

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

May 8 - 9, 2013

Austin, Texas

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/s/ Carol A. Felkel
Secretary to the Board of Regents
September 16, 2013



SCHEDULE OF EVENTS FOR BOARD OF REGENTS' MEETING

May 8-9, 2013
Austin, Texas

*U. T. System Administration, Ashbel Smith Hall, 9th Floor, 201 West Seventh Street
Office of the Board of Regents: 512.499.4402*

Wednesday, May 8, 2013

Audit, Compliance, and Management Review Committee	9:00 a.m.
Academic Affairs Committee	10:30 a.m.
Lunch	12:00 p.m.
Finance and Planning Committee	12:30 p.m.
Health Affairs Committee	1:30 p.m.
Facilities Planning and Construction Committee	3:00 p.m.
Technology Transfer and Research Committee	4:00 p.m.
Recess	5:00 p.m.
Reception/Dinner	6:00 p.m.

Thursday, May 9, 2013

Meeting of the Board - Open Session	8:30 a.m.
Meeting of the Board - Executive Session	11:00 a.m.
Meeting of the Board - Open Session	12:45 p.m.
Adjourn	1:15 p.m. <i>approximately</i>

MINUTES
U. T. System Board of Regents
Audit, Compliance, and Management Review Committee
May 8, 2013

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 9:00 a.m. on Wednesday, May 8, 2013, in the Conference 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 Pejovich, presiding
Vice Chairman Foster
Regent Cranberg
Regent Hall

Also present were Chairman Powell, Vice Chairman Dannenbaum (for the end of Item 5 and Item 6), Vice Chairman Hicks, Regent Gary, Regent Purgason, Regent Stillwell, and General Counsel Frederick.

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

RECESS TO EXECUTIVE SESSION (ASH 9 Conference Room)

At 9:00 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 the Chief Audit Executive concerning personnel matters relating to appointment, employment, evaluation, assignment, duties, discipline, or dismissal of individual System Administration and institutional officers or employees involved in internal audit functions

RECONVENE IN OPEN SESSION

The Executive Session ended at 9:13 a.m., and the Committee reconvened in Open Session in the Board Meeting Room. No action was taken on the item discussed in Executive Session.

1. **U. T. System Board of Regents: Review of Consent Agenda items, if any, referred for Committee consideration**

Committee Meeting Information

Presenter(s): Chairman Pejovich

Status: Reported

There were no items referred from the Consent Agenda.

2. **U. T. System Board of Regents: Deloitte Report on the Strategic Assessment of the U. T. System Internal Audit Services**

Committee Meeting Information

Presenter(s): Chairman Pejovich; Ms. Kathie Schwerdtfeger, Deloitte

Status: Reported

Discussion at meeting:

This item was considered third, after Items 7 and 4.

Regent Hall commented that Deloitte was asked to perform a review of internal audit primarily as a result of failures by the Chief Audit Executives at U. T. Southwestern Medical Center and U. T. System. He said that according to the investigative report by Paul Hastings, the failures by internal audit were a tendency to conduct very narrow reviews and failing to be truly inquisitive. He said the audit reports also failed to include any information that might have caused a reader to question the appropriateness of travel and entertainment expenses. Lastly, he said internal auditors thought they had a higher duty to protect the public reputation of the institution rather than inform the U. T. System Board of Regents of critical findings. He said he brought this up because of the previous lack of independence and objectivity of the internal auditors.

Regarding institutional audit committee composition, Regent Hall asked if it is fair to conclude that the best practice of an institutional audit committee should only include external auditors or should they be nonvoting members? Ms. Schwerdtfeger agreed that external auditors should be the only voting members and management (institutional presidents) should participate without voting. Regent Hall observed that regardless of how U. T. structures its institutional audit committees, the Audit, Compliance, and Management Review Committee (ACMRC) should retain oversight of those audit committees and the Chief Audit Executive.

Regent Hall asked whether or not the ACMRC should be able to direct the efforts of the institutional audit committees when findings are not comprehensive or details are omitted. Ms. Schwerdtfeger responded by saying that the ACMRC should act more

deliberatively and in light of the opinions from auditors, but she reinforced the notion that a Chief Audit Executive ought to be independent and warned against directing auditors to the extent that they are no longer regarded as independent.

In response to a question from Committee Chairman Pejovich about thoughts by campus personnel on the assessment process, Mr. Peppers said that overall, there were positive comments and strengths, and he said the discussions are healthy.

3. U. T. System Board of Regents: Authorization to enter into contract(s) with external provider(s) selected through the request for proposals process to provide external quality assessments of the internal audit functions and allocation of funds

Committee Meeting Information

Presenter(s): Mr. J. Michael Peppers, Chief Audit Executive

Status: Approved

Motion: Made by Vice Chairman Foster, seconded by Regent Hall, and carried unanimously

Discussion at meeting:

Committee Chairman Pejovich asked if the external review would be staff neutral, and Mr. Peppers agreed no additional staff would be needed. He noted the external review itself, however, could have comments regarding staffing levels, but that would be a subsequent issue.

Committee Chairman Pejovich asked if the focus of the external review is on quality, and Mr. Peppers confirmed that and added it is also to focus on the conformance to auditing standards. She also asked about the reporting structure of the external reviewers, and Mr. Peppers explained there would be separate opinions at each institution and the observations would go to the institutional audit committee and then to the Audit, Compliance, and Management Review Committee, which would receive all 16 reports from the institutions.

4. U. T. System: Update on the status of the Systemwide internal audit of development activities and a report on the State Auditor's Office Statewide Single Audit for FY 2012 and related discussions

Committee Meeting Information

Presenter(s): Chairman Pejovich; Mr. J. Michael Peppers, Chief Audit Executive

Status: Reported/Discussed

Follow-up action: Regent Hall asked that his letter and attached summary of activity be included with the auditor's file and provided to anyone seeking a copy of the audit report. Regent Pejovich agreed that the document be added to the file record on the audit and included in any release of the final audit report and that all Regents receive the attachment.

Discussion at meeting:

(This item was considered second.)

Regent Hall read portions of a “chronology” document he wrote to Chancellor Cigarroa dated May 6, 2013, related to the U. T. System Audit Office report dated April 2013 on the Audit of Development Activities at U. T. Austin, and he asked that this letter and the attached summary of activity be included with the auditor’s file and provided to anyone seeking a copy of the audit report. The letter and attachment are included in these Minutes (see Pages 7 - 11).

Committee Chairman Pejovich agreed that as the information is prepared by the U. T. System Office of External Relations, the document be added to the file record on the audit and included in any release of the final audit report and that all Regents receive the attachment. She noted that included in the copy and management’s response is a letter by the University Development Office at U. T. Austin.

Committee Chairman Pejovich asked Mr. Peppers if it is typical to have such a specific item included in a management response from a campus, and Mr. Peppers said no, but in this case, the institution still has a disagreement with the position taken by the Audit Office. As noted in the response, further resolution needs to occur and is being requested. He said his office will ensure the matter is fully implemented by U. T. Austin. In further reply to a question from Regent Pejovich, Mr. Peppers said Council for Advancement and Support of Education (CASE) guidelines are stated in the report, and U. T. Austin made adjustments to their reports following direction. Mr. Peppers agreed that Regent Hall’s chronology outlines those actions as well.

Chancellor Cigarroa said the numbers of dollars raised in the capital campaign have been adjusted not to include in-kind software grants, such as the grant from Landmark Graphics, as gifts. Mr. Peppers said that is correct, and the U. T. Austin report is in compliance with CASE guidelines and does not include such gifts. At least the items tested are in compliance.

Vice Chairman Foster said U. T. Austin staff made their disagreement known to Mr. Peppers, and the adjustment is being handled in the reporting. Mr. Peppers said this is correct. Regent Hall asked Mr. Peppers if he has seen nonemployees speak on behalf of management as has happened in this situation, and Mr. Peppers said no, that as management at U. T. Austin communicated with the Audit Office, that became their position; they were incorporating it by reference.

