Meeting No. 1,009

# THE MINUTES OF THE BOARD OF REGENTS

# OF

# THE UNIVERSITY OF TEXAS SYSTEM

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August 9-10, 2006

Arlington, Texas

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MEETING NO. 1,009

WEDNESDAY, AUGUST 9, 2006.--The members of the Board of Regents of The University of Texas System convened at 11:45 a.m. on Wednesday, August 9, 2006, in the Rio Grande Ballroom, E.H. Hereford University Center, The University of Texas at Arlington, 300 West First Street, Arlington, Texas, with the following participation:

ATTENDANCE.--

| Present | Absent |
|---|---|
| Chairman Huffines, presiding | Regent Estrada |
| Vice Chairman Clements | |
| Vice Chairman Krier | |
| Regent Barnhill | |
| Regent Caven | |
| Regent Craven | |
| Regent Haley | |
| Regent McHugh | |
| Regent Rowling | |

Counsel and Secretary Frederick

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

RECESS TO EXECUTIVE SESSION.--At 11:45 a.m., Chairman Huffines announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 3:40 p.m., the Board reconvened in Open Session. No action was taken on the following matters discussed in Executive Session.

1. U. T. Dallas: Discussion and appropriate action regarding a negotiated gift with a potential naming feature (Deferred)

   This item was deferred.

2a. U. T. Southwestern Medical Center – Dallas: Discussion and appropriate action regarding Dispute Resolution for Thermal Energy Plant - Phase 2 in Settlement of Docket No. 729-06-0012.CC; *TXU Energy Solutions Co., L.P. v. The University of Texas Southwestern Medical Center at Dallas* (Before the State Office of Administrative Hearings)

No action was taken on this item.

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

No action was taken on this item.

3a. U. T. System: Deliberations Regarding the Purchase, Exchange, Lease, Sale, or Value of Real Property

No discussion was held and no action was taken on this item.

4a. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of U. T. System and institutional employees

No action was taken on this item.

4b. U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), and other officers reporting directly to the Board (Chancellor, Counsel and Secretary, and Director of Audits), and individual personnel aspects of the operating budget for the year ending August 31, 2007

No action was taken related to general personnel matters concerning appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), University of Texas System Administration officers (Executive Vice Chancellors and Vice Chancellors), and other officers reporting directly to the Board (Chancellor, Counsel and Secretary, and Director of Audits).

Action on the personnel aspects of the Fiscal Year 2007 Operating Budget was deferred for consideration at the Board meeting on Thursday, August 10, and was approved at that time (See Item 5 on Page 30).

RECESS.--At 3:40 p.m., Chairman Huffines announced the Board would recess for the meetings of the Standing Committees and would reconvene in Open Session at 8:00 a.m. on August 10.

THURSDAY, AUGUST 10, 2006.--The members of the Board of Regents of The University of Texas System reconvened at 8:00 a.m. on Thursday, August 10, 2006, in the Rio Grande Ballroom, E.H. Hereford University Center, The University of Texas at Arlington, 300 West First Street, Arlington, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Huffines, presiding
Vice Chairman Clements
Vice Chairman Krier
Regent Barnhill
Regent Caven
Regent Craven
Regent Estrada
Regent Haley
Regent McHugh
Regent Rowling

Counsel and Secretary Frederick

Chairman Huffines announced a quorum present and called the meeting to order.

WELCOME TO MR. MICHAEL O'DONNELL, ASSOCIATE VICE CHANCELLOR FOR FACILITIES PLANNING AND CONSTRUCTION FOR THE U. T. SYSTEM.--Chairman Huffines welcomed Mr. Michael O'Donnell who was in attendance and would begin employment on August 14, 2006, as Associate Vice Chancellor for Facilities Planning and Construction for The University of Texas System. Chairman Huffines also commended Mr. David Dixon, Director of Project Delivery, for his work as Interim Associate Vice Chancellor for Facilities Planning and Construction.

U. T. SYSTEM BOARD OF REGENTS: APPROVAL OF MINUTES.--The Minutes of the regular meetings of the Board of Regents of The University of Texas System held on May 10-11, 2006, and July 13-14, 2006, in Austin, Texas, were approved as prepared by the Counsel and Secretary to the Board. The official copy is recorded in the *Permanent Minutes*, Volume LIII, Pages 511 - 648 and 658 - 804, respectively.

The Board also approved the Minutes of the special meeting of the Board of Regents of the U. T. System held on June 20, 2006, in Austin, Texas, as prepared by the Counsel and Secretary to the Board. The official copy is recorded in the *Permanent Minutes,* Volume LIII, Pages 649 - 657.

AGENDA ITEMS

1. U. T. System: Presentation on the state of the U. T. System

Prior to Chancellor Yudof's address on the state of The University of Texas System, Chairman Huffines took up consideration of the U. T. System Strategic Plan (Item 2 on Page 9 ), appropriation of Permanent University Funds (PUF) and amendment of the Capital Improvement Program and Capital Budget (Item 3 on Page 17 ), approval of PUF allocation for Library, Equipment, Repair and Rehabilitation projects (Item 4 on Page 29 ), and the Operating Budgets (Item 5 on Page 30 ).

Chancellor Yudof presented a report on the state of the U. T. System essentially as follows. This first annual report inaugurates a series of short reports at each quarterly meeting of the Board.

State of The University of Texas System
Chancellor Mark G. Yudof

Chairman Huffines, Members of the Board,
Someone once asked Abbott Lawrence Lowell, who at the time was the President of Harvard, what it takes to make a great university. His answer was, "three hundred years." By pure coincidence, when he gave his answer, Harvard was about three hundred years old. In Texas, we do things much more quickly. Less than halfway through President Lowell's timeline, we have created not only a great university but, a great university system.

Over the last year, we have had a few disappointments, most notably the Los Alamos and Presidential Library bids. But even the disappointments have moved us closer to our ultimate goal of acknowledged leadership of The University of Texas System among all university systems in the nation.

For System staff, this has been a year of learning to collaborate and simultaneously to compete with other top-tier institutions of higher learning. And we have had many successes. Internally, the working relationship among the Board, the campuses, and System staff is the best I can recall in my many years of administrative experience. We have developed a level of trust and shared purpose that has allowed us to move forward on a series of complex and ambitious initiatives, including:

- adopting graduation rate targets for all academic campuses,
- centralizing the investment of cash reserves, which we firmly believe will result in greater returns for the campuses,

- advancing the faculty STARs (Science and Technology Acquisition and Retention) recruitment program, which has dedicated $74 million to recruiting and equipping outstanding faculty,
- improving on an accountability program that was already a national model and for the first time, making it possible for the Board to review accountability and performance reports from the Office of External Relations and the Office of Research and Technology Transfer,
- receiving from the Michael & Susan Dell Foundation one of the most generous gifts in the history of the System,
- enhancing the retirement options for employees and related financial advice,
- securing a historic legislative authorization of $840 million in Tuition Revenue Bonds, and
- as the year closes, the Board has adopted a strategic plan and a competitiveness initiative that are unrivaled in their scope and aspiration.

