

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

May 11-12, 2016

Austin, Texas

Minutes of Committee meetings are taken as a convenience for research purposes and may be verified by recordings kept in the Office of the Board of Regents or webcasts available online on the Board website.

/s/ Carol A. Felkel  
Secretary to the Board of Regents  
January 5, 2017



# SCHEDULE OF EVENTS FOR BOARD OF REGENTS' MEETING

May 11-12, 2016  
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 11, 2016**

Audit, Compliance, and Management Review Committee .....	9:30 a.m.
Academic Affairs Committee .....	10:30 a.m.
Health Affairs Committee .....	11:15 a.m.
Meeting of the Board - Executive Session (Working Lunch) .....	12:00 p.m.
Technology Transfer and Research Committee .....	2:00 p.m.
Finance and Planning Committee .....	2:45 p.m.
Facilities Planning and Construction Committee .....	3:45 p.m.
Recess .....	4:30 p.m. <i>approximately</i>
Reception/Dinner .....	6:30 p.m.
<i>Ruth's Chris, Colorado and Brazos Rooms, 107 West Sixth Street</i>	

## **Thursday, May 12, 2016**

Meeting of the Board - Open Session .....	8:30 a.m.
Meeting of the Board - Executive Session (Working Lunch) .....	11:25 a.m. <i>approximately</i>
Meeting of the Board - Open Session .....	2:00 p.m. <i>approximately</i>
Adjourn .....	2:30 p.m. <i>approximately</i>

MINUTES  
U. T. System Board of Regents  
Audit, Compliance, and Management Review Committee  
May 11, 2016

The members of the Audit, Compliance, and Management Review Committee of the Board of Regents of The University of Texas System convened at 9:30 a.m. on Wednesday, May 11, 2016, 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 Hildebrand, presiding  
Vice Chairman Hicks  
Regent Aliseda  
Regent Beck  
Regent Pejovich

Also present were Chairman Foster, Regent Cranberg, Regent Drake, Regent Hall (for Items 5 - 7), Regent Tucker, 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 Hildebrand called the meeting to order in Open Session.

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

***Committee Meeting Information***

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

**2. U. T. System: Approval of services to be performed by Deloitte & Touche LLP for Cancer Prevention and Research Institute of Texas (CPRIT) grant audits and approval of a consulting project (Project Integrating Physicians and Community with Dell Medical School) by Deloitte Consulting LLP for U. T. Austin**

***Committee Meeting Information***

***Presenter(s):*** Mr. J. Michael Peppers, Chief Audit Executive  
***Status:*** Approved  
***Motion:*** Made by Vice Chairman Hicks, seconded by Regent Aliseda, and carried unanimously

**3. U. T. System: Report on the Systemwide internal audit activities and audit administrative items, including Priority Findings, Annual Audit Plan status, and Chief Audit Executive Annual Statements; and consideration and approval of Institutional Audit Committee chair changes**

**Committee Meeting Information**  
*Presenter(s): Mr. J. Michael Peppers, Chief Audit Executive*  
*Status: Approved*  
*Motion: Made by Regent Beck, seconded by Regent Aliseda, and carried unanimously*

**4. U. T. System: Report on the Proportionality of Higher Education Benefits Audits**

**Committee Meeting Information**  
*Presenter(s): Mr. J. Michael Peppers, Chief Audit Executive*  
*Status: Reported/Discussed*

**5. U. T. System: Report on the State Auditor’s Office Statewide Single Audit for FY 2015**

**Committee Meeting Information**  
*Presenter(s): Mr. J. Michael Peppers, Chief Audit Executive*  
*Status: Reported/Discussed*

**6. U. T. System: Report on the Systemwide Data Analytics Initiative for internal audit**

**Committee Meeting Information**  
*Presenter(s): Mr. J. Michael Peppers, Chief Audit Executive*  
*Status: Reported/Discussed*

**Discussion at meeting:**

*In reply to questions from Regent Beck about risk areas, Mr. Peppers described the risk assessment process, saying that risk areas and specific risk items are identified in advance, and then rankings are assigned in conjunction with management. Mr. Peppers explained that some rankings are quantifiable and others are subjectively determined, and the use of software tools helps to identify areas for further examination.*

*Committee Chairman Hildebrand expressed a desire that the software be available to institutional staff as needed, and Mr. Peppers confirmed that software licenses are purchased for those individuals at U. T. System Administration and at the institutions who need the licenses, and those individuals are being trained.*

*In reference to Slide 13 (Visual Audit Results) showing the number of procurement card vendors by country worldwide, Vice Chairman Hildebrand suggested the software tool could be used as a management tool to selectively look at issues, and Mr. Peppers said managers at institutions can, and have used, these tools to conduct analyses. Committee Chairman Hildebrand asked if the information in Slide 13 is real data, and Mr. Peppers responded it is a subset of the total population, but these were actual results from this particular analysis.*

**7. U. T. System: Report on U. T. System Information Security Strategic Plan**

**Committee Meeting Information**

**Presenter(s):** Mr. Edward Mattison, Chief Information Security Officer

**Status:** Reported/Discussed

**Discussion at meeting:**

*Regent Drake asked about the cause of security breaches at the U. T. System, and Mr. Mattison said in the last year the majority of breaches of confidential information have been due to human error. Mr. Mattison commented on the protection systems in place and noted that training of the workforce is important.*

*Regent Cranberg asked about educational career paths for students and future leaders in cybersecurity, and Mr. Mattison said the only programs in cybersecurity that he is aware of are at U. T. San Antonio. He commented that current employees are appropriately supported with, for instance, growth opportunities and payment of their certifications, but more effort could be put into hiring graduates of these programs. Mr. Mattison suggested that more schools may want to add cybersecurity as a major in, for instance, the computer science department.*

**ADJOURNMENT**

Committee Chairman Hildebrand adjourned the meeting at 10:30 a.m.

MINUTES  
U. T. System Board of Regents  
Finance and Planning Committee  
May 11, 2016

The members of the Finance and Planning Committee of the Board of Regents of The University of Texas System convened at 3:45 p.m. on Wednesday, May 11, 2016, 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

Chairman Hicks, presiding  
Vice Chairman Hildebrand  
Regent Beck  
Regent Hall  
Regent Tucker (for Items 3 - 6)

Also present were Chairman Foster, Regent Aliseda, Regent Cranberg, Regent Drake, Regent Pejovich (not present for Item 4), 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 in Open Session.

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

***Committee Meeting Information***

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

***Status:*** Reported

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:**

*Regent Beck asked about the \$616.8 million projected operating loss for 2016 (shown in Slide 6), which he understood was due to 1) certain liabilities, and 2) pension obligations that are not new liabilities, but simply the U. T. System's obligations that were treated differently. Dr. Kelley agreed and explained State of Texas post-employment benefits and*

*retiree pension expenses. He said this year, with the new change in accounting pronouncements, U. T. System has to reflect the State's pension liability for System employees on financial statements.*

*Regent Beck asked if the U. T. System treats these initially as losses, but is ultimately the State's obligation, and Dr. Kelley said it is the State's obligation to pay, but what U. T. System is doing is building up a reserve on its balance sheets, if needed.*

### **3. U. T. System Board of Regents: Report on activities of the University Lands Advisory Board**

#### **Committee Meeting Information**

**Presenter(s):** Mr. Mark Houser, Chief Executive Officer - University Lands

**Status:** Reported/Discussed

#### **Discussion at meeting:**

*Mr. Houser's PowerPoint presentation is set forth on Pages 5 - 20.*

*Mr. Houser said Regent Cranberg had asked for his view on the University Lands (UL) 20 years from now, to which he responded with four points:*

- 1. Oil and gas production will still be the predominant revenue source. UL has a drilling inventory of 30 - 50 years at normalized rates. UL can see production levels still 50% - 100% higher than they are right now, and annual revenues, even at \$50 per barrel (bbl), still at \$1 billion or above.*
- 2. Solar energy could be developed to power the entire U. T. and Texas A&M University Systems. There is going to be that kind of economy there, and UL is in the "Mojave of Texas" in terms of solar.*
- 3. Water resources will be a significant contributor to infrastructure improvement and development in West Texas. That is a stewardship opportunity and a revenue opportunity for UL.*
- 4. The bottom line is an additional \$15 - \$20 billion of revenue will be contributed to the Permanent University Fund (PUF) and the Available University Fund (AUF) 20 years from now.*

*Mr. Houser responded to questions from Regents Hall and Cranberg regarding the potential revenue from water resources on UL.*

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

**Committee Meeting Information**

**Presenter(s):** Mr. Terry Hull, Associate Vice Chancellor for Finance; Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs

**Status:** Approved

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

5. **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 29, 2016**

**Committee Meeting Information**

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

**Status:** Reported/Discussed

**Discussion at meeting:**

*Mr. Zimmerman pointed out that for the first six months of the Fiscal Year ending in February, UTIMCO was down about 4.3% - 4.4%, up 2.7% for March, and up 1.6% for April. He noted investments are not quite at breakeven for the fiscal year, being down .19%. He said investment returns are not strong enough to support the distribution rate, but UTIMCO is focused on the long term. He projected a challenging investment return environment over the next number of years, but expressed satisfaction at how the assets are invested.*

*Regent Hall commented on UTIMCO's allocation to the hedge funds, saying there seems to be a significant underperformance that has been highlighted in the press. He asked if any adjustments would be made, and Mr. Zimmerman said about 27.5% of assets are in hedge funds, down from about 30%. The long-term plan, beginning a couple of years ago, calls for bringing that down even lower. The average large, high-performing endowment has about 20%. He said most of what is seen in the press relates to big State pension plans, maybe insurance companies. He said it may not be worth being in it if it is an average hedge fund book, but UTIMCO has been fortunate to have a top quartile, and even top decile hedge fund book. In the long run, UTIMCO has earned 7 - 8% a year on the hedge fund book versus averages of 2 - 3%.*

*He said it is not surprising that after a long bull run, many people wish they had not been "hedged" and "long" only when markets are favorable. Arguably, it is now just the wrong time to "un-hedge" and not have the protection on the down side. He said fees are high in that area, and UTIMCO, because of its size and with the effort they have applied, does not pay 2% management fees; but rather about 1.3%. He said UTIMCO has gotten better performance than average, and has begun to take it down. Over the long term, it can be brought down even lower. He said it is very much a function of alternative uses of those funds where UTIMCO finds good investments. He said candidly, right now, it is difficult to*



*find good investments with the easy monetary policy over the last eight years that has caused a price appreciation on the asset size. He said that is what will make it challenging to generate good investment returns over the next number of years until the supply and demand of capital reaches a little different equilibrium.*

*Regent Hall asked about the additive value of having a significant defensive gold position, and Mr. Zimmerman said for this fiscal year, UTIMCO is up about 14 - 15%, so it has been a good asset over the last 6 - 8 months. He said UTIMCO still owns some gold as more of a defensive hedge position. In these kinds of markets, he said UTIMCO is not inclined to put a lot of risk on the books. He said UTIMCO's gold position is about breakeven or slightly negative. In reply to a question from Regent Hall, Mr. Zimmerman said the position partly reduced itself, and UTIMCO partly reduced it as well.*

**6. 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**

***Committee Meeting Information***

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

***Status:*** Approved

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

**ADJOURNMENT**

Committee Chairman Hicks adjourned the meeting at 4:18 p.m.



# Report on Activities of University Lands Advisory Board

Mr. Mark Houser, Chief Executive Officer – University Lands

U. T. System Board of Regents' Meeting

Finance and Planning Committee

May 2016



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# University Lands (UL) Key Takeaways

**UL has one of the best positions in West Texas for oil, gas, water and renewables.**

- Drop in commodity prices has impacted activity and revenue significantly
  - Production less impacted
- Technical study now fully advancing
  - Relationship with Texas Oil and Gas Institute (TOGI) progressing
  - 15-20 U. T. and Texas A&M interns coming aboard this summer!
- More predictable and consistent development can create significant value
  - Working to increase drilling activity through technical and financial incentives
- Assessment of governance and organizational structure to ensure effective asset development and stewardship continues
- Focusing efforts towards commercial development of UL's broad energy resources



# Oil and Gas Acreage Availability

## Total Drilling Locations

2015 ~20,500

2014 ~20,500

~17,000 horizontal

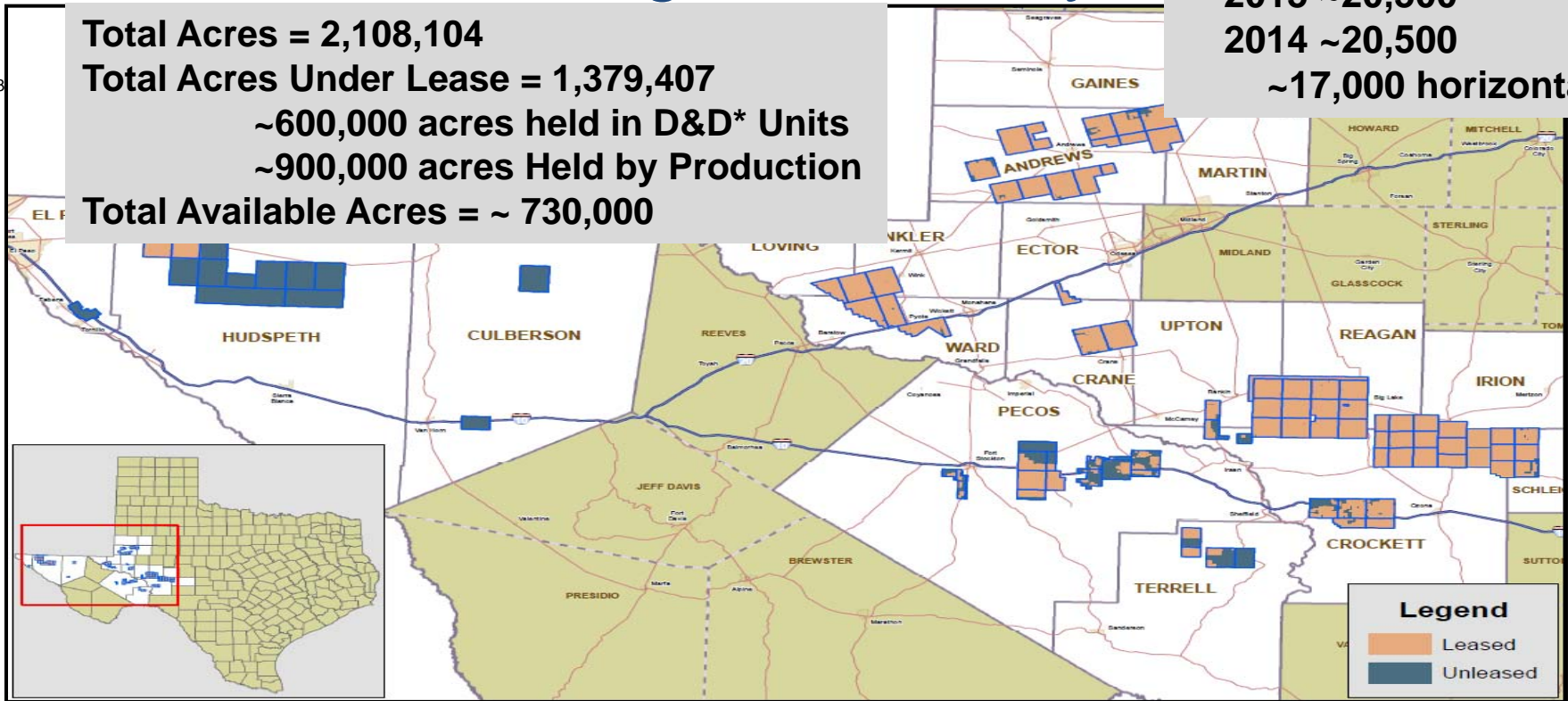
Total Acres = 2,108,104

Total Acres Under Lease = 1,379,407

~600,000 acres held in D&D\* Units

~900,000 acres Held by Production

Total Available Acres = ~ 730,000



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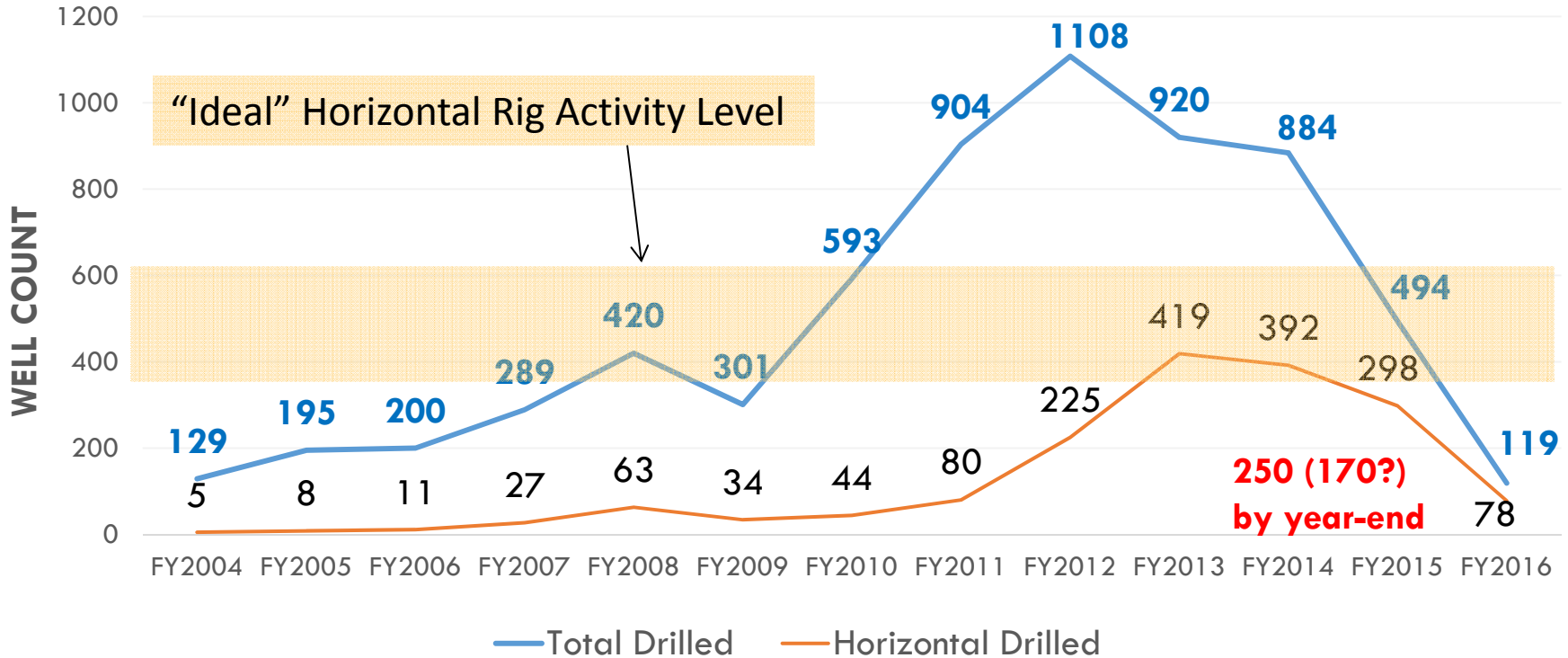


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\*D&D = Drilling and Development

