University System, the Texas State University System, and the Texas Association of Community Colleges

- Purpose is to deliver a high quality curriculum that facilitates the transition from high school into higher education.
- Offerings are intended to maximize state resources by decreasing time to graduation and increasing retention.
- Collaboration between institutions is imperative.
- Quality curriculum and educational experience, irrespective of mode of delivery, is preeminent consideration.
- Courses must be true college-level courses.
- Students must be eligible to utilize the same or comparable student services afforded college students.
- A financial structure must be in place to support a quality program.
- Community colleges and universities are encouraged to examine and evaluate the efficacies of dual credit student learning success.



# Transter 101

FROM COMMUNITY COLLEGE TO UNIVERSITY

### Your Next Step Starts Here.

Making the jump from a Texas community college to a four-year university is easier than you think. Whether you're a high-school student or currently attending a community college, this portal provides a wealth of resources that will walk you through the process step-by-step.

1

#### Find the right Texas university!

So, you want to transfer? How do you do it? Transferring to a four-year school is a great idea if you want to gain more education to help you achieve your career goals — but you have to be prepared. [Learn why the first step you take may be the most important.](#)

2

#### Talk to an Advisor!

We can't stress this too much: you should meet with your advisor every semester to ensure you're on track for your goal. Advisors are available to answer your questions and help you determine the best path to complete your associate and bachelor degrees and beyond. Contact them early in your college career to check your options. [Learn more about how advisors can help you determine your route and make informed decisions about your classes.](#)

3

#### Financial Aid:

There are many forms of financial assistance available, including scholarships (university, transfer, major, etc.), grants, loans and GI Bill. You may qualify for more than one. Plus, there are other ways to save on costs while getting your education. [Explore the financial assistance options available to you.](#)

4

#### Apply and Transfer!

It's the last step, and getting ready to transfer is as easy as 1, 2, 3! Are you ready? Congratulations! Be sure to get the last-minute tools you'll need before you apply.

#### Success By Degrees



Come see Debbie's journey to UT San Antonio.



Elizabeth Hils: Start Early, Finish Strong

[See All Stories >>](#)

#### Jim Lehrer: Steps to Success



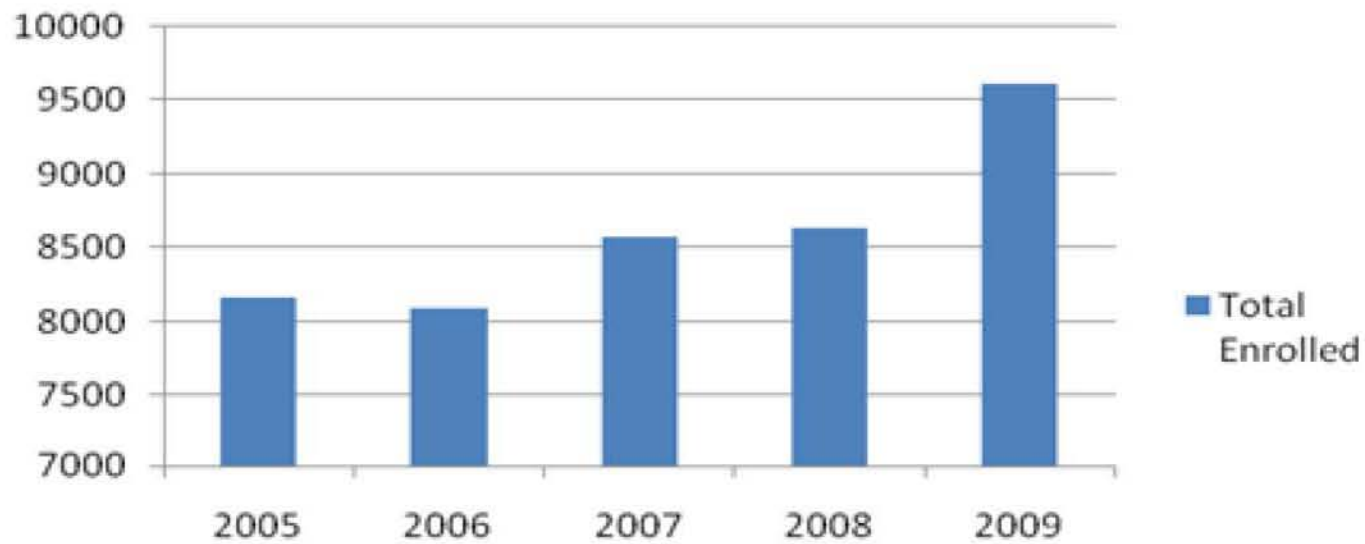
Click to read Jim Lehrer's own story about transferring from a community college in Texas to a university.





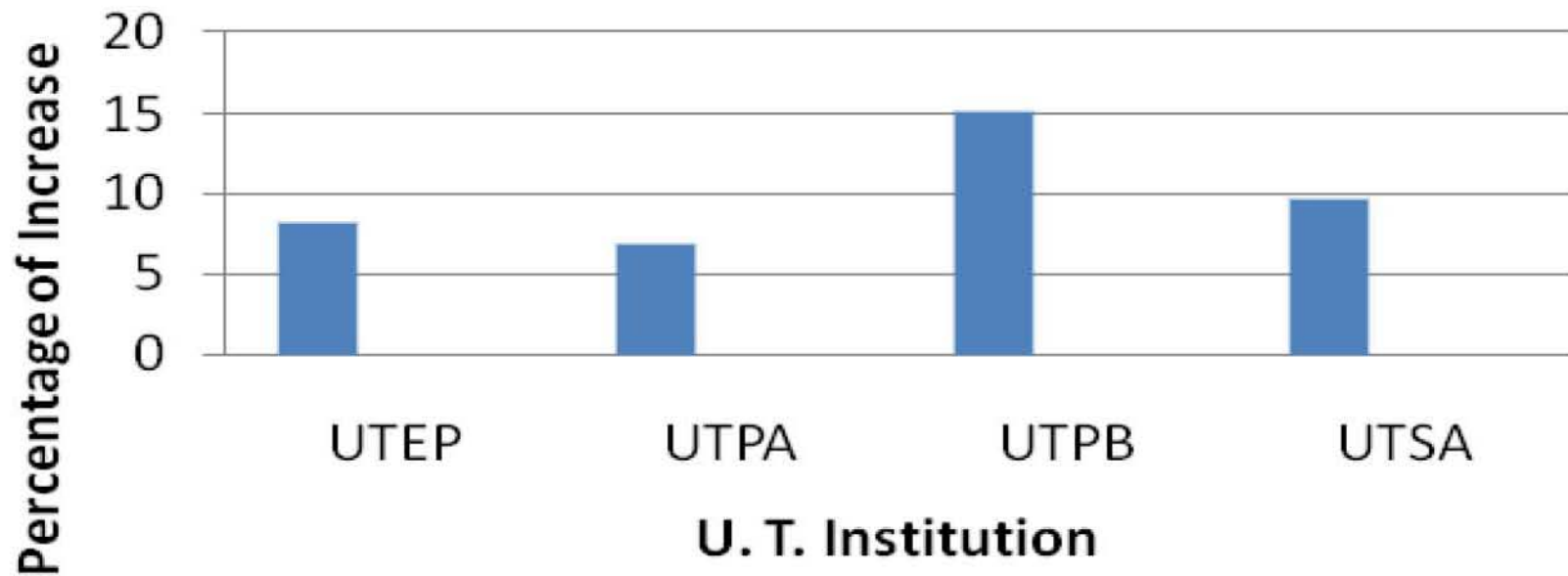
# Community college students transferring to U. T. institutions

## Community College Fall Transfer Enrollment



# Examples of Percentage Increase

## Examples of Anticipated Transfer Student Increase for Fall 2010



MINUTES  
U. T. System Board of Regents  
Health Affairs Committee  
May 13, 2010

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 7:30 a.m. on Thursday, May 13, 2010, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Vice Chairman Longoria, presiding  
Regent Dannenbaum (for Items 2-5)  
Regent Powell  
Regent Stillwell

Also present were Chairman McHugh, Regent Gary, Regent Hicks (for Items 2-5), Regent Meijer, 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 Longoria called the meeting to order.

- U. T. System Board of Regents: Amendment to the Regents' Rules and Regulations, Rule 40601, Section 1.14(c), concerning proposed name change of the School of Health Information Sciences at U. T. Health Science Center – Houston to the School of Biomedical Informatics**

**Committee Meeting Information**

**Presenter(s):** *Larry R. Kaiser, M.D., President, U. T. Health Science Center – Houston; Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs*

**Status:** *Approved*

**Motion:** *Made by Regent Powell, seconded by Regent Stillwell, and carried unanimously*

**Discussion at meeting:**

*Committee Chairman Longoria asked Dr. Kaiser to provide an overview of the quality of people who are running the School of Biomedical Informatics. Dr. Kaiser said in the last month, \$30 million in additional grants was received from the Office of the National Coordinator for Health Information Technology (ONC) to establish a Health Information Technology Regional Extension Center (REC) and for the National Center for Cognitive Informatics and Decision Making in Healthcare (NCCD). He reported that 12-15 outstanding faculty members have been recruited to the School in the past year, and he described some of the faculty's credentials.*

**2. U. T. Medical Branch – Galveston: Report on the financial condition of the institution and update on Hurricane Ike recovery projects**

**Committee Meeting Information**

**Presenter(s):** Mr. William R. Elger, Executive Vice President and Chief Business/Financial Officer, U. T. Medical Branch – Galveston; Mr. Stephen Harris, Facilities Planning and Construction Program Manager

**Status:** Reported

**Discussion at meeting:**

*Mr. Elger stated that for the past seven months ended March 31, 2010, including correctional managed care (CMC), there is an \$18 million bottom line, which is significantly better than budget. He said this has been largely driven by patient care revenue and careful management of operating expenses, particularly personnel expenses.*

*In reply to a question from Committee Chairman Longoria about the unanticipated increase in patient care revenue, Mr. Elger said the institution is working hard to maximize capacity and is quickly returning to pre-Hurricane Ike levels. The payor mix has changed with unsponsored care down to 6% of admissions (lower than pre-Ike). In addition, the acuity of complications is up significantly compared to pre-Ike. Executive Vice Chancellor Shine added that the growing number of patients is being managed by a smaller staff under new management.*

*Mr. Elger noted that including depreciation and central overhead but excluding CMC, which includes several contracts including the Texas Department of Criminal Justice (TDCJ), the Texas Youth Commission, and the Federal Bureau of Prisons Contract, the institution has a positive bottom line through the seven months ended March 31, 2010. He noted that the patient revenue side rebounded faster than the academic/hospital side because physicians, clinic, and ambulatory services went off the Island post-Ike.*

*With regard to Mr. Elger's comments about reducing the loss on the CMC side, Committee Chairman Longoria suggested achieving a more appropriate contract and funding from the State. Mr. Elger agreed and said a different financial arrangement is needed. Dr. Shine said that for what is being provided, this is the lowest cost program of its kind in the country. He noted that each legislative session, there is a tendency to not fully fund the program, thinking it will be fully funded with a supplemental appropriation during the next legislative session to make up the shortfall. Dr. Shine said the problem is the institution becomes the banker.*

*Noting that the correctional managed care population is aging and some have serious terminal illnesses, Dr. Shine questioned why this population is being kept in the prison where the costs are high, especially for elderly people. Dr. Shine then commented on the high level of care available in the prison system at a relatively low cost at U. T. Medical Branch – Galveston (UTMB), and he recommended the financial structure be readdressed before the next legislative session. President*

*Callender agreed with these statements, saying the institution cannot continue to be the banker for TDCJ to cover its responsibility to provide health care for their offenders.*

*As Chancellor Cigarroa pointed out, Mr. Elger agreed that UTMB has to expend its own dollars on construction before Federal Emergency Management Agency (FEMA) funds can be drawn down.*

*Mr. Harris noted that options of construction methods and techniques for installation, recovery, and cleaning are being carefully considered by construction teams with the goal of being able to restore facilities, such as a hospital, in seven days. (See slides on Pages 134 - 136 of the Agenda Book.)*

*Regent Dannenbaum asked if FEMA personnel will continue to be available to assist with UTMB recovery efforts, and Mr. Harris called on Mr. Michael R. Shriner, Vice President for Business Operations at UTMB, for a response. Mr. Shriner said regular meetings are held with FEMA staff from Denton, Texas, as well as with staff from the Texas Department of Emergency Management to review the status of administrative activities. He added that a quarterly meeting with these two groups is also held with President Callender to review progress and commitments from all sides. Mr. Shriner said he continues to closely watch to be sure the right level of support is made available.*

3. **U. T. Medical Branch – Galveston: Authorization to convey Lots 1 through 4 and a portion of Lot 5, Block 666, a portion of Lot 6 and all of Lot 7, Block 667, a portion of the abandoned 7th Street right-of-way between Blocks 666 and 667, and a portion of Avenue A, together with all improvements thereon, all in Galveston, Galveston County, Texas, to The Sealy & Smith Foundation, a Texas nonprofit corporation, or its subsidiary, Magnolia Holding Company, a Texas nonprofit corporation, in exchange for the acquisition from The Sealy & Smith Foundation or Magnolia Holding Company of part of Lot 9 and all of Lots 10 through 13, Block 667, a portion of Texas Avenue (Avenue B) to the south, and a part of a 20-foot wide alley, together with all improvements thereon, Galveston, Galveston County, Texas, for use as a portion of the site for the institution's proposed clinical services building; and authorization to lease from The Sealy & Smith Foundation or Magnolia Holding Company Lots 1 through 4 and 8 through 14, and a portion of Lot 5, Block 666, portions of Lots 6 and 9 and all of Lots 7 and 8, Block 667, a portion of the vacated alley between Blocks 666 and 667, and a portion of 6th Street, 7th Street, Avenue A, and Avenue B rights-of-way or former rights-of-way, together with all improvements thereon, Galveston, Galveston County, Texas, for use as the site for the proposed replacement Jennie Sealy Hospital**

**Committee Meeting Information**

**Presenter(s):** Ms. Florence Mayne, Executive Director of Real Estate; David L. Callender, M.D., President, U. T. Medical Branch – Galveston

**Status:** Approved

**Motion:** Made by Regent Powell, seconded by Regent Stillwell, and carried unanimously

**Discussion at meeting:**

Ms. Mayne said the transactions will provide land for the new Clinical Services Building, which is being proposed as a wing of the John Sealy Hospital that was mentioned during the presentation of the previous item. Ms. Mayne mentioned the footprint for a proposed new Jennie Sealy Hospital is also included in this agenda item. Both Ms. Mayne and Committee Chairman Longoria noted that the proposed replacement Jennie Sealy Hospital still needs to come to the Board for approval.

Following the meeting, Ms. Mayne provided the following appraised values:

Appraised Value \$680,000 - Integra Realty Resources – Houston,  
(1.241 acres): April 14, 2010;  
\$865,000 – Bay Area Real Property Appraisers &  
Consultants, Inc., April 15, 2010

Appraised Value \$550,000 - Integra Realty Resources – Houston,  
(.8451 acre): April 14, 2010;  
\$663,000 - Bay Area Real Property Appraisers &  
Consultants, Inc., April 15, 2010

**4. U. T. System: Funding streams for health institutions -- opportunities and challenges and the impact of health care legislation**

**Committee Meeting Information**

**Presenter(s):** Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs

**Status:** Discussed

**Future actions:**

Regent Dannenbaum suggested

- a) lead an effort to get proper reimbursement for indigent care in central facilities (reference prior indigent care bill)
- b) pay attention to and provide more resources for commercialization of intellectual property
- c) provide definition of DISPRO (disproportionate share) and UPL (upper payment limit) for general understanding during discussions

**Discussion at meeting:**

The activities and funds for U. T. Health-Related Institutions document set forth on Pages 150 – 165 of the Agenda Book was revised with 2009 data and was before members of the Committee and others attending the meeting. (The revised document is on Pages 10 - 25).

*Dr. Shine reviewed the way monies flow in and out of the health institutions. He said the overall budget for the health institutions for 2009 was \$7.3 billion and patient care contributed 57%. He said that formula funding (the amount a campus gets on the basis of enrollment times the formula) consists of State appropriations, research, and educational income. He said the State contribution to support the health institutions amounted to 14-18% (State appropriations plus much of the educational income).*

*Regent Dannenbaum asked if the practice plan money is included in patient care, and Dr. Shine responded affirmatively. Dr. Shine also responded to Regent Dannenbaum's question about research funding by saying approximately two-thirds is federal money and the remaining one-third consists of institutional funding, State funding, foundations, industrial support, etc. Dr. Shine added that as the Cancer Prevention and Research Institute of Texas (CPRIT) cranks up, it will play an increasing role in grant funding.*

*President Mendelsohn, U. T. M. D. Anderson Cancer Center*

- He noted the clinical research program is significant and brings in more money from patients than standard care and more money from drug companies and the federal government for research.*

*Dr. Shine noted the discussion on May 12, 2010, in the Audit, Compliance, and Management Review Committee of medical billing compliance, not so much because Texas law changed but because the federal government is going to be paying more attention to this matter. From a humanitarian and research standpoint with a goal on improving the diagnosis and treatment of cancer, Regent Dannenbaum asked President Mendelsohn about the success of the clinical trials, and Dr. Mendelsohn said he estimates the majority end up in publications that in one way or another affect therapy and in some cases cause major changes.*

*President Podolsky, U. T. Southwestern Medical Center – Dallas*

- He pointed out the three core missions of an academic medical center as teaching, research, and clinical care and said removal of any one of these significantly diminishes the other two.*
- In the current fiscal year, \$33 million generated from the faculty practice plan is being applied directly to support the research and educational expenses.*
- Revenue from the practice plan will provide for a new University Hospital and other things.*
- He discussed medical advances coming from the institution that impact the health of the nation.*

*President Calhoun, U. T. Health Science Center – Tyler*

- Medicare and Medicaid are important sources of revenue (33%) for all U. T. System health institutions but the campuses have a different reliance on the programs; 64% for U. T. Health Science Center – Tyler*
- Medicare funds graduate medical education (GME) to a large extent through direct costs for resident education proportional to the Medicare patients cared for in those hospitals and through indirect costs that are calculated on the basis of a complex formula (approximately 5.5% for every 10 residents for*

100 hospital beds). He said the indirect costs represent a greater reimbursement than the direct costs but are steadily declining as Congress seeks to control costs.