In the coming year, our biggest challenge is to continue striving to improve by implementing the policies and vision provided by the Board of Regents. And, to no one's surprise, the next regular legislative session is a part of that challenge. Chancellors and university presidents in most states will tell you that they measure their time of service not in years but in legislative sessions.

This next session will influence our success in many areas and, of necessity, dominate much of our work for the year. As always, we all hope that the Legislature will ensure that expenditures per student are not eroded by inflation and enrollment growth. Additionally, we will work with the leadership to secure funding for the approved capital projects and to unravel the knotty issues of the "Top 10%" law. We also assume that the recommendations presented in the "Code Red" report that Executive Vice Chancellor Shine worked so hard to help produce will occupy a significant part of the session.

Beyond the session, we will be monitoring the graduation rate initiative and working with the campuses through Dr. Malandra on the enrollment management plans each of them will submit next spring. These plans will include a focus on capacity, community college relations, and the *Closing the Gaps* initiative. We are beginning the implementation and monitoring of the strategic plan you approved today (see Item 2 on Page 9 ).

The Emerging Technology Fund and Texas Enterprise Fund have created several opportunities for outstanding collaborations with the state and industry partners. As we sit here today, there are more and more arrangements being put on paper with the Governor's Office and

private industry and we look forward to participating in those partnerships. Dr. Kelley will be reporting to the Board about his work on a shared services model, with implications for enterprise software, common accounting approaches, and other matters. Additionally, there is a series of more specific projects, such as:

- improving computer security,
- expanding the online service of helping students on the Texas Assessment of Knowledge and Skills (TAKS) exam to the 8th grade,
- piloting an electronic medical records program,
- enhancing technology transfer,
- establishing the nanoelectronics center in Austin,
- raising the level of participation at all levels for underrepresented Texans, and
- improving public awareness of higher education with the premier of the Transforming Texas series on public television.

Whether we are talking about a year's work or our longer range vision, we must always remember the basic functions of a university system, which are to add value and to facilitate the creative energies of the campuses. We should ask ourselves every day why the campuses are better off as part of a system and why Texas is better served because we are a system rather than a series of freestanding institutions. We must constantly reevaluate the services we provide and ask, "Should we be in this business? Or should we get out of this business? Why do we do things this way?"

The right answer is never, "Because we have always done it this way." We know that we add value by making it possible for institutions to take advantage of economies of scale in areas such as purchasing supplies, enterprise software, legal services, and electronic health records.

In some areas, the System may provide services that the larger, more mature institution will utilize less. In others, the shared services model may be more effective. In still others, our best course may be getting out of the way. But offering these services falls under the rubric of maximizing efficiency and productivity. In the current environment, we must control costs at the same time we renew efforts to improve the quality of instruction, graduation rates, and research on the campuses. As a consequence, we must reexamine the conventional wisdom about class size, student faculty ratios, supplemental instruction, the role of community colleges, and the potential of technology.

Clearly, we are not the only institutions reevaluating these matters. So the System should reach out to others and be a catalyst for discussions. Adding value also means that a system of institutions

should add up to more than the sum of its parts. Hence the System should foster collaboration, teaching and research, and share human and capital across the campuses and with other universities and the private sector. The nanoelectronics center, the SPRING initiative, the San Antonio Life Sciences Institute, the projects with Texas Instruments and the State of Texas, and the Dell Pediatric Research Institute are all good examples of instances in which the System collaborated well with the campuses and other parties.

The fundamental goal of collaboration is to improve all 15 campuses and to accelerate progress toward additional first-tier research institutions. In this vein, we are considering the establishment of additional institutes, created by the System in different parts of the state. These new institutes would focus on compelling research areas and involve partnerships both within and outside of the System. The parallel would be to the multicampus research centers created in the University of California System over the last five years. As we work to improve the research done within the System, we must never lose sight of the fact that the quality of our research is directly related to the quality of our teaching.

Every U. T. System institution should be renowned for the quality of instruction, counseling, and the overall student experience. That includes affordability and the capacity to graduate students on time and prepared for careers or graduate studies. In all these areas, the System should be the catalyst and the monitor that helps institutions rise above the national norms. A quality education resulting in well-educated and creative graduates, combined with world-class research has a profound effect on the economy, the larger community, and the quality of life for all Texans.

We remain constantly aware of that in all our efforts. I am very proud of what the System has accomplished in the last year and the long-term goals to which we have committed ourselves. I hope the Board is proud of their guidance and vision, which have made all our success possible and continue to motivate staff to do better, to work harder and smarter every day. We are working to build a U. T. System that is worthy of the Board's vision and the talent of the people of Texas. And we are looking forward to another year that moves us closer to that goal.

We are building a U. T. System that is worthy of the Board's vision that you approve today and one that is responsive to the highest aspirations of Texas.

2. U. T. System Board of Regents: Approval to complete and publish the U. T. System Strategic Plan 2006-2015

Chairman Huffines considered this Agenda Item first on the agenda and called on Dr. Geri H. Malandra, Associate Vice Chancellor for Institutional Planning and Accountability and Interim Executive Vice Chancellor for Academic Affairs, for a PowerPoint presentation on The University of Texas System Strategic Plan 2006-2015.

Remarks by Dr. Geri Malandra (essentially as delivered)

Today, I will lay out the essential elements of the new U. T. System Strategic Plan that will guide the System's decisions and actions over the coming decade. You have received in advance copies of these slides, a draft executive summary, and the full Plan document, which has much more detail than we can present today. The essential elements are the System's strategic directions, priorities and initiatives, metrics to assess results, and implementation steps.

Following my presentation, Chairman Huffines and Chancellor Yudof will have comments to make, and we will then invite your questions.

Over the past four years, the Board of Regents, System Administration, and campus presidents (with their faculty, staff, and students) have built a robust planning framework for the U. T. System. The external context includes state, regional, and local needs; the goals of *Closing the Gaps;* and national needs like those articulated in the American Competitiveness Initiative.

This framework aligns leadership, investments, activities, and measures of progress based on a foundation of accountability, institutional compacts, institutional strategic plans, and now, a new 10-year Strategic Plan for the System as a whole.

This Plan will be the roadmap and reference point as we move ahead over the coming decade with implementation, communication, compliance, and measuring results. By 2015, the U. T. System will be well on its way to assuring its position among the top two best public universities in the nation and the world. It will be known for its emphasis on cross-institution collaborations and research. We will be addressing state needs and translating discoveries in the marketplace in critical areas as we discussed yesterday (August 9) and will later today (August 10). We will attract and graduate the most talented students and attract and produce the nation's best pool of health professionals. Through efficient operations and new funding models and organizational models as the one Dr. Kelley described yesterday,

we will use our resources as efficiently as possible including an expansion of distance education. And last but not least, we will measure progress and sustain continuous improvement, something the System is already known for nationally.