5. U. T. System: Report on enhancements to U. T. Systemwide Research Compliance Program

Committee Meeting Information

Presenter(s): Mr. Larry Plutko, Systemwide Compliance Officer; Dr. Wesley Byerly, Assistant Systemwide Compliance Officer

Status: Reported/Discussed

Discussion at meeting:

Regent Cranberg asked about efforts to streamline compliance burdens for researchers, and Dr. Byerly explained work that is addressing some of these activities nationally and locally, including formation of the U. T. System Institutional Compliance Advisory Council, the National Center for Regulatory Sciences, and the Federal Demonstration Partnership vice-chaired by Dr. Susan Sedwick, Associate Vice President for Research and Director in the Office of Sponsored Projects at U. T. Austin.

Vice Chancellor Hurn elaborated on these efforts, and Chancellor Cigarroa noted that the regulatory burdens are cumulative from the campuses, the federal government, and other agencies. Dr. Shine suggested U. T. Systemwide regulations also be reviewed.

Regent Purgason said in regard to Institutional Animal Care and Use Committees that regulate research, online technologies can be harnessed to streamline the process. Dr. Byerly said this is being explored, and Mr. Plutko suggested ways compliance and operations could merge that could impact revenues, such as in medical billing.

Vice Chairman Foster asked who serves on the Compliance Council, and Dr. Byerly replied U. T. System research compliance individuals sit on the Council.

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

Committee Meeting Information

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

Status: Reported/Discussed

Discussion at meeting:

Vice Chairman Dannenbaum asked if the benchmark for excessive accumulations is set internally, and Dr. Safady responded affirmatively, adding that each institution sets its own acceptable standards for endowment compliance, following recommendations from the U. T. Systemwide Endowment Compliance Committee. Dr. Safady

answered a question from Chancellor Cigarroa by saying there is no other institution doing as comprehensive work in in-depth risk assessment and reporting as the U. T. System.

Regent Gary asked if, given the number of endowments, there is a dollar threshold for standard endowment agreements, and Dr. Safady said most endowment agreements are fairly standard, but each endowment has its own nuances. She emphasized the importance of some flexibility in the endowment agreements.

Regent Cranberg asked if there is a way to compare or benchmark the analogous performance of affiliated foundations, and Ms. Charlotte Hambrick, U. T. System Director of Endowment Compliance and Development Operations, said all the U. T. related endowments are included in this program and analyzed in the same way.

Regent Hall asked a question about delivery of endowment reports to heirs, and if there is no heir for a donor, what checks and balances exist for donor reports. Dr. Safady said if there is not an heir, there is usually a trustee or bank trust or the next closest family member is contacted. Regent Hall suggested the U. T. System become the recipient of endowment reports if there is no active donor to ensure the funds are used as intended by the donor. Dr. Safady said she will consider the idea and respond back to Regent Hall. Regent Stillwell and Dr. Safady further discussed the honoring of donor intent.

7. U. T. System: Discussion and appropriate action regarding review of institutional compliance with the Texas Public Information Act

Committee Meeting Information

Presenter(s): Chairman Pejovich

Status: Reported

Follow-up action: Chancellor Cigarroa to provide feedback and recommendation on the direction of review of compliance with the Texas Public Information Act at the next Audit, Compliance, and Management Review Committee (ACMRC) meeting.

Discussion at meeting:

(This item was considered first.)

Committee Chairman Pejovich asked that with regard to the Texas Public Information Act and in the spirit of continual improvement, Chancellor Cigarroa provide feedback and recommendation on the direction of review of the compliance process at the next ACMRC meeting.

ADJOURNMENT

Committee Chairman Pejovich adjourned the meeting at 10:39 a.m.



The University of Texas System
 Nine Universities. Six Health Institutions. Unlimited Possibilities.

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June 25, 2013

Francisco G. Cigarroa, M.D.
 Chancellor
 The University of Texas System
 601 Colorado Street, Suite 404
 Austin, Texas 78701-2901

Dear Chancellor Cigarroa:

The University of Texas System Audit Office recently issued an audit report dated May 2013 titled *Audit of Development Activities at The University of Texas at Austin*. The audit identified a significant overstatement of what was reported as charitable giving at U. T. Austin over a six-year period from Fiscal Years 2007 through 2012. The total overstated amount was approximately \$216 million or 12 percent of the total fundraising since 2007.

In the past, I have expressed my concern that not having a senior executive leading U. T. Austin's capital campaign resulted in many of the schools and colleges failing to meet the campaign goals set in 2007. I also believe that experienced leadership with oversight for development could have either prevented the software licensing loan from Landmark Graphics from being added to the capital campaign totals or would have more quickly resolved the valuation issue once it was questioned by the U. T. System.

I asked the Vice Chancellor for External Relations to submit a chronology of dates of emails and meetings on this issue. Attached is that chronology in the form of a summary of activity that occurred over a six-month period in the effort to amend the overreporting of charitable giving at U. T. Austin. The summary includes some dates and emails of activity provided by the Office of the Board of Regents.

I think the summary provides important background information related to the audit at U. T. Austin. I provide it for your information and also ask that this letter and the attached summary of activity be included with the auditor's file and provided to anyone seeking a copy of the audit report.

Sincerely,

Wallace L. Hall, Jr.
 The University of Texas System Board of Regents

WLH/hw
 Attachment

- c: Members, U. T. System Board of Regents
 Executive Vice Chancellor for Academic Affairs Pedro Reyes
 Vice Chancellor for External Relations Randa S. Safady
 Chief Audit Executive J. Michael Peppers
 General Counsel to the Board Francie A. Frederick

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

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

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Summary of Activity
To Accompany the May 2013 Audit Report Titled
Audit of Development Activities at
The University of Texas at Austin

The activities to amend the overstatement of charitable giving by UT Austin are summarized over a six-month period from July 7, 2012 to January 17, 2013:

- July 7 and 9. UT System makes inquiries of UT Austin regarding the University's method for valuing nonmonetary gifts to determine if valuations for software licensing grants were meeting CASE reporting standards.
- July 10. Meeting occurs; attended by UT System Regent Wallace L. Hall, Jr., Chancellor Francisco G. Cigarroa, President William C. Powers, Jr., Executive Vice Chancellor for Academic Affairs Pedro Reyes, Vice Chancellor for Development and External Relations Randa Safady, and General Counsel to the Board Francie Frederick, for the purpose of discussing the progress of the capital campaign at UT Austin. Other UT Austin participants included Deputy to the President Nancy Brazzil and Julie Hooper, a development professional representing the Development Office for David Onion, who was on vacation. Regent Hall notes the extraordinary growth in nonmonetary gifts during the campaign, and he requests additional information on what assets comprise the nonmonetary gift totals.
- August 8. UT System makes inquiry to CASE whether the gift of a software licensing agreement to UT Austin from Landmark Graphics Corporation could be counted as part of UT Austin's capital campaign reports, using national standard guidelines produced by CASE. The grants from Landmark were valued at approximately \$44.2 million and \$123 million in Fiscal Years 2012 and 2011 respectively. CASE officials state that no monetary gift value may be assigned for the software licenses for reporting campaign results to them, according to their national counting and reporting guidelines.

Summary of Activity
To Accompany the May 2013 Audit Report Titled
Audit of Development Activities at
The University of Texas at Austin

- August 14. UT System's Vice Chancellor Safady gives advance notice to UT Austin's Senior Associate Vice President for Development David Onion of a pending request from Chancellor Cigarroa. Cigarroa has asked Executive Vice Chancellor Reyes to notify President Powers that UT Austin's charitable giving reports must be amended to remove any dollar values assigned to any gifts of software licensing not allowable in CASE reporting guidelines. Vice Chancellor Safady shares with Senior AVP Onion an estimate that the nonmonetary gifts for UT Austin are overstated by approximately \$44.2 million and \$123 million for Fiscal Years 2012 and 2011 respectively. She also conveys CASE's assessment that no monetary values should be assigned to gifts of software licensing agreements, when reporting campaign totals to CASE (and, per the Chancellor, by extension to the Board of Regents and the public).
- August 15. Senior AVP Onion informs Vice Chancellor Safady that he has briefed President Powers.
- August 21. UT Austin attorneys Associate Vice President Jeff Graves and Associate Vice President Leo Barnes issue their opinion that a monetary value may not be assigned to software license agreements according to CASE standards. (In a 2013 phone call with General Counsel to the Board Frederick, Vice President for Legal Affairs Patricia Ohlendorf advised that she determined that the gift tax and unrelated business income tax issues involved merited further review by outside tax counsel.)
- August 21. Vice President Ohlendorf sends an email to Vice Chancellor Safady and UT System's Vice Chancellor and General Counsel Barry Burgdorf informing them that President Powers has asked her office to look into the issue regarding the gift reporting of Landmark software licenses and to review relevant law, documents, and CASE rules.