# Wells Drilled on UL by Fiscal Year



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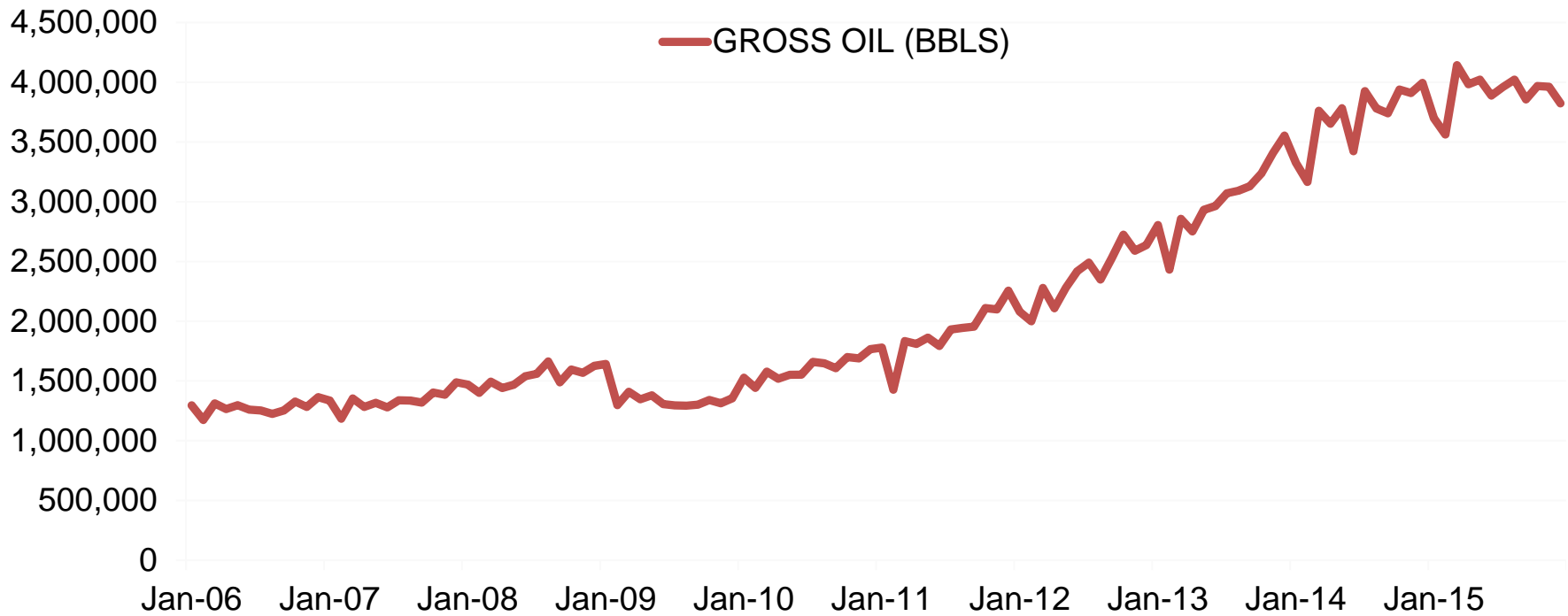


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# UL Historical Production: 2006-2015

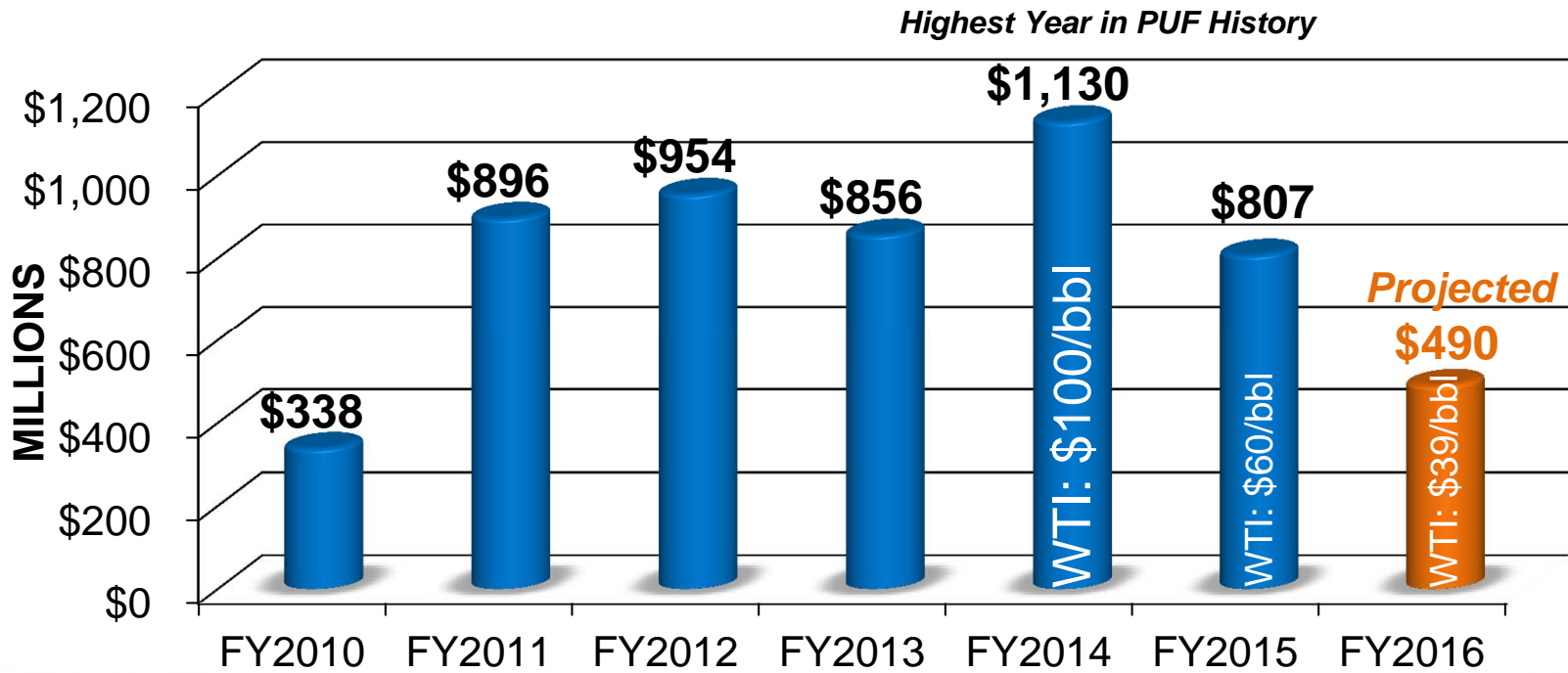
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# UL: Permanent University Fund (PUF) Revenue



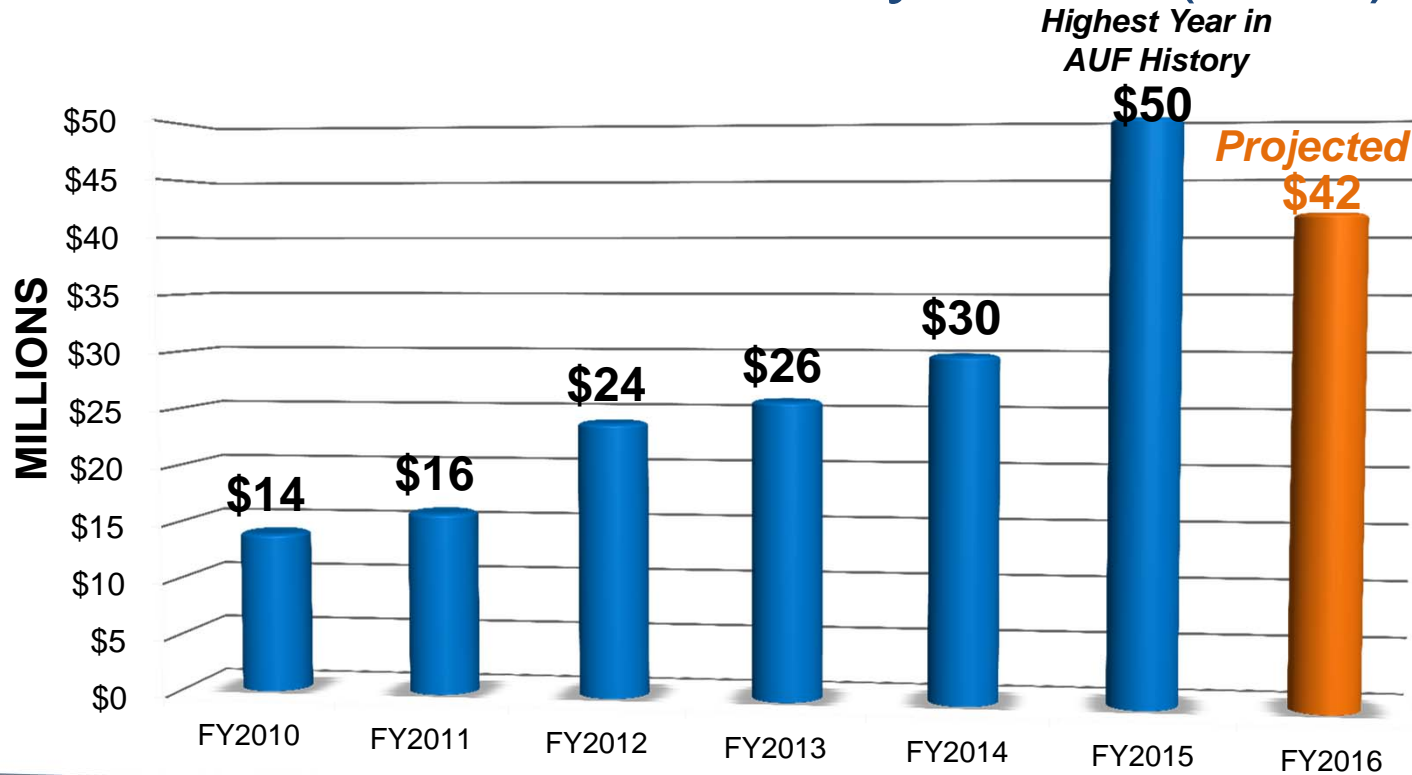
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# UL: Available University Fund (AUF) Revenue



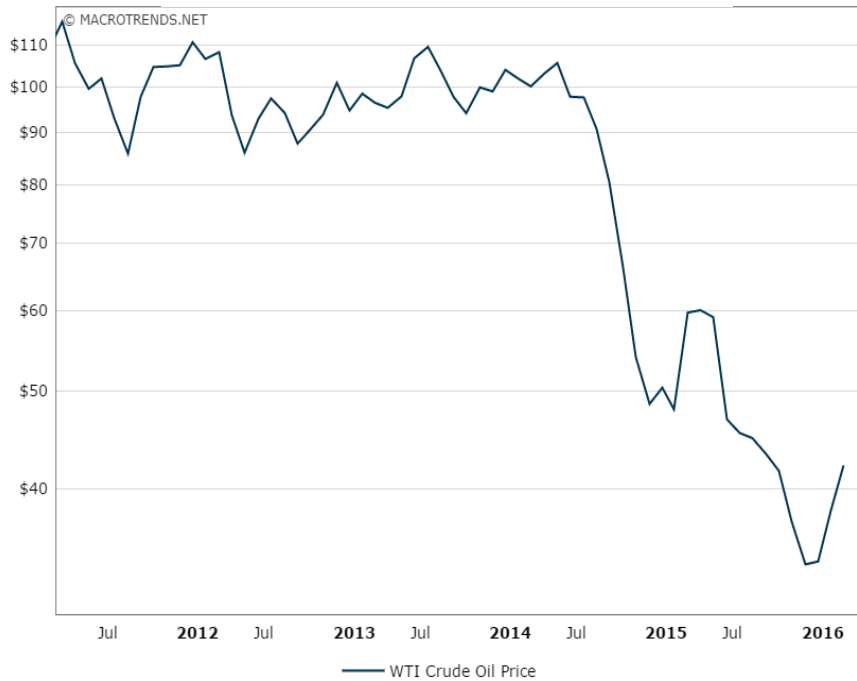
- Reclassification of surface income from water, brine, caliche, sand and surface damage payments from PUF to AUF will increase annual AUF revenues by \$10-\$20 million.





# Oil Markets and Drilling Activity

## WTI PRICES 2011-2016



## US OIL RIG COUNT



SOURCE: Baker Hughes

BUSINESS INSIDER

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# Commercial Opportunities

*Effective Corporate Structure*

**Oil and  
Gas**

**Water  
Resources**

**Solar and  
Wind**

**Other Surface  
Activities**

*Excellent Environmental Stewardship*

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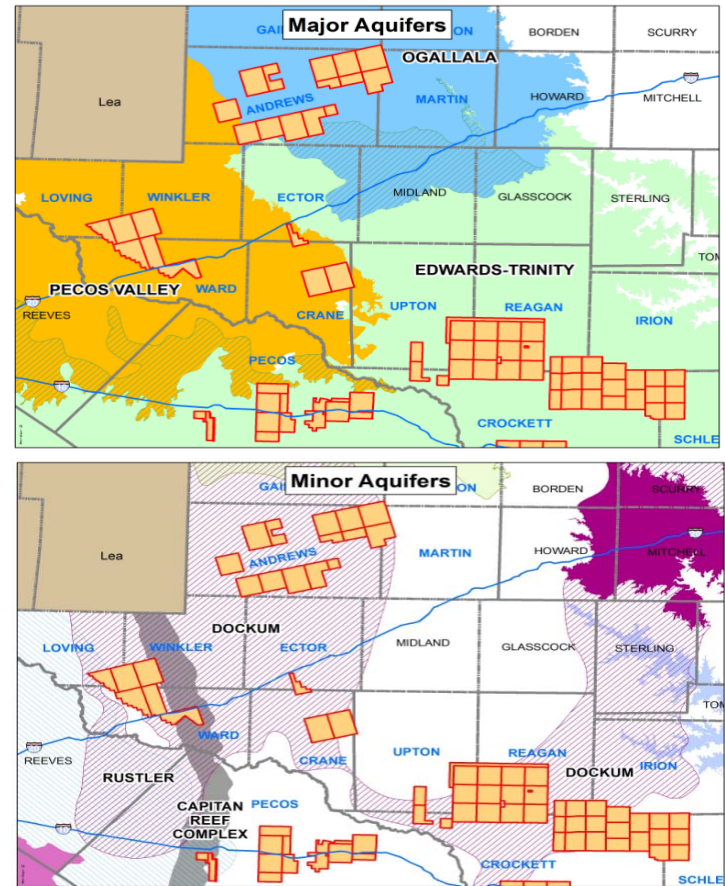
# Oil and Gas - Predictable and Consistent Development Can Create Significant Long-Term Value

- Working with producers on potential lease extensions/adjustments to ensure effective development (ex: extensions for additional well commitments)
  - “De-risking of plays” can provide benefits to UL vs. re-leasing opportunities
  - Scale can benefit both UL and the producers
- Continuing to recapture land not being developed and leases held by uneconomic wells
- Identifying operators for enhanced development of acreage “held-by-production”
- Adjusting lease agreement to promote more effective development



# Water Potential

- University Lands should play a strong role in strategic water issues in West Texas
- Geographically positioned over major and minor aquifers
- UL sells water to the Cities of Midland, Andrews and Rankin, to the Colorado Municipal Water District, and to oil and gas companies
  - Peak annual revenue from water was ~\$18 million (2013)
- Water infrastructure dispersed and controlled by various companies
- Many in industry looking to participate in infrastructure development



# Next Step – Develop Commercial Strategy

- UL has more than enough capacity to meet the demand for all activity on its acreage, and water has the potential to become a key, revenue-generating business activity
- Technical study completed, including Water Well Database (3,600 UL water wells)
- **Potential scale of water business is significant:**
  - Assuming effective development and integration of infrastructure, revenue from water activities could more than double historic highs
- **UL will work to formulate a business plan for optimizing potential of water resources**
  - Includes all aspects of water development and stewardship



# Solar Development on University Lands

- UL acreage in the “Mojave of Texas”
- Potential customer base of U. T. and Texas A&M Systems
- Solar Investment Tax Credits recently extended
- Long-term solar power prices appear attractive
  - Potential for 25 year price commitments
  - Shorter term natural gas prices appear more attractive
- A 150 Megawatts (MW) solar power project:
  - Represents ~20% of U. T. and Texas A&M Systems peak demand for energy
  - Requires 1,200 to 1,500 acres of land (8-10 acres per MW)
  - Costs ~\$275 million
- Coupled with natural gas and potentially wind, the power could receive 24-hour “firm” pricing

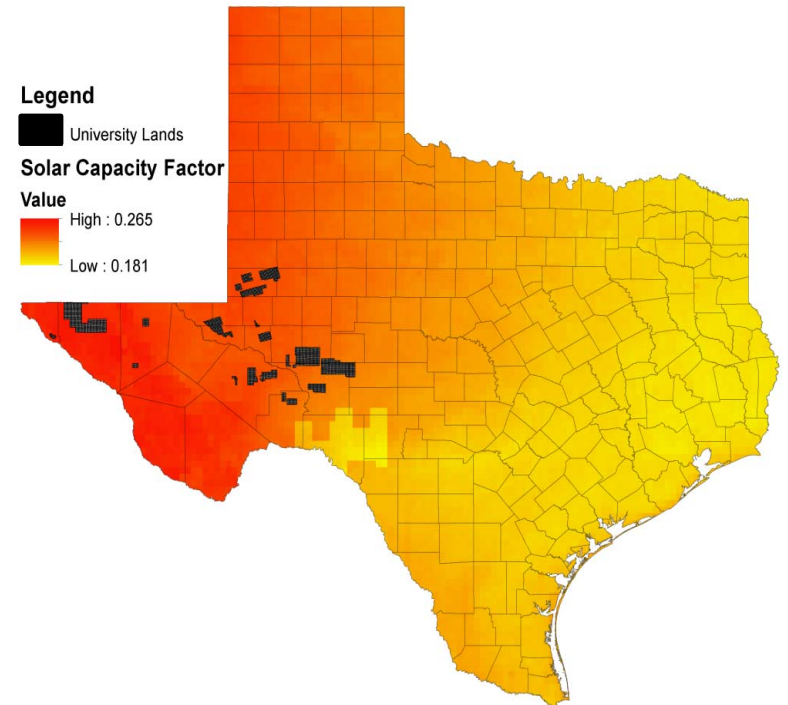
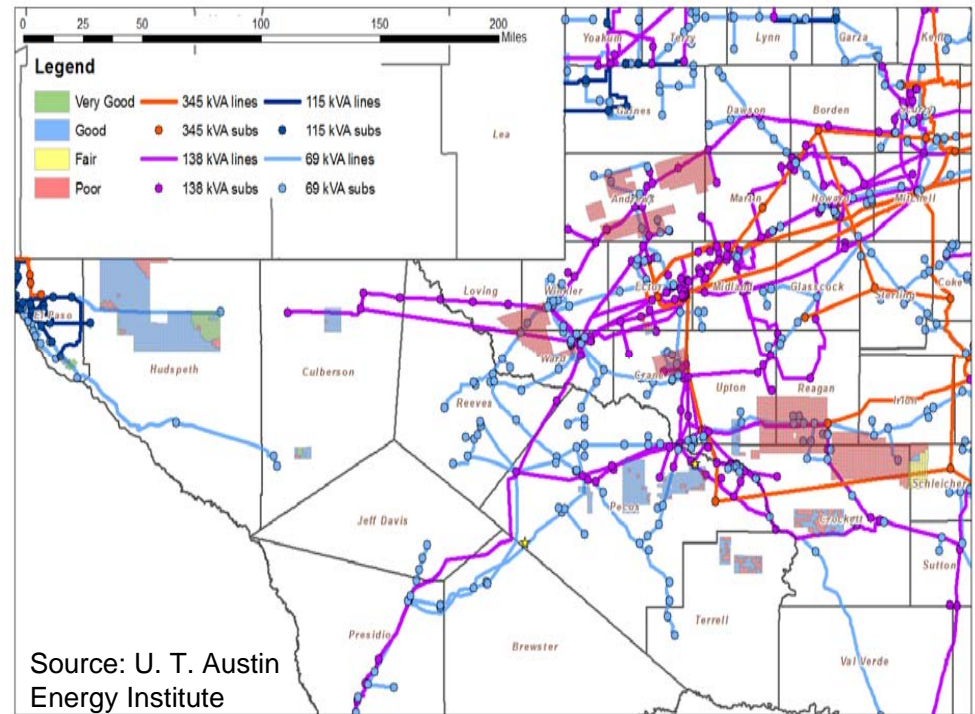


Image Source: U. T. Austin Energy Institute



# UL Access to Transmission and Infrastructure

- Good proximity to ERCOT grid and transmission lines
- Access to natural gas in UL fields could complement solar potential



# Solar Development Assessment and Next Steps

- A unique opportunity exists for potential solar development on University Lands. U. T. and Texas A&M Systems could benefit from:
  - Lease of lands for development
  - Equity investment (in kind or capital)
  - Attractive long-term power costs
- UL, alongside the U. T. Austin Energy Institute and the U. T. System Office of Business Affairs, will issue a Request for Proposals (RFP) in the coming months:
  - Market feasibility study (consider solar, wind and natural gas)
  - Geographic focus
  - Master developer vs. individual project proposals
  - Confirmation of demand opportunity for U. T. and Texas A&M Systems





# 2017 Budget Thoughts

- **Anticipate (but not guarantee) some recovery in oil prices into 2017. \$50-60/bbl?**
- **Full Year of Staffing and Texas Oil and Gas Institute Activity**
- **Key Initiatives:**
  - Coordinated effort with TOGI for data management and resource evaluation, utilizing U. T./Texas A&M resources
  - Work to economically enhance development activity levels
    - Technical and economic incentives
  - Assessment of UL structure and governance
  - Solar and Natural Gas Evaluation/RFP
  - Water Commercial Evaluation and Business Plan
  - Product Marketing Evaluation



MINUTES  
U. T. System Board of Regents  
Academic Affairs Committee  
May 11, 2016

The members of the Academic Affairs Committee of the Board of Regents of The University of Texas System convened at 10:45 a.m. on Wednesday, May 11, 2016, 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

Chairman Aliseda, presiding  
Vice Chairman Hicks  
Regent Cranberg  
Regent Pejovich  
Regent Tucker

Also present were Chairman Foster, Vice Chairman Hildebrand, Regent Beck, Regent Drake, Regent Hall, 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 Aliseda called the meeting to order in Open Session.