These numbers give a projection of what the System might look like in 10 years (Slide 4 reads as set forth below.)

| **Envisioning the UT System in 2015** | | |
|---|---|---|
| | 2005 | 2015 |
| Undergraduate enrollments | 143,000 | 183,400 |
| Graduate and professional enrollments | 42,800 | 48,800 |
| Six-year graduation rates | 40% | 59% |
| Student diversity (% minority) | 50.5% | 56.0% |
| Student diversity (% minority/ international) | 59.2% | 65.5% |
| Science, technology, and engineering degrees | 3,066 | 4,475 |
| Health profession degrees | 2,744 | 3,300 |
| Number of faculty | 15,800 | 20,000 |
| Faculty diversity (% minority) | 27.5% | 30.5% |
| Faculty diversity (% minority/ international) | 31% | 34% |
| Members of national academies | 331 | 445 |
| Research expenditures | $1.7B | $3.0B |
| Patent awards | 119 | 175 |
| Technology transfer income | $30M | $49M |

The specific numbers are simply estimates that will become more precise each year.

The bigger point is our intention to move forward in six specific strategic directions. (Slide 5 reads:

1. Enhancing student success
2. Increasing research, global competitiveness, and technology transfer
3. Improving health in Texas
4. Enriching society through arts and cultural contributions
5. Improving productivity and efficiency
6. Assuring integrity, accountability, and public trust.)

These directions will help focus the unlimited possibilities of the U. T. System, and through these actions, the U. T. System will achieve the quality and impact that our students and Texas communities deserve.

In the next slides, I will select many of the specific initiatives and actions that the System and campuses will pursue in the coming

decade. The planning document also lays out a number of metrics to assess progress and impact. Each year you will receive special reports and the comprehensive accountability and performance report to track progress on these indicators.

Enhancing student success is a major area of emphasis for the Office of Academic Affairs. Some of these efforts are already underway, for example, the graduation rates initiative. Other ideas, such as expanding the UTeach model to other campuses to attract more students to math and science, will require more work in the coming years.

In the full document, we describe in greater detail development of enrollment management plans and use of financial aid to support the U. T. System's commitment to help keep Texas competitive, to align its priorities with the state's *Closing the Gaps* goals, and to contribute to changes in the structure of education. New and enhanced partnerships, including with community colleges, will be critical to designing and implementing these initiatives and using resources as wisely as possible.

As research universities, how we design graduate and postdoctoral programs and how we compete for the best students are critical to the quality of our research and institutions. Executive Vice Chancellor Shine has taken the lead in convening a System-wide task force that, in the coming year, will consider these and related issues in depth, and prepare recommendations for your consideration in the spring.

Equally important, we are preparing our students to live and work in a global society, in their careers and as citizens. You may have noted a recent Department of Education report that fewer than 8% of U.S. undergraduates study a foreign language, and fewer than 2% study abroad. By contrast, The University of Texas at Austin is a leader, with the fourth largest number of students studying abroad. But it is still a challenge, in terms of time away from regular academic programs and financing.

And, while we know we want this to increase, we do not really know the total U. T. System "footprint" globally. An advisory group we will form in 2006-07 will help us consider what we already have and the development of a 10-year strategy in this vital area.

Turning to research, the overarching goal is to advance the position of The University of Texas System as a system of the first class, especially renowned for its cutting-edge interdisciplinary research, leveraging faculty strengths in and across academic and health

institutions. Research collaborations across disciplines and across institutions are key to advancing knowledge, as Dr. Shine and Vice Chancellor Barnhill have explained in other discussions.

Each institution is involved to some extent in these collaborative efforts, which we highlight each year in the accountability report. And the System will strengthen the research infrastructure to identify promising ideas and develop bigger and more competitive grant proposals.

You might have seen a recent report from Harvard that describes that institution's plans to enhance its science and engineering education and research activities. The report states that Harvard "needs to do more to promote collaborations and respond to emerging research opportunities" and notes further, the difficulty of conducting interdisciplinary research.

We share these opportunities and challenges. Among a number of tactics, the Offices of Research, Health, and Academic Affairs will convene a symposium on this topic this year laying out ideas about best practices, policy and process barriers, and more. Dr. Barnhill's office has, among other efforts, been developing differentiated logistical assistance and "regional technology transfer" matched to the varying needs of U. T. System institutions.

Campuses with well-established programs may not require extensive assistance, while the emerging universities will need a full range of patent assistance. And all of these efforts are intended to help recruit, retain, and support top faculty in critical areas on each campus. This is a core strategy of the U. T. System, to help with the longer term goal of developing the additional top-tier universities that Texas needs to become even more competitive at national and international levels.

We have a responsibility to assure that campuses are good in certain areas, not trying to do everything well everywhere, which dilutes resources.

Dr. Shine has consulted with the health institution presidents in developing goals, priorities, initiatives, and specific metrics to make our health institutions the best in the world and to improve health in Texas. This includes increases in research space, improving the quality of health professionals, and recruiting and educating top and outstanding faculty.

Because of increasingly limited federal funding, it will be necessary for the health institutions to be exceptionally competitive, with strong collaborative programs, strategic development of core research

facilities, interdisciplinary and multidisciplinary research team development, philanthropic support of further research opportunities, increases in state-of-the-art research and equipment, and more creative and efficient management of resources.

The partnerships between academic and health institutions are particularly critical to increase the pipeline of students being prepared in science and math, as many of them will become our future health care professionals and teachers. I want to underscore one other point. The cognation of nine universities and six health institutions, which we might take for granted, is nationally, and probably internationally, distinctive and our plan is to strengthen and improve that area in which we are already distinctive. But science, technology, engineering, mathematics, and health are not everything in education and we have designed a direction that relates to reaching society by arts and cultural contributions.

U. T. System institutions produce art, literature, music, film, theatre, and architecture; train future artistic professionals; promote the fine arts to the public; and prepare future audiences for the arts. The arts enrich the experience of our students through curricular, cocurricular, and extracurricular activities; help to develop in school children the aspiration for higher education; and contribute to the healing environments for U. T. System health institution patients. Through design and film, campus involvement in the arts also makes an impact on the economic development of communities and we will work with the institutions to enhance these areas.

Turning to the direction to improve productivity and efficiency, Executive Vice Chancellor Kelley is leading development of shared and regional services where the System can leverage its size to achieve efficiencies and share expertise. In addition, over the coming year, each campus will model its projected five-year resource requirements, consistent with the objectives of the campus and System strategic plans, and determine a customized strategy for acquiring the necessary resources. The U. T. System will provide assistance to the campuses by helping develop the models, helping to monitor progress, and suggesting tools that might be implemented to accommodate the resource needs. And we will develop new productivity measures that will help us assess the impact of these new approaches.

The U. T. System has achieved state and national recognition for its advancements in the use of technology in the teaching and learning environments, particularly in the area of fully online courses and degrees through the UT TeleCampus. It is engaged in a wide range of electronically-delivered education, from technology-enhanced

academic courses and web-based training programs, to courses delivered via interactive television, to full degree programs offered over the Internet. These activities have accelerated and improved in quality over the past five years, but we are determined the System will position itself over the next decade to expand significantly the use of technology to improve the quality and efficiency of delivery of educational programs and to measure their impact.