Summary of Activity
To Accompany the May 2013 Audit Report Titled
Audit of Development Activities at
The University of Texas at Austin

- Late August. Vice President Ohlendorf asks Vice Chancellor and General Counsel Barry Burgdorf for permission to use an existing contract at UT System to hire Vinson & Elkins (V&E) as outside legal counsel to seek interpretation about the application and effective date of clarified CASE guidelines. Vice Chancellor Burgdorf engages V&E under an existing contract for tax issues. The total amount paid to V&E is \$67,998 for services rendered from July 17, 2012 to December 31, 2012.
- September 5. UT System issues written instruction to all UT System institutions to pay special attention to CASE and CAE guidelines regarding the valuation of nonmonetary gifts when completing the annual Voluntary Support of Education survey to be submitted nationally and to the UT System by October 31. [Regents' Rule 60301, Section 9, requires institutions to participate in the annual survey.]
- October 29. V&E attorneys Harry Reasoner, Don Wood, (and Julianna Hunter who participated by phone), and Patti Ohlendorf meet in Washington, D.C. with CASE President John Lippincott and other CASE officials to convey their opinions on why a monetary value should be allowed to be assigned to gifts of software licensing agreements. Regent Hall attended the meeting (and Vice Chancellor Safady and General Counsel Frederick participated by phone). President Lippincott responds that while the software license agreements could be publicized and celebrated to any extent desired by the university, CASE did not recognize them as charitable and therefore could not be reported in campaign totals to CASE. Lippincott mentions that the CASE membership decided in recent years to continue to disallow specific software grants in campaign counting reporting to CASE.

Summary of Activity
To Accompany the May 2013 Audit Report Titled
Audit of Development Activities at
The University of Texas at Austin

- November 13. Although UT Austin was directed by UT System on August 14 not to include it, on September 5 to pay special attention to CASE guidelines on the valuation of nonmonetary, and October 29 when CASE gave its opinion that it was not countable to CASE based on its published counting and reporting guidelines, UT Austin submits its charitable giving report for Fiscal Year 2012, for national publication, and to the UT System containing an assigned value of \$44.2 million for a software license gift. Vice Chancellor Safady asks UT Austin to submit an amended report. Safady contacts Nancy Brazzil about it, and Brazzil responds that she will immediately notify John McCall in Development to correct and resubmit it.
- November 29. UT Austin sends an amended Fiscal Year 2012 report removing the \$44.2 million software licensing gift.
- November 30. Chancellor Cigarroa sends letter to UT System presidents informing them to comply with CASE reporting standards. He reiterates that only one reporting standard will be used to ensure that accurate charitable giving information is available to the UT System Board of Regents and by extension, to the public.
- December 11. During the course of the audit of the development activities at UT Austin, UT System internal audit staff ask officials at the CAE if erroneous figures from prior years need to be restated. The CAE confirms that restatement is required.
- January 17. Following a conversation between UT System and UT Austin staff, UT Austin submits amended reports from Fiscal Years 2007 through 2011 to correct the overstatement of charitable giving in those years.

MINUTES
U. T. System Board of Regents
Finance and Planning Committee
May 8, 2013

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 12:57 p.m. on Wednesday, May 8, 2013, 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 Cranberg
Regent Gary
Regent Hall
Regent Pejovich

Also present were Chairman Powell, Regent Purgason, Regent Stillwell, and General Counsel 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 Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

Committee Meeting Information

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

There were no items referred from the Consent Agenda.

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/Discussed*

Discussion at meeting:

Vice Chairman Foster asked if the 2% increase in Fringe as a Percentage of Salaries was primarily caused by health care, and Dr. Kelley said yes, over half, or approximately 75% of the increase is due to health care.

Regent Stillwell asked Dr. Kelley about the value in the use of synthetics or hedging transactions, and Dr. Kelley said they are worth tens of millions of dollars a year though the figures vary from year to year.

Dr. Kelley spoke about the financial state of the university as reflected in the key financial indicators.

3. U. T. System: Approval of the Fiscal Year 2014 Budget Preparation Policies and Calendar

Committee Meeting Information

Presenter(s): Mr. Randy Wallace, Associate Vice Chancellor, Controller, and Chief Budget Officer

Status: Approved

Motion: Made by Regent Gary, seconded by Regent Hall, and carried unanimously

Discussion at meeting:

Mr. Wallace pointed out the new part of the policy regarding annual performance appraisals.

4. U. T. System Board of Regents: The University of Texas Investment Management Company (UTIMCO) Performance Summary Report and Investment Reports for the quarter ended February 28, 2013

Committee Meeting Information

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

Status: Reported/Discussed

Discussion at meeting:

Committee Chairman Foster congratulated Mr. Zimmerman as recipient of the Outstanding Contribution Award by Institutional Investor magazine for “overseeing the development and expansion of one of the most sophisticated and successful hedge fund portfolios being operated by a large public endowment.”

Mr. Zimmerman said that for the eight months through the end of April 2013, endowments will be up approximately 8% and the Intermediate Term Fund (ITF) is up about 7.25%. He said the portfolio is looking good as measured by the difficulty of divesting some funds to invest, saying this is a good problem to have. He also expressed satisfaction with his team.

ADJOURNMENT

Committee Chairman Foster adjourned the meeting at 1:25 p.m.

MINUTES
U. T. System Board of Regents
Academic Affairs Committee
May 8, 2013

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 10:44 a.m. on Wednesday, May 8, 2013, 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 Hicks, presiding
Vice Chairman Foster
Regent Hall
Regent Pejovich
Regent Stillwell

Also present were Chairman Powell, Vice Chairman Dannenbaum, Regent Cranberg, Regent Gary, Regent Purgason, and General Counsel Frederick.

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 Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

Committee Meeting Information

Presenter(s): Chairman Hicks
Status: Reported

There were no items referred from the Consent Agenda.

2. **U. T. Austin: Approval of the Campus and Medical District Master Plan**

Committee Meeting Information

Presenter(s): President William Powers, Jr., Mr. Lawrence Speck, Professor, School of Architecture, U. T. Austin
Status: Approved
Motion: Made, seconded by Vice Chairman Foster, and carried unanimously

Discussion at meeting:

Chancellor Cigarroa asked if the enterprise zone will be ideal for faculty to translate discoveries to the market, and Mr. Speck said yes, the location would be an ideal location for commercialization and to retain faculty and students. Chancellor Cigarroa also asked what the East Campus would look like in terms of corridors and movement of people. Mr. Speck said that at Manor Road there is a good connection under Interstate Highway 35 that is not yet fully utilized but it will be critical to strengthen that connection as the East Campus Master Plan is developed.

Regent Stillwell asked if there is sufficient room for the Waller Creek improvement and light rail, and Mr. Speck explained proposed efficiencies in parking and closing of 21st to 24th Streets for everything except the light rail and bicycle traffic. Vice Chairman Dannenbaum asked about commercial traffic on 21st Street, and Mr. Speck explained there would be pull-off lanes for UPS trucks and other commercial traffic to park and an existing guard booth controls the flow of traffic from the Littlefield Fountain east. In reply to further questions from Vice Chairman Dannenbaum, Mr. Speck explained the possibility of an additional chilling station and bidirectional light rail traffic.

Regent Purgason asked where the Frank C. Erwin Center will eventually be located. Mr. Speck explained that the relocation would be part of the athletic master plan and other possibilities are being explored for a site for basketball games. Regent Purgason commented on the planned expansion of research and academic buildings for faculty research.