Committee Chairman Aliseda welcomed representatives of the U. T. System Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council able to attend.

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

*Committee Meeting Information*

*Presenter(s): Committee Chairman Aliseda*  
*Status: Reported/Discussed*

**Discussion at meeting:**

*Committee Chairman Aliseda said Item 29 on the Consent Agenda was removed.*

**2. U. T. Rio Grande Valley: Approval to extend the delegation of authority to the Chancellor to approve certain contracts for U. T. Rio Grande Valley**

**Committee Meeting Information**

**Presenter(s):** President Guy Bailey, U. T. Rio Grande Valley

**Status:** Approved

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

**3. U. T. Permian Basin: Approval to create a College of Nursing**

**Committee Meeting Information**

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

**Status:** Approved

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

**Discussion at meeting:**

*In reply to a question from Regent Hall about the anticipated percentage between the face-to-face students and online students, President Watts said the entire program to date has been face-to-face. The clinicals for the Registered Nurse to Bachelor of Science in Nursing (RN-to-BSN) online students are intended to be performed at the location where the students are in residence.*

*Regent Hall further asked if students will be able to complete courses solely online, and Dr. Watts said students in the RN-to-BSN program will be able to, but not in the full BSN program.*

**4. U. T. Rio Grande Valley: Approval of preliminary authority for a Doctor of Philosophy in Physics**

**Committee Meeting Information**

**Presenter(s):** President Guy Bailey, U. T. Rio Grande Valley

**Status:** Approved

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

**5. U. T. System: Approval of \$5 million in Available University Funds (AUF) to support the Agreement of Cooperation in Higher Education and Research with The National Council of Science and Technology (CONACYT) of Mexico; and finding that the expenditure of AUF for this purpose is appropriate**

***Committee Meeting Information***

***Presenter(s):*** President Ricardo Romo, U. T. San Antonio; Dr. Steven W. Leslie, Executive Vice Chancellor for Academic Affairs

***Status:*** Approved

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

**Discussion at meeting:**

***Remarks by President Romo  
(essentially as delivered)***

*Good morning. I want to start by thanking Regent Aliseda and Dr. Steve Leslie for the opportunity to present this morning on the Agreement of Cooperation between Mexico's National Council of Science and Technology (CONACYT) and the U. T. System.*

*In August 2015, UTSA (U. T. San Antonio) had the pleasure of hosting the signing ceremony for the Memorandum of Understanding between CONACYT and U. T. System. Chancellor McRaven participated in the event and shared the following message:*

*"Mexico is more than just our friend. Each one of our academic and health institutions benefits from our proximity to and relationship with Mexico and the same can be said of Texas itself. Our partnership with CONACYT is essential to building a knowledge exchange to make new discoveries in science, health care, and technology."*

*Today, I would like bring before you the opportunity to advance our relationship with CONACYT one step further. This Agreement of Cooperation outlines an initial series of programs that will foster that exchange of knowledge mentioned by the Chancellor. It builds upon several existing relationships between U. T. System institutions and CONACYT. Over the years, CONACYT has been an excellent educational partner.*

- *CONACYT has supported Mexican fellows at U. T. institutions since at least 1982. Between 1982 and 2015, there have been 530 fellows, including 334 Ph.D. and 194 M.S. fellows.*
- *CONACYT has supported fellows at nearly all U. T. academic institutions as well as the health science centers in Houston, San Antonio, Galveston - Medical Branch.*

- *CONACYT has formal agreement partnerships with U. T. El Paso (for nearly 20 years), U. T. Dallas, and UTSA.*
- *Since 2012, CONACYT has supported approximately 35 new fellows each year.*

*There are four main elements associated with the Agreement of Cooperation.*

*The first is support of Mexican Ph.D. students at U. T. System institutions. A new cohort of 30 Mexican Ph.D. students will be admitted and enrolled every year at U. T. System institutions and funded under this agreement. Support for the students will include tuition, fees, health insurance, and a stipend. The first four years where the student is largely involved with course work and significant research will be funded by CONACYT. The fifth year, if necessary, would be funded by U. T. System. Each year we will add a cohort of 30 students, so that by Year 5 of the Agreement, we would have a total of 150 doctoral students in the program.*

*The second element is collaborative research projects which are designed to increase and enhance exchange programs between faculty from U. T. institutions and Mexican universities. These projects will serve as seed grants to facilitate pursuing larger grants. Over the years, CONACYT and U. T. System researchers have conducted research in such fields as*

- *biosciences, medicine, and health;*
- *earth, coastal, and marine sciences;*
- *energy;*
- *industrial manufacturing technologies;*
- *information technology and telecommunications;*
- *nanotechnology and materials; and*
- *space sciences and technologies.*

*I do want to note that this agreement does not just focus on STEM [Science, Technology, Engineering, and Mathematics], but includes all the areas.*

*The third element is exchange of researchers. We anticipate jointly funding nine postdoctoral fellows and six faculty fellows a year. These will either be fellows from Mexico conducting research at a U. T. System institution, or fellows from U. T. System institutions at Mexican universities.*

*The fourth element is the short fellowship visits by nondegree students. This will allow Mexican Masters and Ph.D. students to engage in research experiences at U. T. System institutions either for six months or 12-month periods. U. T. System students may also participate in these short fellowship visits at Mexican universities affiliated with CONACYT.*

*During a five-year period to fully implement the Agreement, the total funding commitment for the program components would reach \$21.6 million. This will require \$16.3 million in commitments from CONACYT and \$4.9 million from U. T. System. This is approximately a 3 to 1 matching support from CONACYT to U. T. System.*

*The Agreement will be administered through a program office, which we will have the honor of hosting at UTSA. The estimated resources needed from U. T. System for operating the office will be about \$500,000 a year to hire the appropriate staff and fully operate the program. UTSA will be contributing the salary of the director as well as the appropriate office facilities.*

*At this time, we come seeking your support and approval for the Agreement and a request for \$5 million in AUF [Available University Funds] funds. These funds will be used for the initial year of establishing the programs and offices, along with the funding for the first three years of the agreement in support of the four major program components.*

*Our hope is to launch the office this coming fall, Fall 2016, and to begin recruiting and promoting various programs. In Fall 2017, we would like to have the first cohort of 30 doctoral students enrolled at U. T. System institutions, along with the research collaborations, postdoctoral fellowships, and student and faculty exchanges underway.*

*Prior to beginning Year 4 of the program, we would like the opportunity to return to the Board and request funding for an additional four years. Of course, at that time, we plan to come back with a report on the success of the programs, and present any adjustments needed on the lessons learned. This is an incredible opportunity for collaboration between two exceptional organizations. I believe that we are about to launch one of the most exciting educational student exchange programs in the country.*

*This Agreement allows you to be key players in strengthening the ties between Texas and Mexico and to support the bilateral agenda of these two countries. CONACYT has established a similar agreement with the University of California System. It is only fitting that as one of the largest higher education systems in the nation, we establish a similar collaboration in Texas, and yes, we believe ours will be better and bigger.*

*It allows us to follow the Chancellor's vision of forming of teams of teams, where we unite as a U. T. System and together forge a stronger collaboration with our colleagues in CONACYT and Mexico. It helps us to recruit and graduate top Ph.D. students from Mexico with the assistance of our partners in CONACYT. It expands our visibility and presence with our neighbors to the south, and sends a positive signal to our friends in Latin America of our desire to partner and recruit their top talents.*

*As important as this impact will have on the students; the impact will truly be a legacy. Many of the Ph.D. students will return to Mexico to work in higher levels of government and industry. Many will return to become university faculty at Mexican universities or launch their own research efforts and engage in research collaborations with future U. T. System faculty. Both countries, the United States and Mexico, will greatly benefit, and especially our great State of Texas.*

*Several years from now we will look back proudly at this moment, and see that this is the beginning of true advancement of collaboration and partnership, and I am pleased to be a part of this.*

*I thank you for your time, and I'll be available for any questions you may have.*

*Regent Beck asked if thought had been given to sending U. T. students to Mexico as part of this agreement to enhance cooperation between the two countries, and President Romo replied that there are students from many U. T. System institutions in Mexico now, such as in language studies. He explained that one of the interests is to train Mexican doctoral students for accreditation purposes, and he spoke of opportunities for high-level research collaboration.*

*Regent Hall commented that in the past, the Board committed AUF funding to all U. T. System institutions to minimize expenses as a means of keeping tuition increases down. In addition, he said he understood that collaboration meant predominantly collaboration among the U. T. System institutions. Regent Hall noted that once a program is started, it never dies, which grows into further commitments, and he questioned if this is the best use of these dollars or if there is a better option to use these funds in other places to either reduce tuition, increase accessibility within the state for students, or improve graduation rates. President Romo discussed the challenges of tackling the various institutional priorities, including keeping tuition level and hiring researchers.*

*Executive Vice Chancellor Leslie pointed out the opportunities for faculty collaborations, and he added that engagement of faculty and movement of students both ways will strengthen the educational environment of both countries and would be a wise investment. Regent Hall stated that he did not support the proposal as he does not think the case has been made and that it does not address the primary goals to U. T. students.*

*Chancellor McRaven said reducing tuition is not the only mission of the U. T. System, and he spoke to the need to generate research. He said there are daily discussions and reviews of all programs to identify money that can be applied to help reduce tuition and help student success. He also spoke to the growing research mission of the U. T. System institutions, the opportunity to collaborate and develop relationships with Mexico, and the obligation to generate research. He said that research that comes out of Mexico could drive part of the Texas economy.*

*Regent Hall commented that AUF has been used to offset the costs at all the U. T. System institutions and is a tool that has been used to reduce the burden at the academic institutions. Regarding the notion that tuition is not the only mission, Regent Hall said that in his five and a half years on the Board, not once has there been a discussion about trying to reduce tuition, but rather to hold it in abeyance for a period of years, and maybe the discussion should be how to reduce tuition.*

*Chairman Foster asked about the counterparty institutions in Mexico, and President Romo replied that most are the major public universities, such as UNAM (The National Autonomous University of Mexico). President Romo then asked President Natalicio to expand on the question since El Paso has had 20 years' experience with CONACYT. President Natalicio described U. T. El Paso's work with both public and private institutions in Mexico, and she commented that these partnerships are productive and contribute to the mission of providing access and affordability and excellence in research. She spoke about the Mexican students enrolled at U. T. El Paso and the benefits to collaboration across the border, such as in areas of business or immigration. She also commented on U. T. El Paso faculty who have often spent time in laboratories in the State of Chihuahua and elsewhere, saying these ties are important and beneficial by providing opportunities to collaborate, learn from, and diversify perspectives on any subject.*

*In reply to a question from Chairman Foster about possibilities of participation U. T. Systemwide, President Romo explained U. T. San Antonio's proposed role as host campus, providing space for the project's administrative headquarters to, in part, process students who apply to U. T. System universities. President Fenves also spoke about the reforms taking place in Mexico and strong collaborations of U. T. Austin with Mexico.*

*Regent Cranberg asked if a strategic framework had been agreed upon with the Mexican funders to prioritize areas in which to support Ph.D. students, and if those areas are aligned to a strategic need for Texas and the U. T. System. He also asked if the funding from Mexico will be spent in Texas supporting Mexican students in Texas and joint research that takes places in Texas. President Romo said the students will either go to California or Texas depending on the areas they want to study. He said CONACYT is going to spend \$16 million to support this agreement, and some money will be spent in Texas.*

*See Item 5 on Page 416 of the May 12, 2016 Board Minutes for further discussion and approval of this item.*

**6. U. T. System: Discussion and appropriate action regarding termination of the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College (TSC) effective July 1, 2016, and abolition of U. T. Brownsville**



**Committee Meeting Information**

**Presenter(s):** Dr. Steven W. Leslie, Executive Vice Chancellor for Academic Affairs

**Status:** Approved as recommended and revised below by Dr. Leslie

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

**Discussion at meeting:**

*Dr. Leslie explained that the recommendation had changed slightly from what was provided in the Agenda Book, and he read the recommendation from the revised Agenda Item (set forth on Pages 9-10) as follows:*

RECOMMENDATION

That the Board of Regents approve the termination of the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College effective July 1, 2016.

In addition, it is requested that the Board of Regents abolish U. T. Brownsville effective July 1, 2016, contingent on a finding by the Chancellor before that date that the abolition is consistent with the orderly windup of the affairs of U. T. Brownsville and, following the Chancellor's finding, that the Board of Regents provide written notice of that action to the Texas Secretary of State as provided by law.

*(Secretary's Note: U. T. Brownsville was abolished effective September 1, 2016.)*

ADJOURNMENT

Committee Chairman Aliseda adjourned the meeting at 11:22 a.m.

REVISED  
AGENDA ITEM  
ACADEMIC AFFAIRS COMMITTEE  
MAY 11-12, 2016

6. **U. T. System: Discussion and appropriate action regarding termination of the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College (TSC) effective July 1, 2016, and abolition of U. T. Brownsville effective July 1, 2016**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the Board of Regents approve the termination of the Educational Partnership Agreement between U. T. Brownsville and Texas Southmost College (TSC) effective July 1, 2016.

In addition, it is requested that the Board of Regents abolish U. T. Brownsville effective July 1, 2016, contingent on a finding by the Chancellor before that date that the abolition is consistent with the orderly windup of the affairs of U. T. Brownsville and, that the Board of Regents provide written notice of that action to the Texas Secretary of State as provided by law.

BACKGROUND INFORMATION

Senate Bill 24 of the 83rd Legislative Session, which created U. T. Rio Grande Valley, required that the partnership agreement between U. T. Brownsville and TSC be continued at least until September 1, 2015, to the extent necessary to ensure accreditation of the respective entities. On August 20, 2015, the Board of Regents approved an extension of the Educational Partnership Agreement between U. T. Brownsville and TSC until the earlier of August 31, 2016, or TSC achieving independent accreditation from SACSCOC. U. T. Brownsville has remained operational with minimal administrative staff for the purpose of facilitating the partnership with TSC until independent accreditation is obtained. During its annual board meeting in December 2015, the SACSCOC approved TSC's application for independent accreditation, giving TSC the ability to provide educational opportunities and providing TSC students continued eligibility for federal financial aid.

Senate Bill 24 also directs the Board of Regents to choose a date of abolition of U. T. Brownsville. After the final transfer of assets, facilities, operations, programs, and liabilities to U. T. Rio Grande Valley, the Board of Regents may reasonably determine that the abolition of U. T. Brownsville on July 1, 2016, is appropriate. Accordingly, contingent upon action by SACSCOC at its June 2016 meeting related to the merger of U. T. Rio Grande Valley and U. T. Brownsville, the Chancellor and the Executive Vice Chancellor for

Academic Affairs recommend that the U. T. System Board of Regents abolish U. T. Brownsville effective July 1, 2016, and that on satisfaction of the contingency, written notice of the abolition be provided to the Texas Secretary of State as required by law.

Additional Background:

Senate Bill 24 requires the Board of Regents, in abolishing U. T. Brownsville, to take all actions necessary to the orderly windup of the affairs of the U. T. Brownsville. In conversations with SACSCOC since this agenda item was finalized, it has been determined that the consolidation of U. T. Brownsville and U. T. Rio Grande Valley is not necessary under the current circumstances and that the prospectus for that purpose should be withdrawn. Accordingly, the recommendation for abolition of U. T. Brownsville is no longer contingent on SACSCOC approving that consolidation. However, because the separation from the partnership with TSC has proven a complex process that may produce an unanticipated issue, it is necessary that the abolition on the date of July 1, 2016, be contingent on finding by the Chancellor that the abolition is consistent with the orderly windup of the affairs of U. T. Brownsville.

MINUTES  
U. T. System Board of Regents  
Health Affairs Committee  
May 11, 2016

The members of the Health Affairs Committee of the Board of Regents of The University of Texas System convened at 11:35 a.m. on Wednesday, May 11, 2016, 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 Cranberg, presiding  
Vice Chairman Hildebrand  
Regent Aliseda  
Regent Beck  
Regent Tucker

Also present were Chairman Foster, Vice Chairman Hicks, Regent Drake, Regent Hall, Regent Pejovich, 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 Cranberg called the meeting to order in Open Session.

Committee Chairman Cranberg welcomed U. T. Austin President Fenves and U. T. Rio Grande Valley President Bailey as those institutions have medical schools. He also welcomed representatives of the U. T. System Student Advisory Council, Faculty Advisory Council, and Employee Advisory Council able to attend.

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

***Committee Meeting Information***

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

***Status:*** Reported/Discussed

2. **U. T. Southwestern Medical Center: Report on the William P. Clements, Jr. University Hospital**

***Committee Meeting Information***

***Presenter(s):*** President Daniel K. Podolsky, M.D., U. T. Southwestern Medical Center; John Warner, M.D., Vice President and Chief Executive Officer, U. T. Southwestern University Hospitals

***Status:*** Reported/Discussed

***Follow-up action:*** Vice Chairman Hildebrand requested that philanthropy and affiliation agreements be enhanced and the amount of leverage (debt) minimized for the proposed building expansion.