Vice Chancellor Safady is orchestrating a comprehensive communications strategy to educate and inform the public about the value-added impact of the System and the participating institutions, including the new television series that will be broadcast later this year. Through Vice Chancellor Burgdorf's initiatives on preventative law, accountability reports, and Audit Director Chaffin's compliance studies, policy improvement, and internal audits, these efforts will result in prevention of problems, institutional improvement, and highly effective communication with stakeholders.

In the coming year, the U. T. System will initiate an inventory, examination, and enhancement of Board of Regents and institution policies, procedures, and communication about regular, robust, strategic, and consistent review of all academic programs. These activities will also enhance the U. T. System's stature as a national leader in compliance and accountability, and as one recognized for its continuous efforts to improve.

This planning framework depends on an interrelated set of responsibilities that align what people and institutions are expected to do with the results for which they are held accountable for the Board, the U. T. System institutions, and System Administration.

This is a robust set of initiatives. If we were to try to do this all in one year, it would be unrealistic. But, some are already underway or in the planning stage. It is not all completely new work. Each will develop along its own timeline over the next 10 years. Each Executive Vice Chancellor and Vice Chancellor has responsibility for leading the various initiatives, in collaboration with campuses, as appropriate.

The new Office of Strategic Management will have the responsibility to create and coordinate a master timeline for each goal and initiative, laying out specific steps over the next decade. The Office will also help develop, monitor, and measure progress, and develop or coordinate metrics with reports for the Board and the Chancellor and others. The work in these areas will be the topic of discussions at Board retreats for academic and health affairs in the fall, as well as for our internal administrative and management discussions.

Last year, Chairman Huffines charged your Planning Task Force with creating an ambitious and specific plan for the U. T. System. I would like to acknowledge the wonderful ideas and efforts of you and many people who helped us respond to his charge. The Plan is before you and we are eager to get to work!

Chancellor Yudof commended Dr. Malandra for her focused efforts on the Strategic Plan and acknowledged the work of many people who contributed to the Plan. He said the Strategic Plan will serve as a capacity-building, continuous improvement roadmap for the institutions and the U. T. System over the next decade. He emphasized the value of the effort is in the specific measures and metrics in the Plan by which, over time, the System can come to the Board saying if they made progress with respect to specific goals. He said the real test is implementation, and a process is being implemented at the System level to systematically meet goals and objectives set forth in the Plan. He recommended that his actions and the Board's actions be in alignment with the Strategic Plan and suggested the Plan can be amended to embrace new goals as needed.

Chairman Huffines then provided the following remarks:

Remarks by Chairman Huffines

The Board of Regents has a critical responsibility to establish a planning framework for the U. T. System. Its role is to articulate an overall vision for the System as a whole, and to oversee the alignment of this vision with System and institution assets, plans, activities, investments, and results.

To fulfill this responsibility, in Spring 2005, I charged the Board of Regents' Strategic Planning Task Force to develop a strategic plan. I asked them to think big, to be ambitious, and to consult widely. I think they have fulfilled that charge.

I want to thank members of the Task Force: Vice Chairman Krier, Chancellor Yudof, Executive Vice Chancellor Kelley, Executive Vice Chancellor Shine, former Executive Vice Chancellor Sullivan, Dr. Malandra, and Counsel and Secretary Frederick.

Across Texas and the world, we are all working in an environment of accelerating local, national, and global change. To position the U. T. System and institutions to thrive in this challenging environment, we have reassessed our vision and focus for the next 10 years.

The document we are reviewing today represents an integrated strategic framework that will inform our deliberations and decision

making in the coming decade. As Dr. Malandra has explained, this new Strategic Plan is aligned with the needs of the state, *Closing the Gaps* goals, and distinctive strengths of each campus. It reflects projected academic, health care, research, and capital needs and investments. Most important, it sets long-term targets and specific metrics of progress and success in areas critical for the institutions, the System, and the State of Texas. And, it calls for annual evaluations of our progress on these plans.

Today, we are about to complete the planning process. Based on your review and approval, we are ready to accept and begin the implementation steps. But, this is really just the beginning, as we begin to develop the initiatives laid out in the Plan. In particular, Dr. Kelley will work with the Office of Strategic Management to come up with workable suggestions on a series of key issues that will be brought back to the Board. I am confident that we can achieve our goals and increase the value the U. T. institutions add for students, citizens, communities, and the State of Texas.

Chairman Huffines said the Board has "put a stake in the ground" for improving excellence in the U. T. System in the next decade. He called on Vice Chairman Krier who said the Plan exceeds her expectations, provides a valuable reference document, and reflects a new beginning for the U. T. System. She said she looks forward to sharing the Plan with State of Texas leaders in hopes they too will agree the Plan sets a new course for the U. T. System as well as for the State of Texas.

Regent McHugh complimented those who worked on the Plan and expressed interest in the global emphasis, competition in the world, community college concepts, and in the focus on K-12 education, particularly in mathematics and science, to prepare students for higher education. Regent Haley appreciated the stake to ensure Texas remains competitive and Regent Estrada said the Plan is comprehensive and inspiring. He requested language regarding diversity and minority recruitment at the undergraduate, graduate, and faculty level be tweaked to institutionalize pilot programs such as the early admission programs particularly to channel minority students to medical programs and The University of Texas at Austin School of Law and to incorporate those programs at the nine undergraduate institutions. Dr. Malandra said she will more clearly present those ideas in the final Plan, which will be professionally published and widely distributed in the state and the nation, as well as posted on the web.

Upon motion by Vice Chairman Krier, seconded by Regent McHugh, the Board authorized completion and publication of the U. T. System Strategic Plan.

3. U. T. System: Appropriation of $423.66 million of Permanent University Fund Bond Proceeds; amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to add projects; approval of modification of funding for previously approved projects; appropriation of funds for previously approved projects in the Capital Budget; appropriation of funds for repair and rehabilitation projects; resolution regarding parity debt; and authorization of institutional management for U. T. Southwestern Medical Center - Dallas North Campus Phase 5 project

Chairman Huffines considered this Agenda Item second on the agenda. Prior to the presentation of the Agenda Item related to appropriation of $423.66 million of Permanent University Fund (PUF) Bond Proceeds and amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget, Chancellor Yudof provided the following remarks on a $2.56 billion competitiveness initiative for The University of Texas System to expand teaching and research in science, technology, engineering, and health.

Chancellor Yudof Remarks

As I have told Dr. Malandra many times, I enjoy implementing plans far more than creating them. And, the test is whether they are implemented, not just put down on paper. As we arrive at Executive Vice Chancellor Kelley's presentation (on this item and on Item 4 on Page 29 ), the Board has its first opportunity after adoption of the Strategic Plan (Item 2 on Page 9 ) to begin its implementation.

Over the last several years, the Board has worked through a series of initiatives leading to this historic moment -- the time for us to draw these initiatives together, fit them into an overall design, and set our course for the next 10 years. Thinking back, we have responded to the *Closing the Gaps* initiative, to the roadmap for research laid out by the Washington Advisory Group report, and the call for greater collaboration among institutions.

All of these efforts represent a tremendous amount of work done in the last four years ... and all of it springs from the same guiding principle -- that The University of Texas System, as the largest higher education system in Texas, bears a profound responsibility for the educational excellence and economic vitality of Texas. Each of these initiatives was motivated by a need for rethinking our priorities in the wake of astounding social and economic change, particularly in the global age.