3. **U. T. Arlington: Approval of updated Campus Master Plan to expand the real estate acquisitions zone to add the area immediately across South Center Street from U. T. Arlington's College Park Center and bounded by South Center Street, East Third Street, Mesquite Street, and East Mitchell Street**

Committee Meeting Information

Presenter(s): President James D. Spaniolo, U. T. Arlington; Ms. Florence Mayne, Executive Director of Real Estate

Status: Approved

Motion: Made by Regent Hall, seconded by Vice Chairman Foster, and carried unanimously

4. **U. T. San Antonio: Progress on implementation of the Framework for Advancing Excellence throughout The University of Texas System**

Committee Meeting Information

Presenter(s): President Ricardo Romo, U. T. San Antonio

Status: Reported/Discussed

Discussion at meeting:

Chancellor Cigarroa asked what four- and six-year graduation rates U. T. San Antonio (UTSA) is looking at to be the best of its peers in the next few years. President Romo said UTSA would be aiming for 30%. Chancellor Cigarroa and Dr. Reyes discussed management solutions to keep the Framework on track for UTSA. Chancellor Cigarroa asked about lowering the financial burden on students and mentioned that 80% of students who default on loans do not graduate. President Romo explained that overcoming financial and academic complications is possible in the next four years to make progress as a school.

Regent Cranberg asked about the relative roles of large, online, and small classes in assuring student success. President Romo explained that under his leadership, UTSA has brought in more funding over the last few years, but that the student-to-faculty ratio is not changing much. President Romo also mentioned that UTSA is working to add technology and use small classes to increase retention and implement solutions as quickly as possible.

Regent Hall asked, in terms of seed funding, how much money UTSA is attempting to accumulate to finance its strategy to increase access to technology for student learning and online initiative. President Romo said an exact number has not been put on the effort, but it is difficult to secure philanthropy for these initiatives as opposed to scholarship funding. Regent Hall asked if there is someone tasked with the responsibility to implement these solutions, and President Romo said the Provost is responsible and is working on these hybrid programs and on IT workshops for faculty. President Romo also mentioned the possibility of a challenge grant and said it will take time to realize these goals.

5. U. T. Arlington: Honorific naming of the Practice Facility in the College Park Center as the Carrizo Oil & Gas Practice Facility

Committee Meeting Information

Presenter(s): Committee Chairman Hicks

Status: Approved

Motion: Made by Regent Hall, seconded by Regent Pejovich, and carried unanimously

6. U. T. Dallas: Honorific naming of the Arts and Technology Facility as the Edith O'Donnell Arts and Technology Building

Committee Meeting Information

Presenter(s): Committee Chairman Hicks

Status: Approved

Motion: Made by Regent Hall, seconded by Regent Pejovich, and carried unanimously

7. **U. T. System Board of Regents: Approval to create the University College at U. T. Pan American and amendment of the Regents' Rules and Regulations, Rule 40601, Section 1.8 to add Subsection (h) to include the University College**

Committee Meeting Information

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

Status: Approved

Motion: Made, seconded, and carried unanimously

8. **U. T. System: Discussion and appropriate action related to submission of updated strategic plans for research for U. T. Arlington, U. T. Dallas, U. T. El Paso, and U. T. San Antonio, as well as the plan for U. T. Austin**

Committee Meeting Information

Presenter(s): Dr. Pedro Reyes, Executive Vice Chancellor for Academic Affairs; President James D. Spaniolo, U. T. Arlington; President William Powers, Jr., U. T. Austin; President David E. Daniel, U. T. Dallas; President Diana S. Natalicio, U. T. El Paso; President Ricardo Romo, U. T. San Antonio

Status: Approved

Motion: Made, seconded by Regent Hall, and carried unanimously

RECESS AND RECONVENE

Committee Chairman Hicks recessed the Committee from 12:00 p.m. - 12:15 p.m. for lunch.

9. **U. T. System: Discussion on the role of private industry in funding research in business and engineering**

Committee Meeting Information

Presenter(s): President David E. Daniel, U. T. Dallas; Dr. Pedro Reyes, Executive Vice Chancellor for Academic Affairs

Status: Discussed

Discussion at meeting:

This session was moderated by Executive Vice Chancellor Reyes.

Dr. Reyes explained that the collaboration between the industry and the U. T. System would expand research opportunities and progress, and asked how best to get industry to sponsor research.

Dr. Daniel explained that sponsorship usually happens when industry has developed relationships with, or interest in, the research of professors in the local area and they usually hire professors and students.

ADJOURNMENT

Committee Chairman Hicks adjourned the meeting at 12:50 p.m.

MINUTES
U. T. System Board of Regents
Health Affairs Committee
May 8, 2013

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 1:30 p.m. on Wednesday, May 8, 2013, 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 Dannenbaum (present for Items 5 and 8)
Vice Chairman Foster
Regent Gary
Regent Hall

Also present were Chairman Powell (for all items except most of Item 5 and Item 8), Vice Chairman Hicks, Regent Pejovich, Regent Purgason, 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: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

Committee Meeting Information

Presenter(s): Committee Chairman Stillwell
Status: Reported

There were no items referred from the Consent Agenda.

2. **U. T. M. D. Anderson Cancer Center: Honorific naming of the Cancer Prevention Center for Ms. Lyda Hill**

Committee Meeting Information

Presenter(s): Ronald A. DePinho, M.D., President, U. T. M. D. Anderson Cancer Center
Status: Approved
Motion: Made by Vice Chairman Foster, seconded by Regent Hall, and carried unanimously

3. U. T. Health Science Center - Houston: Report on dentistry workforce issues in Texas

Committee Meeting Information

Presenter(s): John Valenza, D.D.S., Professor in the Department of General Practice and Dental Public Health and Dean of the School of Dentistry, U. T. Health Science Center - Houston

Status: Reported/Discussed

Discussion at meeting:

Dr. Shine said the U. T. System has two dental schools -- in Houston and San Antonio. Dr. Shine introduced William W. Dodge, D.D.S., Dean of the Dental School at U. T. Health Science Center - San Antonio, who also spoke briefly.

Chancellor Cigarroa asked how to attract a pipeline of the best faculty to the dental schools, and Dr. Valenza said competitive faculty salaries are a key point.

Dr. Cigarroa also asked about the Transformation in Medical Education (TIME) initiative in dentistry, and Dr. Valenza weighed various options for accelerating the degree-granting process for dental schools, including the six-year European model. He emphasized that he supports a one-year residency before practicing, but addressed the limited number of residency slots and financial constraints of student debt.

In response to a question from Regent Stillwell, Dr. Valenza affirmed that with the current population growth, there will not be a sufficient number of dentists for Texas. While the growth rate of dental schools nationally may be enough to keep up with national population growth, Texas does not have enough dentists to keep up with its own population growth. Dr. Shine and Dr. Valenza said that historically, organized dentistry has not been enthusiastic about new dentists and especially mid-level providers. Dr. Shine spoke about the resistance to expanding dental education in the state. Committee Chairman Stillwell suggested that the dental community needs to address the number of dentists, time to degree, and the debt issue; and Vice Chairman Foster questioned how much money is actually saved by compressing time to degree by reducing the undergraduate curriculum by one year.

Vice Chairman Foster asked if there is an effort to teach business practices to dental students, and Dr. Valenza said it is difficult for students to absorb and apply these skills while in dental school. He spoke about assistance offered by a professional resource center.

Regent Purgason said she has heard that students do not have too much of an issue paying off their debt, and she asked about student career choices. Dr. Valenza said he has seen more dentists transition to specialties, attracted by the higher income.

4. U. T. System: Discussion on Ph.D. career counseling programs at U. T. System health institutions

Committee Meeting Information

Presenter(s): Giuseppe N. Colasurdo, M.D., President, U. T. Health Science Center - Houston; Ronald A. DePinho, M.D., President, U. T. M. D. Anderson Cancer Center; Daniel K. Podolsky, M.D., President, U. T. Southwestern Medical Center; David L. Callender, M.D., President, U. T. Medical Branch - Galveston; William L. Henrich, M.D., President, U. T. Health Science Center - San Antonio
Status: Reported/Discussed

Discussion at meeting:

Committee Chairman Stillwell asked about truth in advertising, what students are being told about their prospects, evolving challenges, and risks involved. Regent Purgason said UTMB has a good culture and resources of encouraging students. She commented on the importance of the mentor/mentee relationship. President Podolsky commented on the long-term outlook for the welfare of the student. President Henrich spoke about the importance of a counseling committee comprised of faculty members other than the primary person supervising the doctoral work and spoke about the relationship and trust that is built. Dr. Shine remarked on the role of the Dean, and Regent Purgason emphasized that while students may need some more support from their mentors, the responsibility still lies with the student to guarantee their own welfare.