- Medicare is reimbursed in four parts: hospital, physicians, advantage plans, and drug plans.
- Medicaid enrollment will increase in Texas from 3 million (2 million are children) to at least 4 million people by 2014 under health care reform, which is a \$45 billion bill over a biennium.
- While the U. T. System health institutions provide a significant amount of Medicaid services, U. T. Medical Branch – Galveston and U. T. Health Science Center – Tyler are eligible for Medicaid GME as academic medical centers.
- There are efforts to cut costs by Medicare and Medicaid programs, reduce payments to providers, and provide bundling of services, but he does not see the reliance on Medicare and Medicaid dissipating.

Committee Chairman Longoria asked about the importance of training personnel to be accurate in reporting. Dr. Calhoun described the risks and liabilities associated with incorrect coding and noted coding experts from U. T. Southwestern Medical Center – Dallas have helped train faculty and staff at U. T. Health Science Center – Tyler. Technology is being used to monitor coding.

Dr. Shine asked President Calhoun if Medicare and Medicaid cover the full cost of care and Dr. Calhoun said “no.” Regent Gary later asked how often the Medicare, Medicaid, or the government audit billings, and President Calhoun answered “routinely” and “frequently.” He described the process in more detail as well as recent incidents and penalties assessed.

President Callender, U. T. Medical Branch – Galveston

- He spoke about covering the cost of uncompensated care.
- Based on cost, not charges, U. T. System institutions provide over \$550 million/year of uncompensated care for patients.
- The burden across the U.S. for dealing with uncompensated care falls disproportionately to academic medical centers.
- Major teaching hospitals make up only 6% of all hospitals but provide 60% of all uncompensated care.
- The cost of uncompensated care is not typically directly funded by any governmental or private payor but has traditionally been covered by a cross-subsidization.
- Hospitals have used a variety of financial sources, including margins on care provided to privately insured patients and portions of payments such as the disproportionate share hospital (DSH) funding primarily associated with Medicare reimbursement.
- The burden is growing because the number of uninsured patients in this country is growing and the out-of-pocket expense for patients with some form of coverage has also grown.
- Passage of the Patient Protection and Affordable Care Act will add 32 million of the 44 million estimated uninsured to the roles of sponsored patients. As the rules and laws associated with this reform are implemented, there will be a



*reduction in current levels of reimbursement in the Medicaid and Medicare programs, elimination of the DSH program, and a projected migration of patients to private hospitals from public teaching hospitals.*

- *He noted efforts to make care more accessible and efficient by using the medical home concept, using health information technology more effectively, and bundling of services and payments.*
- *Educational and research institutions such as UTMB have a responsibility to educate and prepare health professionals, push the diagnosis prevention and treatment frontiers, and continue to provide the highest level of clinical care through skilled faculty and professionals as a portion of executing public responsibility.*

*Dr. Shine pointed out that fees generated from patients are:*

- *30% from Medicaid and Medicare patients (do not pay full cost)*
- *60% from commercial insurance (pays more than cost of care in order to cross-subsidize)*
- *9% from local governments and self-pay*

*President Kaiser, U. T. Health Science Center – Houston*

- *The health business model is bizarre.*
- *A chief component of the operating agreement with Memorial Hermann Hospital System is that as an academic medical center, the institution supports research and education but these two components do not pay for themselves. Approximately \$200 million in uncompensated care was provided this last year.*
- *The agreement with the Harris County Hospital District to provide all services at the LBJ General Hospital is jointly negotiated with the Baylor College of Medicine. This is a fee-for-service arrangement with an approximate 18% margin.*
- *He predicts an increase in uncompensated care going forward and as the hospital's bottom line decreases, it will be increasingly difficult to negotiate favorable terms that involve support of the research and educational missions.*

*President Henrich, U. T. Health Science Center – San Antonio*

- *8-10% of clinical revenue is used to subsidize education, mostly graduate education.*
- *If any of the business units that are on the margin start to fail (clinical services in the case of U. T. Health Science Center – Houston, the negotiations with the hospitals, contracts with insurers), the educational mission of the U. T. System institutions may be threatened. To address this, the institution is trying to squeeze a better margin from each business unit.*
- *There is a need to increase GME in Texas to increase the number of graduate medical slots in Texas and take care of the subsidy loss that is being incurred, which will be good for business and graduates (physicians) will be retained in the state.*

*Chancellor Cigarroa said the health reform act did not increase the number of residency slots and President Henrich said he feels it is amiss and added that it is important to incentivize physicians to stay in primary care and to increase the number of physicians to retain graduates in Texas.*

*Regent Hicks observed that since neither the research/education nor the Medicare/Medicaid programs pay for themselves, commercial insurance fills the gap. Dr. Shine said that is correct and while some criticism of insurance companies about premiums may be valid, the premiums reflect the upward pressure of costs. He continued to say that there probably need to be new models for delivery of care and billing. Health care costs in the U.S. are high, he said, because a) payment is based on fee-for-service (the more you do, the more you get paid and there is no incentive not to do more), b) the discussion between physician and patient is not about cost (it's a third party's cost), and c) our culture demands fast, efficient service. President Podolsky later added that improved technology and better treatments have also contributed to rising health care costs. He said the moral question is at what point does one ask "better health care at what cost," and he said society as a whole will address the question.*

*Committee Chairman Longoria said she has no reason to believe that health care premiums will not skyrocket, and President Kaiser agreed the current model is not sustainable. He said it will be those organizations whereby the physicians are closely aligned with hospitals that will be successful in this environment. Dr. Kaiser explained this concept in greater detail as requested by Regent Gary, saying in part that the onus will be on physicians to reduce their costs closer to the level they are being reimbursed. President Henrich said the U. T. System has an opportunity to exert leadership in this area.*

*Dr. Podolsky added that payment reform will transfer the risk from the payor to the provider, and saying that it is not sustainable for payments to be infinitely elastic, he said the charge to the U. T. System health institutions will be how to take responsibility for taking care of patients and deliver the care with the available funds.*

*Regent Dannenbaum suggested the following:*

- a) lead an effort to get proper reimbursement for indigent care in central city facilities (reference the 1985 indigent care bill that addressed the issue of surrounding areas sending patients to central urban centers)*
- b) pay attention to and provide more resources for commercialization of intellectual property*
- c) provide definition of DISPRO (disproportionate share) and UPL (upper payment limit) for general understanding during discussions*

5. **U. T. System: Quarterly report on health matters, including Cancer Prevention and Research Institute of Texas funding and health care working group activities (Deferred)**

***Committee Meeting Information***

***Presenter(s):*** *Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs*

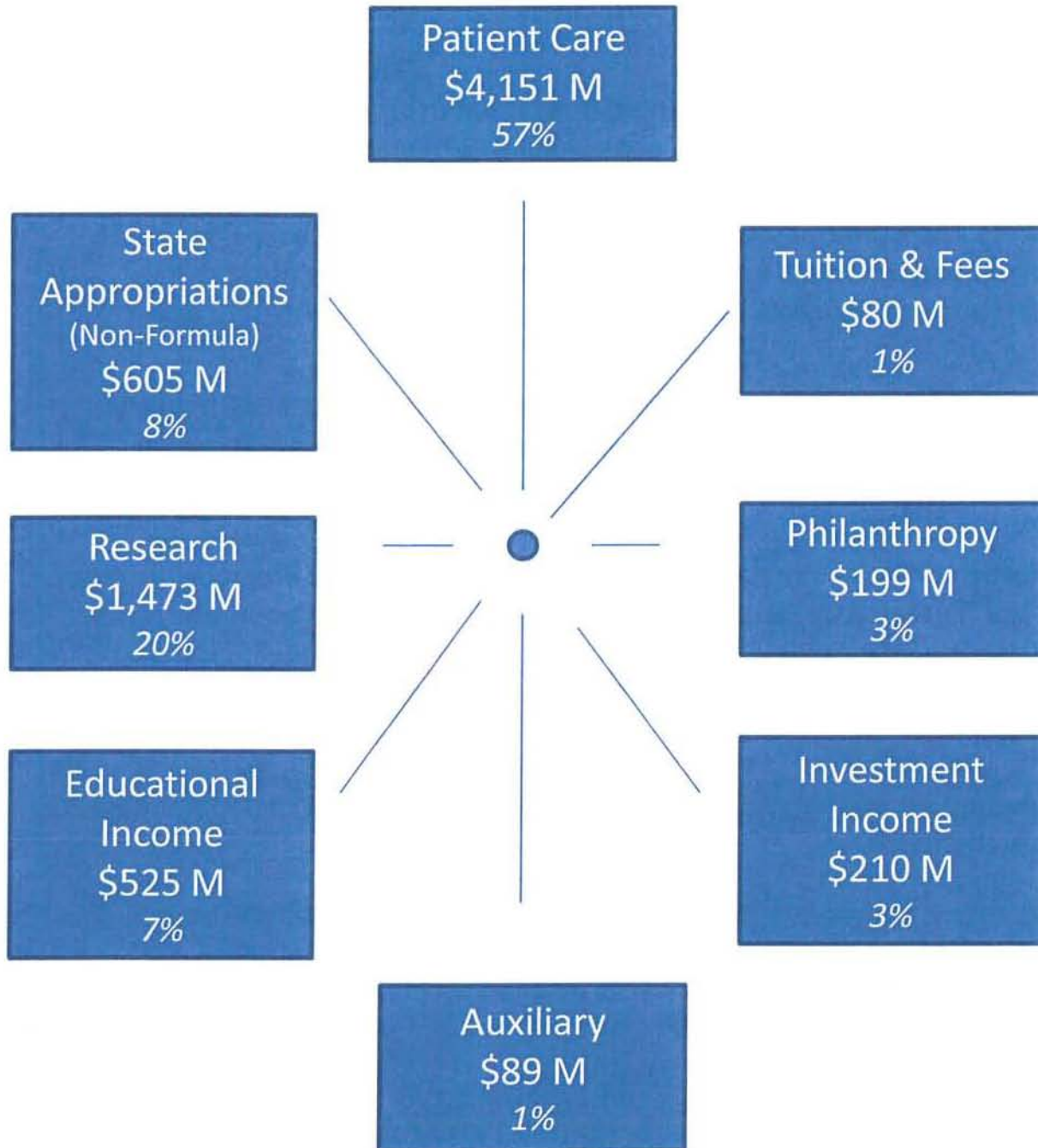
***Status:*** *Deferred due to time constraints*

ADJOURNMENT

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

# UT Health-Related Institutions

## *Activities & Funds*



## **UT Health-Related Institutions** *Activities & Funds*

<sup>1</sup> **Patient Care:** Is not from Adjusted Budget data. It represents actual hospital and physician clinical revenue, not including Correctional Managed Care.

<sup>2</sup> **State Appropriations:** General Revenue, including direct hospital support, patient based formula funding and employee benefits, but not I&O, Infrastructure, Research & GME formulas.

<sup>3</sup> **Educational Income:** Includes General Revenue from I&O, Infrastructure, Research & GME formulas and revenue from "Net Sales and Services of Educational Activities" in FY2009 Adjusted Budget data.

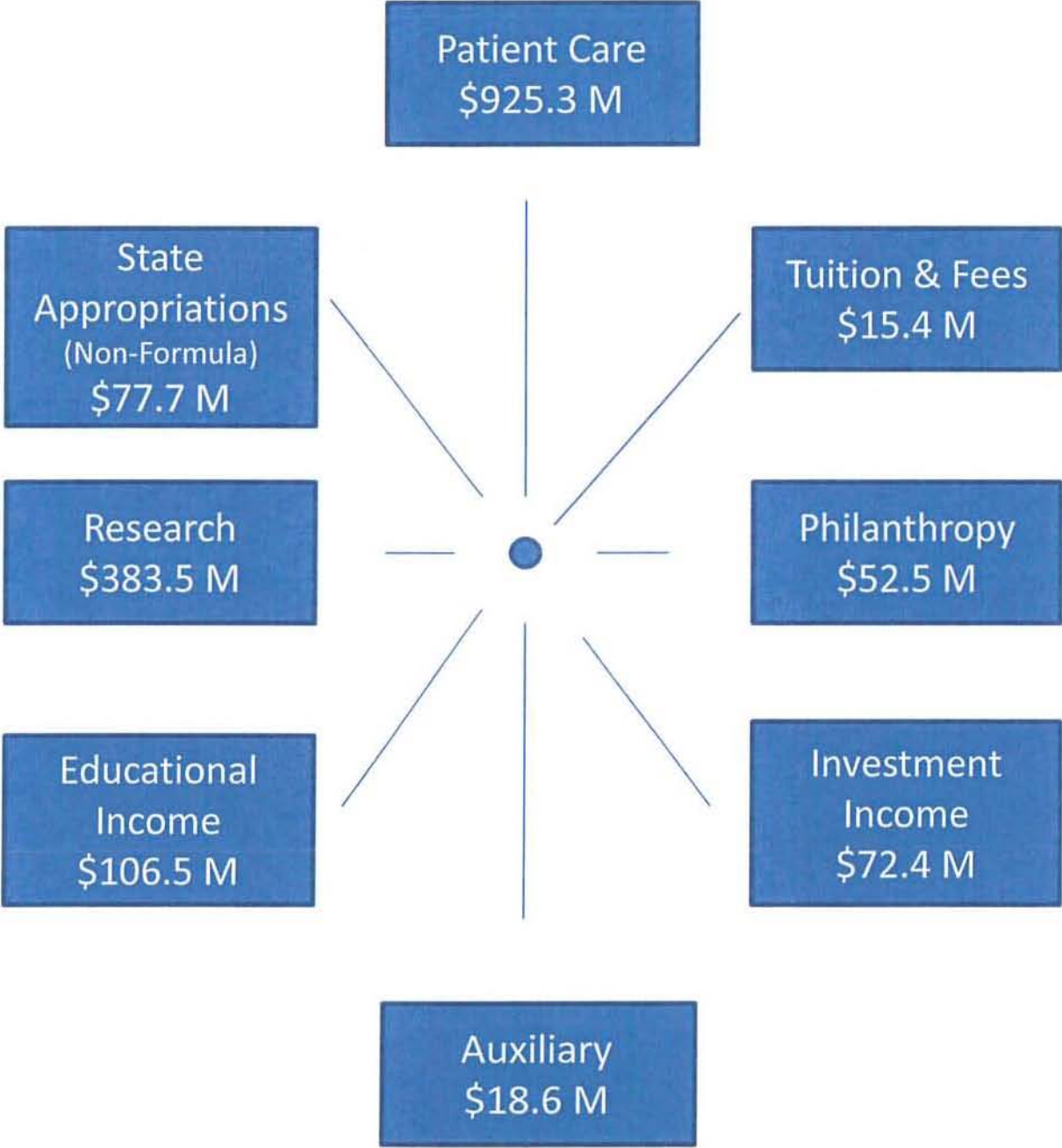
<sup>4</sup> **Research:** Based on report to THECB, not the "Sponsored Programs" revenue or the "Research Operating Expenses" in the FY2009 Adjusted Budget data.

<sup>5</sup> **Philanthropy:** Represents "Gifts in Support of Operations" in FY2009 Adjusted Budget data.

<sup>6</sup> **Investment Income:** Represents "Net Investment Income" in FY2009 Adjusted Budget data.

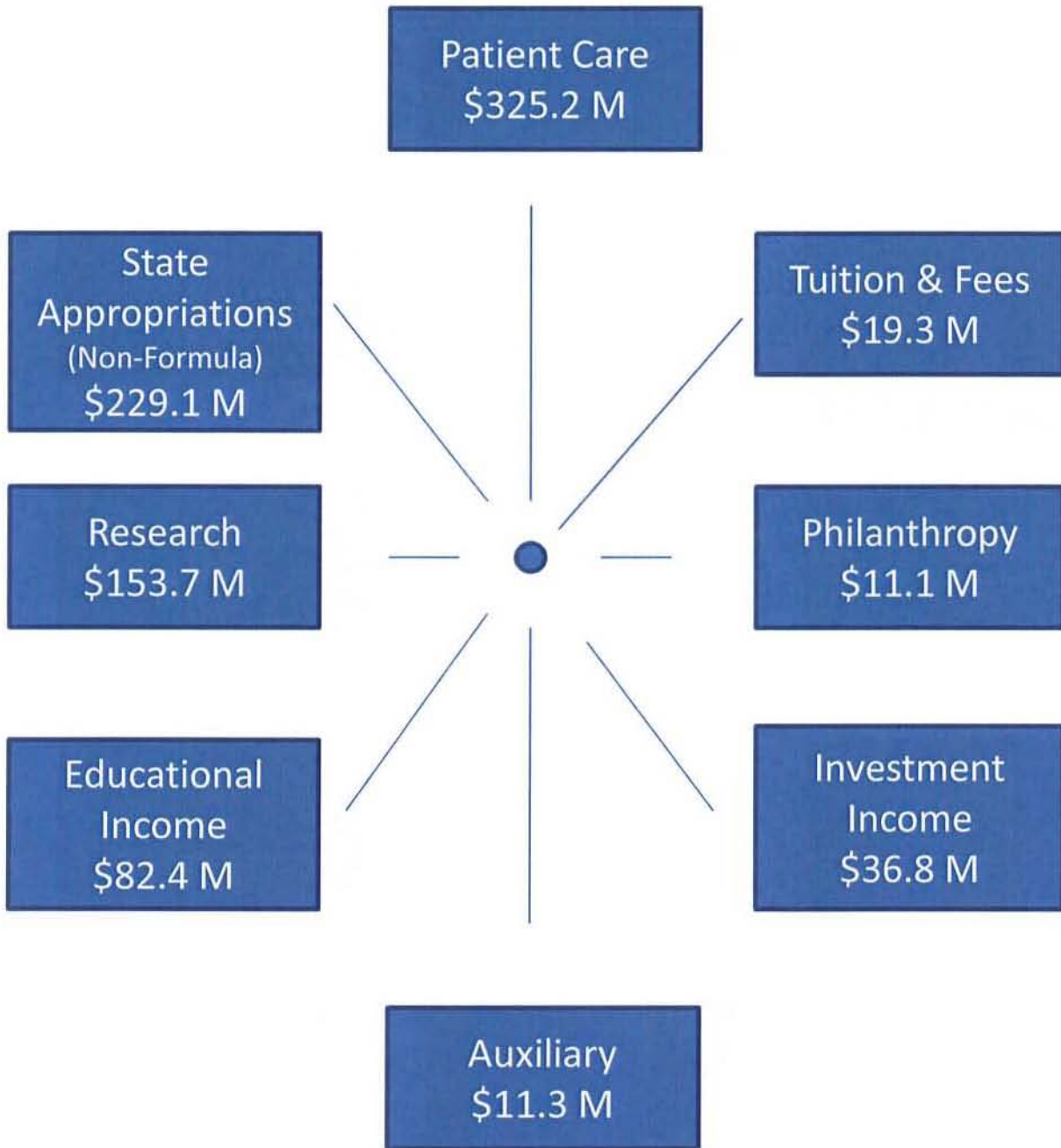
<sup>7</sup> **Auxiliary:** Represents "Net Auxiliary Enterprises" in FY2009 Adjusted Budget data.