All of us came of age in a world very different from the present. It was a world in which American supremacy in education, in science, in engineering, in technology, in health care, in quality of life was evident

and unchallenged. We no longer live in that world. There is no need to go into detail about the changes that have occurred; we have discussed them here many, many times.

But the fact is that, throughout the world, we are seeing the power of education and enterprise to lift other countries into strong competitive positions. In Thomas Freidman's famous phrase, "the world is increasingly flat," that flatness means that many countries are seeking improvement in their human capital and increasingly taking advantage of unrestricted flows of goods, labor, and capital.

Our manufacturing sector in America learned the hard way that past dominance says very little about future success. In 1956, 50 years ago, the United States graduated twice as many physics bachelor's degrees as we did in 2004. We cannot afford to let our intellectual capital follow that example. We know that a well-educated workforce and new knowledge and discoveries are absolutely essential to the well-being of our state and nation.

The good news is that just as education and enterprise have made other countries more competitive, just as they once made the United States dominant in almost every field, education and enterprise can lift us to leadership again.

This Board long ago committed the U. T. System to the fulfillment of that promise. Earlier today, we adopted a Strategic Plan (see Item 2 on Page 9 ) that maps our path. Now, I am asking the Board to align our financial resources with that Plan. It is critically important to Texas and the nation to turn out more scientists, engineers, nurses and doctors -- people who will do the cutting-edge research, develop new products, produce new treatments and cures, enhance existing businesses, and create unimagined opportunities in the future.

Today, pending the Board's approval, we are recommending what is, I believe, the most profoundly important contribution that we can make to the future of Texas and the nation in a globally competitive economy.

The projects laid out today, in combination with this fiscal year's projects already approved by the Board, taken collectively, will entail a commitment of more than $2.56 billion to build what we hope is the most competitive science, engineering, technology, and health infrastructure in the country, and to retaining and recruiting world-class faculty, graduate, and undergraduate students -- the human capital that will propel us forward. Cumulatively, the recommendations Dr. Kelley will present will add more than 30% to the System's square footage devoted to research, or 3.2 million square feet. There will be

an additional 800,000 square feet in teaching space and nearly 2 million square feet of clinical and related health activities, including research; in all, 5 million square feet devoted to science, technology, mathematics, and engineering that will be built over the next 3-4 years.

I want to underscore that the projects are not superimposed from the top. They were developed in full cooperation with the campuses. The Executive Vice Chancellors for Health Affairs and Academic Affairs worked in close collaboration with the presidents to ensure that, in this plan, the priority projects for their campuses are funded. And, we are making this commitment with the help and support of our elected state and federal leadership and Texas's business and philanthropic leaders.

President Bush has announced his American Competitiveness Initiative aimed at improving science and mathematics education and improving the achievement of American students. Senator Hutchison has long been a champion in Washington for investments in higher education and has worked diligently to steer federal research dollars our way. Governor Perry, with the Legislature's blessing, has created the Texas Enterprise Fund and the Emerging Technology Fund and closed ranks with our legislative leaders to secure authorization of $840 million in Tuition Revenue Bonds for the U. T. System. That represents more than the aggregate total of the prior 14 years. In virtually all cases, we are recommending adding PUF funding to the list of priorities already adopted by our legislative leaders and signed into law. This forwards their priorities as well as the priorities of our Board of Regents and the campuses. Lieutenant Governor Dewhurst, Speaker Craddick, Senators Zaffirini and Shapiro, and Representative Morrison were instrumental in achieving the authorization and advancing the cause of higher education over many years.

We have partnerships with other public and private institutions such as Texas Instruments, General Electric, Sematech, and other entities that share our quests for innovation and discovery. As we sit here today, more and more arrangements are being put on paper through a tripartite partnership of the Governor's Office, private industry, individuals, and the U. T. System. Simply stated, we are putting our money where our mouth is.

Two outstanding examples are the Center for Infrastructure Assurance and Security in San Antonio and the Nanoelectronics Initiative in Austin, approved by the Board in July 2006. And we have partnered with the federal government on projects like the Galveston National Laboratory. Beyond these projects supported by government and private industry, we have the consistent and much appreciated support

of generous donors, both individuals and foundations, who share our dreams for Texas and have contributed more than $452 million toward these goals.

With the nearly $1 billion previously approved over the last year by the Board for important capital investments in science, technology, engineering, and health, and the additional $1.5 billion you are considering today, this proposal represents a total commitment of more than $2.56 billion in just two years. This total does not include earlier and significant commitments such as the Natural Science and Engineering Research Building at U. T. Dallas, which is part of Project Emmitt, and the 40 professors that were to be added over four years in the College of Engineering. If approved, this investment will certainly be the single largest focused commitment toward these important scientific areas in the history of the U. T. System. But more significantly, it will send several critical messages that I wish to share with you today.

1. To the rising stars in science and research across the country and the world such as scientists, faculty, students, physicians, and more, the message is: Texas and the U. T. System institutions are the best places to accomplish great things. You need not look beyond Texas to be associated with greatness. We are committed to building the most competitive human and capital higher education infrastructure in the country.

2. To industry leaders the message is: We acknowledge the important union that must exist between industry and higher education in order to build a strong, competitive, and healthy economy. And we are committed to providing you with the workforce and discoveries you seek to thrive in a competitive global market.

3. To state and federal leaders the message is: U. T. heeds the call to help America secure its global competitive footing. We intend to reposition the State of Texas as a leader in this area, and we need you, as our full strategic partners in this process. Your vision and financial support have been instrumental in our ability to make this announcement today.

4. And to all of the constituents of the State of Texas the message is: As the largest higher education system in the state, the U. T. System has not only an interest, but a responsibility to ensure that we make investments in our institutions in ways that serve the broader society. Not only do we graduate students who are prepared to enter the workforce. The U. T. System institutions care for the sick and injured, work to cure cancer and develop other

groundbreaking medical treatments, create new technologies that improve our lives and generate jobs, and train teachers to give your children the tools they need to be successful. We serve all of you, whether or not a member of your family is enrolled in a U. T. institution.

As Thomas Friedman, author of the best-selling book, *The World is Flat*, wrote, "The long-term challenges and opportunities that the flattening of the world puts before the United States are profound. Therefore, our ability to get by doing things the way we have always done them ... will not suffice anymore." We agree and we are very proud to present this initiative to the Board to be a part of what I am sure will prove to be one of the most momentous decisions in the history of the U. T. System.

Chancellor Yudof then introduced Executive Vice Chancellor Kelley who presented this item and the proposed allocation of PUF funds for Library, Equipment, Repair and Rehabilitation (LERR) projects (Item 4 on Page 29 ) that were before the Board. The Chairmen of the Facilities Planning and Construction Committee (Regent Barnhill), the Academic Affairs Committee (Vice Chairman Krier), and the Health Affairs Committee (Vice Chairman Clements) provided assurance on the proposed program and budget that the proposed projects are consistent with institutional needs, missions, and priorities, and that the funding sources are realistic.