**Discussion at meeting:**

*President Podolsky said the intent is to proceed now with the Definition Phase of an expansion of the Clements University Hospital with a request for formal addition to the Capital Improvement Program (CIP) in the fall and final approval of design and budget in the New Year.*

*Vice Chairman Hicks asked what the Zale Lipshy University Hospital will be used for, and President Podolsky provided a number of possibilities, including a dedicated rehabilitation facility, a long-term acute care facility, the possibility of use on a more outpatient basis, and an important base for faculty to serve Childrens and the new Parkland hospitals.*

*In reply to a question from Chairman Foster about the practical capacity limit of the hospital, Dr. Warner explained that 85% is essentially full because 5-10% of patients are admitted and discharged throughout the day. He added that certain spaces or acute care beds cannot be used for other things, such as rehabilitation, psychiatry, and labor and delivery. Dr. Podolsky added there have been many days in which all of the available acute care beds with those exceptional restrictions have been occupied. Chairman Foster stated that the 280 million EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) for a \$400 million investment was impressive.*

*Regent Tucker commended President Podolsky and his team on their review of the current medical needs of the Dallas metro area and anticipated needs of the new population.*

*Committee Chairman Cranberg asked about the possibility of expanding beyond the current plan, and Dr. Warner explained that the FAA was specific with regards to building height because of the Dallas Love Field Airport. He said there is some ability to program the platform that the towers sit on in a way to add additional bed capacity, and there is some room for expansion at the back of the property. He said there are roads on each side, but an additional 50-70 beds could be programmed on the site if pressed. Regent Cranberg asked about additional parking, and Dr. Warner said the parking is surface parking and one garage. He explained there is a small tributary of the Trinity River that runs underneath the property, so underground parking has proved to be logistically challenging.*

*President Podolsky added that, as with all clinical programs at U. T. Southwestern, the financial framework will be supported by the resources of the campus generated through the health care delivery efforts and will not use any funds coming from the State or from the U. T. System.*

*Committee Chairman Cranberg suggested a long-term vision of positioning parking garages so they may be repurposed in the future with minimum cost in case there are fewer cars needing to be parked because of ride sharing and driverless vehicles. Dr. Warner replied that the parking and flow is positioned in a way so as to take advantage of the DART (Dallas Area Rapid Transit) rail and bus transportation systems.*

*Vice Chairman Hildebrand asked Dr. Podolsky what the form of financing was for this project, and President Podolsky said there was not a final decision on how much will be financed and how much will be cash from reserves generated by the health care system.*

*He spoke also of possible contributions from philanthropy and through the recently established Texas Health Resources, a joint operating corporation that covers the University hospitals and for which Dr. Warner is the Senior Executive. Vice Chairman Hildebrand asked that the financial analysis look to the least amount of leverage on the project as possible, leaning on philanthropy and affiliation agreements as opposed to additional debt. Dr. Podolsky said the debt ratios will not be exceeded. Regent Pejovich echoed what Vice Chairman Hildebrand said regarding the financial model, and also gave her unwavering support for going forward with this initiative.*

**3. U. T. System: Approval of \$12.4 million from the Available University Fund to be deployed over four fiscal years to support a new U. T. System Clinical Data Network; finding that the expenditure is appropriate; and authority to substitute Permanent University Funds for Available University Funds**

**Committee Meeting Information**

**Presenter(s):** *Raymond S. Greenberg, M.D., Ph.D., Executive Vice Chancellor for Health Affairs; Dr. Elmer Bernstam, Associate Dean for Research and Professor, School of Biomedical Informatics, U. T. Health Science Center - Houston*

**Status:** *Approved*

**Motion:** *Made by Vice Chairman Hildebrand and Regent Beck, seconded, and carried unanimously*

**Follow-up action:** *Look at policy issues related to data and governance matters and maybe in August (2016), use this as the beginning of a process to remove parochialism per Regent Cranberg.*

**Discussion at meeting:**

*In reply to a question from Regent Beck about physician's access to patient records and medical information across the U. T. System health institutions, Dr. Bernstam explained that this data network is intended for aggregation and analysis across patients. Discussion in response to a question from Regent Beck regarding potential revenue streams and fiscal impacts followed.*

*Dr. Greenberg emphasized that the business case being brought before the Board is to better manage U. T.'s \$10 billion-a-year enterprise. He explained how he currently makes six separate inquiries to the U. T. System health institutions if he wants to know about clinical performance, hoping the work is defined in the same way and the answers are expeditious. He said he wants to respect the ownership of the data at the institutions, but also make it accessible to the U. T. System and to each of the institutions to better manage health care. He said it is more about better management and collaboration.*

*Chairman Foster asked if, even though there may not be an identified revenue stream, there would be a cost savings at each of the institutions because of this centralized data network, and Dr. Greenberg answered affirmatively, but he explained that the ability to share and compare across institutions is limited at the moment. He said the data network would allow an opportunity to evaluate, for example, a special program that could improve the quality of care that is being delivered and save money. He spoke about the need to learn more effectively from each other and replicating successes in multiple settings.*

*President Colasurdo (U. T. Health Science Center - Houston) commented on the importance of improving revenue sources by preparing for new reimbursement models and having a common platform for patients to access their own health record and for providers and scientists to access as well.*

*Regent Beck pointed out that in setting up this data network, there may be findings in the accumulated data that inform public policy decisions. Even though there is a sensitivity about this information, what is accumulated may help public policy decisions so that everybody in the State of Texas benefits. Dr. Greenberg agreed.*

*Regent Drake asked if there is a benefit to a centralized data model over a federated one, and Dr. Bernstam replied there are costs and benefits to each one. He explained that a federated data model is in some ways technically simpler, but he urged the leadership to focus less on the technical aspects and more on the challenging issues of governance and making sense of the data.*

*Vice Chairman Hildebrand wanted to be sure the experiences of other for-profit and nonprofit university hospital systems, off-the-shelf models, and governance issues have been considered, and Dr. Greenberg replied that the software is widely used nationally.*

*Committee Chairman Cranberg stated that he has been persuaded to support the expenditures of this heavy lifting, but he thinks the Board needs to look at the philosophical issues that should be governing the approach to data integration and identification of the values System should be governing towards. He suggested a discussion at the August (2016) Board meeting, or perhaps some resolutions about how to approach the issue. He commented that he wanted to use this as the beginning of a process and not the end of a process to remove parochialism, and by that he said he meant not just within the U. T. System among the various institutions, but outside of the System with other organizations, including for-profit institutions that are working as partners, potentially, to communicate and assess this critically important information, which can be used to advance population health and personal health.*

## ADJOURNMENT

Committee Chairman Cranberg adjourned the meeting at 12:38 p.m.

MINUTES  
U. T. System Board of Regents  
Facilities Planning and Construction Committee  
May 11, 2016

The members of the Facilities Planning and Construction Committee of the Board of Regents of The University of Texas System convened at 4:18 p.m. on Wednesday, May 11, 2016, 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

Chairman Pejovich, presiding  
Vice Chairman Hicks  
Regent Beck  
Regent Cranberg  
Regent Hall

Also present were Chairman Foster, Vice Chairman Hildebrand, Regent Aliseda, Regent Drake, Regent Tucker, 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 in Open Session. The PowerPoint presentation concerning all items is set forth on Pages 5 - 54.

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

***Committee Meeting Information***

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

2. **U. T. Arlington: Science and Engineering Innovation and Research Building - Approval of design development; 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 Cranberg, and carried unanimously  
***Follow-up action:*** Add success measures to be blended with the investment metrics in the new format for Agenda items.



**Discussion at meeting:**

*Committee Chairman Pejovich called on Mr. O’Donnell to describe the new template for Agenda Items for this Committee, and Mr. O’Donnell explained ways the Office of Facilities Planning and Construction is trying to make project delivery more efficient and how that is reflected in the new template, which includes information about a Project Advocate and about investment metrics.*

*Chairman Foster asked if the only change to this U. T. Arlington project was the source of funding, and Mr. O’Donnell explained that gifts have not been identified or collected yet with a philanthropic effort underway. Committee Chairman Pejovich asked President Karbhari to explain the change in project funding further. He explained that Revenue Financing System (RFS) funding is a placeholder while continuing to raise gifts. Executive Vice Chancellor Kelley explained the standard practice of using RFS as a placeholder if gifts do not materialize to allow the project to move forward.*

*Vice Chairman Hildebrand commented on the new format for the Committee’s Agenda Items that will help the Board to better understand how money is being spent. Committee Chairman Pejovich thanked Vice Chairman Hildebrand for his assistance in modifying the format for Agenda Items for the Committee and for his ideas to incorporate private sector comparables and other metrics and for his support of the Project Advocate idea. She also asked Mr. O’Donnell to work with the institution Presidents to include success measures to be blended with the investment metrics.*

*President Karbhari commented that another advantage of the Project Champion, beyond the issue of accountability, is the increased level of discussion amongst the faculty, ensuring that the building is being designed to be useable and with the future in mind.*

*Regent Cranberg commented on the ambitious goals for increasing the College of Engineering enrollment to 13,000, which would make U. T. Arlington the largest engineering college in the U. T. System.*

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

<p style="text-align: center;"><b>Committee Meeting Information</b></p> <p><b>Presenter(s):</b> Mr. Michael O’Donnell, Associate Vice Chancellor for Facilities Planning and Construction</p> <p><b>Status:</b> Approved</p> <p><b>Motion:</b> Made by Regent Beck, seconded by Regent Hall, and carried unanimously</p>
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**4. U. T. Dallas: Student Housing Phase VI - 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 Hicks, seconded by Regent Beck, and carried unanimously

**Discussion at meeting:**

Chairman Foster commented that the benchmarks for the national average for building residence halls seem high, and Mr. O'Donnell explained that the figures come from the Vermeulens database, which includes data from large systems across the nation. The national figures may seem high because the U. T. System is getting low prices on residence hall construction. He said this project removed full set brick and went with thin set brick and a cementitious board facade to reduce costs. Vice Chairman Hildebrand said he has spoken with Mr. O'Donnell about including a private sector benchmark in the new charts.

**5. U. T. Dallas: Student Housing Phase VII - 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 Beck, seconded by Regent Hall, and carried unanimously

**6. U. T. Tyler: STEM - Business Building - 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 Hall, seconded by Regent Beck, and carried unanimously

7. **U. T. Austin: Dell Medical School - Phase I - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; 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 Hall, and carried unanimously

**Discussion at meeting:**

Regent Cranberg asked about the history of incremental funding for the project, with a one-third increase (approximately \$100 million increase) now being requested. Mr. O'Donnell said the current change was anticipated from the beginning to build out clinical space. Regent Cranberg further asked why the original request for funding (approximately \$334 million) was not for the full amount. Mr. O'Donnell explained that the full fit-out was difficult to predict until the Dean of the Medical School was hired to advise on the specifications needed. Regent Cranberg asked if these were reasonably anticipated costs as opposed to cost overruns, and Mr. O'Donnell answered affirmatively. Vice Chairman Hicks added that unfinished space on floors were not included in the original approval request.

8. **U. T. M. D. Anderson Cancer Center: Clinical Research Building Animal Area Renovation - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; 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 Beck, seconded by Regent Hall, and carried unanimously

**ADJOURNMENT**

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

# Agenda Items

Mr. Mike O'Donnell

Associate Vice Chancellor for Facilities Planning and Construction

U. T. System Board of Regents' Meeting

Facilities Planning and Construction Committee (FPCC)

May 2016



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# U. T. System FY 2016-2021 Capital Improvement Program (CIP)

<b>CIP Total as of May 1, 2016</b>	<b>\$ 6,338,723,482</b>
CIP New Construction Additions	\$ 0
CIP R&R Construction Additions	\$ 0
DD Approvals/TPC Modifications	\$ 72,000,000
<b>Total Change in CIP at today's meeting</b>	<b>\$ 72,000,000</b>
Substantially Complete Projects removed from CIP this quarter	\$ (0)
<b>CIP Total after today's meeting</b>	<b>\$ 6,410,723,482</b>
CIP Total - May 2015	\$ 5.4 billion
CIP Total - May 2014	\$ 6.7 billion



# Consideration of Design Development Approval

- Five (5) Academic projects
  - U. T. Arlington Science and Engineering Innovation and Research Building
  - U. T. Dallas Engineering Building
  - U. T. Dallas Student Housing Phase VI
  - U. T. Dallas Student Housing Phase VII
  - U. T. Tyler STEM – Business Building



# U. T. Arlington

## Science and Engineering Innovation and Research (SEIR) Building



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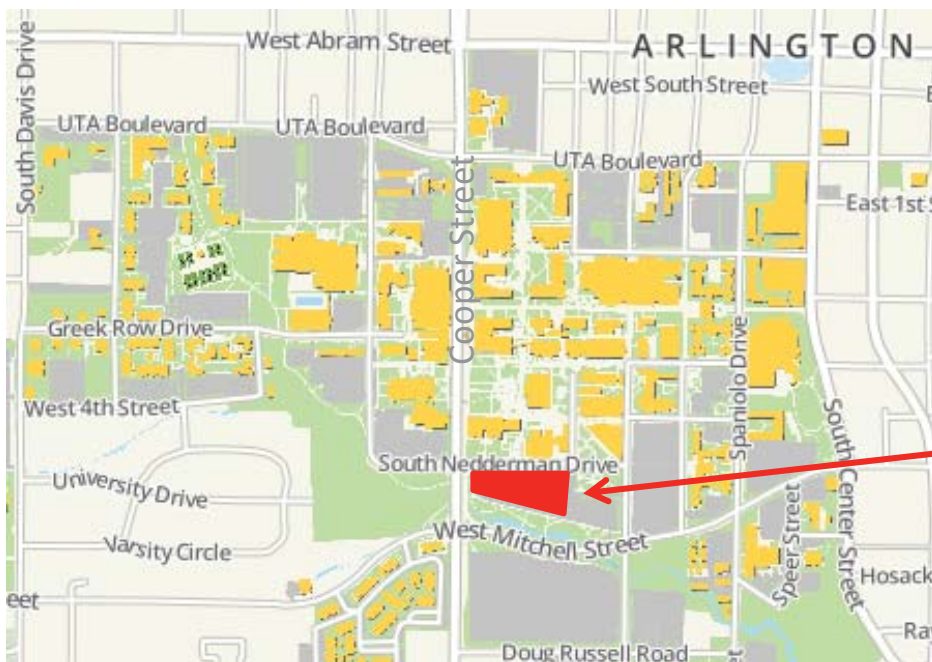
[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

# U. T. Arlington SEIR Building

Committee Minutes - 9



North



Project Site

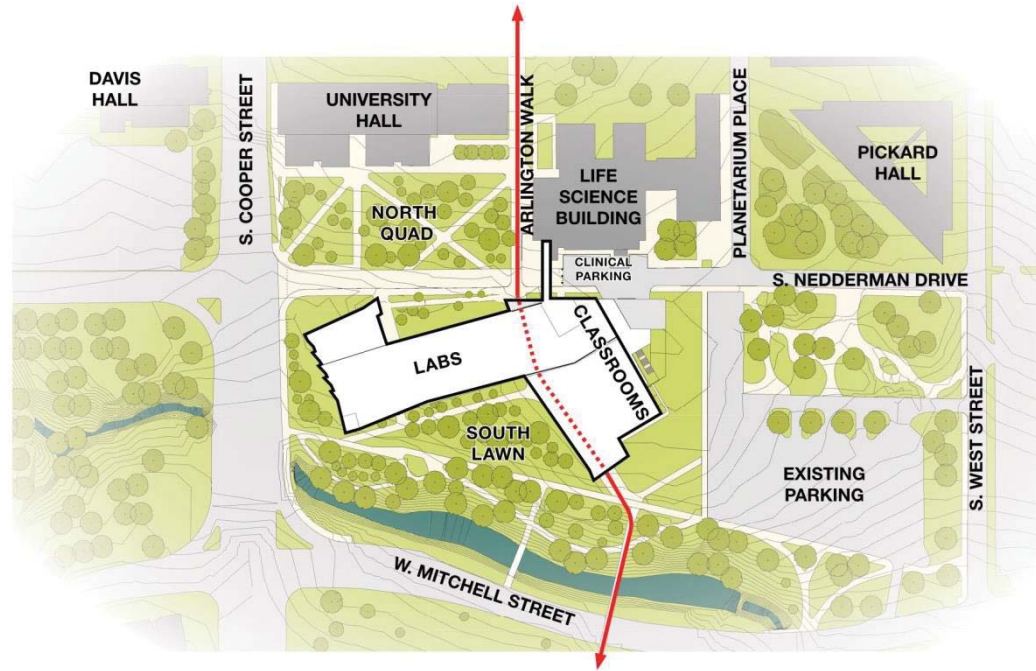


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# U. T. Arlington SEIR Building (cont.)