# UT Southwestern *Activities & Funds*



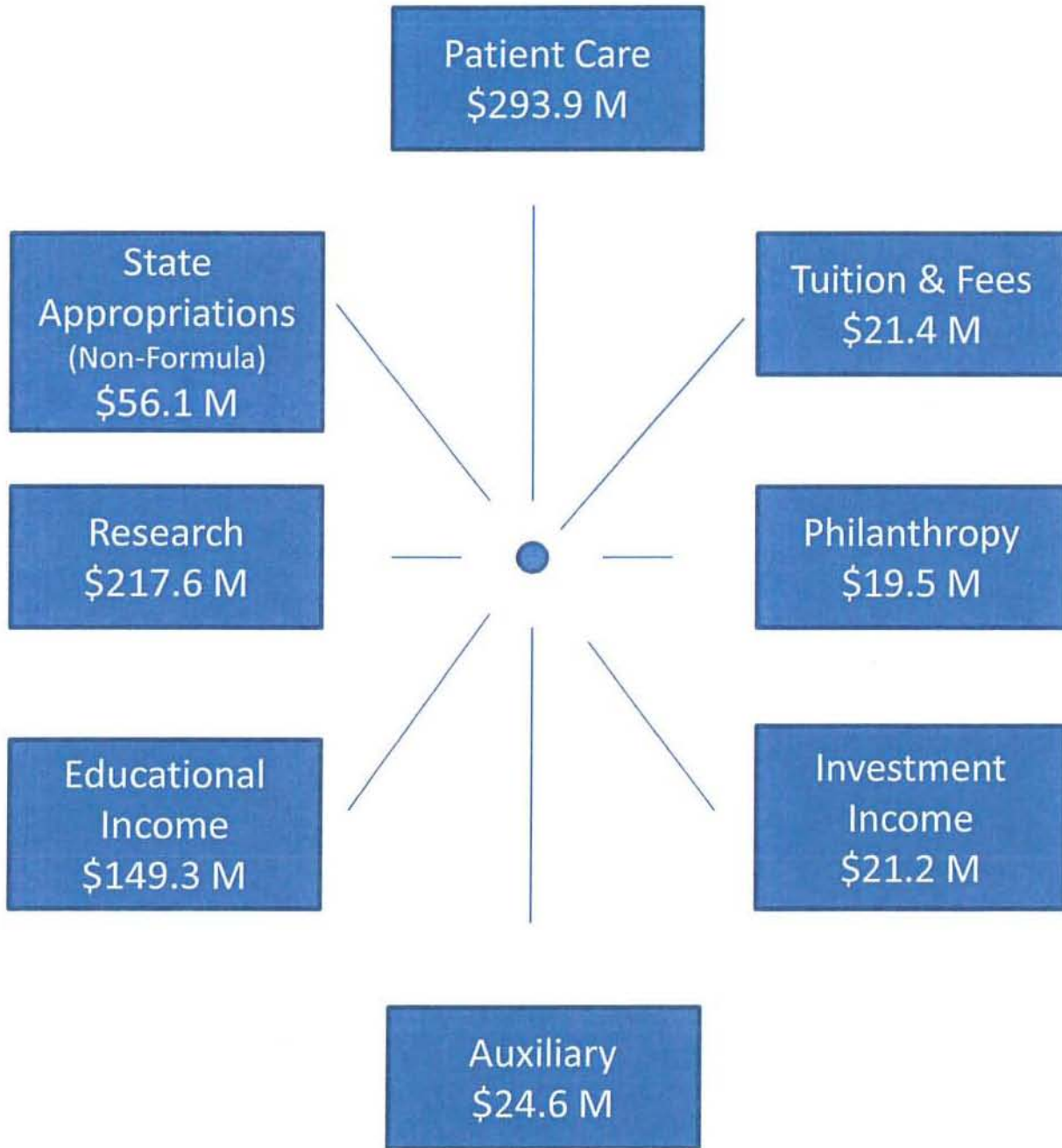
# UT Medical Branch at Galveston

## *Activities & Funds*



# UT HSC Houston

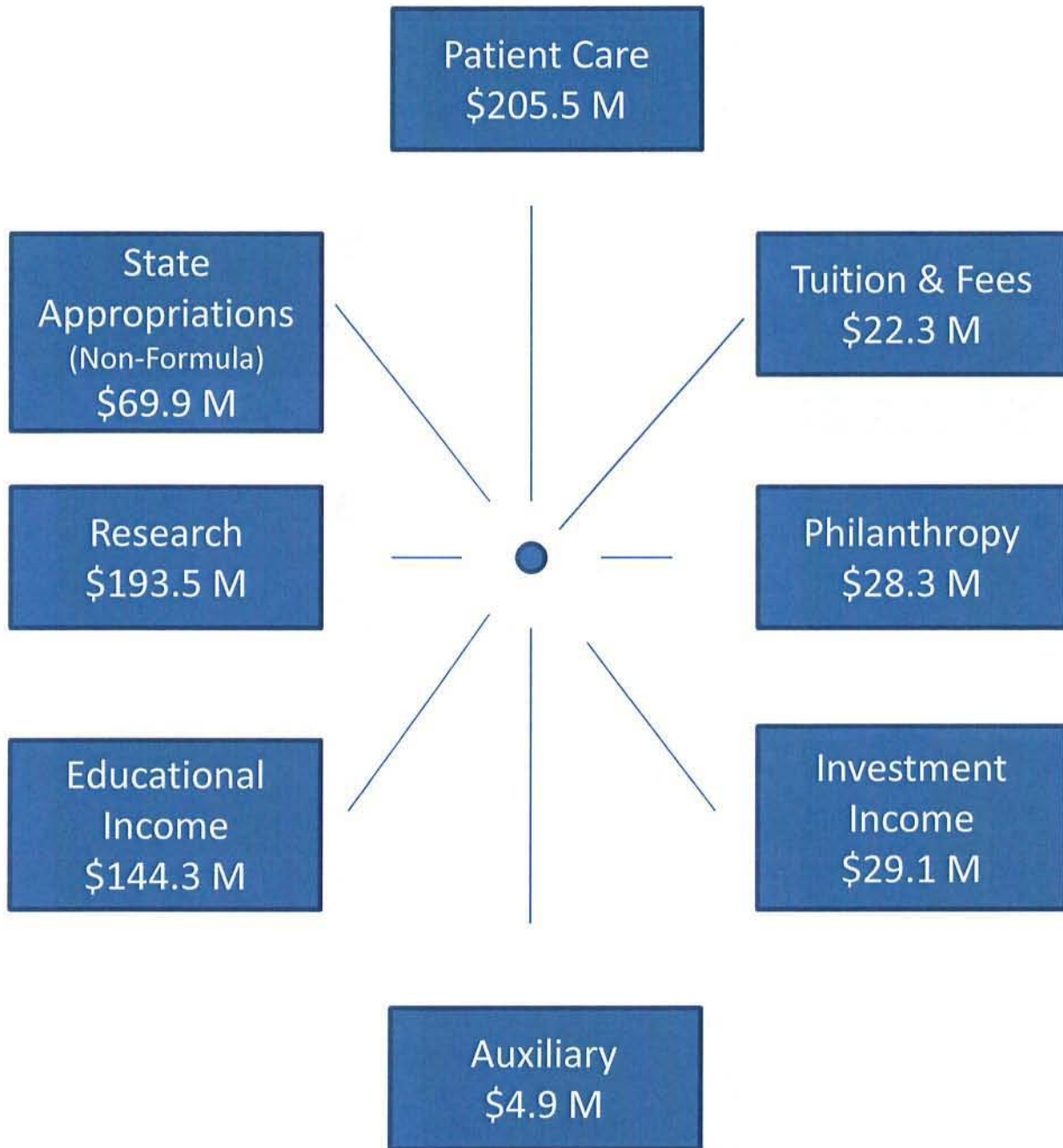
## *Activities & Funds*



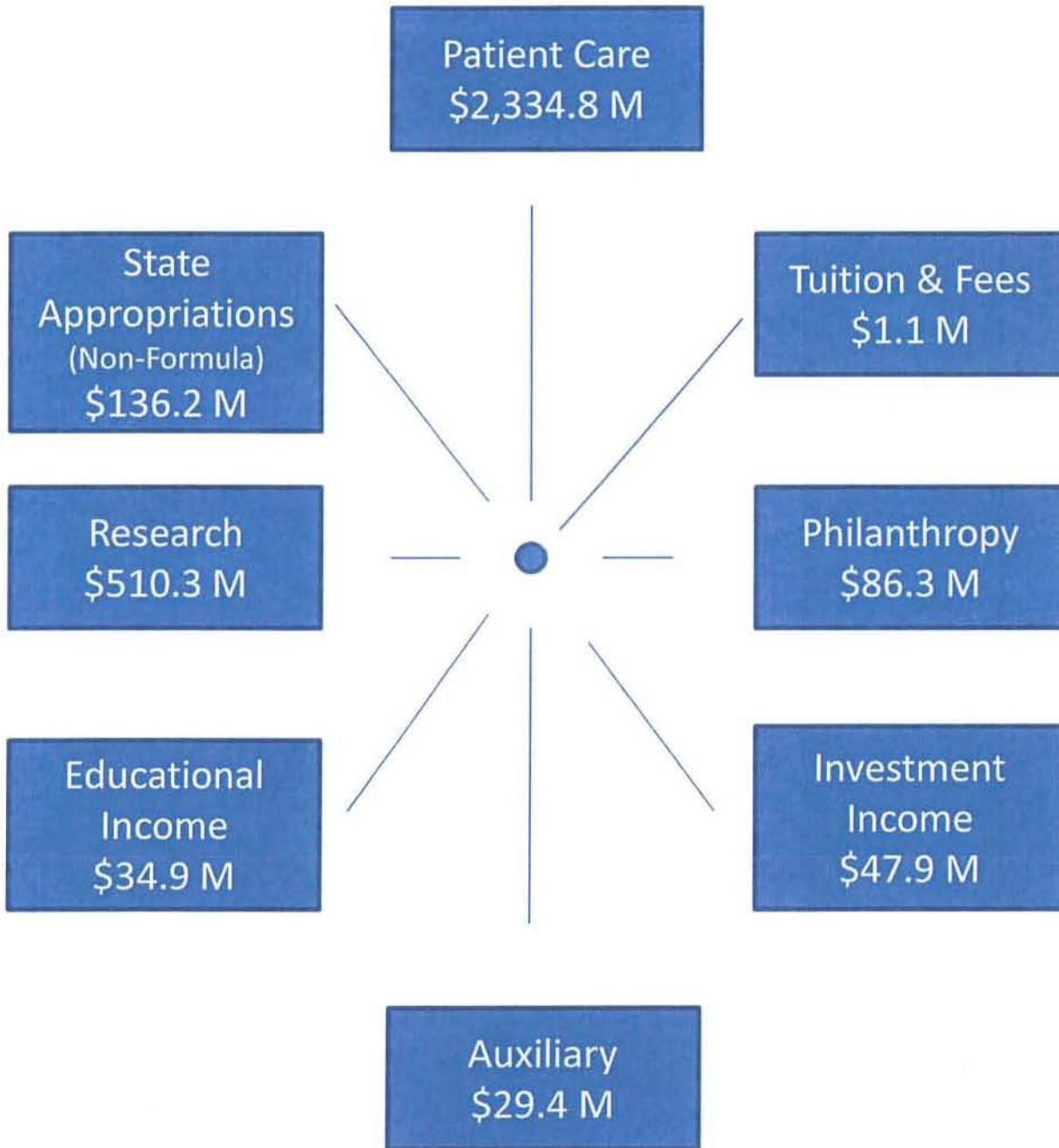


# UT HSC San Antonio

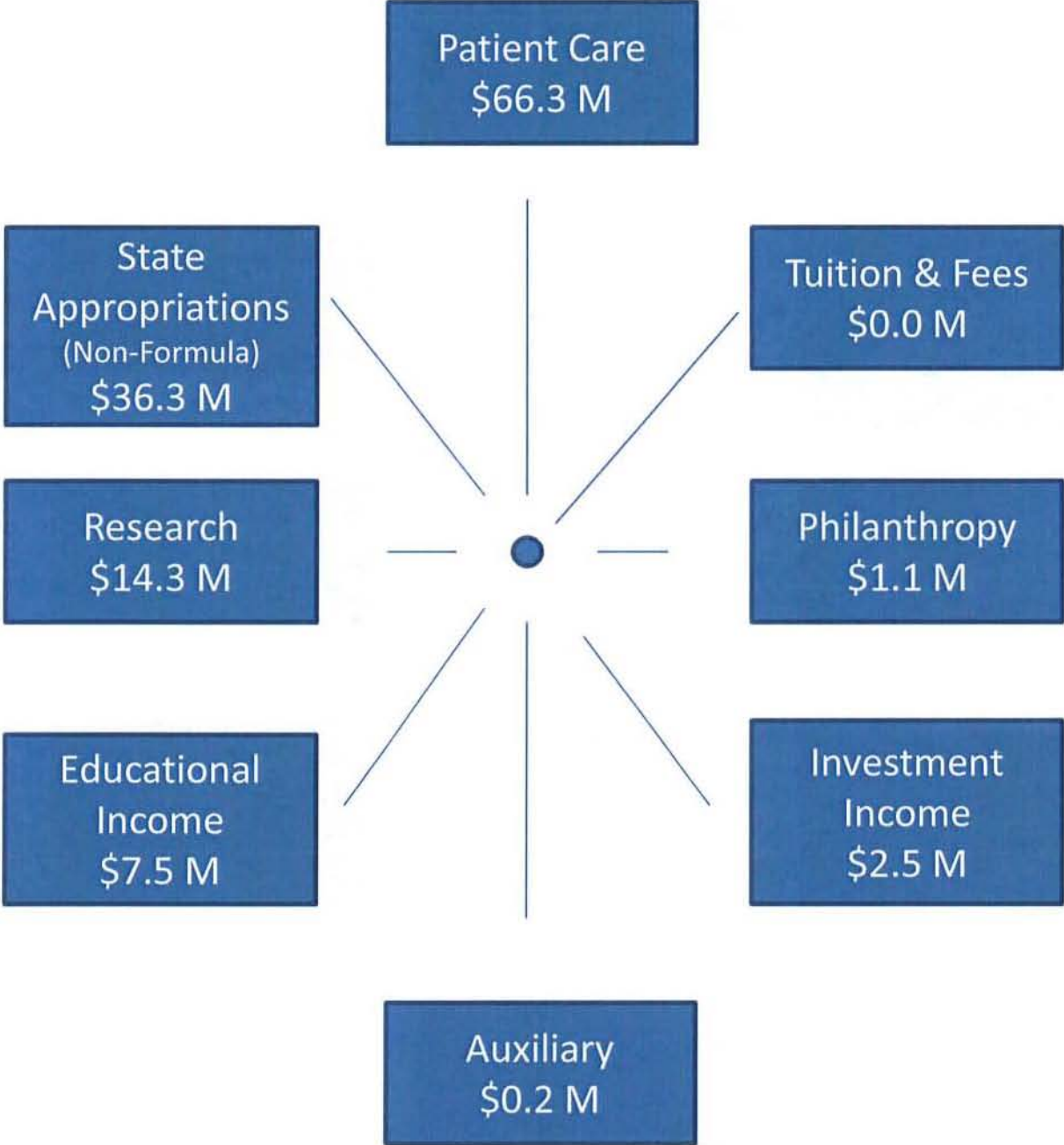
## *Activities & Funds*



# UT MD Anderson Activities & Funds

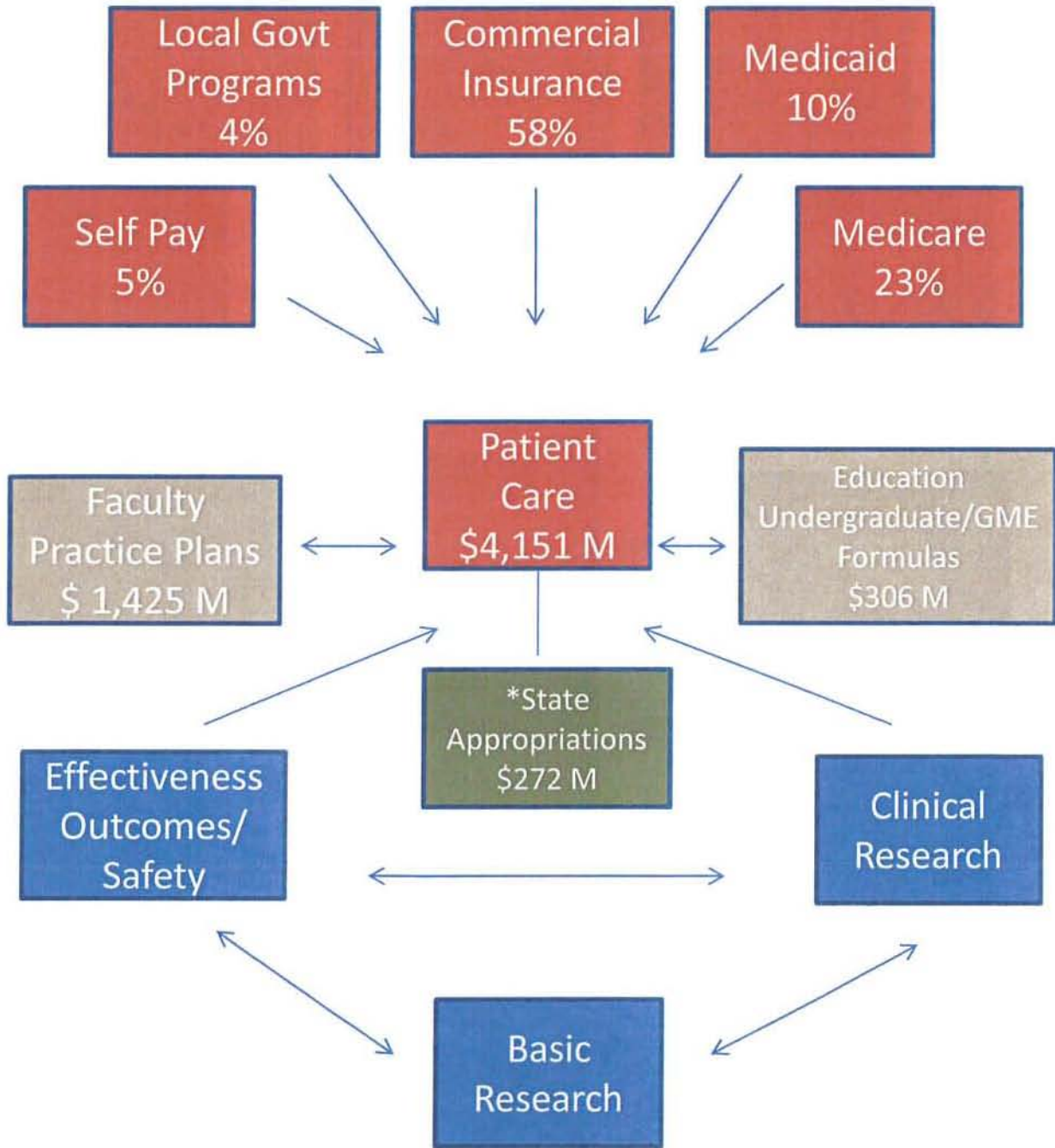


# UT HSC Tyler *Activities & Funds*



# UT HEALTH-RELATED INSTITUTIONS

## Clinical Enterprise



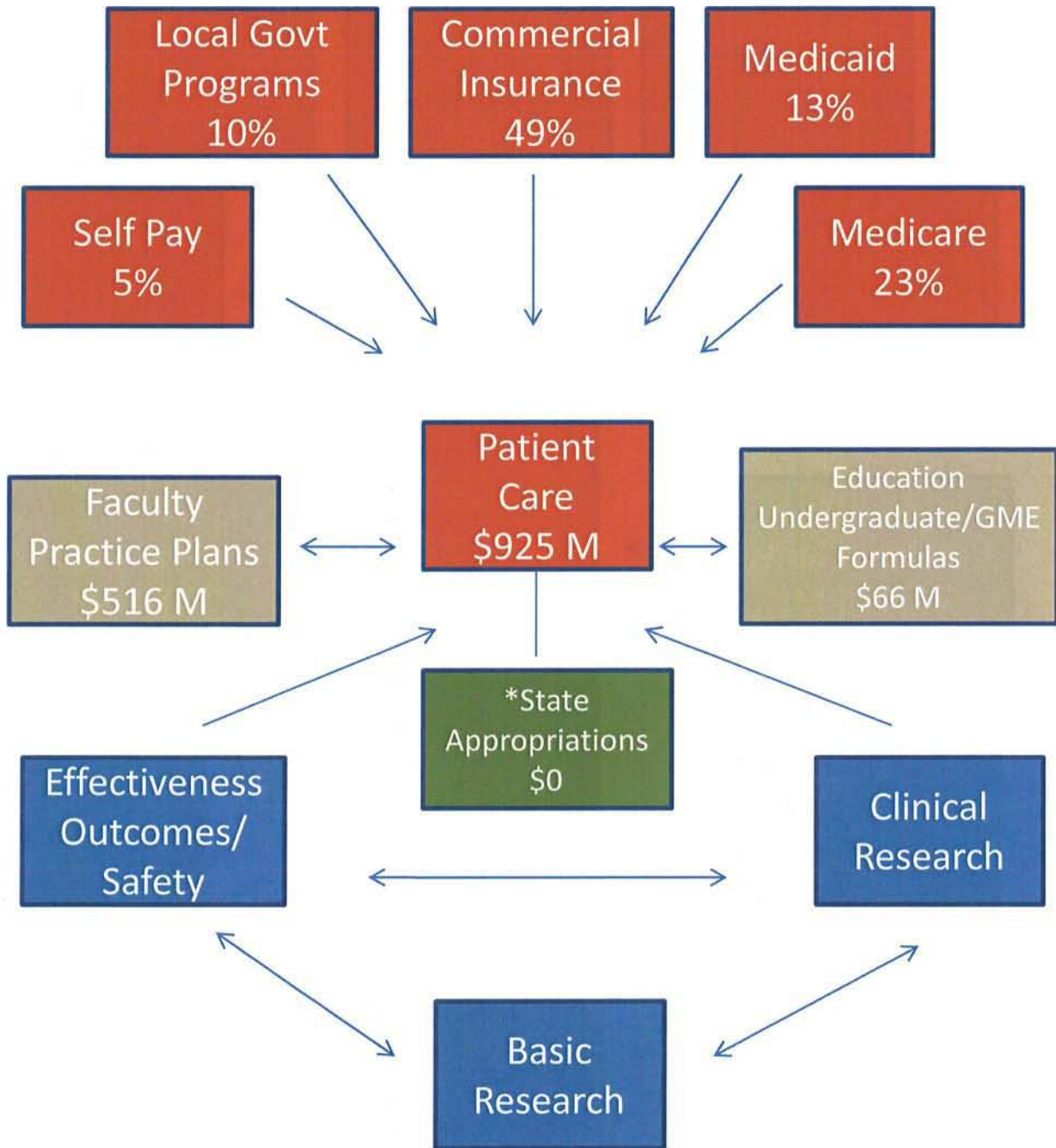
\*Direct Hospital Support (UTMB, MDACC, HSCT); Patient Based Formula Funding (HSCT, MDACC) ; Indigent Care Fund (UTMB)