Regent Rowling cautioned that more funds will need to be allocated for the Science and Technology Acquisition and Retention (STARs) Program in the future and Chancellor Yudof said funds are for capital expenses but it would be better if there were money ($25-$50 million) available for noncapital expenses such as to pay a graduate student or a technician, or for moving expenses. Regent Caven asked the Chancellor if, since he expected more scientists will be attracted to Texas, will more students also be attracted? Chancellor Yudof responded he is worried about the question and to address the concern, staff is looking at the structure of both financial aid and curriculum, and to turn high school students on to science. Vice Chairman Krier said House Bill 1 provides an opportunity, through its mandate to the Texas Higher Education Coordinating Board, to better align the K-12 curriculum with higher education. She hopes the U. T. System will reach out to the Texas Education Agency and to the Coordinating Board. Chairman Huffines and Chancellor Yudof endorsed this as a remarkable opportunity and Chairman Huffines agreed this is a historic moment for the U. T. System. He said if the investment of funds as proposed are approved, it will have a profound effect on the State of Texas, will enable Texas to compete on a global scale, and represents the largest single investment in infrastructure in the history of the U. T. System. Regent Rowling expressed appreciation to the Legislature for authorization of Tuition Revenue Bonds (TRB) as this would not have happened without state leadership.

In accordance with the draft University of Texas System Strategic Plan (see Item 2 on Page 9), the Constitutional debt capacity of the PUF, and the passage of House Bill 153 by the 79th Texas Legislature that authorized TRB funding for U. T. System institutions, the Board

a. approved the appropriation of $423,660,000 of PUF Bond Proceeds for 22 capital projects listed in Table 1 on Page 25;

b. amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2006-2007 Capital Budget to add projects as set forth in Table 2 on Page 26;

c. approved modifications in funding and revised project costs for previously approved projects in the FY 2006-2007 Capital Budget as set forth in Table 3 on Page 27;

d. appropriated funds for repair and rehabilitation projects as set forth in Table 4 on Page 28;

e. resolved in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the projects' cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;

- The University of Texas at Arlington, The University of Texas at Austin, The University of Texas at El Paso, and The University of Texas at San Antonio, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their respective direct obligations as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the amount of $3,000,000, $25,000,000, $3,900,000, and $2,250,000, respectively (see Table 4 on Page 28).

f. authorized The University of Texas Southwestern Medical Center at Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts for the North Campus Phase 5 project.

The U. T. System Strategic Plan 2006-2015 (see Item 2 on Page 9) addresses the challenges for higher education in the 21st century, including 1) global integration and competition; 2) science, technology, and economic gaps in Texas; 3) demographic pressures; 4) the need to balance quality and growth; and 5) the opportunity to capitalize on the distinctiveness of the U. T. System by leveraging its resources across institutions.

The 26 capital projects included in this Item represent a significant step forward at all 15 U. T. System institutions in addressing these challenges, particularly in terms of physical capacity for areas of focus such as science, technology, engineering, and medicine.

The total project cost of the 26 facilities is $1,622,495,673 and will be financed primarily by TRBs ($848,876,000) reimbursed by the State and PUF Bonds ($423,660,000) paid through distributions from the PUF endowment. The remainder of the project costs will be financed with Federal Grants ($116,090,673), Revenue Financing System debt ($82,039,000), Gifts ($135,230,000), and Insurance Proceeds ($16,600,000). Any gift shortfalls will be covered by the respective institution.

As of May 31, 2006, the U. T. System's Constitutional debt capacity for the PUF was $818,400,000. The debt capacity is calculated as 20% of the cost value of the PUF endowment less PUF debt outstanding and authorized but unissued.

The projects added to the CIP include 11 New Construction projects totaling $735,945,000 and four Repair and Rehabilitation projects totaling $151,500,000 as itemized in Table 2 on Page 26. Ten existing FY 2006-2011 CIP projects received new PUF funding. Of the 10 projects, four are New Construction and six are Repair and Rehabilitation. Two existing projects received an increase in project cost and PUF funding. A summary of the adjustments to appropriations is reflected in Table 3 on Page 27. Projects that are New Construction will receive appropriation of funds at design development approval.

Repair and Rehabilitation projects will receive appropriation of funds as shown in Table 4 on Page 28. The off-cycle projects have been approved by U. T. System staff and meet the criteria for inclusion in the CIP.

U. T. Southwestern Medical Center - Dallas Facilities Management personnel have the experience and capability to manage all aspects of the work for the North Campus Phase 5 project.

In accordance with Regents' *Rules and Regulations*, Series 80302, selected projects listed in Table 2 were reviewed to determine if any are of special interest to the Board because of proposed building site, historical or cultural significance, proposed use, or other unique characteristics. The South Texas Research Facility at The University of Texas Health Science Center at San Antonio was designated architecturally significant (see Item 2 in the Facilities Planning and Construction Committee on Page 151).

**Table 1**
**The University of Texas System**
**FY 2006-2011 Capital Improvement Program and FY 2006-2007 Capital Budget**