5. U. T. System: Report on the challenges in the regulation of research and on the Virtual Center for Regulation of Science

Committee Meeting Information

Presenter(s): Dr. Patricia Hurn, Vice Chancellor for Health Affairs
Status: Reported/Discussed

Discussion at meeting:

This item was taken out of order and presented after Item 7.

Committee Chairman Stillwell suggested keeping meetings about regulatory burdens from themselves becoming part of the regulatory burden, and he suggested singling out just a few burdens to resolve instead of all 11 at once. Dr. Shine mentioned campuses could possibly share institutional review boards as part of the solution, and suggested U. T. System Administration assess its regulatory burdens.

6. U. T. Health Science Center - San Antonio: Update on the San Antonio Children's Hospital

Committee Meeting Information

Presenter(s): William L. Henrich, M.D., President, U. T. Health Science Center - San Antonio
Status: Reported/Discussed

Discussion at meeting:

President Henrich said the children's hospital site has been selected as an 18-acre site on the Greehey Academic and Research Campus. He said the land is leased by the San Antonio Medical Foundation, which is in final negotiations with the Children's Hospital of Philadelphia/Vanguard/Baptist entity, and a final affiliation agreement will be signed at the same time as the lease within the month. He said construction will begin in 2014 and last for about two and a half years. He reported that creation of an integrated approach for children's care is in the works.

7. U. T. Southwestern Medical Center: Report on the West Campus Plan - Phase 1

Committee Meeting Information

Presenter(s): Daniel K. Podolsky, M.D., President, U. T. Southwestern Medical Center
Status: Reported/Discussed

Discussion at meeting:

Regent Gary commented that the project is under budget and six months ahead of schedule.

8. U. T. System: Quarterly report on health matters of interest to the U. T. System, including the role of the U. T. System health institutions under the 1115 Medicaid Waiver Program

Committee Meeting Information

Presenter(s): Kenneth I. Shine, M.D., Executive Vice Chancellor for Health Affairs
Status: Reported/Discussed

Discussion at meeting:

Dr. Shine reported on the following:

- The recent Systemwide Academy of Health Professional Education conference.

- *The effect of sequestration, such as the impact on researchers and students, cuts to Medicare, and the impact on health homes.*

ADJOURNMENT

Committee Chairman Stillwell adjourned the meeting at 3:16 p.m.

MINUTES
U. T. System Board of Regents
Facilities Planning and Construction Committee
May 8, 2013

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 3:17 p.m. on Wednesday, May 8, 2013, 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
Vice Chairman Dannenbaum
Vice Chairman Hicks
Regent Cranberg
Regent Stillwell

Also present were Regent Purgason and Assistant General Counsel Orr.

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 5 - 49.

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

Committee Meeting Information

Presenter(s): Committee Chairman Gary
Status: Reported

There were no items referred from the Consent Agenda.

2. **U. T. Austin: Dell Medical School - Phase 1 - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)**

Committee Meeting Information

Presenter(s): President William Powers, Jr., U. T. Austin
Status: Approved
Motion: Made by Vice Chairman Hicks, seconded by Regent Cranberg, and carried unanimously

3. U. T. Permian Basin: Residence and Dining Hall - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

Committee Meeting Information

Presenter(s): President W. David Watts, U. T. Permian Basin

Status: Approved

Motion: Made by Vice Chairman Hicks, seconded by Regent Cranberg, and carried unanimously

Discussion at meeting:

In reply to a question from Committee Chairman Gary, Dr. Watts said one-eighth of the student body would live on campus, and the long-term goal is to have a population of 1,000 people living on campus. In reply to a question from Vice Chairman Dannenbaum, Dr. Watts said part-time students can live in the housing, although some priority would be given to full-time students.

4. U. T. San Antonio: Engineering Design and Innovation Center - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)

Committee Meeting Information

Presenter(s): President Ricardo Romo, U. T. San Antonio

Status: Approved

Motion: Made by Vice Chairman Hicks, seconded by Regent Cranberg, and carried unanimously

5. U. T. Southwestern Medical Center: West Campus - Phase 1 - Amendment of the FY 2013-2018 Capital Improvement Program to include project and authorization of institutional management (Preliminary Board approval)

Committee Meeting Information

Presenter(s): President Daniel K. Podolsky, M.D., U. T. Southwestern Medical Center

Status: Approved

Motion: Made by Vice Chairman Hicks, seconded by Regent Cranberg, and carried unanimously

6. U. T. M. D. Anderson Cancer Center: Mitchell Building Energy Upgrades - Amendment of the FY 2013-2018 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Vice Chairman Hicks, seconded by Regent Cranberg, and carried unanimously

7. **U. T. Dallas: Parking Structure Phase III - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

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

8. **U. T. El Paso: Student Housing Phase III - Amendment of the FY 2013-2018 Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Vice Chairman Dannenbaum, seconded by Regent Stillwell, and carried unanimously

Discussion at meeting:

Regent Gary asked about the cost increase of the project, and Mr. O'Donnell provided an explanation and said he could get a cost per square foot.

9. **U. T. Health Science Center - San Antonio: Academic Learning and Teaching Center - Approval of design development; and appropriation of funds and authorization of expenditure (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 Stillwell, seconded by Vice Chairman Dannenbaum, and carried unanimously

10. **U. T. Austin: Darrell K Royal - Texas Memorial Stadium - Athletics Offices Infill and Stadium Maintenance and Renovation project - Amendment of the FY 2013-2018 Capital Improvement Program to increase the total project cost; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**

Committee Meeting Information

Presenter(s): Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction

Status: Approved

Motion: Made by Vice Chairman Hicks, seconded by Regent Stillwell, and carried unanimously

Follow-up actions:

1. Mr. O'Donnell will provide the cost per square foot for the project.
2. Dr. Kelley will provide some ranges of data in terms of Revenue Financing System capacity.

Discussion at meeting:

In reply to a question from Regent Cranberg about the cost per square foot proposed for the project, Mr. O'Donnell said that he can get the figure but that it tends to be high. He reviewed the financing increase and scope of the project in answer to questions about space utilization from Regent Cranberg, Vice Chairman Hicks, and Regent Stillwell. President Powers explained there is swapping of academic space that has changed since the first project, and U. T. is getting academic as well as athletic benefits from this project.

Regent Cranberg asked about Revenue Financing System (RFS) capacity, and Dr. Kelley provided assurance the institution has adequate capacity and this project will not use up a significant amount of capacity. Regent Cranberg asked if this capacity might compete with high priority projects, such as the engineering building. Dr. Kelley responded that he could provide some ranges of data in terms of capacity. Regent Stillwell spoke about the prioritization of projects, and Dr. Kelley explained the analysis of the institution's six-year projected plan, saying this project is comfortably in the campus' long-term plans.

ADJOURNMENT

Committee Chairman Gary adjourned the meeting at 3:55 p.m.