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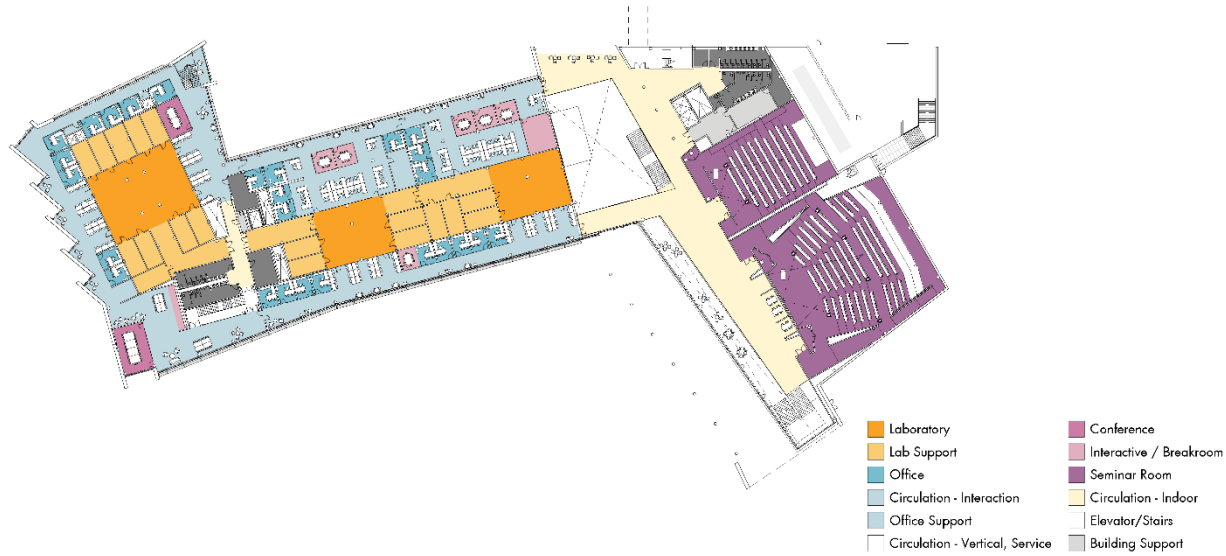
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Site Plan

# U. T. Arlington SEIR Building (cont.)

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## Second Floor Plan

# U. T. Arlington SEIR Building (cont.)



# U. T. Arlington SEIR Building (cont.)



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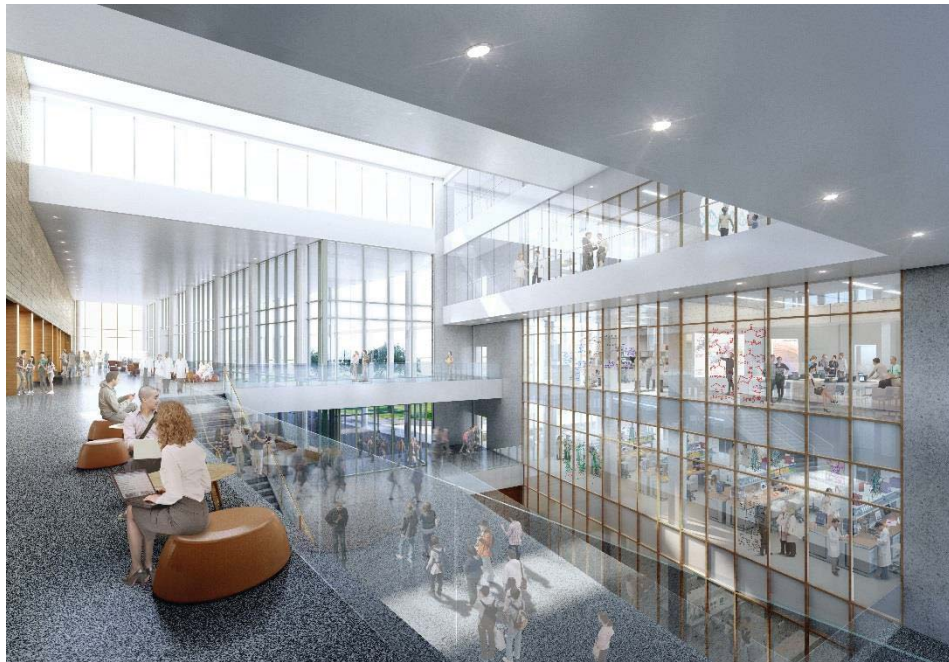
[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

View from North

# U. T. Arlington SEIR Building (cont.)



# U. T. Arlington SEIR Building (cont.)



# U. T. Arlington SEIR Building (cont.)

- \$125,000,000 Total Project Cost
  - \$70,000,000 TRB
  - \$35,000,000 RFS
  - \$20,000,000 PUF

	Total Building Cost	GSF	Building Cost/GSF
Science and Engineering Innovation and Research Building	\$93,500,000	222,000	\$421 / GSF



# U. T. Arlington SEIR Building (cont.)

## Cost Per Gross Square Foot Benchmarks

<b>Science and Engineering Innovation and Research Building</b>				<b>\$421</b>
THECB Average for Laboratory, Medical/Healthcare				\$479
	Low Quartile	Median	High Quartile	
Other U. T. System Projects	\$421	\$457	\$503	
Other Texas Projects	\$409	\$430	\$458	
Other National Projects	\$452	\$515	\$653	

- All benchmark building costs are escalated to 2016





# U. T. Dallas

## Engineering Building



# U. T. Dallas Engineering Building



## Campus Plan



# U. T. Dallas Engineering Building (cont.)

- LAB ■
- CLASSROOM ■
- STUDENT FOCUSED ■
- SHARED/PUBLIC ■
- LAB SUPPORT ■
- VERTICAL CIRCULATION ■
- BUILDING SUPPORT ■

Committee Minutes - 20



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## Site Plan

# U. T. Dallas Engineering Building (cont.)



Committee Minutes - 21



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## East Elevation

17

# U. T. Dallas Engineering Building (cont.)



# U. T. Dallas Engineering Building (cont.)



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## View from Courtyard

19

# U. T. Dallas Engineering Building (cont.)

- \$110,000,000 Total Project Cost
  - \$70,000,000 TRB
  - \$20,000,000 PUF
  - \$11,000,000 RFS
  - \$ 9,000,000 Gifts

	Total Building Cost	GSF	Building Cost/GSF
Engineering Building	\$81,968,000	200,000	\$410



# U. T. Dallas Engineering Building (cont.)

## Cost Per Gross Square Foot Benchmarks

Committee Minutes - 25

<b>Engineering Building</b>			<b>\$410</b>
THECB Average for Laboratory, General			\$496
	<b>Low Quartile</b>	<b>Median</b>	<b>High Quartile</b>
Other U. T. System Projects	\$421	\$457	\$503
Other Texas Projects	\$409	\$430	\$458
Other National Projects	\$452	\$515	\$653

- All benchmark building costs are escalated to 2016





# U. T. Dallas

## Student Housing Phase VI



# U. T. Dallas Student Housing Phase VI

Committee Minutes - 27



Proposed Student Housing Phase VI Site

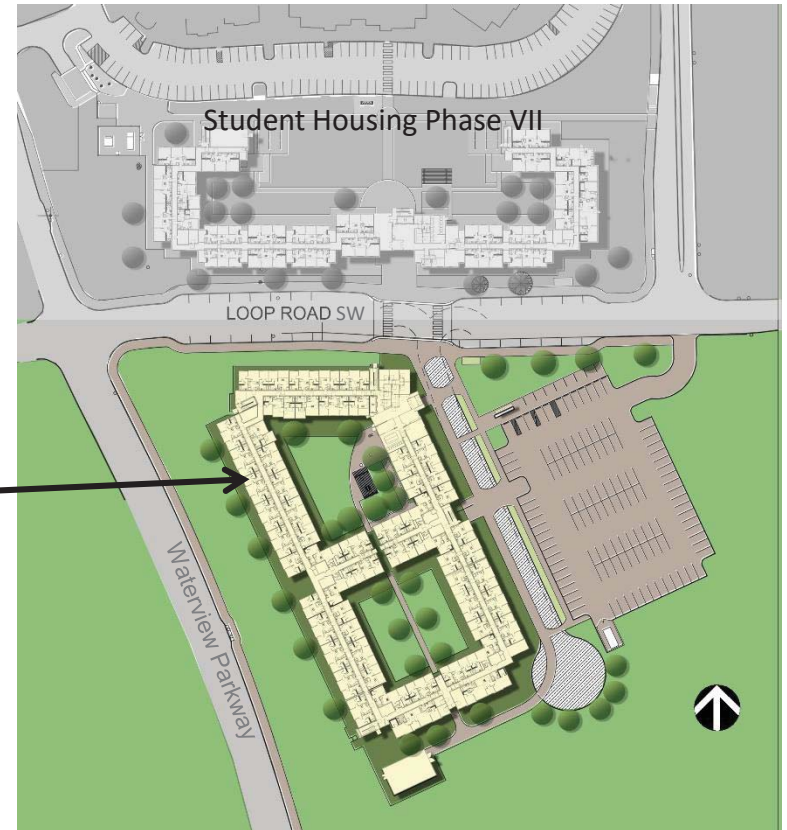


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# U. T. Dallas Student Housing Phase VI (cont.)

Student Housing Phase VI



# U. T. Dallas Student Housing Phase VI (cont.)



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## Floor Plan

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# U. T. Dallas Student Housing Phase VI (cont.)

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1 – Bedroom Unit



2 – Bedroom Unit



# U. T. Dallas Student Housing Phase VI (cont.)



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## View from Northeast

27

# U. T. Dallas Student Housing Phase VI (cont.)

- \$46,000,000 Total Project Cost
  - RFS to be repaid from rental income

	Building Cost	Number of Beds	Building Cost/Bed
Student Housing Phase VI	\$28,112,000	400	\$70,280



# U. T. Dallas

## Student Housing Phase VI (cont.)

### Cost Per Bed Benchmarks

Committee Minutes - 33

<b>Student Housing Phase VI</b>		<b>\$70,280</b>	
College Planning & Management National Average for Residence Halls		\$79,892	
	<b>Low Quartile</b>	<b>Median</b>	<b>High Quartile</b>
Other U. T. System Projects	\$59,094	\$74,909	\$85,184
Other National Projects	\$75,128	\$110,683	\$137,712

- All benchmark building costs are escalated to 2016





# U. T. Dallas

## Student Housing Phase VII



# U. T. Dallas Student Housing Phase VII

Committee Minutes - 35

Proposed Student Housing Phase VII Site



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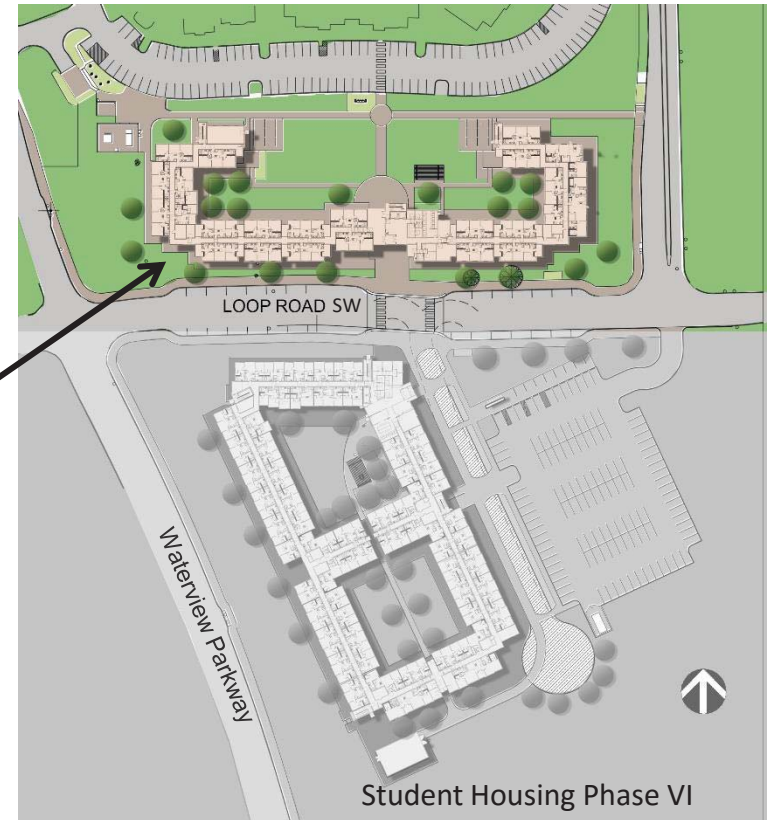
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## Campus Plan

31

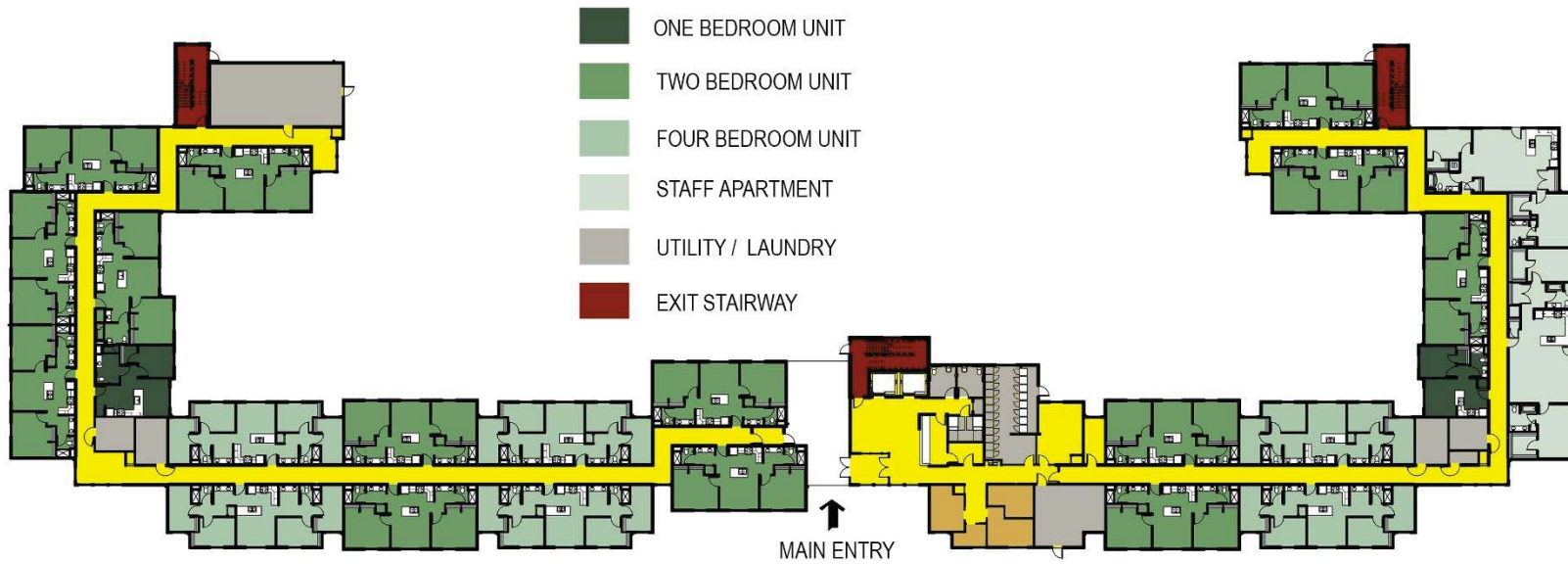
# U. T. Dallas Student Housing Phase VII (cont.)

Student Housing Phase VII



# U. T. Dallas Student Housing Phase VII (cont.)

Committee Minutes - 37



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## Floor Plan

33

# U. T. Dallas Student Housing Phase VII (cont.)

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2 – Bedroom Unit



4 – Bedroom Unit



# U. T. Dallas Student Housing Phase VII (cont.)



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## View from South

35

# U. T. Dallas

## Student Housing Phase VII (cont.)

- \$33,500,000 Total Project Cost
  - RFS to be repaid from rental income

	Building Cost	Number of Beds	Building Cost/Bed
Student Housing Phase VII	\$20,019,600	400	\$50,049



# U. T. Dallas

## Student Housing Phase VII (cont.)

### Cost Per Bed Benchmarks

<b>Student Housing Phase VII</b>		<b>\$50,049</b>	
College Planning & Management National Average for Residence Halls		\$79,892	
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$59,094	\$74,909	\$85,184
Other National Projects	\$75,128	\$110,683	\$137,712

- All benchmark building costs are escalated to 2016

Committee Minutes - 41





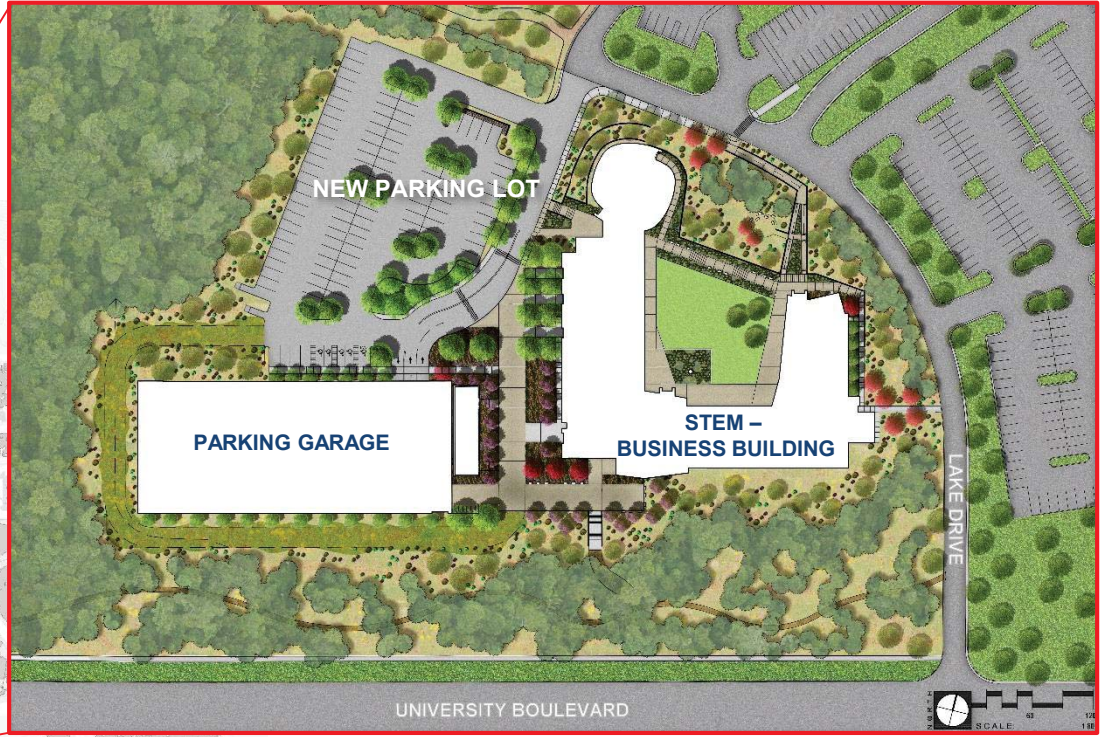
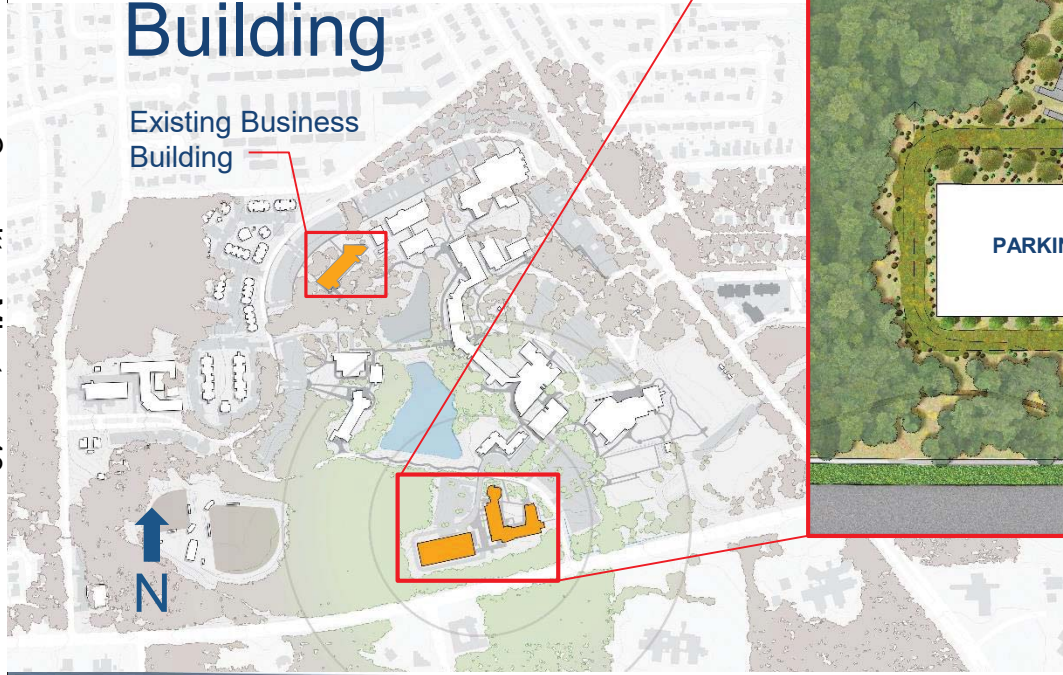
# U. T. Tyler

## STEM - Business Building



# U. T. Tyler STEM - Business Building

Committee Minutes - 43



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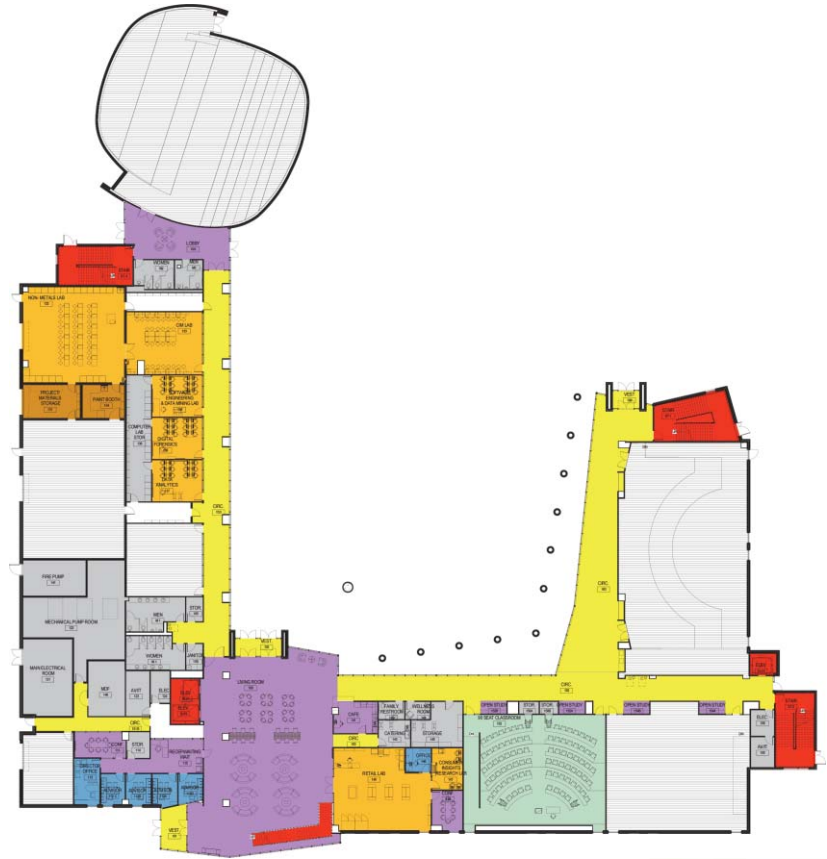
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# U. T. Tyler STEM - Business Building (cont.)