| **U. T. System Academic Institution Tuition Revenue Bond Projects** | | Total Project | TRB | | | | Insurance & |
|---|---|---|---|---|---|---|---|
| Institution | Project | Cost | Authority | PUF Funding | RFS | Gifts | Grants |
| UT Arlington | Engineering Research Building | 80,430,000 | 70,430,000 | 10,000,000 | | | |
| UT Austin | Experimental Science Building Renovation | 125,000,000 | 105,000,000 | 20,000,000 | | | |
| UT Brownsville | Science and Technology Learning Center | 33,800,000 | 33,800,000 | - | | | |
| UT Dallas | Vivarium and Experimental Space | 15,000,000 | 12,000,000 | 3,000,000 | | | |
| UT El Paso | Physical Sciences / Engineering Core Facility | 85,000,000 | 76,500,000 | 8,500,000 | | | |
| UT Pan American | Fine Arts Academic and Performance Complex | 49,745,000 | 39,796,000 | - | 9,949,000 | | |
| UT Pan American | Starr County Upper Level Center | 7,500,000 | 6,000,000 | - | 1,500,000 | | |
| UT Permian Basin | Science and Technology Complex | 56,000,000 | 54,000,000 | 2,000,000 | | | |
| UT Permian Basin | Arts, Convocation, and Classroom Facility at the CEED | 51,000,000 | 45,000,000 | 3,000,000 | | 3,000,000 | |
| UT San Antonio | Engineering Building, Phase II | 82,500,000 | 74,250,000 | 8,250,000 | | | |
| UT Tyler | Completion/Reno./Exp. for Engineering, Sciences | 48,000,000 | 43,200,000 | 4,800,000 | | | |
| UT Tyler | Expansion of the UT Tyler Palestine Campus | 7,000,000 | 6,300,000 | 700,000 | | | |
| Academic TRB Total | | 640,975,000 | 566,276,000 | 60,250,000 | 11,449,000 | 3,000,000 | |
| **Other U. T. System Academic Projects** | | | | | | | |
| UT Arlington | Engineering Research Building Expansion | 30,000,000 | - | 27,000,000 | 3,000,000 | | |
| UT Austin | Welch Hall | 60,000,000 | - | 35,000,000 | 25,000,000 | | |
| UT Dallas | Math, Science, and Engineering Teaching-Learning Center | 27,000,000 | - | 24,300,000 | 2,700,000 | | |
| UT El Paso | Science and Engineering Core Facilities Upgrade | 39,000,000 | - | 35,100,000 | 3,900,000 | | |
| UT San Antonio | Combined Science Facility Renovations - 1604 Campus | 22,500,000 | - | 20,250,000 | 2,250,000 | | |
| UT Tyler | Braithwaite Building Addition | 2,400,000 | - | 2,160,000 | 240,000 | | |
| Academic Other Total | | 180,900,000 | - | 143,810,000 | 37,090,000 | | |
| **Total PUF Funding Allocable to U. T. System Academic Institutions** | | | | 204,060,000 | | | |
| **U. T. System Health Institution Tuition Revenue Bond Projects** | | | | | | | |
| UT SMC-Dallas | North Campus Phase 5 | 156,000,000 | 42,000,000 | 42,000,000 | 29,000,000 | 43,000,000 | |
| UT MB Galveston | Galveston National Laboratory | 167,090,673 | 57,000,000 | - | | | 110,090,673 |
| UT HSC Houston | Dental Branch Replacement Building | 80,000,000 | 60,000,000 | 18,000,000 | | 2,000,000 | |
| UT HSC San Antonio | South Texas Research Facility | 150,000,000 | 60,000,000 | 40,000,000 | | 50,000,000 | |
| UT M. D. Anderson | Center for Targeted Therapy Research Building | 70,000,000 | 40,000,000 | 30,000,000 | | | |
| Health TRB Total | | 623,090,673 | 259,000,000 | 130,000,000 | 29,000,000 | 95,000,000 | 110,090,673 |
| **Other U. T. System Health Projects** | | | | | | | |
| UT MB Galveston | Specialty Care Center at Victory Lakes | 35,000,000 | | 30,500,000 | 4,500,000 | | |
| UT HSC Houston | Biomedical Research and Education Facility | 62,000,000 | | 41,100,000 | | 20,900,000 | |
| UT HSC Houston | Research Replacement Facility | 80,530,000 | 23,600,000 (1) | 18,000,000 (1) | | 16,330,000 | 22,600,000 |
| Health Other Total | | 177,530,000 | 23,600,000 | 89,600,000 | 4,500,000 | 37,230,000 | 22,600,000 |
| **Total PUF Funding Allocable to U. T. System Health Institutions** | | | | 219,600,000 | | | |
| Total U. T. System TRB and Other Project Considerations (2) | | 1,622,495,673 | 848,876,000 | 423,660,000 | 82,039,000 | 135,230,000 | 132,690,673 |

(1) The $23.6M of TRBs for UTHSCH's Research Replacement Facility are from the 78th Legislature
(2) The TRB total excludes $21.12 million allocated to UTHC Tyler for the Academic Health Center



Prepared by Office of Facilities Planning and Construction
July 20, 2006

**Table 2**
**The University of Texas System**
**FY 2006-2011 Capital Improvement Program and FY 2006-2007 Capital Budget**

**Projects to be added to the FY 2006-2011 CIP and FY 2006-2007 Capital Budget**

| Institution | R&R or New Construction | Total Project Cost | TRB Authority | PUF Funding | RFS | Gifts |
|---|---|---|---|---|---|---|
| UT Arlington | | | | | | |
| Engineering Research Building Expansion | R&R | 30,000,000 | - | 27,000,000 | 3,000,000 | |
| UT Austin | | | | | | |
| Welch Hall | R&R | 60,000,000 | - | 35,000,000 | 25,000,000 | |
| UT Brownsville | | | | | | |
| Science and Technology Learning Center | New | 33,800,000 | 33,800,000 | - | | |
| UT Dallas | | | | | | |
| Math, Science, and Engineering Teaching-Learning Center | New | 27,000,000 | - | 24,300,000 | 2,700,000 | |
| UT El Paso | | | | | | |
| Physical Sciences / Engineering Core Facility | New | 85,000,000 | 76,500,000 | 8,500,000 | | |
| Science and Engineering Core Facilities Upgrade | R&R | 39,000,000 | - | 35,100,000 | 3,900,000 | |
| UT Pan American | | | | | | |
| Fine Arts Academic and Performance Complex | New | 49,745,000 | 39,796,000 | - | 9,949,000 | |
| Starr County Upper Level Center | New | 7,500,000 | 6,000,000 | - | 1,500,000 | |
| UT San Antonio | | | | | | |
| Engineering Building, Phase II | New | 82,500,000 | 74,250,000 | 8,250,000 | | |
| Combined Science Facility Renovations - 1604 Campus | R&R | 22,500,000 | - | 20,250,000 | 2,250,000 | |
| UT Tyler | | | | | | |
| Braithwaite Building Addition | New | 2,400,000 | - | 2,160,000 | 240,000 | |
| UT SMC-Dallas | | | | | | |
| North Campus Phase 5 | New | 156,000,000 | 42,000,000 | 42,000,000 | 29,000,000 | 43,000,000 |
| UT HSC Houston | | | | | | |
| Dental Branch Replacement Building | New | 80,000,000 | 60,000,000 | 18,000,000 | | 2,000,000 |
| Biomedical Research and Education Facility | New | 62,000,000 | - | 41,100,000 | | 20,900,000 |
| UT HSC San Antonio | | | | | | |
| South Texas Research Facility | New | 150,000,000 | 60,000,000 | 40,000,000 | | 50,000,000 |
| Totals | | 887,445,000 | 392,346,000 | 301,660,000 | 77,539,000 | 115,900,000 |



Prepared by Office of Facilities Planning and Construction
July 20, 2006

**Table 3**
**The University of Texas System**
**FY 2006-2011 Capital Improvement Program and FY 2006-2007 Capital Budget**