TDCJ Correctional Managed Health Care revenue of \$364 M is not included above.

FY 2009 Financial Data  
 FY 2007 Patient Mix Data

May 2010 Health Affairs

# UT Southwestern Clinical Enterprise

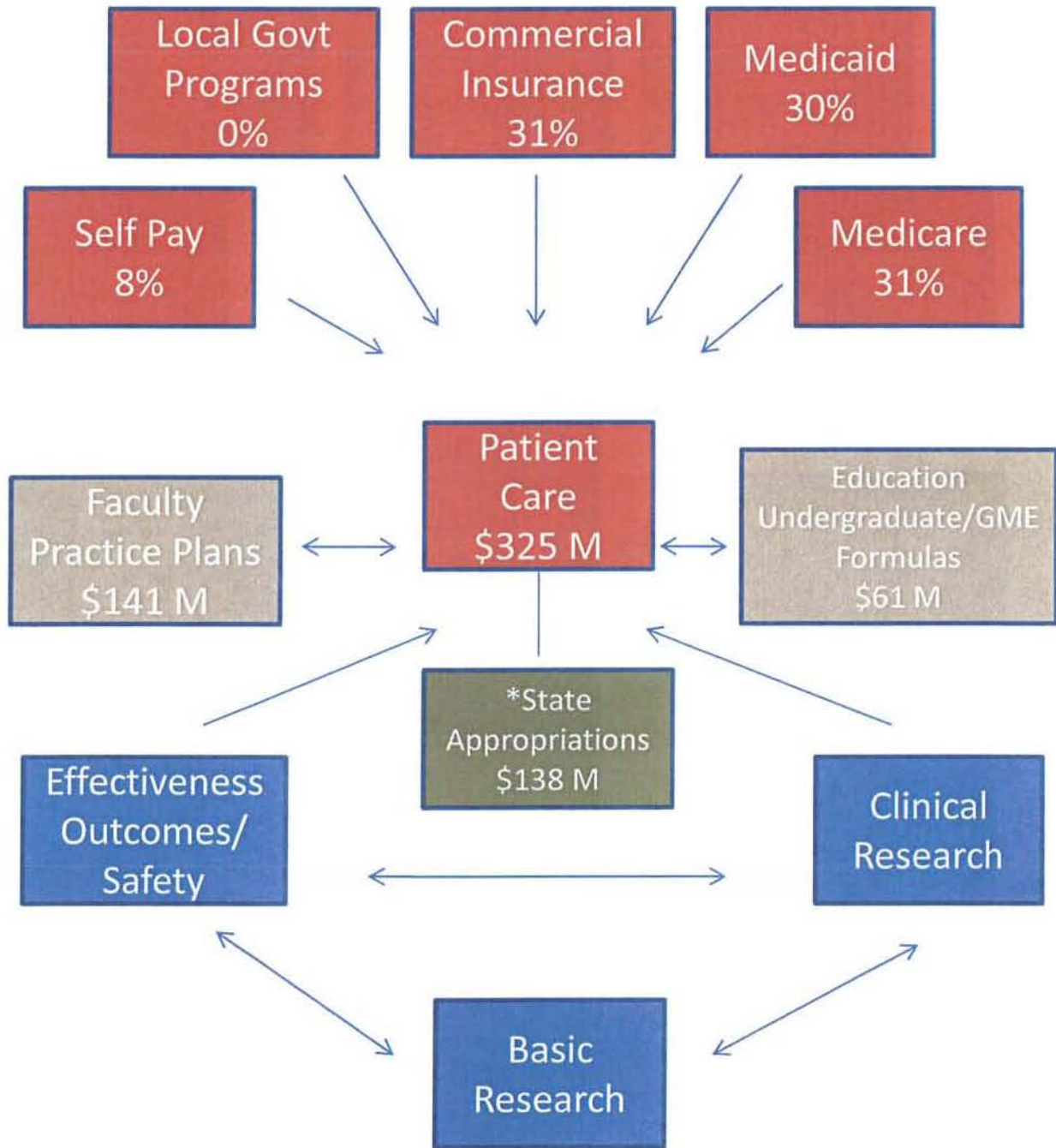


\*Direct Hospital Support (UTMB, MDACC, HSCT); Patient Based Formula Funding (HSCT, MDACC) ; Indigent Care Fund (UTMB)

FY 2009 Financial Data  
FY 2007 Patient Mix Data

May 2010 Health Affairs

## UT Medical Branch at Galveston Clinical Enterprise



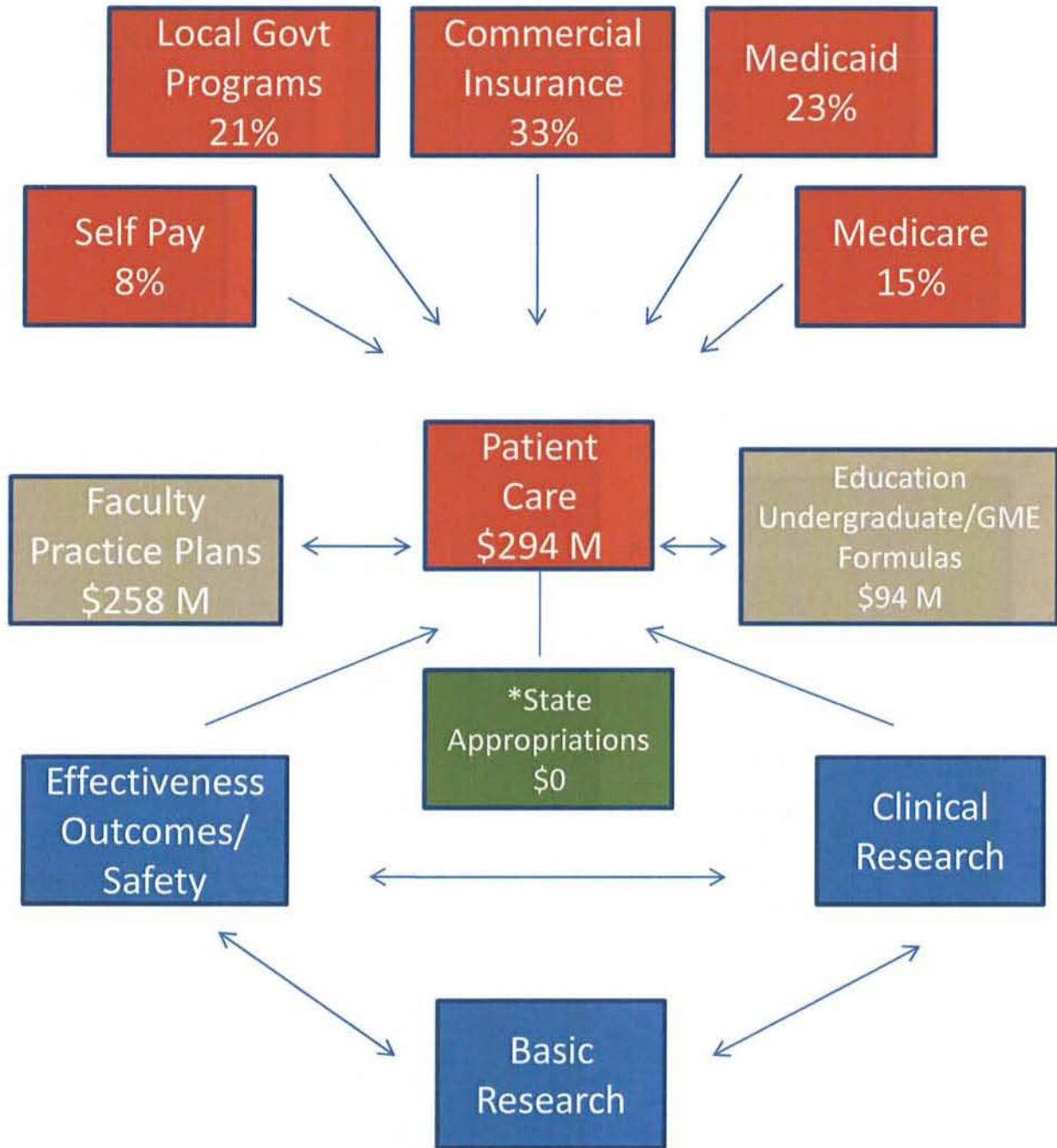
\*Direct Hospital Support (UTMB, MDACC, HSCT); Patient Based Formula Funding (HSCT, MDACC) ; Indigent Care Fund (UTMB)

TDCJ Correctional Managed Health Care revenue of \$364 M is not included above.