Committee Minutes - 44

### Department Legend

- LABS
- LAB SUPPORT
- CLASSROOMS
- OUTREACH CENTERS
- COLLABORATION
- OFFICE
- OFFICE SUPPORT AREAS
- OFFICE CIRCULATION
- CAFE/VENDING
- SUPPORT
- CIRCULATION AREA
- VERTICAL CIRCULATION
- EXTERIOR
- SHELL SPACE



## Level 1 Plan

40



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# U. T. Tyler STEM - Business Building (cont.)



Committee Minutes - 45



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## View from Southeast

41

# U. T. Tyler STEM - Business Building (cont.)



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## View from Southwest

42

## U. T. Tyler STEM - Business Building (cont.)

- \$76,000,000 Total Project Cost
  - \$60,000,000 TRB
  - \$11,000,000 PUF
  - \$ 5,000,000 Unexpended Plant Funds

	Total Building Cost	GSF	Building Cost/GSF
STEM - Business Building	\$40,500,000	141,000	\$287
Parking Garage	\$5,723,500	302 cars	\$18,952/car
College of Arts and Sciences Renovation	\$3,600,000	50,000	\$72
<b>TOTAL</b>	<b>\$49,823,500</b>		



# U. T. Tyler STEM - Business Building (cont.)

## Cost Per Gross Square Foot Benchmarks

<b>STEM - Business Building (With 41% Shell Space)</b>				<b>\$287</b>
STEM - Business Building (Estimated Total Finish-Out)				\$315
THECB Average for Classroom Buildings				\$424
	Low Quartile	Median	High Quartile	
Other U. T. System Projects	\$254	\$334	\$368	
Other National Projects	\$256	\$430	\$551	

- All benchmark building costs are escalated to 2016



# U. T. Tyler STEM - Business Building (cont.)

## Cost Per Car Benchmarks

STEM - Business Building - Parking Garage			\$18,952
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$16,360	\$17,925	\$24,877
Other National Projects	\$17,709	\$18,154	\$22,556

- All benchmark building costs are escalated to 2016





# U. T. Tyler STEM - Business Building (cont.)

## Renovation Cost Per Gross Square Foot Benchmarks

<b>STEM - Business Building - College of Arts and Sciences Renovation</b>		<b>\$72</b>	
THECB Average for Classroom Building Renovation		\$197	
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$114	\$163	\$196

- All benchmark building costs are escalated to 2016



## U. T. Austin Dell Medical School - Phase I

- Increase Total Project Cost to finish-out approximately 166,100 GSF of shell space within Health Transformation Building to provide clinical space on floors seven, eight and nine, and an ambulatory surgical center on the first level
- \$436,397,000 Total Project Cost
  - \$435,897,000 RFS
  - \$ 250,000 Available University Fund
  - \$ 250,000 Unexpended Plant Funds



# U. T. Austin

## Dell Medical School - Phase I (cont.)

### Cost Per Gross Square Foot Benchmarks

Committee Minutes - 52

<b>Dell Medical School - Phase I - Interior Finish-Out</b>		<b>\$280</b>	
THECB Average for Healthcare Facility, Clinic Renovation		\$180	
	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$201	\$272	\$293

\* All benchmark building costs are escalated to 2016



## U. T. M. D. Anderson Cancer Center Clinical Research Building Animal Area Renovation

- Increase Total Project Cost to fund additional scope of work on air handling system, as well as the impact of construction cost inflation since 2010
- \$13,000,000 Total Project Cost
  - Hospital Revenues



# U. T. M. D. Anderson Cancer Center Clinical Research Building Animal Area Renovation (cont.)

## Cost Per Gross Square Foot Benchmarks

<b>Clinical Research Building Animal Area Renovation</b>		<b>\$356</b>	
THECB Average for Laboratory, Medical/Healthcare Renovation		\$297	
	<b>Low Quartile</b>	<b>Median</b>	<b>High Quartile</b>
Other U. T. System Clinical Renovations	\$289	\$340	\$393
Other U. T. System Vivarium Renovations	\$282	\$378	\$497

\* All benchmark building costs are escalated to 2016



MINUTES  
U. T. System Board of Regents  
Technology Transfer and Research Committee  
May 11, 2016

The members of the Technology Transfer and Research Committee of the Board of Regents of The University of Texas System convened at 2:49 p.m. on Wednesday, May 11, 2016, 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

Chairman Hall, presiding  
Regent Aliseda  
Regent Cranberg  
Regent Pejovich  
Regent Tucker

Also present were Chairman Foster, Vice Chairman Hicks, Vice Chairman Hildebrand, Regent Beck, Regent Drake, 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 Hall called the meeting to order in Open Session.

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

***Committee Meeting Information***

***Presenter(s):*** Committee Chairman Hall  
***Status:*** Reported/Discussed

2. **U. T. System: Report on a systematic assessment of how to best advance Offices of Technology Commercialization and the process of commercialization of discovery across the U. T. System**

***Committee Meeting Information***

***Presenter(s):*** Dr. Patricia Hurn, Vice Chancellor for Research and Innovation; Ms. Julie Goonewardene, Associate Vice Chancellor for Innovation and Strategic Investment  
***Status:*** Reported/Discussed  
***Follow-up action:*** Regent Hall asked Ms. Goonewardene to provide metrics to measure effectiveness of the institutional commercialization missions.

**Discussion at meeting:**

*In reply to a question from Chairman Foster, Ms. Goonewardene explained the difference between the Horizon Fund and the proposed Commercialization Fund. She said the Horizon Fund does equity investments, after a company is formed, whereas the Commercialization Fund would help to fund activities early in the cycle, such as initial patenting and proof-of-concept to create a prototype.*

*She added that the Horizon Fund has invested approximately \$12 million as of last quarter, and the book value of those investments is just under \$16 million, based on the pricing of the last round.*

*In terms of the recommendations (Recommendation #1), Committee Chairman Hall asked Ms. Goonewardene to provide metrics to measure effectiveness of the institutional commercialization missions especially with regard to attracting and retaining researchers. Ms. Goonewardene said that conversations have begun between the Chancellor, the Deputy Chancellor, and the institutional presidents on this matter and will be communicated to the Board.*

**3. U. T. System: Report on MicroTransponder, a U. T. Horizon Fund Portfolio Company**

**Committee Meeting Information**

**Presenter(s):** Ms. Julie Goonewardene, Associate Vice Chancellor for Innovation and Strategic Investment; Mr. Frank McEachern, J.D., Chief Executive Officer, MicroTransponder

**Status:** Reported/Discussed

**4. U. T. System: Report and discussion on the initiatives of the Institute for Transformational Learning**

**Committee Meeting Information**

**Presenter(s):** Dr. Steven Mintz, Executive Director, Institute for Transformational Learning; Dr. Marni Baker Stein, Chief Innovation Officer

**Status:** Reported/Discussed

**Discussion at meeting:**

*A revised presentation is set forth on Pages 4 - 33.*

*In reply to a question from Committee Chairman Hall about the next milestone, Dr. Baker Stein explained the progress of moving the TEx (Total Educational Experience) app from the learning environment into the marketplace. She said the marketplace was being developed for U. T. San Antonio, but there are opportunities for participation by other U. T. System institutions. She explained staff hirings and contractual activities.*

*Committee Chairman Hall asked about measuring persistence in comparison to what other schools are doing, and Dr. Baker Stein reported on improved student retention rates and grades and on the amount of data being collected. Dr. Mintz added that most students were on an accelerated track and will graduate early and thus, save money.*

*In answer to a question from Dr. Catherine Ross, Chair of the U. T. System Faculty Advisory Council, Dr. Baker Stein responded that this is the first year of the program, and 129 students are enrolled.*

## ADJOURNMENT

Committee Chairman Hall adjourned the meeting at 3:43 p.m.



# ITL Strategy and Progress Report

Dr. Marni Baker Stein, Chief Innovation Officer  
Dr. Steven Mintz, Executive Director  
Institute for Transformational Learning (ITL)

U. T. SYSTEM BOARD OF REGENTS' MEETING  
TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE | MAY 2016



THE NEW STUDENT PROFILE



THE HESITANT **DREAMER**



SELF-ASSURED **CLIMBER**



THE RELUCTANT **COMPLETER**



THE FOCUSED (BUT FRAZZLED) **MAMA**


# IT'S A VUCA WORLD


Volatile  
Uncertain  
Complex  
Ambiguous

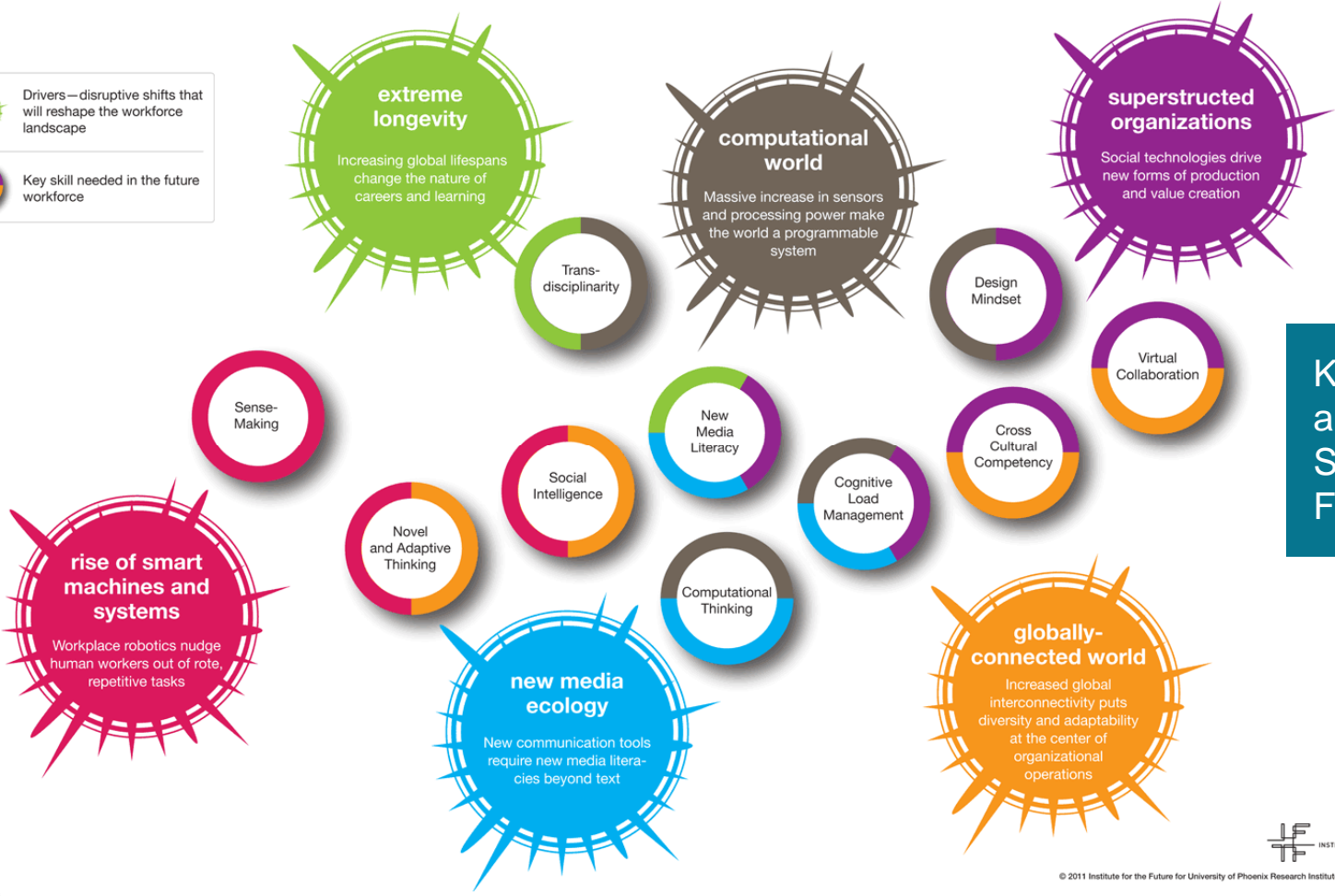


# Key Drivers and Skills for Success in the Future of Work

**KEY**

 Drivers—disruptive shifts that will reshape the workforce landscape

 Key skill needed in the future workforce

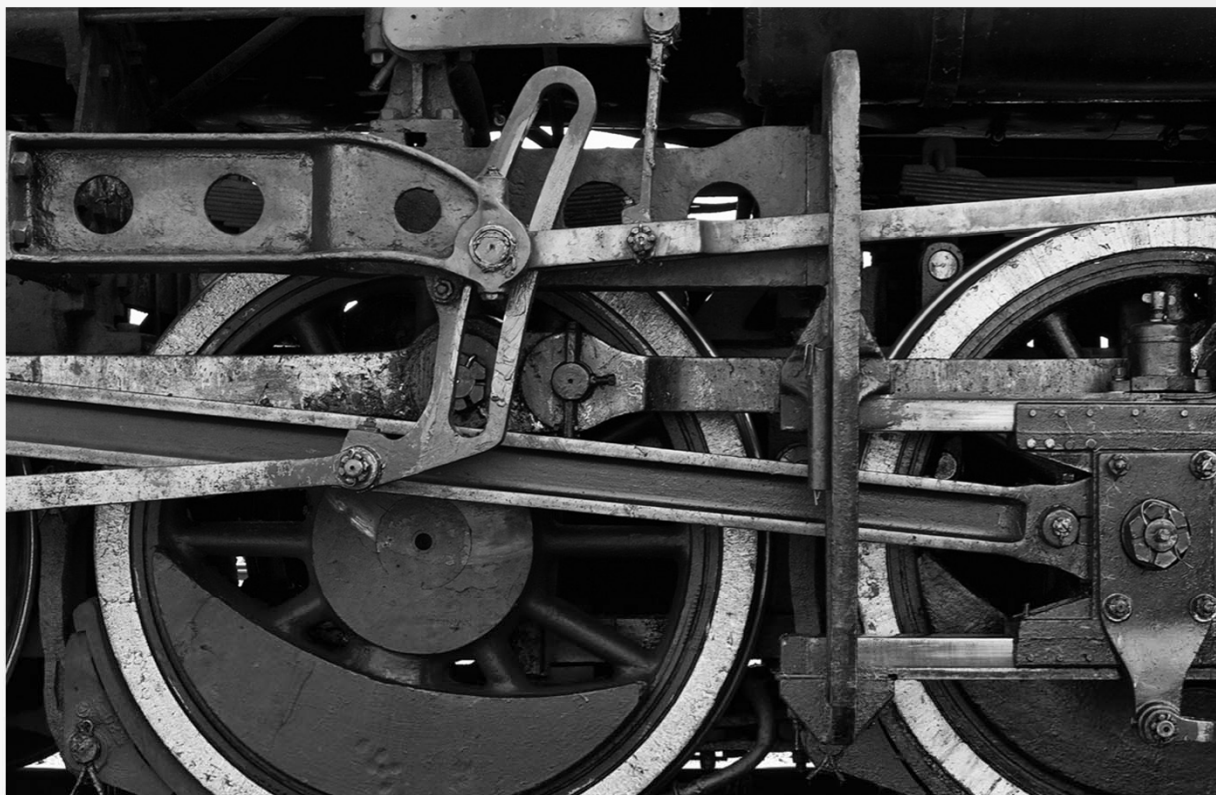


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Why can't we get more learners  
to this **bright** future?