Agenda Items

5 Mr. Michael O'Donnell, Associate Vice Chancellor
for Facilities Planning and Construction

Facilities Planning and Construction Committee
U. T. System Board of Regents' Meeting
May 2013



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U. T. System FY 2013-2018 Capital Improvement Program

CIP Total as of May 1, 2013	\$ 6,066,752,543
CIP New Construction Additions	\$ 560,500,000
CIP R&R Construction Additions	\$ 5,700,000
DD Approvals/TPC Modifications	\$ 5,800,000
○ Total Change in CIP	<u>\$ 572,000,000</u>
Projects removed from CIP this quarter	<u>\$ (45,050,000)</u>
CIP Total after today's meeting	\$ 6,593,702,543
CIP Total - May 2011	\$7.2 billion
CIP Total - May 2012	\$6.4 billion



Consideration of Project Additions to the FY 2013-2018 Capital Improvement Program

- Three (3) Academic Projects

- UTAUS Dell Medical School – Phase 1 \$334,500,000
- UTPB Residence and Dining Hall \$32,500,000
- UTSA Engineering Design and Innovation Center \$6,500,000

- Two (2) Health Projects

- UTSWMC West Campus – Phase 1 \$187,000,000
- UTMDACC Mitchell Building Energy Upgrades \$5,700,000



U. T. Austin

Proposal for the

∞ Dell Medical School – Phase 1

Presented by William Powers, Jr.
President



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U. T. Austin Dell Medical School – Phase 1

- New medical construction of 515,000 GSF
 - Education and Administration Building (75,000 GSF)
 - Research Building (240,000 GSF)
 - Medical Office Building (200,000 GSF)
- New construction for parking
 - 1,000 car parking garage (325,000 GSF)



U. T. Austin

Dell Medical School – Phase 1 (cont.)

- Create internationally recognized medical school for high quality education, research, and health care, with accommodation for long-term growth
- \$355 million in federal research funding in 2011, with substantial portion of that from National Institutes of Health (NIH)
- Ranked 7th in the state for NIH funding, with 214 awards totaling almost \$57 million



U. T. Austin

Dell Medical School – Phase 1 (cont.)

- Strengthen core biomedical research
- Catalyze development of new interdisciplinary activities, inventions, and fields
- Scientific importance and real-world application to clinical and community problems
- Draw on University's well-regarded programs in nursing, pharmacy, and social work to educate new physicians
 - Interprofessional team settings that prepare them to function effectively
 - Provide acute and complex care safely
 - Maintain and improve the health of individuals in the community

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U. T. Austin

Dell Medical School – Phase 1 (cont.)

- Need for skilled personnel remains high and is expected to grow
- Part of local community initiative to improve health care outcomes – with Central Health and Seton Healthcare Family
- Teaching hospitals and physicians in training serve high proportion of uninsured and Medicaid populations – 26% uninsured locally



U. T. Austin

Dell Medical School – Phase 1 (cont.)

- Faculty from existing health profession programs can significantly enrich educational experience of doctoral students in medicine
- Medical faculty in turn can improve teaching of other health professions



U. T. Austin Dell Medical School – Phase 1 (cont.)

- Total Project Cost \$334,500,000
 - \$334.5M RFS
- Competitive cost assumptions
 - Medical construction – 515,000/GSF; \$601/GSF
 - Parking garage – 325,000/GSF; \$77/GSF
 - Infrastructure and Site Preparation

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U. T. Austin Dell Medical School – Phase 1 (cont.)



U. T. Austin Dell Medical School – Phase 1 (cont.)



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U. T. Austin

Dell Medical School – Phase 1 (cont.)

- Provides space for doctoral program in medicine
- Enhance more than a century of innovative research, impassioned scholarship, and commitment to serving the people of Texas and the nation
- Existing scientific foundation represents firm anchor
- Interdisciplinary achievement to help solve some of the urgent problems in health and health care

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U. T. Permian Basin

Proposal for Residence and Dining Hall

Presented by W. David Watts
President



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U. T. Permian Basin Residence and Dining Hall

- 300 beds – three-story building - Update of 2010 Plan (removed from CIP) plus kitchen and seating for 350 with August 2015 occupancy
- Enrolling students from outside Odessa/Midland is a key growth strategy
- 100% housing occupancy in Fall 2012



U. T. Permian Basin Residence and Dining Hall (cont.)

- Total Project Cost \$32.5 Million - \$108,333/bed
 - \$283/GSF - includes 15,000 GSF kitchen/dining facility
- Cost comparison to recent UTPB housing projects
 - Phase VI FY14; \$96,591/bed - \$224/GSF - kitchens & elevators
 - Phase V FY13; \$91,400/bed - \$212/GSF - kitchens & elevators
 - Falcon's Nest FY12; \$88,400/bed - \$204/GSF - no kitchens or elevators

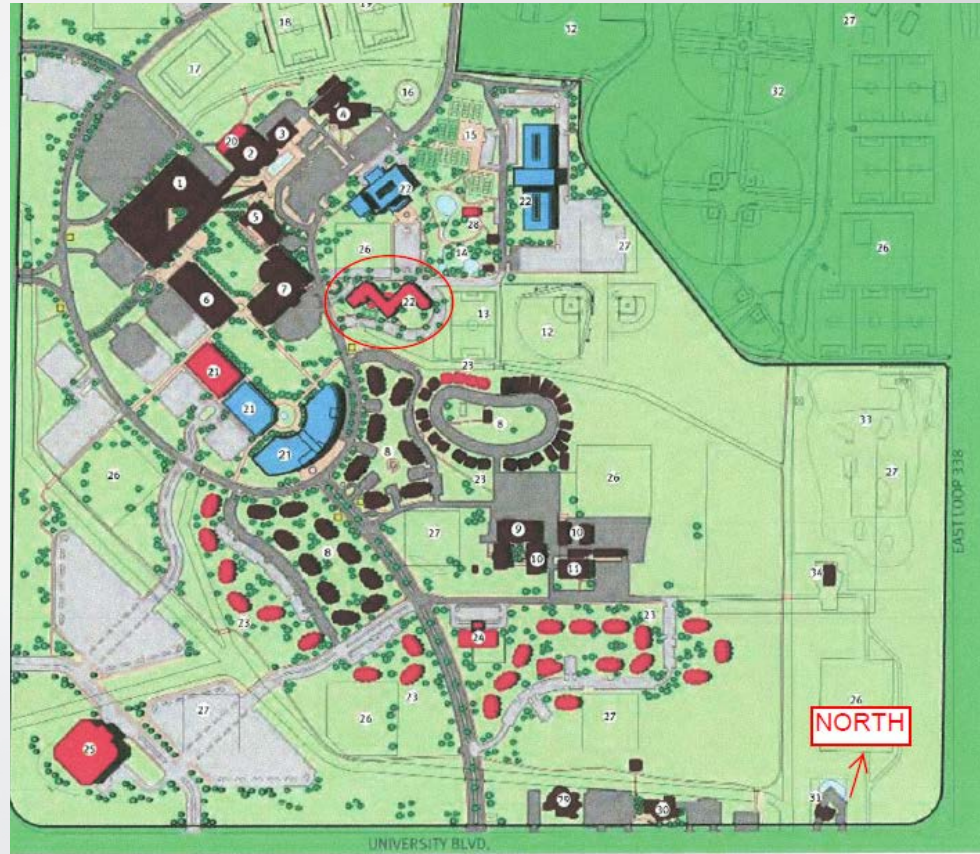
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U. T. Permian Basin Residence and Dining Hall (cont.)

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Campus Master Plan
August 2012



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U. T. San Antonio

Proposal for the Engineering Design and Innovation Center

Presented by Ricardo Romo
President

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U. T. San Antonio Engineering Design and Innovation Center (cont.)

- 15,000 ASF - Engineering Design Lab and Support Spaces
- COE Collaborative/Interdisciplinary Design Lab for Commercial Applications

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U. T. San Antonio Engineering Design and Innovation Center (cont.)

- THECB 2012
 - Space Deficit 1,007,445 SF
 - SUE - Class Lab (100); Classroom (100)
- Reducing space deficit will support efforts to improve graduation rates

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U. T. San Antonio Engineering Design and Innovation Center (cont.)