FY 2009 Financial Data  
FY 2007 Patient Mix Data

May 2010 Health Affairs

# UT HSC Houston Clinical Enterprise

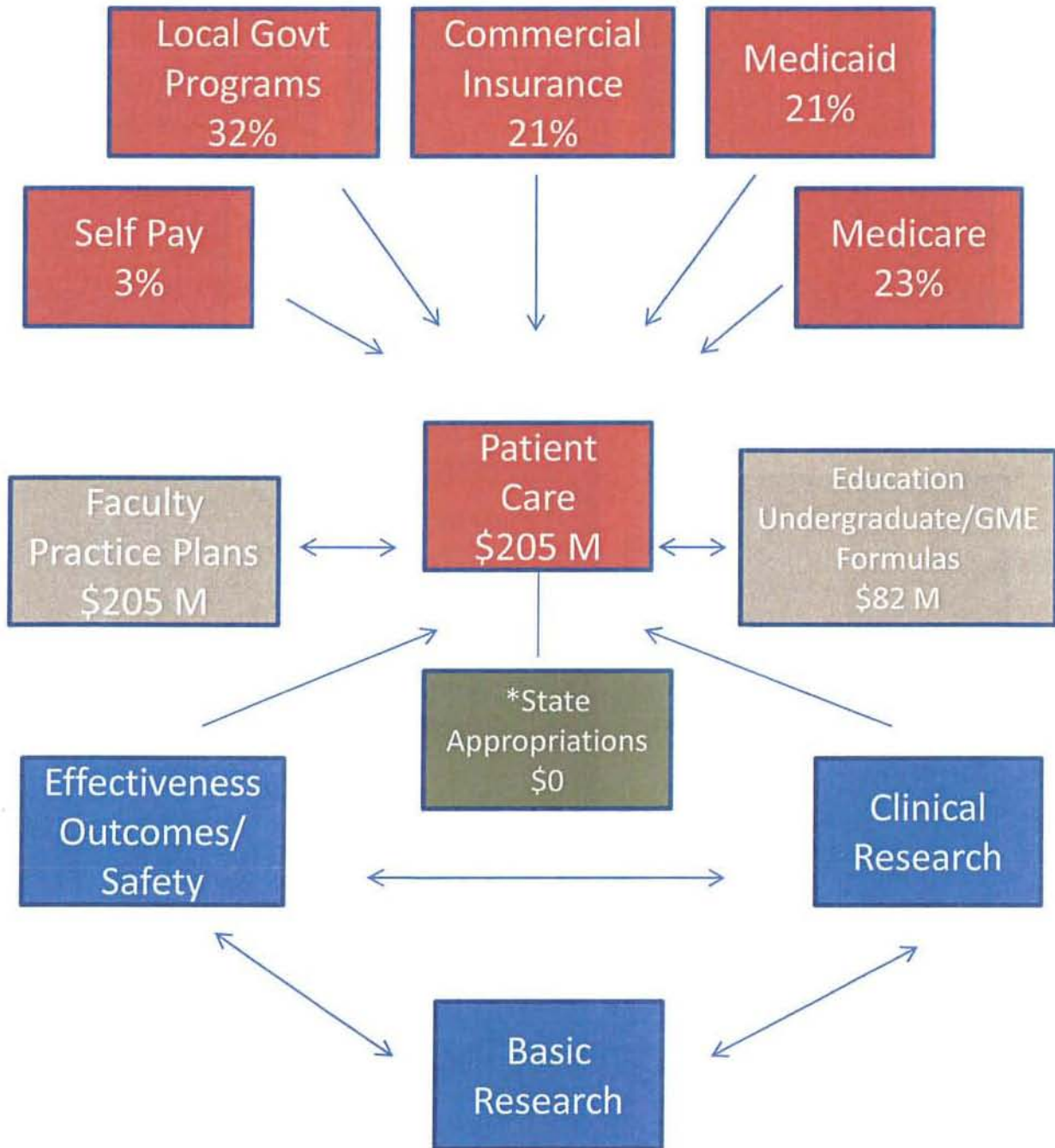


\*Direct Hospital Support (UTMB, MDACC, HSCT); Patient Based Formula Funding (HSCT, MDACC) ; Indigent Care Fund (UTMB)

FY 2009 Financial Data  
FY 2007 Patient Mix Data

May 2010 Health Affairs

## UT HSC San Antonio Clinical Enterprise



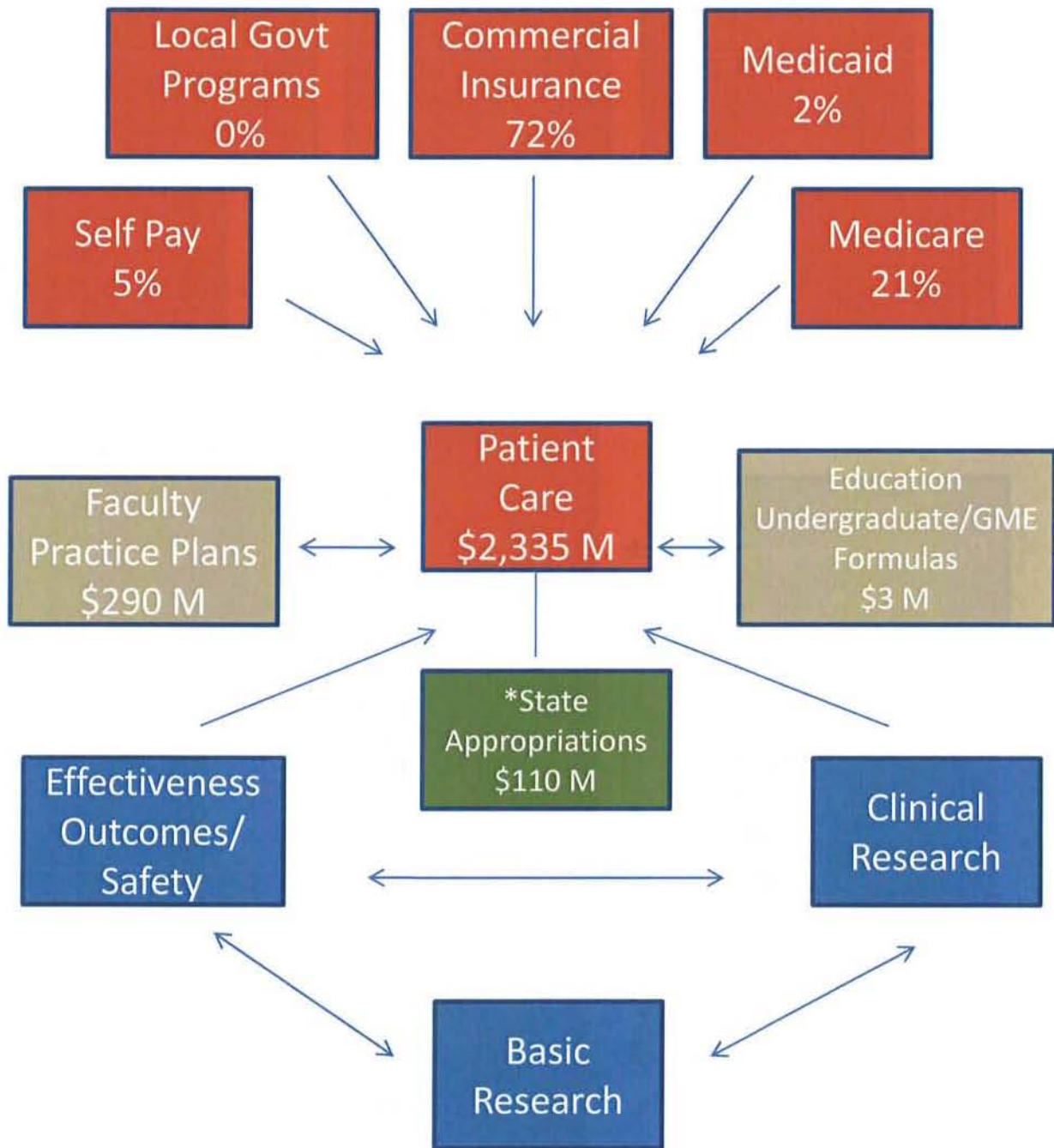
\*Direct Hospital Support (UTMB, MDACC, HSCT); Patient Based Formula Funding (HSCT, MDACC) ; Indigent Care Fund (UTMB)

FY 2009 Financial Data  
FY 2007 Patient Mix Data

May 2010 Health Affairs



# UT MD Anderson Clinical Enterprise

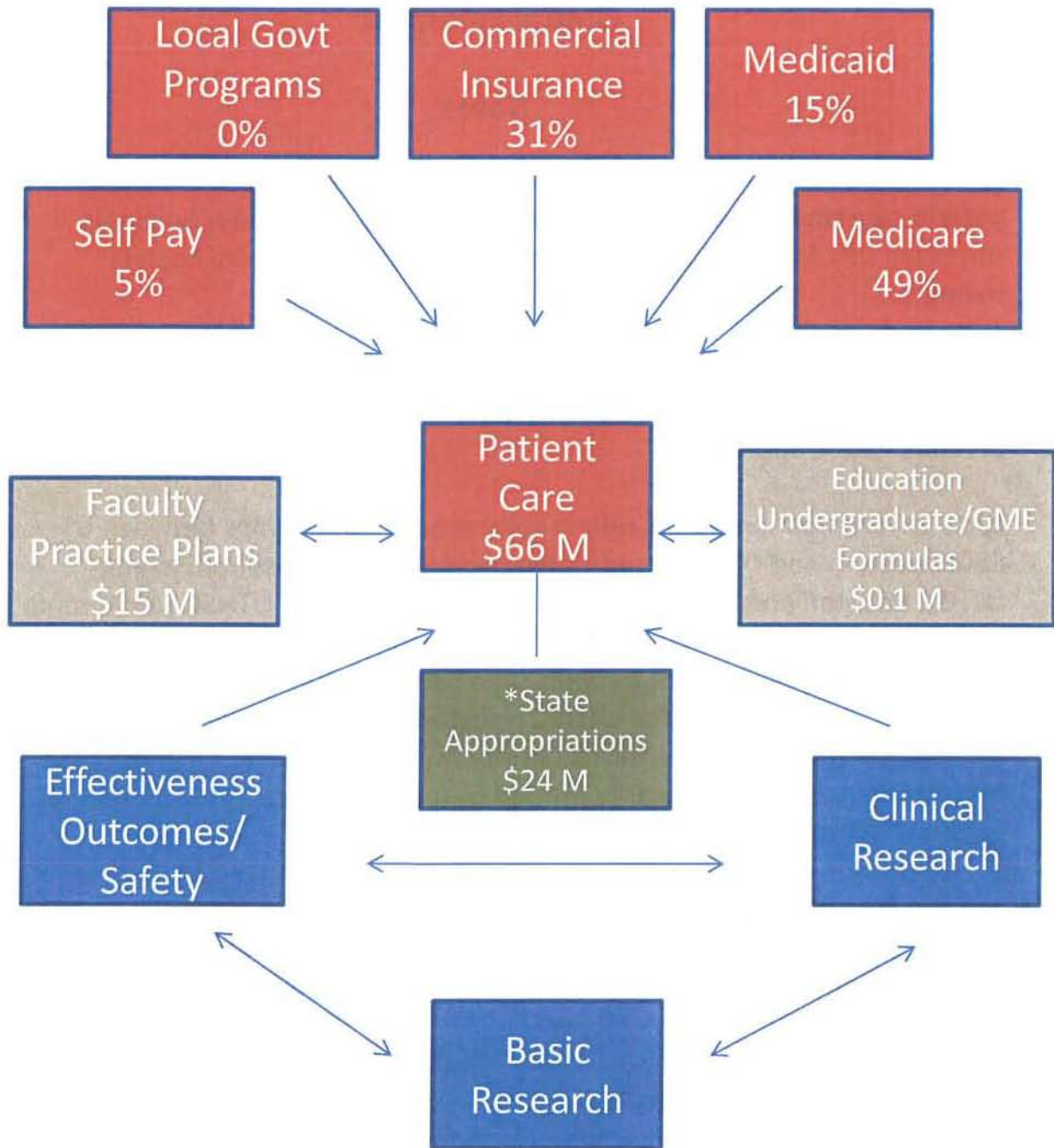


\*Direct Hospital Support (UTMB, MDACC, HSCT); Patient Based Formula Funding (HSCT, MDACC) ; Indigent Care Fund (UTMB)

FY 2009 Financial Data  
FY 2007 Patient Mix Data

May 2010 Health Affairs

## UT HSC Tyler Clinical Enterprise



\*Direct Hospital Support (UTMB, MDACC, HSCT); Patient Based Formula Funding (HSCT, MDACC) ; Indigent Care Fund (UTMB)

FY 2009 Financial Data  
FY 2007 Patient Mix Data

May 2010 Health Affairs

## **UT HEALTH-RELATED INSTITUTIONS**

### **Clinical Enterprise**

#### **Notes**

Patient Care includes UT hospital and practice plan net patient revenue, patient care revenue paid to practice plans by county/affiliate hospitals, physician UPL for FY 2009 services, mental health community hospital revenue.

The revenue mix per category is based on the patient's primary payer and includes an apportionment of county/affiliate hospital general patient care revenue where applicable.

Local government programs reflect contractual relationships between UT Southwestern and Dallas County's Parkland Health & Hospital System, UTHSC Houston and Harris County Hospital District, and UTHSC San Antonio and Bexar County's University Health System for care by UT physicians at hospital district facilities for patients who have no other primary payer and qualify for the programs. For UTHSC Houston, local government programs also include revenue at the Harris County Psychiatric Center for those patients whose care is primarily funded by local and state funds for mental health community hospitals.

Self Pay includes revenues where the patient or the patient's family is the primary payer for care. This includes patients who are uninsured, underinsured, or receiving noncovered, elective treatment as well as international patients.

The amount in the box titled "Education Undergraduate/GME Formulas" is FY 2009 state general revenue from the Instruction & Operations (I&O) formula and the GME formula.

MINUTES  
U. T. System Board of Regents  
Facilities Planning and Construction Committee  
May 12, 2010

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 3:30 p.m. on Wednesday, May 12, 2010, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Gary, presiding  
Regent Dannenbaum  
Regent Hicks  
Regent Powell

Also present were Chairman McHugh, Regent Huffines, Regent Meijer, Regent Stillwell, 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 Gary called the meeting to order. The PowerPoint presentation concerning all items is set forth on Pages 6 - 43.

1. **U. T. Dallas: Renovation for the Texas Analog Center of Excellence - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and decrease the total project cost for the Vivarium and Experimental Space project (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 Powell, and carried unanimously

2. **U. T. San Antonio: Student Housing Phase III - Amendment of the FY 2010-2015 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 Powell, and carried unanimously

3. **U. T. Arlington: Special Events Center Parking Garage and Residence Hall - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; approval to redesignate the project as College Park; 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 Powell, seconded by Regent Dannenbaum, and carried unanimously

**Discussion at meeting:**

Committee Chairman Gary called on President Spaniolo who provided brief remarks and introduced Arlington Mayor Robert Cluck for comments. Mayor Cluck said that U. T. Arlington is critical to the success of the City, such that the City Council unanimously voted to authorize \$18 million to this project; \$1,750,000 more than stated in the Agenda Book (Page 171). He said this partnership will pay back more than any other partnership the City has.

4. **U. T. Austin: Dell Computer Science Hall and Computer Sciences Building - Phase 2 - Amendment of the FY 2010-2015 Capital Improvement Program to combine the two projects and redesignate the entire project as the Bill & Melinda Gates Computer Science Complex and the north building as the Dell Computer Science Hall; approval to revise the total project cost; approval to revise the funding sources; 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 Powell, seconded by Regent Dannenbaum, and carried unanimously

**Discussion at meeting:**

Regent Huffines commended President Powers for his work on this significant project and noted the building lasted about 80 years. In response to a suggestion by Regent Dannenbaum for signage to honor Dean T. U. Taylor, the first Dean of Engineering, President Powers said a plaque will be installed to commemorate T. U. Taylor Hall, which will be replaced. Mr. O'Donnell added that bricks from the old building will be retained to create such a plaque.

Secretary's Note: Following the meeting, U. T. Austin requested that clarifying language be made to the Minute Order to reflect that the combined Dell Computer Science Hall and Computer Sciences Building - Phase 2 project was redesignated as the Bill & Melinda Gates Computer Science Complex and the north building as the Dell Computer Science Hall. U. T. System officials agreed that the edits were technical and editorial and did not change the actions taken by the Regents.

5. **U. T. Austin: Phase II - Liberal Arts Building - Amendment of the FY 2010-2015 Capital Improvement Program to reduce the total project cost; approval to revise the funding sources; 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 on condition that Regent Huffines, as the Committee's representative, approves the requisite material mockups for construction to proceed.

**Motion:** Made by Regent Powell, seconded by Regent Dannenbaum, and carried unanimously

**Future action:** Regent Huffines, as the Committee's representative, must approve the requisite material mockups for construction to proceed.

**Discussion at meeting:**

Given the prominence of the building, Committee Chairman Gary proposed that Regent Huffines be appointed as the Committee's representative to approve the requisite material mockups for construction to proceed. The Committee approved the recommendation.

6. **U. T. Dallas: Arts and Technology Facility - Approval of design development of the Utility Infrastructure Improvements portion of the project; 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 Powell, seconded by Regent Dannenbaum, and carried unanimously

**Discussion at meeting:**

*In response to a question from Regent Dannenbaum, Mr. O'Donnell said the project includes 200 feet of a buried, chilled water line, and he assured Regent Dannenbaum that was the optimal location for water distribution currently and into the future.*

7. **U. T. Dallas: Campus Services and Bookstore Building - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; 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 Powell, seconded by Regent Dannenbaum, and carried unanimously

8. **U. T. Dallas: Student Housing Living Learning Center, Phase II - Amendment of the FY 2010-2015 Capital Improvement Program to revise the funding sources; 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 Powell, seconded by Regent Dannenbaum, and carried unanimously

**Discussion at meeting:**

*Regent Huffines asked how many beds would be provided by the project, and Mr. O'Donnell responded 407 beds.*

9. **U. T. Austin: Law School Renovations - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; appropriation and authorization 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 Powell, and carried unanimously

**ADJOURNMENT**

Prior to adjourning the meeting, Committee Chairman Gary said the institutions are working diligently with the Office of the Executive Vice Chancellor for Business Affairs, Dr. Scott C. Kelley, to match capital needs with available financing. He said all projects in the \$8.6 billion Capital Improvement Program (CIP) have the necessary debt capacity; however, he noted some inconsistencies in identifying the investment metrics. Regent Gary encouraged the institutions to take the time needed to come up with the metrics, as it is particularly important in the capital markets of today.

Regent Powell suggested the Committee look at the metrics and develop tables to see what is being spent -- the usability factor for each building built; what is being spent per square foot and per usable square foot; and how that compares across the U. T. System in the different markets from city to city. He offered to provide input.

Committee Chairman Gary adjourned the meeting at 4:00 p.m.



Facilities Planning and Construction Committee  
May 2010

# Agenda Items

Office of Facilities Planning and Construction



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# Consideration of Project Additions to the FY 2010-2015 Capital Improvement Program

## Two Academic Projects

- U. T. Dallas  
Renovation for the Texas Analog Center  
of Excellence \$2,000,000
- U. T. San Antonio  
Student Housing Phase III \$39,955,000



## U. T. Dallas

### Renovation for the Texas Analog Center of Excellence

- The project includes converting 8,000 gross square feet of mechanical space into research laboratories.
- U. T. Dallas is requesting Institutional Management of the project.
- Total Project Cost is \$2,000,000 with funding from Permanent University Fund Bond Proceeds being transferred from the completed Vivarium and Experimental Space project.

Addition to FY 2010-2015 CIP



## U. T. San Antonio Student Housing Phase III

- The project includes approximately 168,000 gross square feet of dormitory space to house 618 students and is located on the Main Campus in close proximity to existing student housing and dining facilities as well as the future campus recreation fields.
- Total Project Cost is \$39,955,000 with funding of \$37,121,000 from Revenue Financing System Bond Proceeds and \$2,834,000 from Auxiliary Enterprise Balances.