“

**We are in a  
new world,  
using old  
tools**

– Thomas Friedman,  
“The World is Flat”

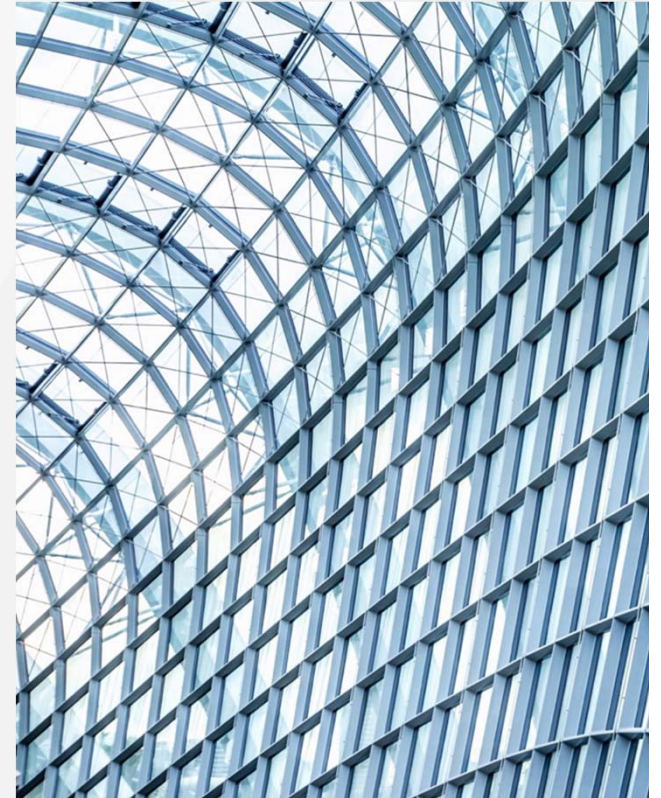
## Design Requirements PART 1

**CONTINUOUS** | Coordinated educational verticals begin as early as middle school and extend across multiple institutions and a lifetime of education

**INDUSTRY-ALIGNED** | Learning pathways develop creative, adaptive leaders focused, experienced, and ready for the future of work

**UNIVERSAL** | Competency-based achievements define a currency that is easily exchanged, interpreted, and valued across academic, military, and professional experience

**PERSONALIZED** | Learning journeys, content, and support services respond to challenge and strength and adapt as learners interact, achieve, and grow





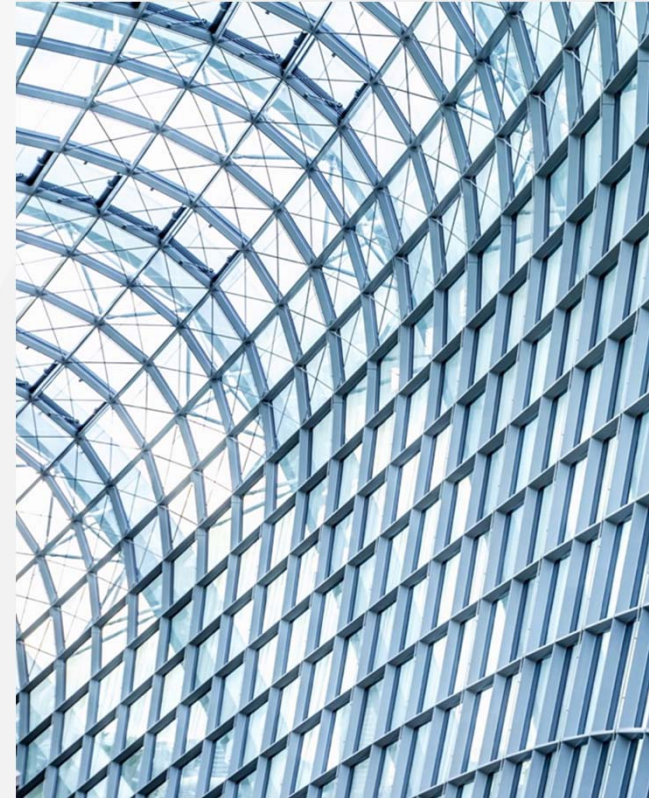
## Design Requirements PART 2

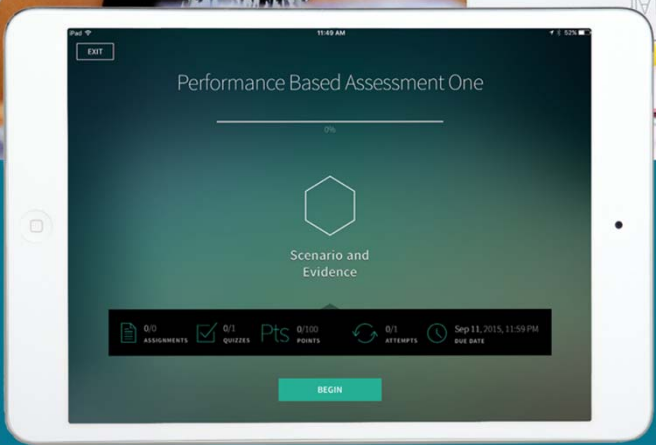
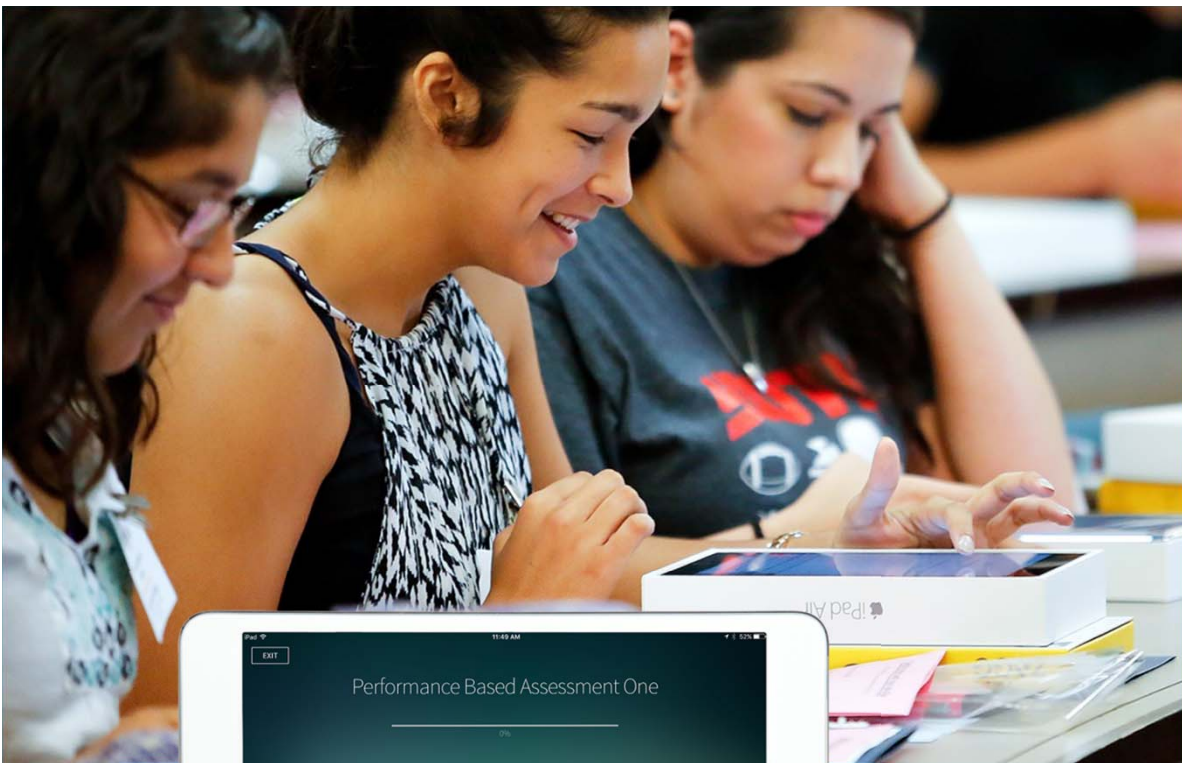
**ALGORITHMIC** | Powerful analytics capabilities allow for real-time reasoning around learner data and guide student, faculty, and coaches to optimize performance through action

**COLLABORATIVE** | Learning experiences lead to a powerful network of professionals who are actively building the knowledge network, and returning again and again to learn and contribute across their careers

**UNBOUNDED** | Access to knowledge, skills, and learning resources that are changing faster than accreditation and publishing cycles

**ATOMIC** | Modularized, stackable learning experiences that tag to a wide range of accomplishments from badge to competency to credit to certificate or degree – across multiple institutions





# TE<sub>x</sub>

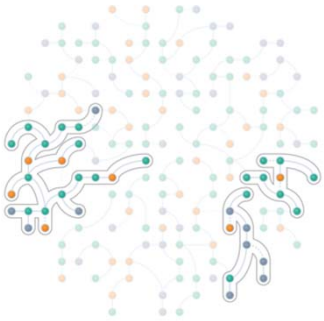
Total Educational Experience



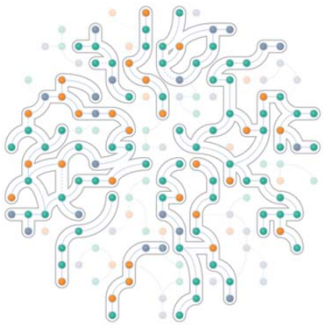
# A Persistent Progressive Profile and Universal Transcript



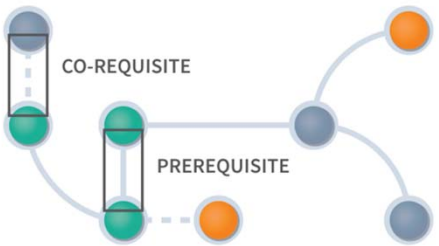
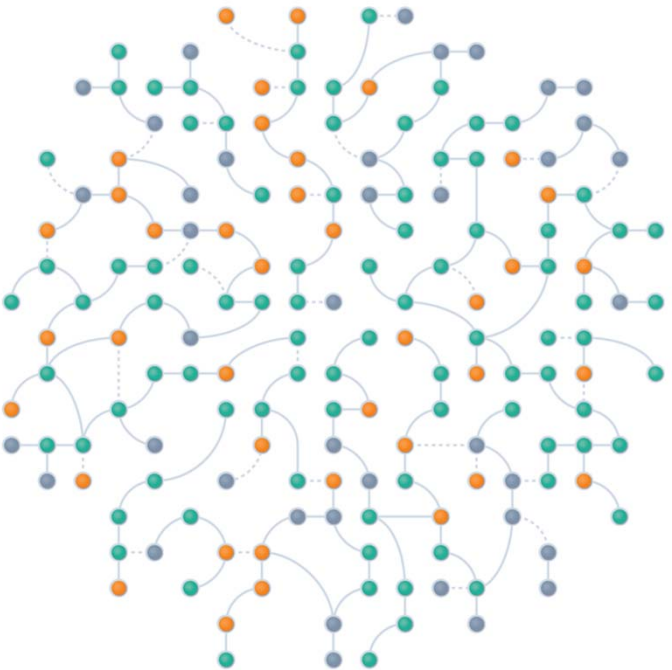
# The Knowledge Graph



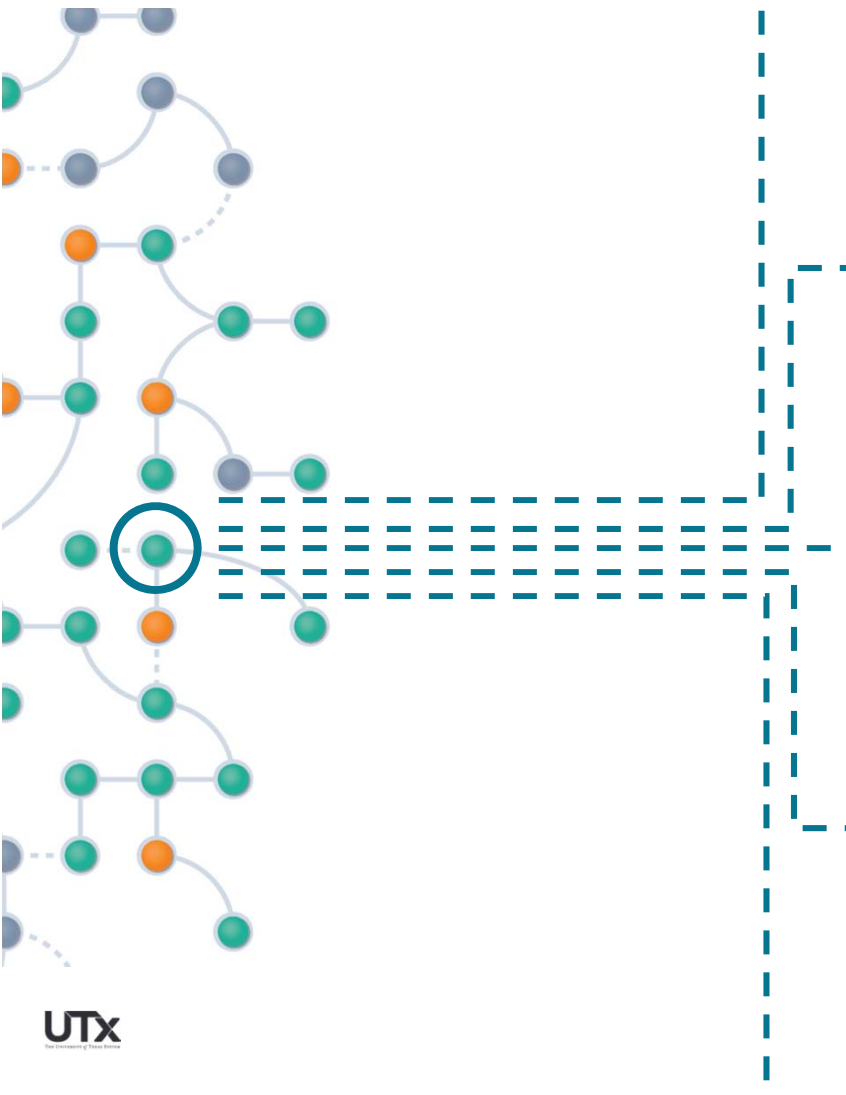
Certificate



Degree



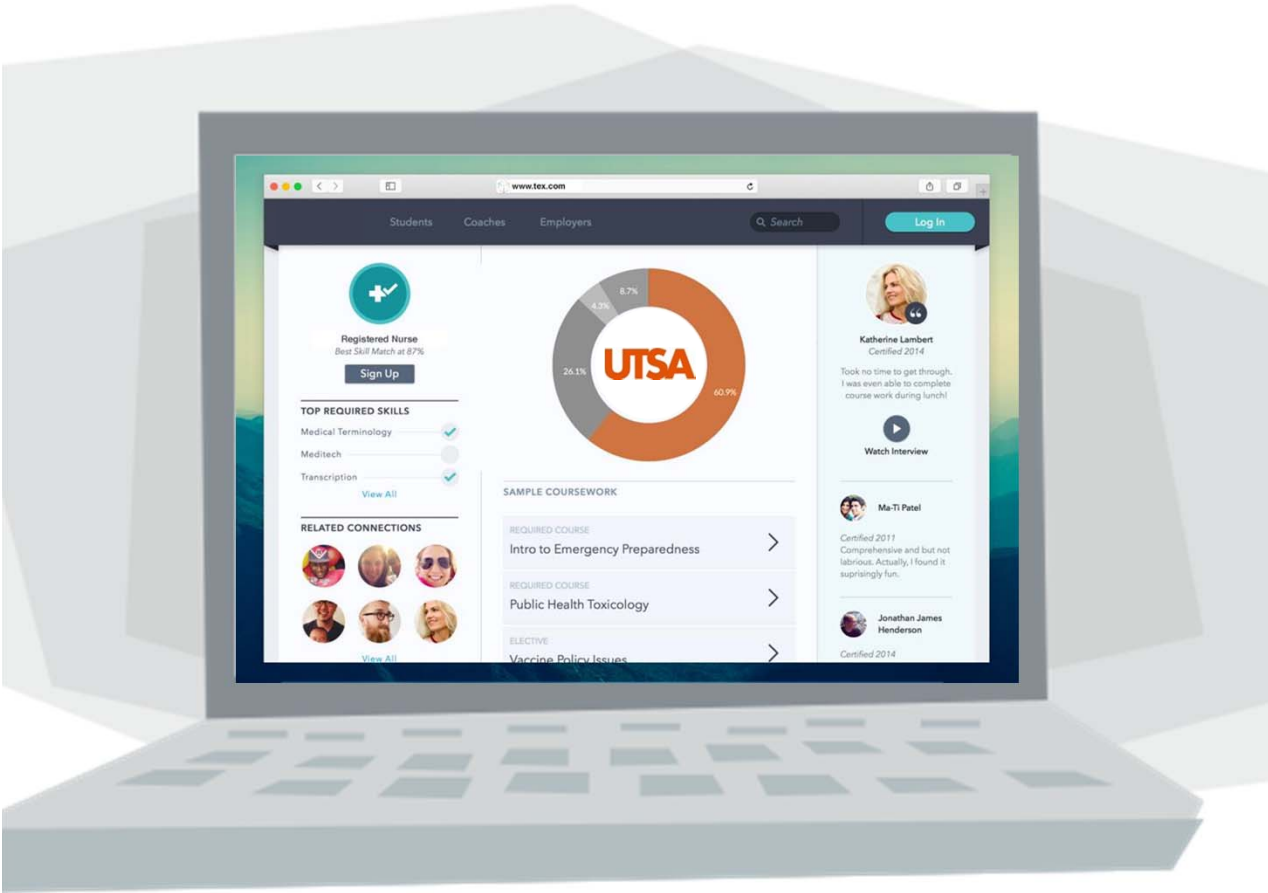
# The Learning Environment



Committee Minutes - 16



# The Marketplace





THE PROTOTYPE

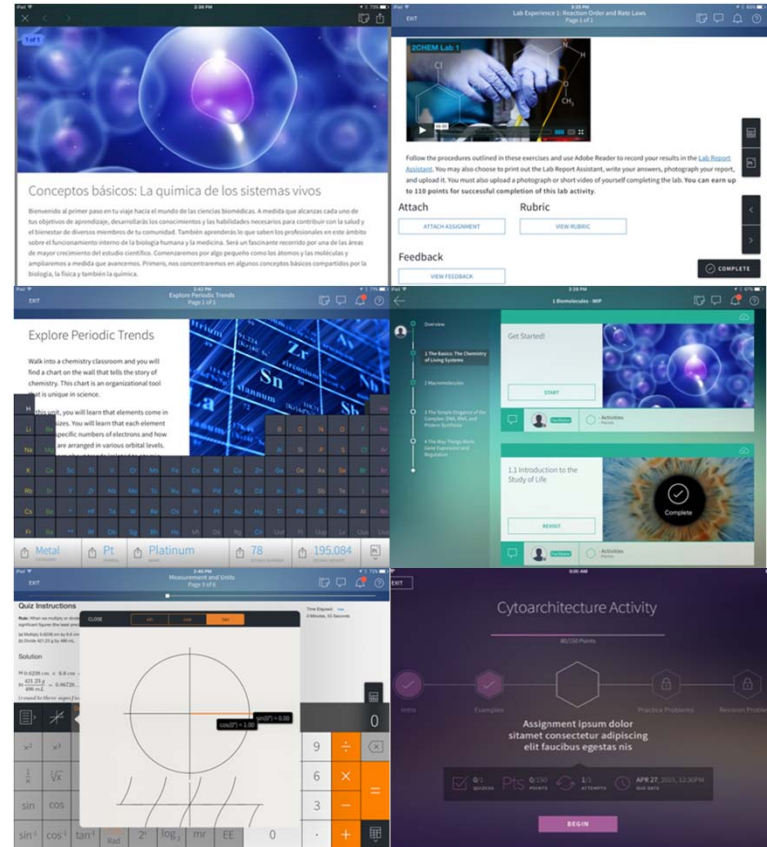
# BS in Biomedical Sciences



THE PROTOTYPE : **BS IN BIOMEDICAL SCIENCES**

**High fidelity content and learning experiences that engage students and compete for attention in a complex world:**

- Mobile-first approach
- Pre-loaded content
- Bilingual content and Offline content
- High impact pedagogies and authentic assessment
- Distributed activity framework (atomic design)
- Points-driven progress indicators





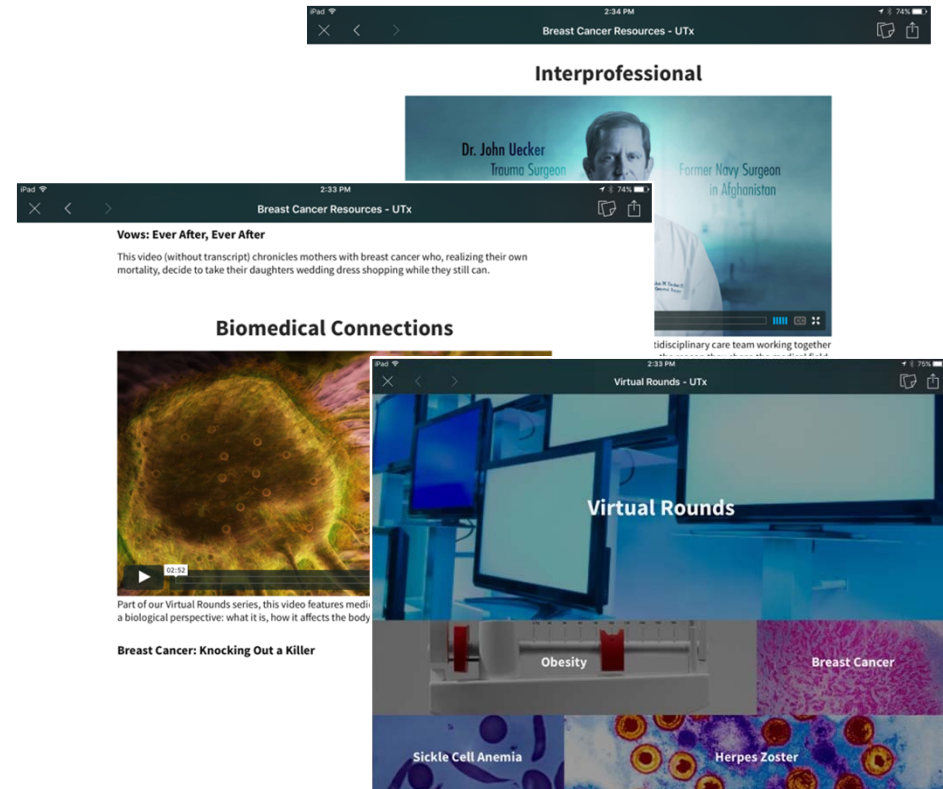
THE PROTOTYPE : **BS IN BIOMEDICAL SCIENCES**

# Transdisciplinary insights and windows into the health professions:

Design across all 120 credit requirements

Synergistic learning pathways across each term

Virtual rounds as red thread across disciplinary domains



THE PROTOTYPE : **BS IN BIOMEDICAL SCIENCES**

**A level of personalization to support a diverse audience of learners:**

Personalization of pace (bounded)

Block scheduling

Pre-set pathways

and...