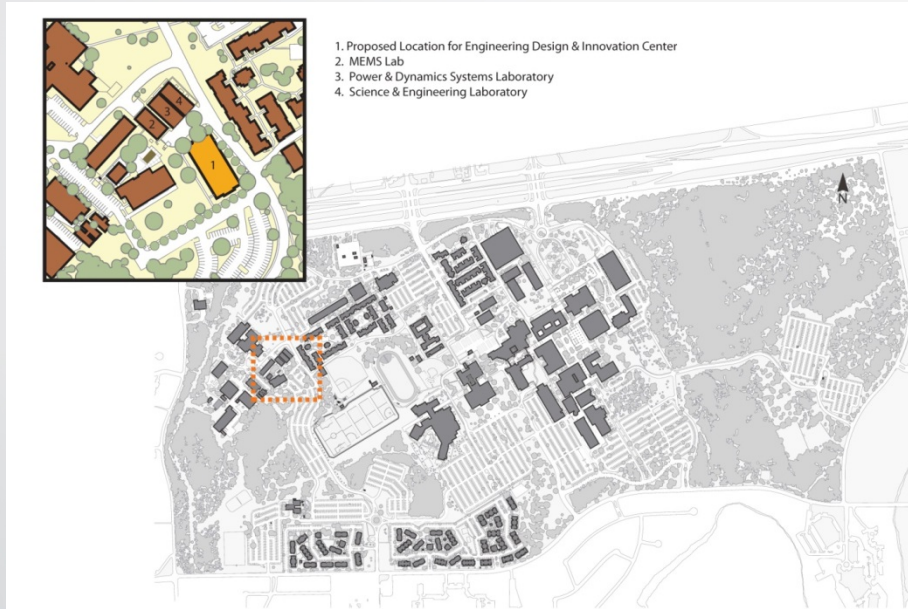
- \$6,500,000 Total Project Cost
 - 100% Gift Funding

TPC	GSF	GSF Cost
\$6,500,000	18,500	\$351/ GSF



U. T. San Antonio Engineering Design and Innovation Center (cont.)

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U. T. Southwestern Medical Center

Proposal for West Campus - Phase 1

Presented by Daniel Podolsky
President

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U. T. Southwestern Medical Center West Campus - Phase 1

- 275,000 GSF Academic/Clinical Building
- Innovative multidisciplinary educational space including a high-tech simulation center, academic/faculty offices, and outpatient services
- Current site of St. Paul University Hospital



U. T. Southwestern Medical Center West Campus - Phase 1 (cont.)

Total Project Cost: \$187 million

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		Building		Garage	
	Total Cost	GSF	Cost/GSF	Spaces	Cost/Space
Academic/Clinical Building	\$ 125,555,000	275,000	\$ 457		
Parking Garage	\$ 36,147,000			1,609	\$ 22,466
Demolition of St. Paul UH	\$ 18,027,000				
West Campus Thermal Plant	\$ 7,271,000				
Total	\$ 187,000,000				

Projected Funding Sources:

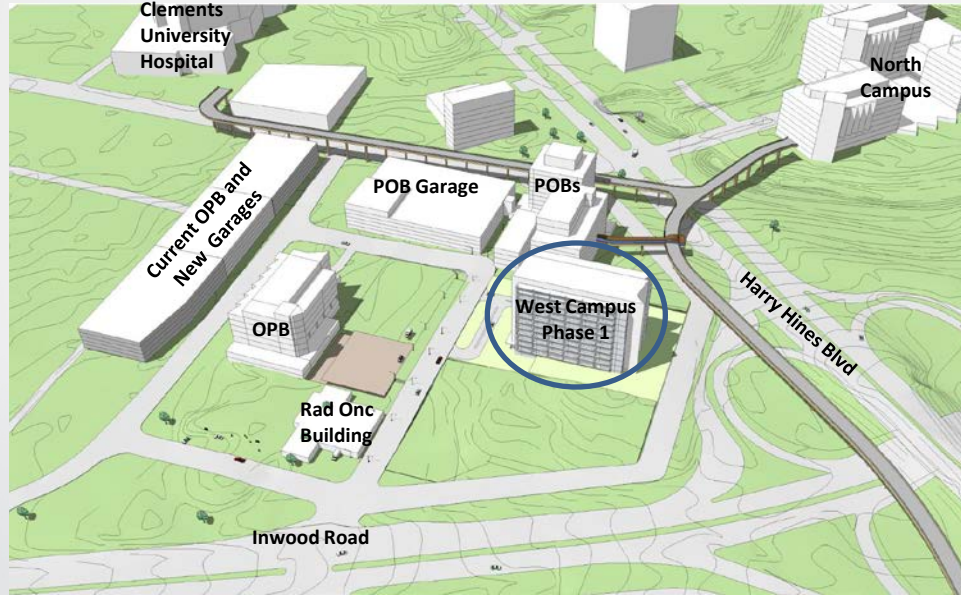
\$107M (57%) Revenue Financing System, \$60M (32%) Institutional Funds, \$20M (11%) Philanthropy



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U. T. Southwestern Medical Center West Campus - Phase 1 (cont.)



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U. T. M. D. Anderson Cancer Center Mitchell Building Energy Upgrades

- Upgrades to domestic hot water circulation system, relocation and modification of mechanical equipment and piping, installation of chill water heat exchangers and a heat recovery chiller
- Institutional Management
- \$5,700,000 Total Project Cost
 - \$5,700,000 Hospital Revenues



Consideration of Design Development Approval

- Two (2) Academic Projects
 - UTD Parking Structure Phase III
 - UTEP Student Housing Phase III
- One (1) Health Project
 - UTHSCSA Academic Learning and Teaching Center

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U. T. Dallas

Parking Structure Phase III

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U. T. Dallas Parking Structure Phase III

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PROPOSED SITE

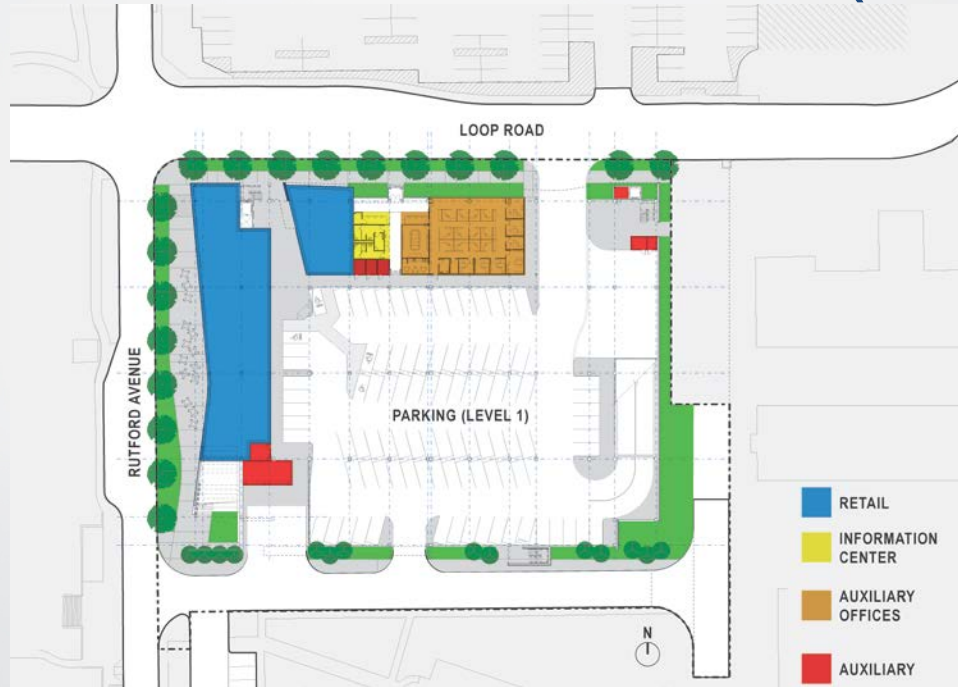


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Campus Plan

U. T. Dallas Parking Structure Phase III (cont.)



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First Floor Plan

U. T. Dallas Parking Structure Phase III (cont.)

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View from Northwest

U. T. Dallas

Parking Structure Phase III (cont.)

- Total Project Cost of \$15,000,000
 - \$12,000,000 RFS
 - \$2,500,000 Auxiliary Enterprises Balances
 - \$500,000 Unexpended Plant Funds



U.T. El Paso

Student Housing Phase III



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U. T. El Paso Student Housing Phase III

MESA STREET
39

STUDENT HOUSING
PHASE III



INTERSTATE 10



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Campus Plan

U. T. El Paso Student Housing Phase III (cont.)



COMMONS
BUILDING

RESIDENCE HALL 2
RESIDENCE HALL 1



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Site Plan

U. T. El Paso Student Housing Phase III (cont.)



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View from Southwest

U. T. El Paso

Student Housing Phase III (cont.)