Addition to FY 2010-2015 CIP



# CIP Additions

Two Academic Projects      \$41,955,000

10



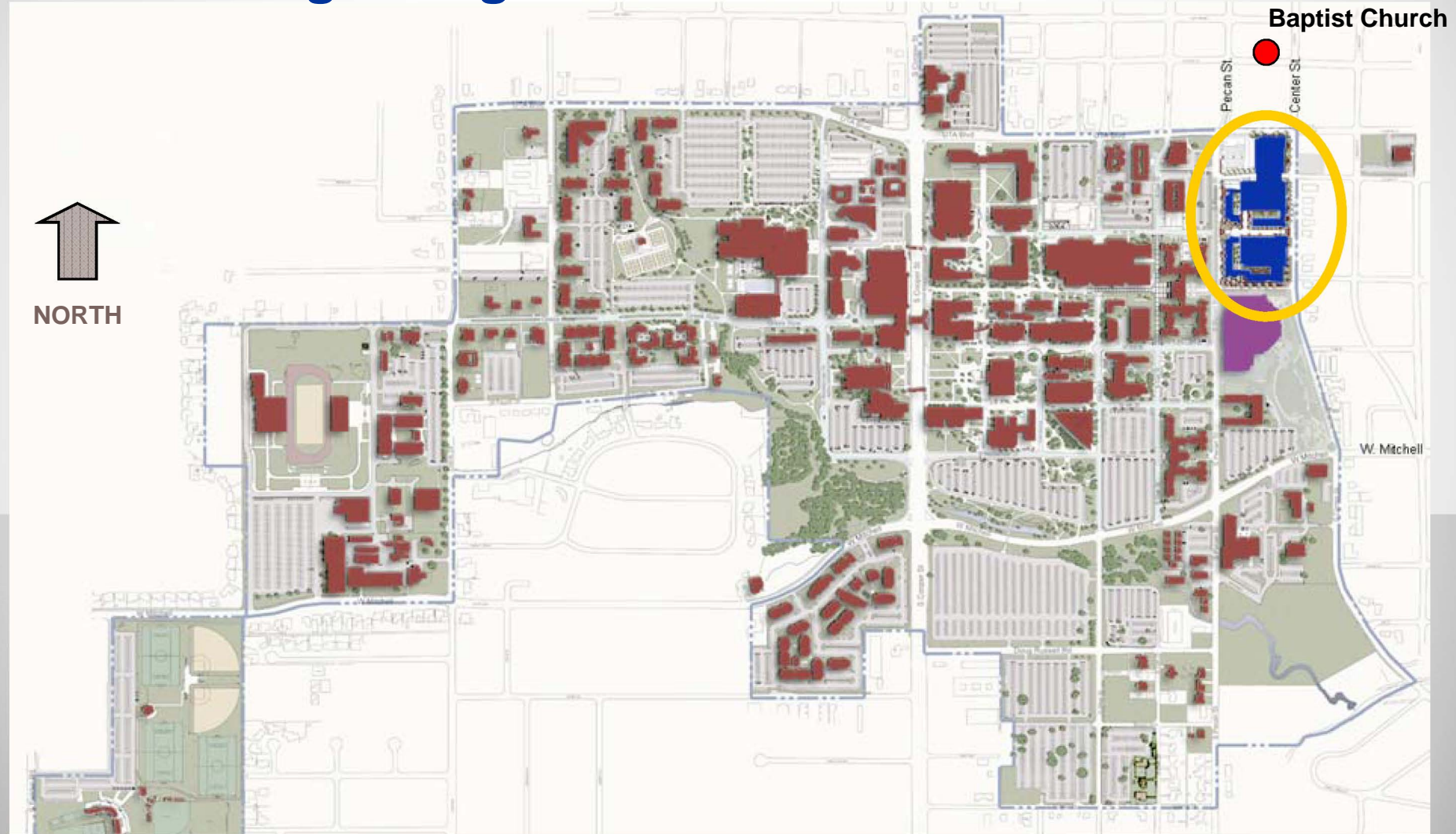
# Consideration of Design Development

- U. T. Arlington Special Events Center (SEC) Parking Garage and Residence Hall
- U. T. Austin Dell Computer Science Hall and Computer Sciences Building – Phase 2
- U. T. Austin Phase II – Liberal Arts Building
- U. T. Dallas – Arts and Technology Facility  
Utility Infrastructure Improvements
- U. T. Dallas Campus Services and Bookstore Building
- U. T. Dallas Student Housing Living Learning Center, Phase II

11



# U. T. Arlington SEC Parking Garage and Residence Hall



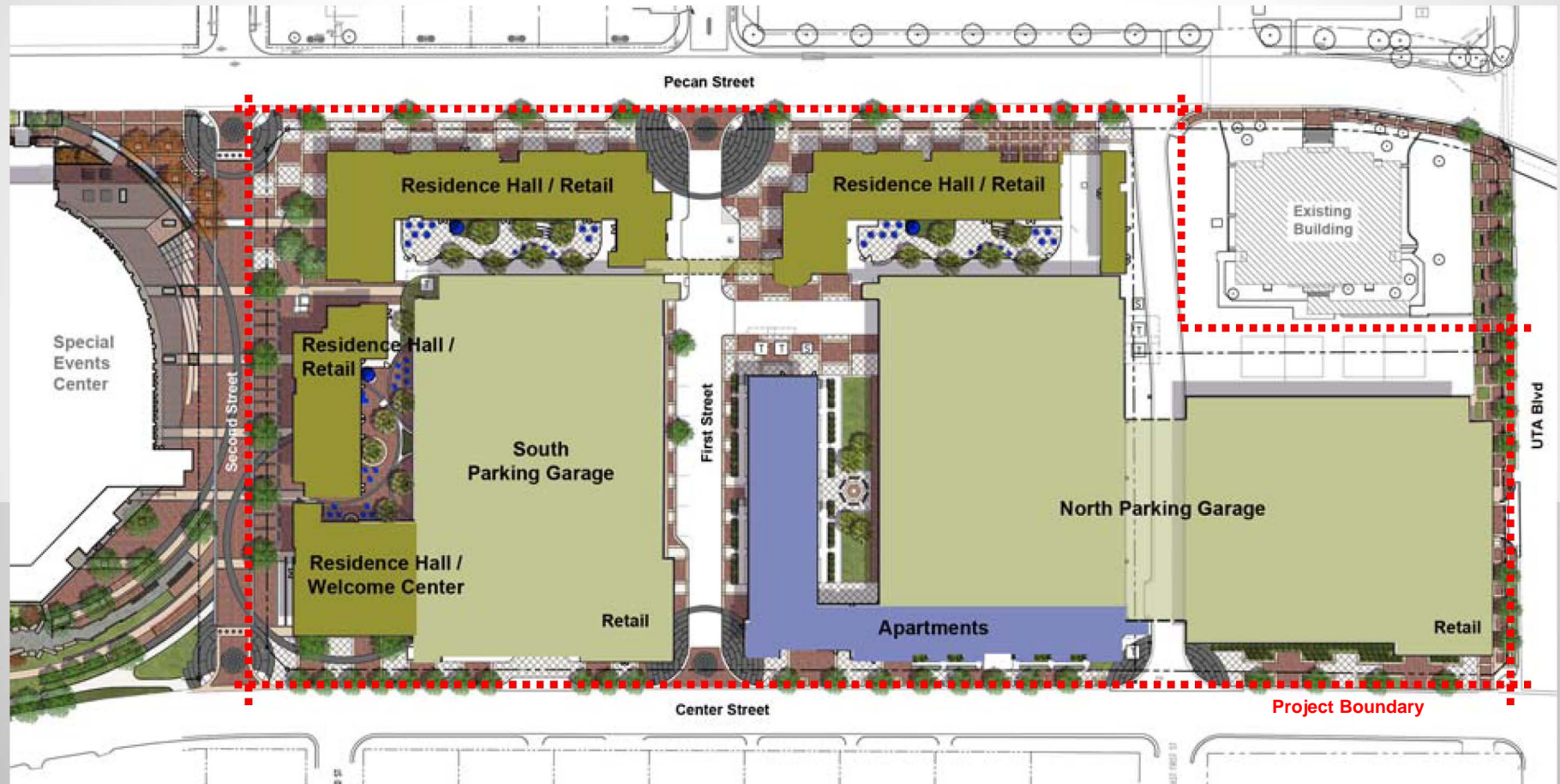
12



# U. T. Arlington SEC Parking Garage and Residence Hall



13





# U. T. Arlington SEC Parking Garage and Residence Hall



14



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**View from Northeast**

# U. T. Arlington SEC Parking Garage and Residence Hall



15



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**View from Southwest at Second Street**

10

# U. T. Arlington

## SEC Parking Garage and Residence Hall

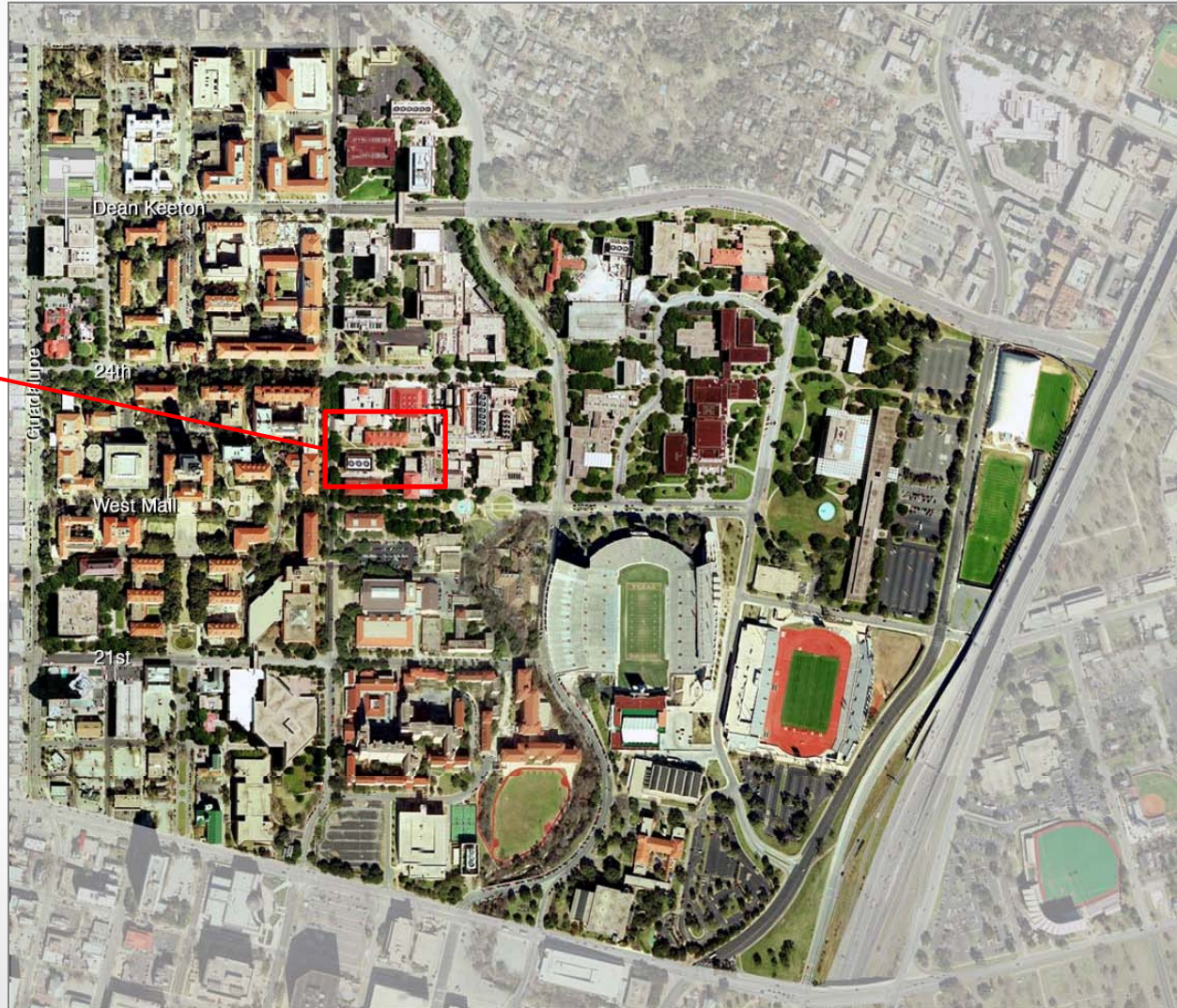
- Total Project Cost is \$80,000,000 with funding of \$71,500,000 from Revenue Financing System Bond Proceeds and \$8,500,000 from Unexpended Plant Funds.
- U. T. Arlington requests the project be redesignated as College Park.
- Investment Metrics
  - By 2012
    - Increase affordable on-campus housing to aid enrollment growth and to increase student retention rate from freshman to sophomore year
    - Increase parking spaces on campus for faculty, staff, students, visitors and event participants

16

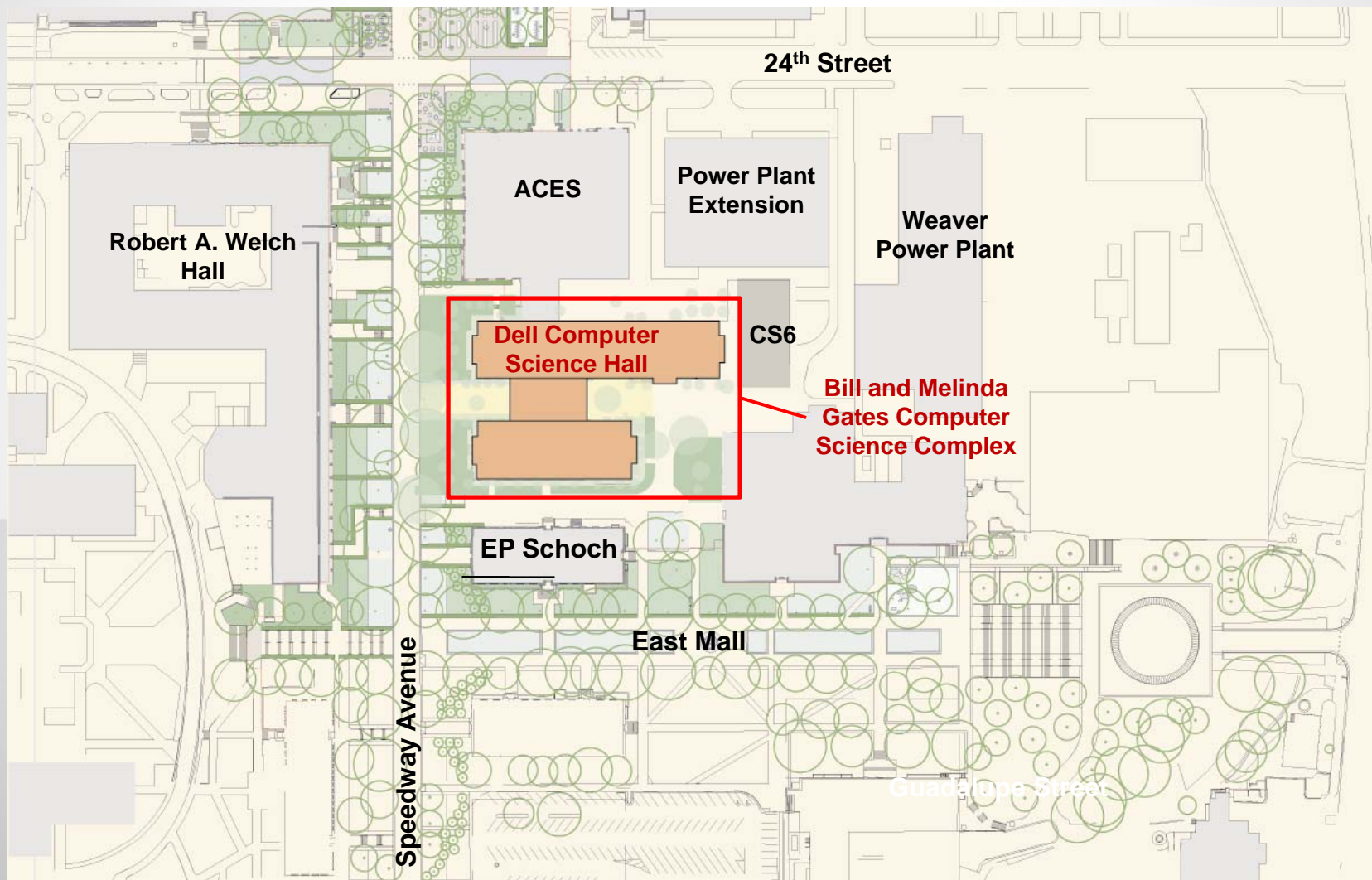


# U. T. Austin Dell Computer Science Hall and Computer Sciences Building – Phase 2

Project Site



# U. T. Austin Dell Computer Science Hall and Computer Sciences Building – Phase 2



18



# U. T. Austin Dell Computer Science Hall and Computer Sciences Building – Phase 2



19



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**View From Southwest**

14

# U. T. Austin Dell Computer Science Hall and Computer Sciences Building – Phase 2



20



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**Atrium View Looking East**