THE PROTOTYPE : **BS IN BIOMEDICAL SCIENCES**

**A community of care acting on real time engagement and performance data (2.3 million events in term one):**

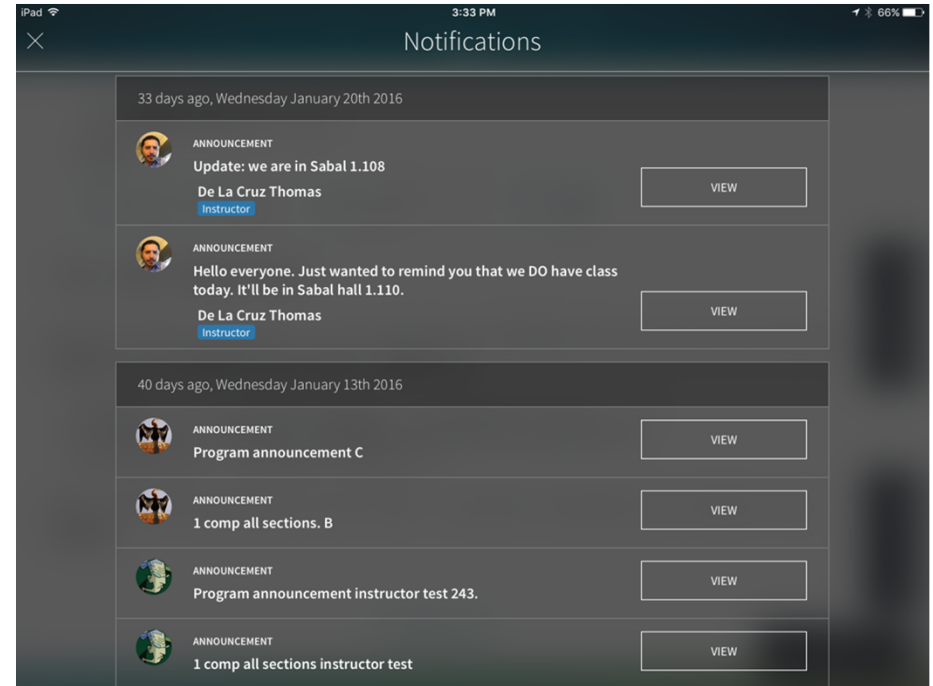
Faculty

Longitudinal Instructional Facilitators

Student Lifecycle Management  
Coaching (proactive and reactive)

Dedicated Student Success Coach

Tutoring Services

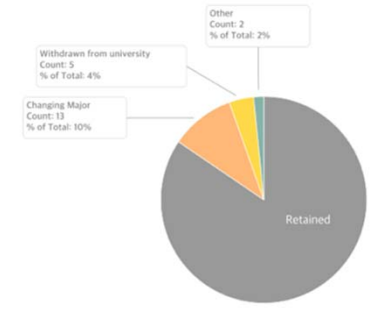
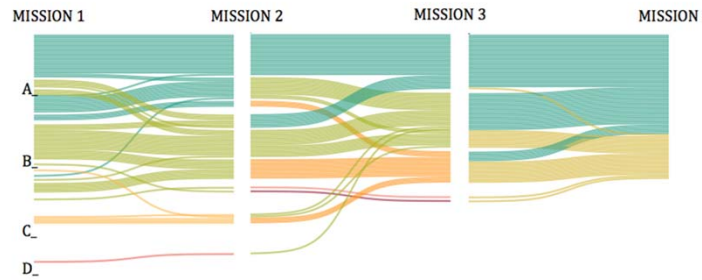
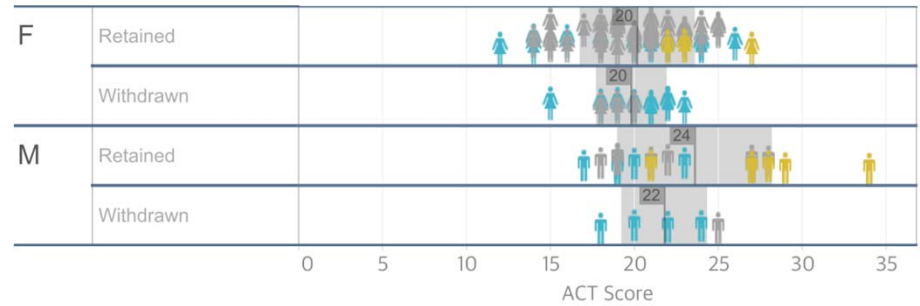


THE PROTOTYPE : **BS IN BIOMEDICAL SCIENCES**

**A commitment to evidence-driven continuous improvement:**

- Profile
- Engagement
- Self-efficacy
- Endurance
- Learning decay
- Intervention impacts
- Outcomes

Gender and Pace composition by retention category plotted along student ACT score.

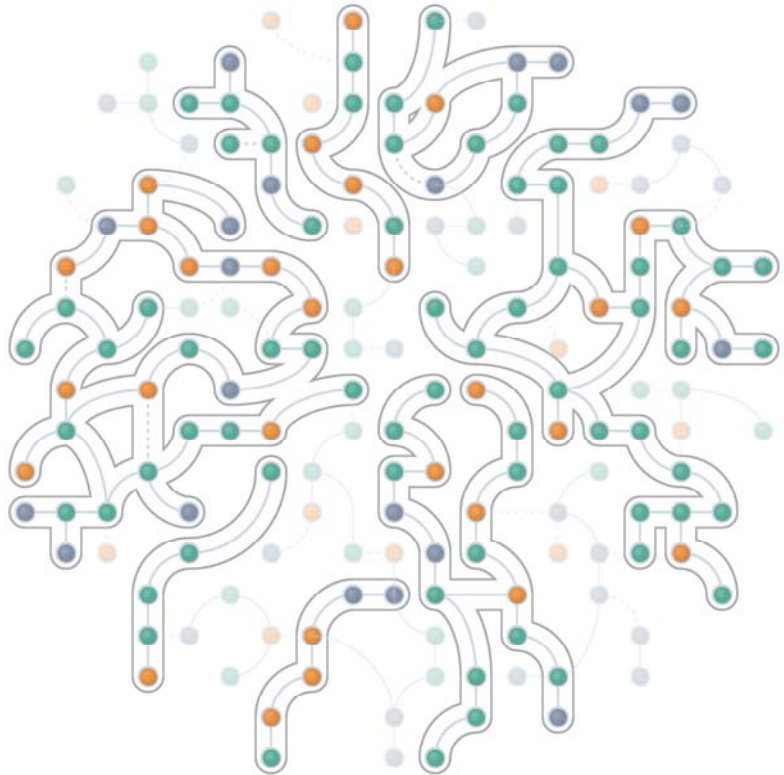


THE **EMERGING PARTNERSHIP** LANDSCAPE

**The Gates Foundation**  
**The Teagle Foundation**  
**The Department of Education**  
**Apple**  
**Salesforce**  
**PBS**  
**Dell Corporate Giving**



Is this model sustainable –  
and can we get it to scale?

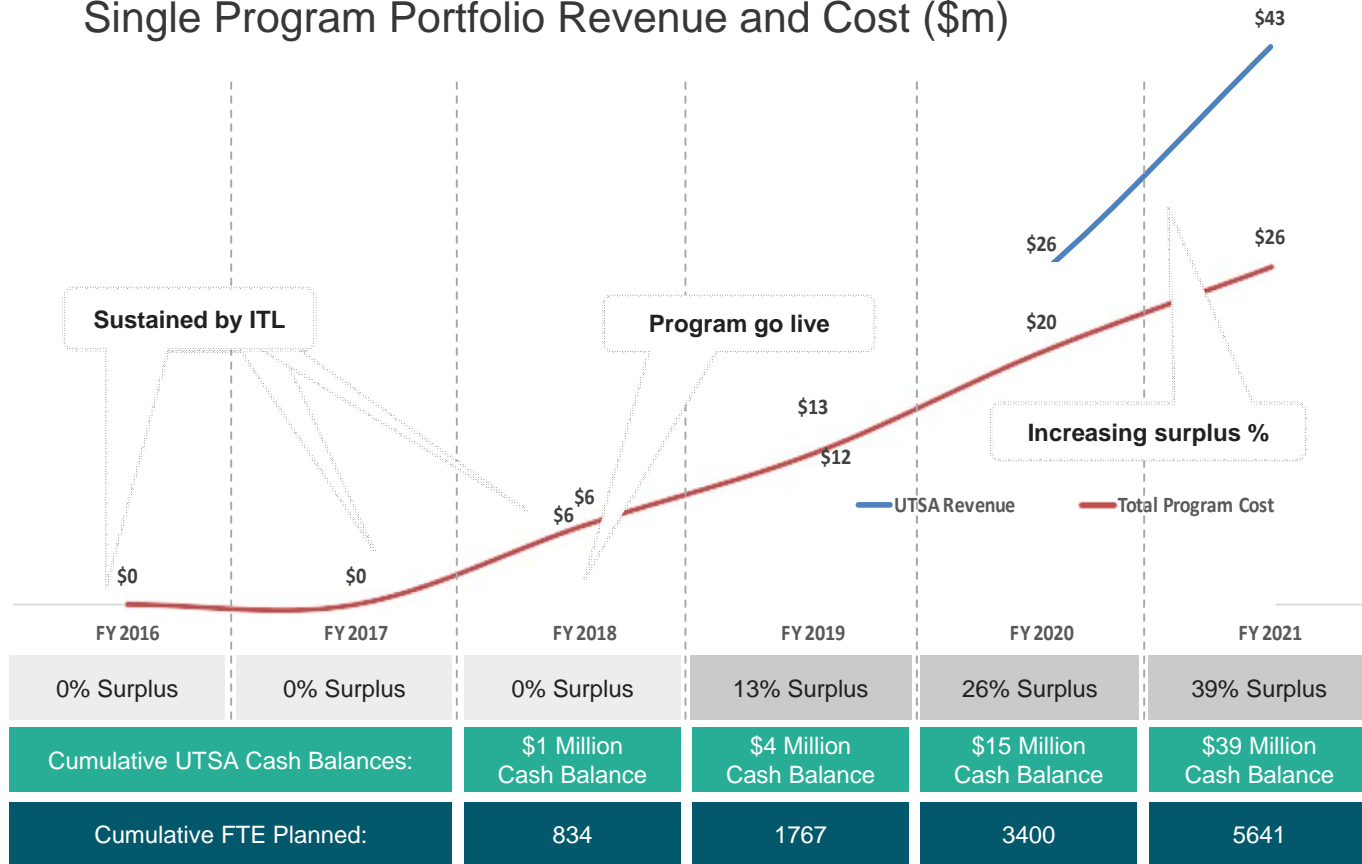


#### UTSA CYBER PORTFOLIO

- BA in Computer Science
- BBA in Information Systems and Cyber Security
- Multiple Academic Certificates
- Multiple professional/non-credit Certificates
- Credit by exam



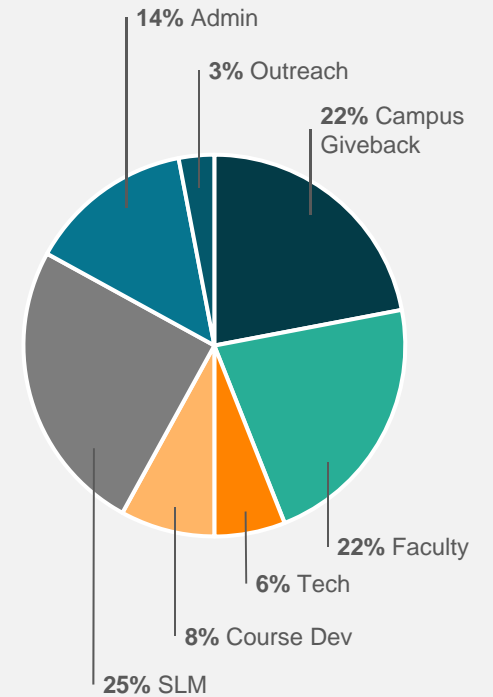
## Single Program Portfolio Revenue and Cost (\$m)



Expenses includes 25% annual revenue as giveback to Campus in ADDITION to surplus



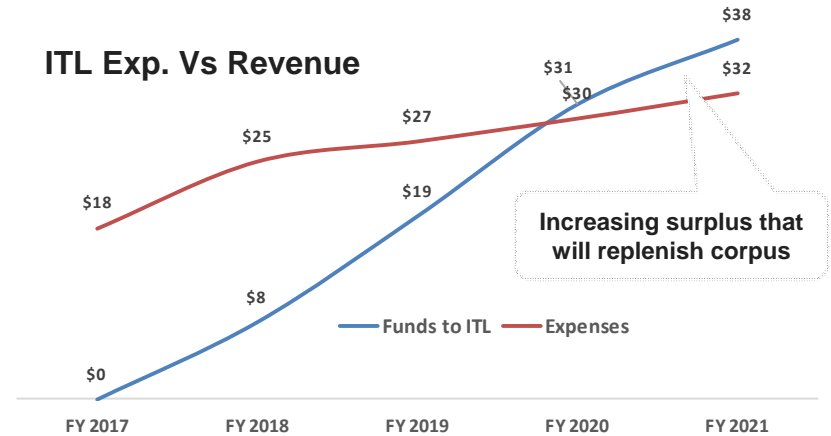
## Average Cost Breakdown by Type for Program



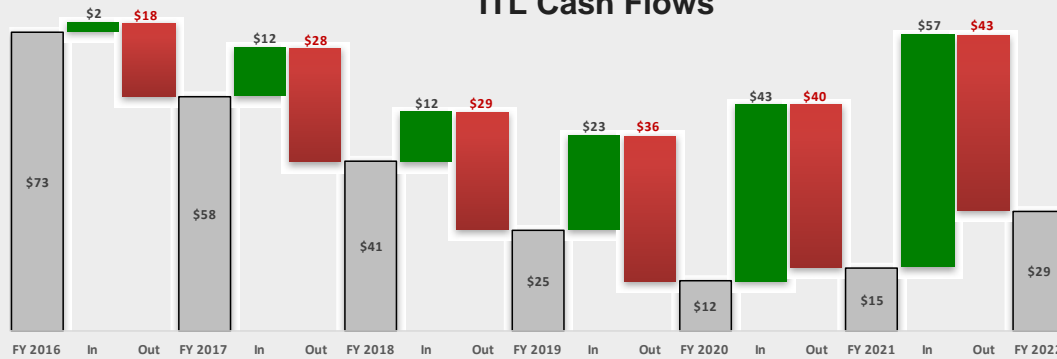
## ITL Income and Cash Flows – 2 Program Portfolios Fall 2017, One Fall 2018; Two Fall 2019

- Assumes no recovery for initial start-up funds incurred by ITL
- Stabilization contingent on enrollment assumptions
- Two programs started 2017, similar one added 2018 and two more added fall 2019
- Assumes some Grant activity to supplement balance
- Cash increase occurs starting 2019; larger in outer years

### ITL Exp. Vs Revenue



### ITL Cash Flows



Cash Flow Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Begin Balance</b>	\$73	\$58	\$41	\$25	\$12	\$15
<b>Uses of Funds</b>						
Salary & Pgm Cost	\$6	\$19	\$21	\$19	\$8	\$1
Reimbursable	\$0	\$0	\$5	\$14	\$29	\$39
Tex	\$12	\$9	\$3	\$3	\$3	\$3
<b>Total Uses</b>	\$18	\$28	\$29	\$36	\$40	\$43
<b>Sources of Funds</b>						
Reimbursable	\$0	\$0	\$5	\$14	\$29	\$39
Mgmt Fee	\$0	\$0	\$3	\$6	\$11	\$14
Grants	\$2	\$12	\$4	\$4	\$4	\$4
<b>Total Sources</b>	\$2	\$12	\$12	\$23	\$43	\$57
<b>Ending Cash Bal</b>	\$58	\$41	\$25	\$12	\$15	\$29

ITL PORTFOLIO

**BUSINESS**

- U. T. San Antonio - BBA Cyber Security and Early Business Core (Fall 2017)
- U. T. Tyler - BS Marketing (concept stage)

**HEALTH PROFESSIONS**

- U. T. Rio Grande Valley - BS in Biomedical Sciences (Live – Fall 2015)
- U. T. Health Science Center - Houston - Biostatistics Pathway (Fall 2016)
- TIME Initiative - Early Health Sciences Core (concept stage)
- U. T. M. D. Anderson Cancer Center - Cross Institutional UTxHealth Continuing and Professional Education Portfolio (Fall 2017)

**COMPUTER SCIENCE**

- U. T. San Antonio - BA Cyber Security and Early Computer Science Core (Fall 2017)

**ENGINEERING**

- U. T. El Paso - BS Electrical (concept stage)
- U. T. Permian Basin - BS Petroleum and Energy Technology (concept stage)
- U. T. Austin - Early Engineering (Fall 2017)

**MEDICAL SCHOOL**

- U. T. Rio Grande Valley - Competency Based Degree Mapping (complete – Fall 2015)
- U. T. Austin - Competency Based Degree Mapping (complete – Spring 2015)
- U. T. Austin - Value Based Care Metrics (Spring 2016)

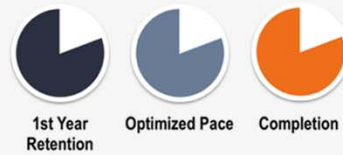
# What is the real measure of success?

# Value Metrics

## STUDENT ACCESS



## STUDENT SUCCESS



## CROSS-INSTITUTIONAL IMPACT

Programs in Development      Programs Live

## STAKEHOLDER VALUE

Annual Earnings to Partners      Annual Earnings to ITL



## STAKEHOLDER SATISFACTION



# Value Metrics

## SCALABILITY

Program Growth	2015	2016
	Partner	Partner
	Partner	Partner

Affiliate Partners	2015	2016
	Partner	Partner
	Partner	Partner
	Partner	Partner

## INTELLECTUAL CAPITAL

Data Attributes

Research Initiatives

Publications

IP

## DIFFUSION OF INNOVATION

Requests for New Program Development

Requests for Consultation

Proliferation of Models Beyond ITL

## REPUTATIONAL CAPITAL

Foundation Partners	2015	2016
	Partner	Partner
	Partner	Partner

Industry Partners	2015	2016
	Partner	Partner
	Partner	Partner
	Partner	Partner

Non-Profit Partners	2015	2016
	Partner	Partner
	Partner	Partner