- Total Project Cost is \$23,000,000
 - \$23,000,000 RFS



U. T. Health Science Center - San Antonio

Academic Learning and Teaching Center



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U. T. Health Science Center - San Antonio Academic Learning and Teaching Center

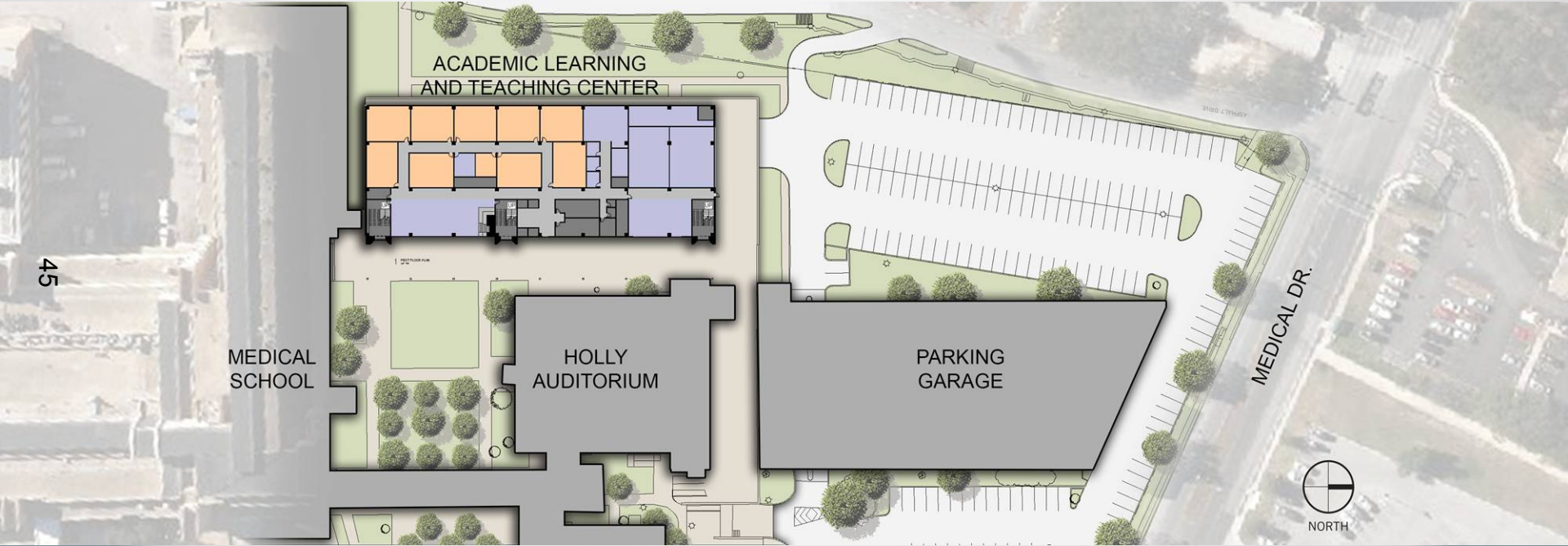


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Campus Plan

U. T. Health Science Center - San Antonio Academic Learning and Teaching Center (cont.)



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Nine Universities. Six Health Institutions. Unlimited Possibilities.

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Site Plan

U. T. Health Science Center - San Antonio Academic Learning and Teaching Center (cont.)



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View from Northeast

U. T. Health Science Center - San Antonio Academic Learning and Teaching Center (cont.)



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View from East

U. T. Health Science Center - San Antonio Academic Learning and Teaching Center (cont.)

- Total Project Cost is \$45,000,000
 - \$45,000,000 PUF



U. T. Austin

Darrell K Royal - Texas Memorial Stadium - Athletics Offices Infill and Stadium Maintenance and Renovation

- Proposed increase of \$25,000,000 to improve women's volleyball practice facilities, consolidate athletics offices and renovate L. Theo Bellmont Hall for Kinesiology, Health Education and the College of Fine Arts
- \$62,070,000 Total Project Cost
 - \$46,000,000 RFS
 - \$ 7,820,000 Gifts
 - \$1,250,000 Unexpended Plant Funds
 - \$7,000,000 Auxiliary Enterprises Balances

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MINUTES
U. T. System Board of Regents
Technology Transfer and Research Committee
May 8, 2013

The members of the Technology Transfer and Research Committee of the Board of Regents of The University of Texas System convened at 4:03 p.m. on Wednesday, May 8, 2013, 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 Dannenbaum, presiding
Vice Chairman Hicks
Regent Cranberg
Regent Gary
Regent Pejovich

Also present were Regent Purgason (for Items 2 and 3), Regent Stillwell, and Assistant General Counsel Orr.

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 a new investment made by the U. T. Horizon Fund and update on the Fund's portfolio

Committee Meeting Information

Presenter(s): Mr. Bryan Allinson, Executive Director of Technology Commercialization

Status: Reported/Discussed

Follow-up action: Regent Cranberg asked for details about the quantitative method used to determine the investment amount for Microtransponder, a U. T. Dallas startup, and whether or not this followed the investment strategy of the Fund.

Discussion at meeting:

Regent Cranberg asked about the quantitative method used to determine the investment amount for Microtransponder, a U. T. Dallas startup, and whether or not this followed the investment strategy discussed at the February 2013 Technology Transfer and Research Committee meeting.

Regent Cranberg and Regent Gary both raised concerns about possible dilution of the investment, and Mr. Allinson said he will provide the details on whether the investment is based on one round or a succession of rounds. Also regarding the question of dilution, Vice Chairman Hicks asked about the time of the original investment, and Mr. Allinson said he believes it was mid-2012.

Mr. Allinson also said he will bring up the matter as a philosophical question for discussion among the Chancellor's Technology Commercialization Cabinet members. Committee Chairman Dannenbaum agreed with this approach, but encouraged continued Regental participation in policy of the U. T. Horizon Fund.

In response to a question from Regent Stillwell, Mr. Allinson said the round of technology expectations is reviewed, in part by expert advisors, and an investment decision is made based on information available at the time. Mr. Allinson explained the credence is given to co-investors and the status of their business plan. Mr. Allinson explained the \$1 million cap on any one investment.

2. U. T. Austin: Report on the Longhorn Startup Program and startup participants Hoot.Me and Lynx Laboratories

Committee Meeting Information

Presenter(s): *Dr. Robert Metcalfe, Professor of Innovation and Murchison Fellow of Free Enterprise, U. T. Austin; Mr. Michael Koetting, student at the McCombs School of Business, U. T. Austin; and Mr. Chris Slaughter, Graduate Research Assistant for the Laboratory for Information and Network Communications, U. T. Austin, and CEO of Lynx Labs*

Status: *Reported/Discussed*

Discussion at meeting:

Mr. Koetting displayed and explained the slide on Page 4. Hoot.Me is intended to revolutionize education by offering students a 24/7 forum for class assistance. Regent Cranberg asked if there is an optimal class size for this application, and Mr. Koetting explained the optimal number might be 1,000 but he has not been able to test this thoroughly. Committee Chairman Dannenbaum and Regent Purgason commented on possible implications for the medical field, and Mr. Koetting took note.

Mr. Slaughter showed a video of the 3D printing imagery technology that is cost-effective and has implications for architecture, film, etc. The product is available for preorder.

Chancellor Cigarroa and members of the Board commented on these inspiring adventures in technology.

3. **U. T. Health Science Center - San Antonio: Report on Rapamycin Holdings, Inc., a startup company for a drug federally approved to suppress organ rejection**

Committee Meeting Information

Presenter(s): *William L. Henrich, M.D., President, and Mr. Arjun Sanga, Assistant Vice President of Technology Transfer and Executive Director of South Texas Technology Management, U. T. Health Science Center - San Antonio; and Mr. Randy Goldsmith, Rapamycin Holdings, Inc.*
Status: *Reported/Discussed*

ADJOURNMENT

Committee Chairman Dannenbaum adjourned the meeting at 5:00 p.m.

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answers shown on the right side

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