15

# U. T. Austin Dell Computer Science Hall and Computer Sciences Building – Phase 2

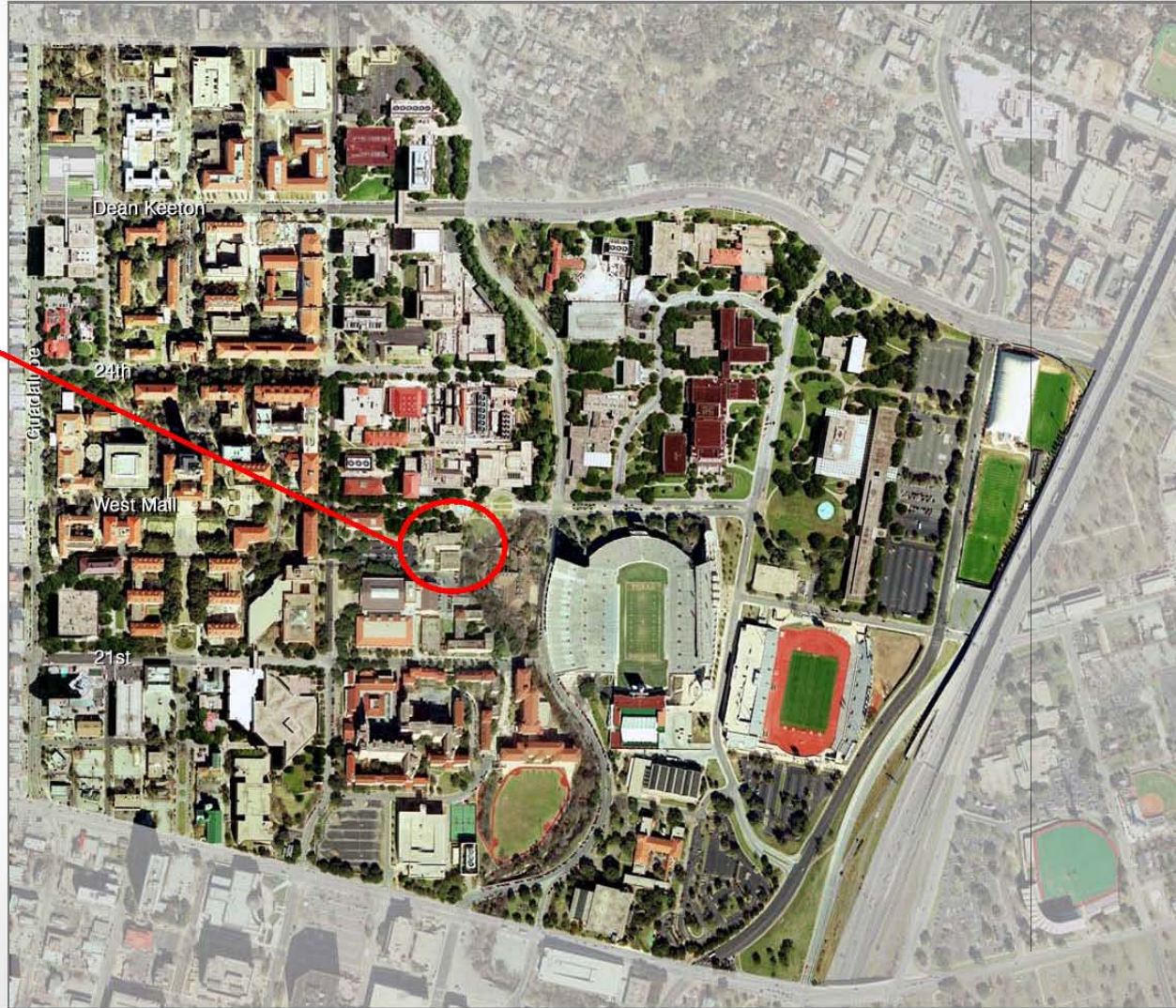
- Total Project Cost is \$98,480,000 with funding of \$40,000,000 from Gifts, \$20,000,000 from Permanent University Fund Bond Proceeds and \$38,480,000 from Revenue Financing System Bond Proceeds.
- Project combines Dell Computer Science Hall and Computer Sciences Building – Phase 2 projects into one.
- U. T. Austin requests the project be redesignated as the Dell Computer Science Hall/Bill and Melinda Gates Computer Science Complex.
- Investment Metrics
  - By 2013
    - Replace T. U. Taylor Hall with a new building
    - Provide three flexible research “pods” and unfinished shell space for two additional flexible research “pods”
    - Provide 13 classrooms and provide unfinished shell space for 12 additional classrooms





# U. T. Austin Phase II – Liberal Arts Building

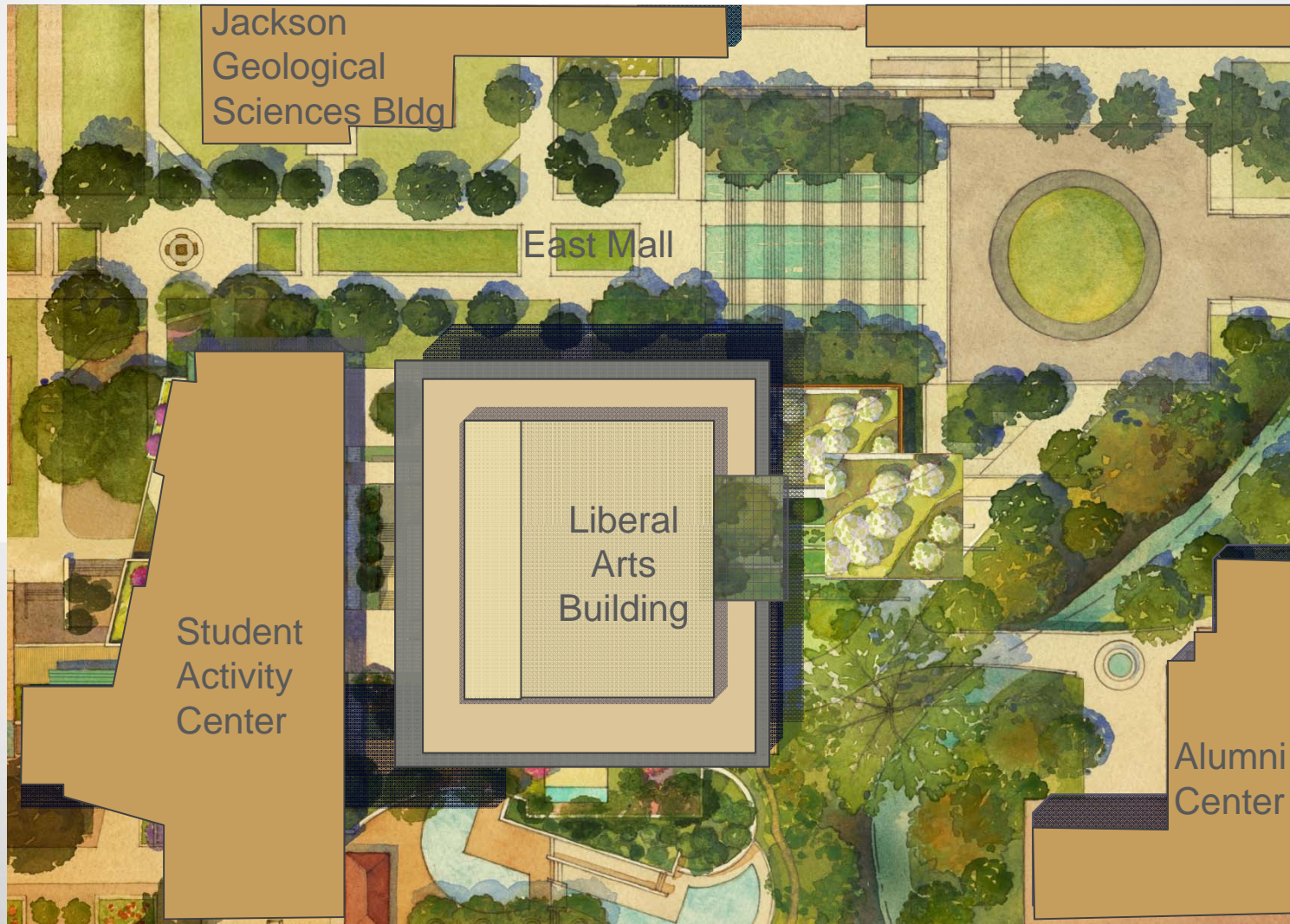
Project Site



22



# U. T. Austin Phase II – Liberal Arts Building



23



# U. T. Austin Phase II – Liberal Arts Building



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**View from Northwest**

19

# U. T. Austin Phase II – Liberal Arts Building



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View from Northeast

20

# U. T. Austin

## Phase II – Liberal Arts Building

- Total Project Cost is \$95,700,000 with funding of \$59,420,000 from Revenue Financing System Bond Proceeds, \$5,280,000 from Gifts, \$17,000,000 from Designated Funds, \$2,000,000 from Available University Funds and \$12,000,000 from Unexpended Plant Funds
- Investment Metrics
  - By 2012
    - Centralize student facilities and learning spaces to improve undergraduate student experiences, collaboration, and research
    - Increase interdisciplinary research space for faculty to foster further collaboration and research by adding 12 laboratories and 12 collaborative research suites increasing faculty success in getting additional funding
    - New teaching labs will allow innovations in curriculum, increasing graduation rates and student learning outcomes

26



# U. T. Dallas Arts and Technology Facility Utility Infrastructure Improvements



27



# U. T. Dallas Arts and Technology Facility Utility Infrastructure Improvements Project



28

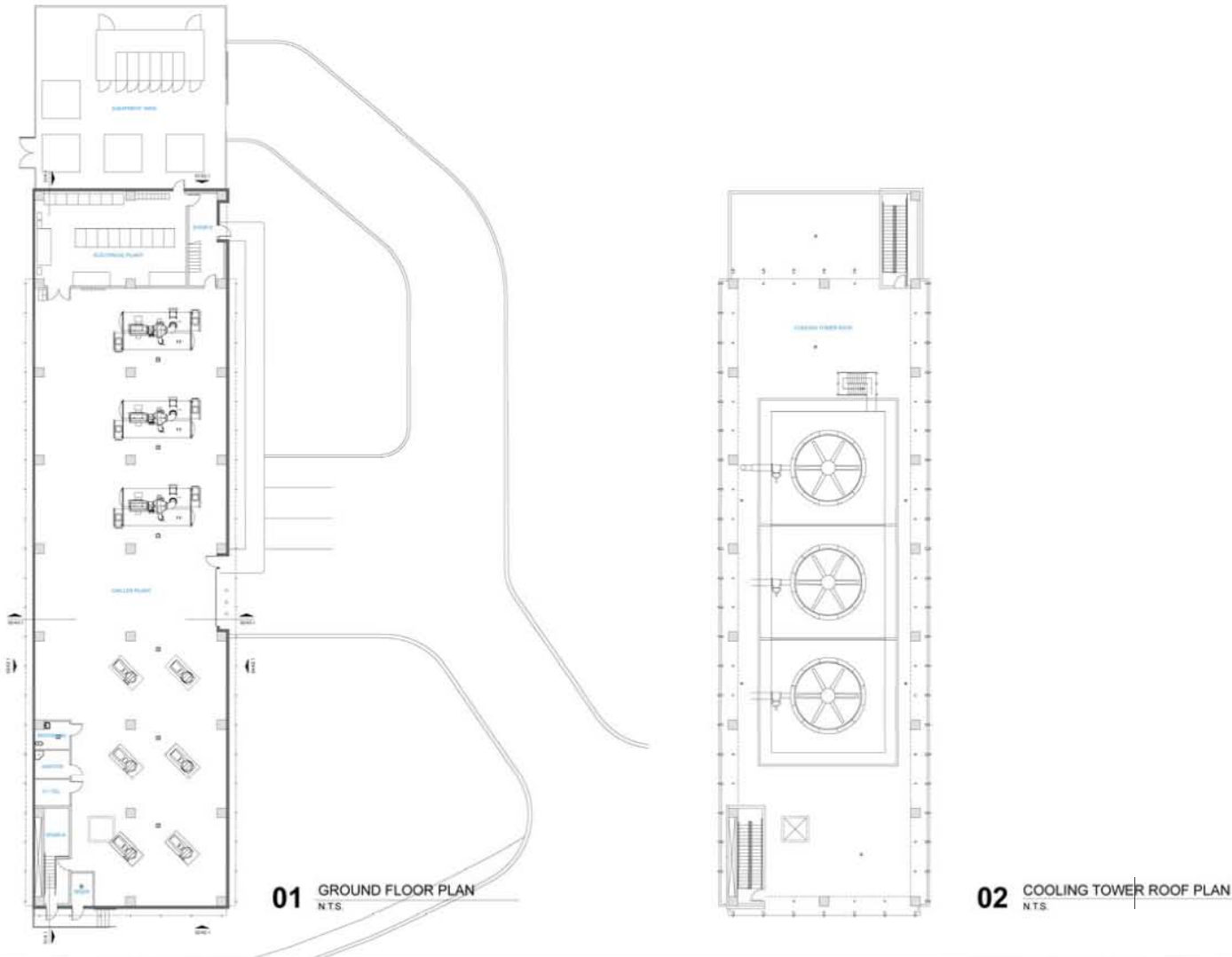


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Site Plan

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# U. T. Dallas Arts and Technology Facility Utility Infrastructure Improvements Project



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# U. T. Dallas Arts and Technology Facility Utility Infrastructure Improvements



30



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**View from the Southeast**

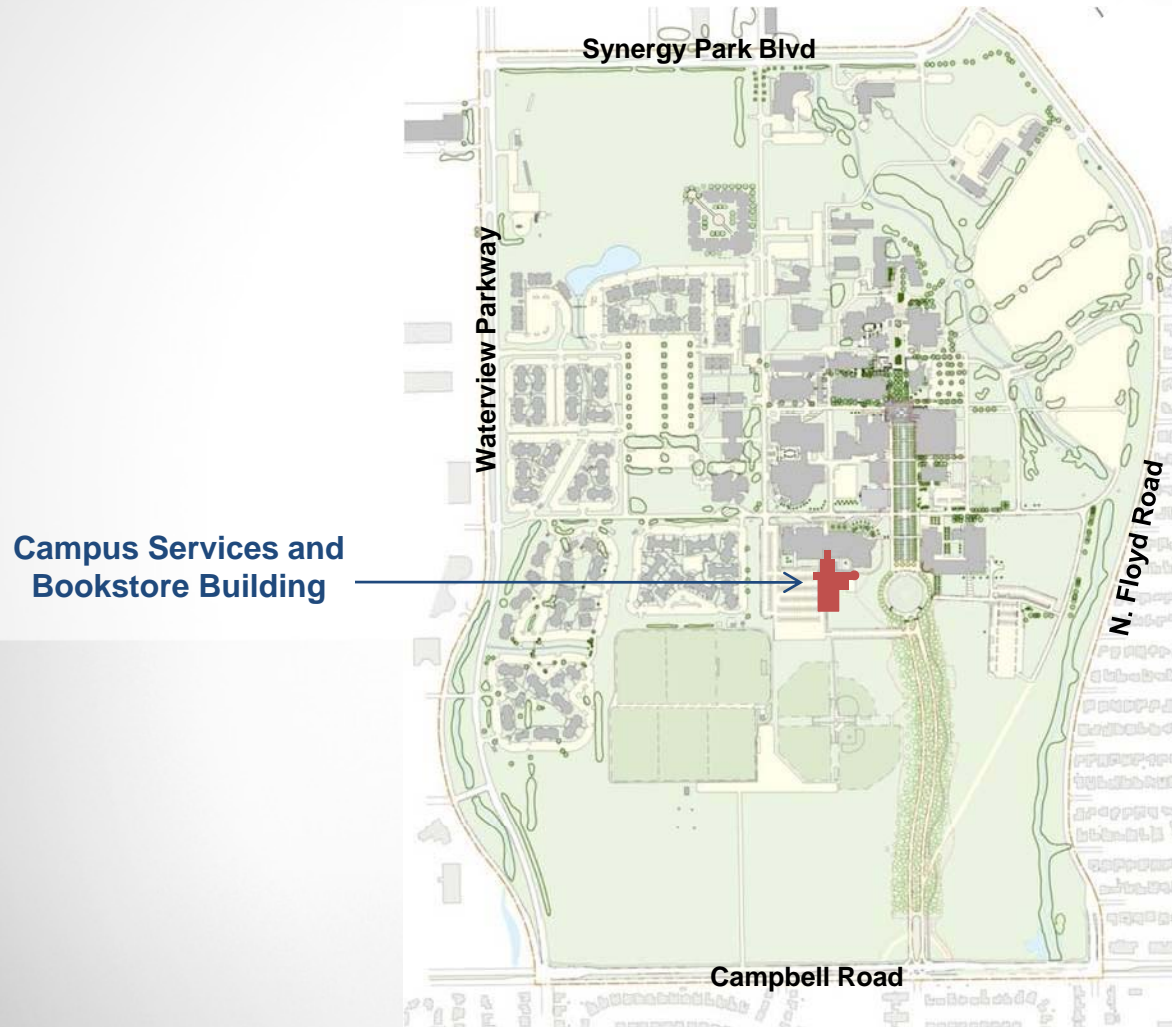
25

# U. T. Dallas Arts and Technology Facility Utility Infrastructure Improvements

- Total Project Cost for this portion of the project is \$14,300,000 with funding of \$10,000,000 from Permanent University Fund Bond Proceeds and \$4,300,000 from Revenue Financing System Bond Proceeds.
- Investment Metrics
  - By 2017
    - Add service facility to support Strategic Plan Imperative of adding 5,000 full-time equivalent students



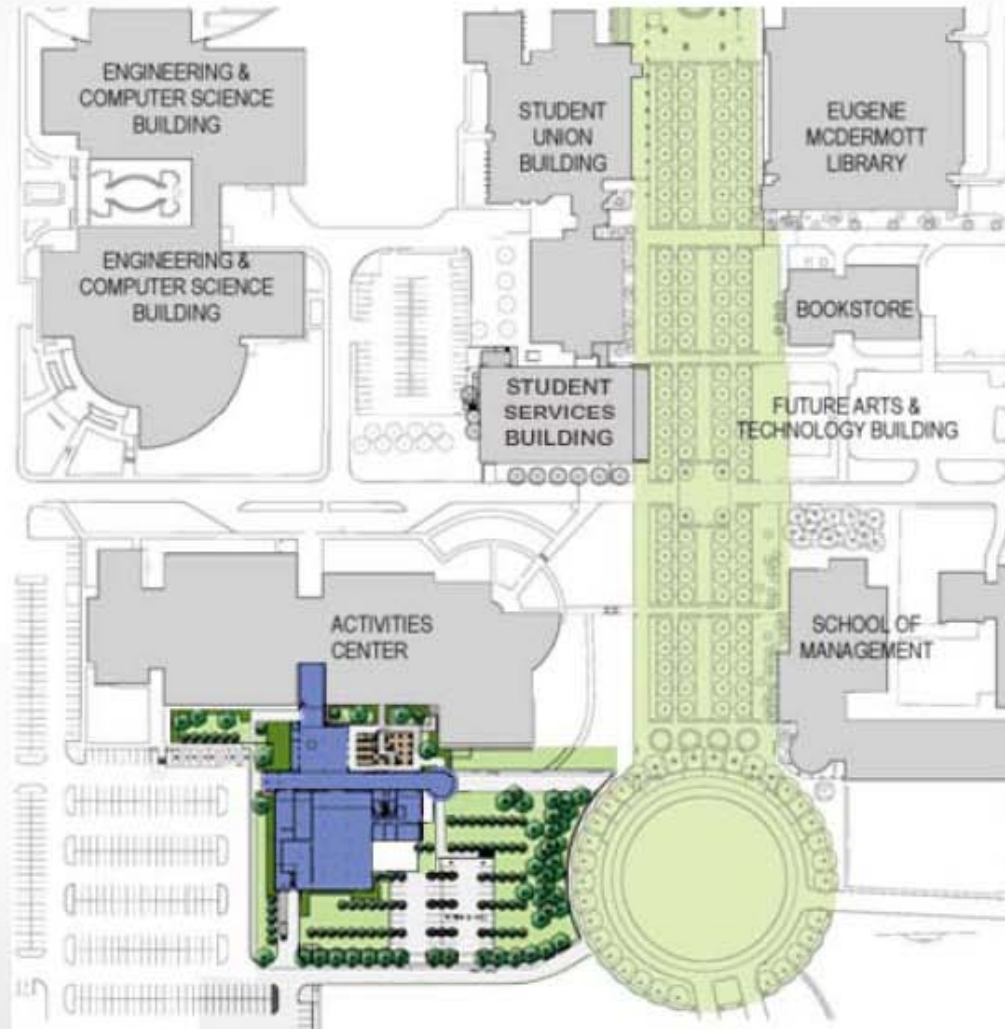
# U. T. Dallas Campus Services and Bookstore Building



Campus Services and  
Bookstore Building



# U. T. Dallas Campus Services and Bookstore Building



33



# U. T. Dallas Campus Services and Bookstore Building



# U. T. Dallas Campus Services and Bookstore Building



35



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**View from Southeast**

30

# U. T. Dallas

## Campus Services and Bookstore Building

- Total Project Cost is \$9,450,000 with funding of \$8,250,000 from Revenue Financing System Bond Proceeds and \$1,200,000 from Unexpended Plant Funds.
- Investment Metrics
  - By 2011
    - Support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students
    - Strengthen the relationship to the surrounding community by creating another venue that will attract community members to the campus



# U. T. Dallas Student Housing Living Learning Center, Phase II

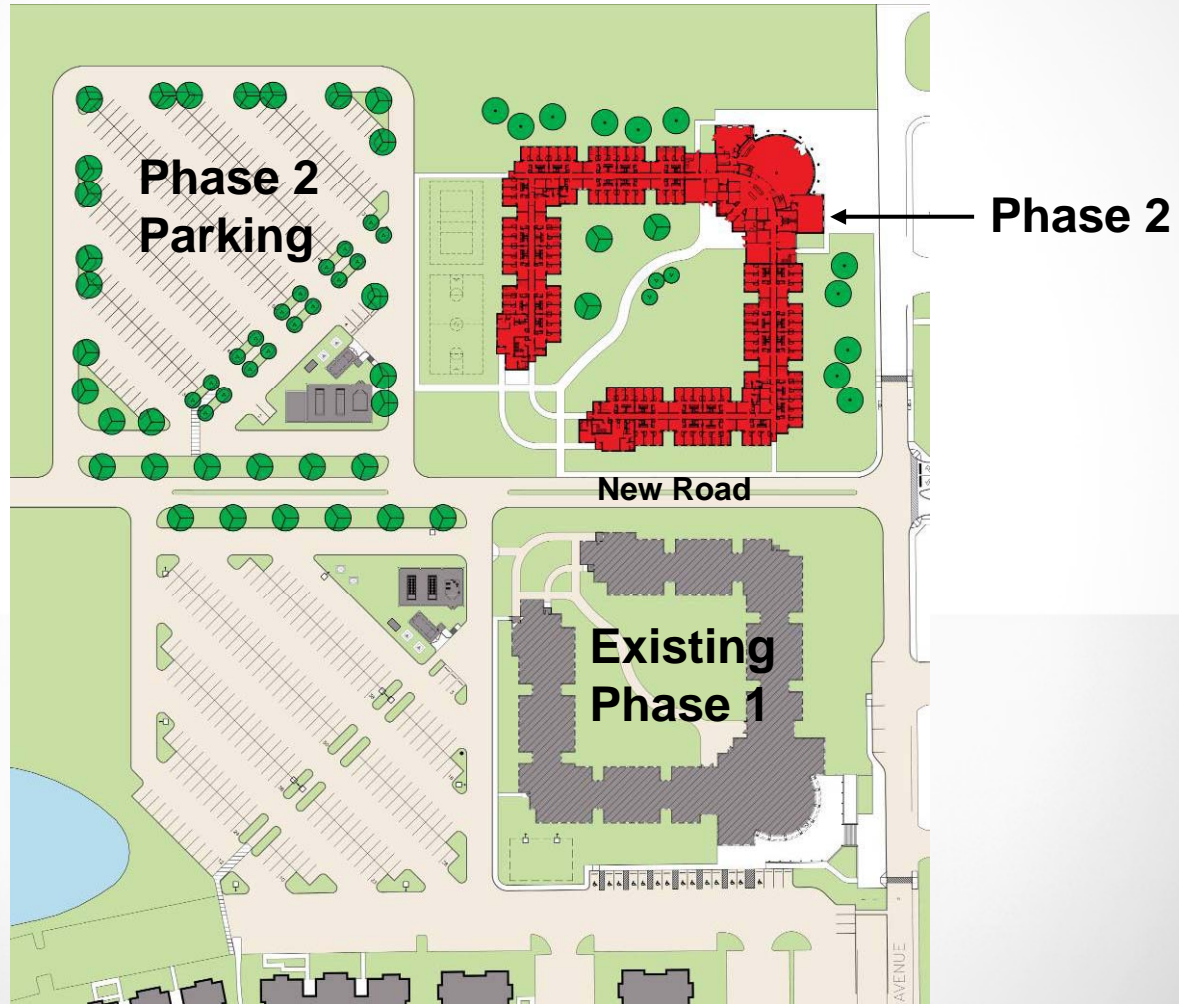


37





# U. T. Dallas Student Housing Living Learning Center, Phase II



38



# U. T. Dallas Student Housing Living Learning Center, Phase II



39



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**View from Northeast**

34

# U. T. Dallas Student Housing Living Learning Center, Phase II



40



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**Aerial View from Northeast**

35

## U. T. Dallas

### Student Housing Living Learning Center, Phase II

- Total Project Cost is \$31,000,000 with funding of \$28,500,000 from Revenue Financing System Bond Proceeds and \$2,500,000 from Auxiliary Enterprise Balances.
- Investment Metrics
  - By 2017
    - Support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students

41



# U. T. Austin

## Law School Renovations

- Total Project Cost is \$12,000,000 with funding of \$4,000,000 from Designated Funds and \$8,000,000 from Revenue Financing System Bond Proceeds.
- The project is Institutionally Managed.
- This increase in Total Project Cost will revise the project scope to provide for the complete renovation of three floors of the building with approximately 98,000 gross square feet.

Modification to FY 2010-2015 CIP



# U. T. System FY 2010-2015 Capital Improvement Program

CIP Total before meeting	\$8,651,069,333
CIP Additions	\$ 41,955,000
CIP Modifications including DD	\$ (7,770,000)
Substantially Complete Projects	<u>\$ (68,800,000)</u>
Total Change in CIP	\$ (34,615,000)
CIP Total as of today	\$8,616,454,333

This represents a .4% decrease for a total of \$8.6 billion.



MINUTES  
U. T. System Board of Regents  
Student, Faculty, and Staff Campus Life Committee  
May 13, 2010

The members of the Student, Faculty, and Staff Campus Life Committee of the Board of Regents of The University of Texas System convened at 9:40 a.m. on Thursday, May 13, 2010, in the Board Meeting Room on the 9th Floor of Ashbel Smith Hall, The University of Texas System, 201 West Seventh Street, Austin, Texas, with the following participation:

Attendance

Regent Dannenbaum, presiding  
Regent Gary  
Regent Hicks

Absent

Regent Huffines

Also present were Chairman McHugh (for Item 2); Vice Chairman Foster (for Item 2); Vice Chairman Longoria; Regent Meijer; Regent Powell; Regent Stillwell; Mr. Dexter Jones, Vice Chair, Employee Advisory Council (EAC); Dr. Dan Formanowicz, Chair, Faculty Advisory Council (FAC); Mr. Bradley Carpenter, Chair, Student Advisory Council (SAC); Assistant General Counsel to the Board Rabon; and Executive Director Martinez.

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: Report on the Chancellor's Entrepreneurship and Innovation Awards Program**

**Committee Meeting Information**

**Presenter(s):** *Dr. Keith McDowell, Vice Chancellor for Research and Technology Transfer*  
**Status:** *Reported*

*Dr. McDowell said that in 2006, the Office of Research and Technology Transfer created the Chancellor's Entrepreneurship and Innovation Awards Program and funded the first round of awards. He noted the program did not continue in subsequent years but was restarted in 2009, and awards are distributed for technologies developed at a single institution and for cross-institutional collaborative teams.*

*Vice Chancellor McDowell reviewed the nomination and selection process for the awards and referenced the list of candidates and members of the selection committee on the handout provided to the Committee (Pages 4 - 5). Dr. McDowell also described the awards luncheon that was held as part of the World's Best Technology showcase on March 16, 2010, in Arlington, Texas. Each nominee and winner was presented with a trophy and award winners each received a cash reward*

of \$2,500. Chairman Dannenbaum presided at the event, which was attended by a national audience who heard and saw the commitment of the U. T. System to excellence, entrepreneurship, innovation, and commercialization of university research.

Regent Dannenbaum commented on the opportunity to showcase the research capabilities of the U. T. System to an official of the Department of Defense responsible for commercialization, development, and approval of new technologies.

## **2. U. T. System: Annual Meeting with Officers of the U. T. System Student Advisory Council**

### **Committee Meeting Information**

**Presenter(s):** Mr. Bradley Carpenter, Chair; Mr. Shaney Flores, Academic Affairs Committee; Ms. Sherley Edinbarough, Student Involvement and Campus Life Committee; Mr. Carlos Ramos, Health and Graduate Affairs Committee; Mr. Kent Long, Financial and Legislative Affairs Committee  
**Status:** Reported

#### **Follow-up actions:**

1. Re improving instructional effectiveness (Recommendation #1), Chancellor Cigarroa said he will be pleased to bring this matter to the attention of the leadership at each campus.
2. Chancellor Cigarroa recommended enhancing the presentation at student orientation of what is available on campuses for students with disabilities (Recommendation #3).
3. Re nondiscrimination policy (Recommendation #4), Chancellor Cigarroa said he will look into the recommendation within the parameters of State and federal statutes.
4. Re campus safety concerns (Recommendation #5), Dr. Shine suggested the recommendation be forwarded to the U. T. System Emergency Management Committee and Committee Chairman Dannenbaum suggested that Committee look at the best possible response for both individual and campuswide incidents.

### **Discussion at meeting:**

*In reference to the discussion yesterday (May 12) in the Academic Affairs Committee on graduate student education (see Item 5 on Page 7 of the Academic Affairs Committee Minutes), Mr. Carpenter remarked that the recommendations to be presented today by representatives of the Student Advisory Council (SAC) reflect input from graduate students.*

#### **Recommendation #1 – Mid-semester course evaluation**

*Mr. Flores said the Faculty Advisory Council (FAC) supported the philosophy of the recommendation on ways to improve instructional effectiveness, including the online evaluation system as a way to decrease costs. Chancellor Cigarroa said he will be pleased to bring this matter to the attention of the leadership at each campus.*

#### **Recommendation #4 – Nondiscrimination policy**

*Chancellor Cigarroa said the U. T. System takes seriously any antidiscrimination issues, and he said he will look into the recommendation within the parameters of State and federal statutes.*



Recommendation #5 – Campus safety

Regent Gary asked about the degree with which students feel safe on U. T. System campuses, and Ms. Edinborough and Mr. Carpenter said students have expressed some anxiety about their safety in today's world. In response to a question from Chancellor Cigarroa about specific improvements to make campuses more safe, Mr. Carpenter discussed the problem of information overload and the need to personalize important messages to help students filter through messages and learn what to do in emergency situations. Executive Vice Chancellor Shine suggested the recommendation be forwarded to the U. T. System Emergency Management Committee, and Associate Vice Chancellor Reyes agreed. Committee Chairman Dannenbaum suggested that Committee look at the best possible response for both individual and campuswide incidents.

Recommendation #3 – Students with disabilities

Chancellor Cigarroa responded to the recommendation by saying this is an area where there may be opportunities to learn from each other with best practices. He thought there might also be opportunities in shared services that the U. T. System might provide. Committee Chairman Dannenbaum said the U. T. System has a long and robust history in this area and he asked if there is coordination with the Office of Facilities Planning and Construction (OFPC) to which Chancellor Cigarroa responded that there is close coordination in that remodeling or renovation of facilities must comply with American with Disabilities Act (ADA) Accessibility Guidelines. Dr. Cigarroa recommended enhancing the presentation at student orientation of what is available on campuses for students with disabilities.

Recommendation #2 – Student Regent

Regent Gary commented that Student Regents have contributed greatly to the discussions at the Regent level, providing a significant source of information for members of the Board. In regard to voting rights for Student Regents, Regent Hicks commented that there has not been a decision that has been voted on since he has been on the Board that has not been unanimous, implying that input from the Student Regent is taken into consideration and there would probably not be a practical difference if the Student Regent had voting rights. Regent Meijer agreed with Regent Hicks about the voting rights of Student Regents and spoke in favor of the recommendation of a Student Regent-Designate position. Mr. Carpenter thanked Regent Meijer for his frequent and helpful communications with SAC members, and he noted discussions were held with members of the National Coalition of Graduate Students across the U.S., a group that started at U. T. Austin, on the topic of voting rights for Student Regents. Mr. Carpenter asked for any input as the SAC crafts agendas for the next Legislative Session.

ADJOURNMENT

Committee Chairman Dannenbaum adjourned the meeting at 10:25 a.m.



## The University of Texas System Chancellor's Entrepreneurship and Innovation Awards 2010

The University of Texas System is pleased to announce the winners of **The Chancellor's Entrepreneurship and Innovation Awards Program 2010**. Regent James D. Dannenbaum, P.E., recognized the award nominees and recipients in March 2010. This prestigious award program was established to promote a culture of entrepreneurship throughout the University of Texas System by recognizing researchers who exemplify ingenuity, creativity, and innovation in translating research into useful products and services. Awards acknowledge commercialized research that has had a profound impact on the citizens of Texas and on all of society. The awards are distributed for technologies developed at a single institution and cross-institutional collaborative teams.



The Selection Committee was comprised of the following members:

1. *President Kirk Calhoun*, University of Texas Health Science Center at Tyler
2. *Mr. Tommy Harlan*, founder and CEO of Emergent Technologies, Inc.
3. *Mr. Shakar Rao*, Worldwide Manager of Medical Electronics Solutions, Texas Instruments, Inc.
4. *Mr. John Schrock, Jr.*, President and CEO of Lifetime Industries, Inc.
5. *Dr. Olivier Wenker*, Director, Office of Technology Discovery and professor of anesthesiology, University of Texas M. D. Anderson Cancer Center



The University of Texas System  
Chancellor's Entrepreneurship and Innovation Awards 2010

**Category I: Research and Innovation Developed at a SINGLE Institution**

<i>Winner:</i> Borje S. Andersson, M.D., Ph.D. Bulsulfan for Stem Cell Transplantation	U. T. M. D. Anderson Cancer Center
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Mario Diaz, Ph.D. Center for Gravitational Wave & Astronomy	U. T. Brownsville
Carl Dirk, Ph.D. Light Filters	U. T. El Paso
Rinat Esenaliev, Ph.D. Non-invasive Therapeutic and Diagnostic Technologies	U. T. Medical Branch - Galveston
John B. Goodenough, Ph.D. Materials Science; Lithium-ion Batteries	U. T. Austin
George Kondraske, Ph.D. Human Performance Measurement, Text Messaging Platform	U. T. Arlington
Karen Lozano, Ph.D. ForceSpinningTM- Volume Production of Nanofibers	U. T. Pan American
Jonathan Ophir, Ph.D. Non-invasive Diagnostic Imaging for Tumors	U. T. Health Science Center - Houston
Will Rosellini, JD, M.B.A. Michael Kilgard, Ph.D. Lawrence Cauller, Ph.D. MicroTransponder - Wireless Neurostimulation System	U. T. Dallas
Pete Shepherd, Ph.D. John Steinke, Ph.D. Point-of-care Blood Analyzers AVOXimeters	U. T. Health Science Center - San Antonio

**Category II: Research and Innovation Developed at MULTIPLE Institutions**

<i>Winner:</i> Marc Feldman, M.D. Tom Milner, Ph.D. OCT Imaging to Identify Vascular Lesions	U. T. Health Science Center - San Antonio U. T. Austin
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Raul Fernandez, Ph.D. Richard Bergs, M.S. Jeffrey Cadeddu, M.D. Daniel Scott, M.D. Magnetic Anchoring and Guidance System (MAGS) Platform	U. T. Arlington U. T. Arlington U. T. Southwestern Medical Center - Dallas U. T. Southwestern Medical Center - Dallas
Guangming Zhong, M.D., Ph.D. Bernard Arulanandam, Ph.D., M.B.A. Ashlesh Murthy, Ph.D. <i>Chlamydia trachomatis</i> Vaccine	U. T. Health Science Center - San Antonio U. T. San Antonio U. T. San Antonio