**Existing CIP Projects to Receive Modified Funding and/or Revised Project Cost**

| Project Name | Existing TPC | Adds | New TPC | Existing Funding (In millions) RFS | TRB | Ins. Clm. | Gifts | Grants | Hosp. Rev. | New Funding (In millions) PUF | RFS | TRB | Ins. Clm. | Gifts | Grants |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| UT Arlington | | | | | | | | | | | | | | | |
| Engineering Research Building | 80,430,000 | | 80,430,000 | 10.00 | 70.43 | | | | | 10.00 | | 70.43 | | | |
| UT Austin | | | | | | | | | | | | | | | |
| Experimental Science Building | 125,000,000 | | 125,000,000 | 20.00 | 105.00 | | | | | 20.00 | | 105.00 | | | |
| UT Dallas | | | | | | | | | | | | | | | |
| Vivarium and Experimental Space | 15,000,000 | | 15,000,000 | 3.00 | 12.00 | | | | | 3.00 | | 12.00 | | | |
| UT Permian Basin | | | | | | | | | | | | | | | |
| Science and Technology Complex | 56,000,000 | | 56,000,000 | | 54.00 | | 2.00 | | | 2.00 | | 54.00 | | | |
| Arts Convocation & Classroom Facility - CEED | 45,000,000 | 6,000,000 | 51,000,000 | | 45.00 | | | | | 3.00 | | 45.00 | | 3.00 | |
| UT Tyler | | | | | | | | | | | | | | | |
| Completion/Reno./Exp. for Engineering, Sciences | 48,000,000 | | 48,000,000 | 3.60 | 43.20 | | 1.20 | | | 4.80 | | 43.20 | | | |
| Expansion of the UT Tyler Palestine Campus | 7,000,000 | | 7,000,000 | 0.70 | 6.30 | | | | | 0.70 | | 6.30 | | | |
| UT MB Galveston | | | | | | | | | | | | | | | |
| Galveston National Laboratory | 167,090,673 | | 167,090,673 | 40.00 | | | 17.00 | 110.09 | | | | 57.00 | | | 110.09 |
| Specialty Care Center at Victory Lakes | 30,000,000 | 5,000,000 | 35,000,000 | 30.00 | | | | | | 30.50 | 4.50 | | | | |
| UT HSC Houston | | | | | | | | | | | | | | | |
| Research Replacement Facility | 80,530,000 | | 80,530,000 | | 23.60 | 16.60 | 34.33 | 6.00 | | 18.00 | | 23.60 | 16.60 | 16.33 | 6.00 |
| UT M.D. Anderson | | | | | | | | | | | | | | | |
| Center for Targeted Therapy Research Building | 70,000,000 | | 70,000,000 | 35.00 | | | 25.00 | | 10.00 | 30.00 | | 40.00 | | | |
| Totals | 724,050,673 | 11,000,000 | 735,050,673 | 142.30 | 359.53 | 16.60 | 79.53 | 116.09 | 10.00 | 122.00 | 4.50 | 456.53 | 16.60 | 19.33 | 116.09 |



Prepared by Office of Facilities Planning and Construction
July 20, 2006

## The University of Texas System
## FY 2006-2011 Capital Improvement Program and FY 2006-2007 Capital Budget
**Table 4**

**Repair & Rehabilitation Projects to be added to the FY 2006-2011 CIP and FY 2006-2007 Capital Budget**

| Institution | R&R or New Construction | Total Project Cost | PUF Funding | RFS |
|---|---|---|---|---|
| UT Arlington | | | | |
| Engineering Research Building Expansion | R&R | 30,000,000 | 27,000,000 | 3,000,000 |
| UT Austin | | | | |
| Welch Hall | R&R | 60,000,000 | 35,000,000 | 25,000,000 |
| UT El Paso | | | | |
| Science and Engineering Core Facilities Upgrade | R&R | 39,000,000 | 35,100,000 | 3,900,000 |
| UT San Antonio | | | | |
| Combined Science Facility Renovations - 1604 Campus | R&R | 22,500,000 | 20,250,000 | 2,250,000 |
| Totals | | 151,500,000 | 117,350,000 | 34,150,000 |



Prepared by Office of Facilities Planning and Construction
July 20, 2006

4. U. T. System: Approval of Permanent University Fund Bond Proceeds allocation for Library, Equipment, Repair and Rehabilitation Projects for fiscal year ending August 31, 2007

Chairman Huffines considered this Agenda Item third on the agenda. Executive Vice Chancellor Kelley said that as discussed yesterday (August 9) during the Finance and Planning Committee meeting, the request for the Shared Services Initiative is delayed, thus the request for Permanent University Fund (PUF) Bond Proceeds allocation for Library, Equipment, Repair and Rehabilitation (LERR) Projects for fiscal year ending August 31, 2007, is being reduced from $66,855,000 to $54,955,000.

PUF Bond Proceeds in the amount of $54,955,000 were appropriated to the institutions to fund LERR Projects for Fiscal Year 2007. Of the $54,955,000, $30,000,000 was appropriated directly to University of Texas System institutions. This authorizes the purchase of approved equipment items and library materials and to contract for repair and rehabilitation projects following standard purchasing and contracting procedures within approved dollar limits. Substitute equipment purchases or repair and rehabilitation projects are to receive prior approval by the Chancellor, the appropriate Executive Vice Chancellor and, where required, the U. T. System Board of Regents. Transfers by U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements. Final approval of specific repair and rehabilitation projects will be in accordance with procedures for construction projects established by the U. T. System Board of Regents.

Further, $20,000,000 of PUF Bond Proceeds were appropriated to provide additional funding to build and enhance research infrastructure to attract and retain the best qualified faculty known as the Science and Technology Acquisition and Retention (STARs) Program. Through a competitive proposal process determined by U. T. System Administration, funds will be distributed for the purpose of recruiting top researchers.

The remaining $4,955,000 requested is for U. T. System Administration to provide additional funding for the Network Telecommunications upgrade ($3,160,000), Oracle Infrastructure Licensing update ($1,045,000), and Network Operations Center infrastructure ($750,000). These three additional requests will benefit all U. T. System institutions by providing the investment needed for software and hardware purchases and equipment to increase network infrastructure used in supporting all U. T. System institutions.

Additionally, LERR appropriations not expended or obligated by contract or purchase order within six months after the close of Fiscal Year 2007 are to be available for future System-wide reallocation unless specific authorization to continue obligating the funds is given by the appropriate Executive Vice Chancellor upon recommendation of the president of the institution.

The appropriation of PUF Bond Proceeds is presented in the Fiscal Year 2007 LERR Budget. The allocation of these LERR funds to the U. T. System institutions was developed from prioritized lists of projects submitted by the institutions and reviewed by U. T. System Administration staff.

5. U. T. System: Approval of the nonpersonnel aspects of the operating budgets for the fiscal year ending August 31, 2007

Chairman Huffines considered this Agenda Item fourth on the agenda. Associate Vice Chancellor Wallace presented the nonpersonnel aspects of The University of Texas System Operating Budgets for the fiscal year ending August 31, 2007. He said the budget of $10 billion System-wide is an increase of $670 million (7.2%) over FY 2006 primarily due to increases related to patient care, operations and maintenance of plant, sponsored research programs, and instruction.

Regent Rowling moved that the U. T. System Operating Budgets for the fiscal year ending August 31, 2007, including the compensation for those individuals requiring Board approval as recommended to and considered by the Board in Executive Session yesterday (August 9); Auxiliary Enterprises; Grants and Contracts; Designated Funds; Restricted Current Funds; and Medical and Dental Services, Research and Development Plans, be approved, with delegation to the Chancellor to authorize new or extended deferred compensation agreements, with the concurrence of the appropriate Executive Vice Chancellor, consistent with the Board's discussion in Executive Session.

He further recommended that the Chancellor be authorized to make editorial corrections therein and that subsequent adjustments be reported to the U. T. System Board of Regents through the docket.

Vice Chairman Clements seconded the motion, which carried by acclamation.

Regent Caven was recorded as abstaining from vote on the portion of the budget related to the U. T. System Audit Office.

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

See the Executive Session items related to the personnel aspects of the U. T. System Operating Budgets (Items 4a and 4b on Page 2 ). Approved salaries for U. T. System Executive Officers and presidents are set forth on Pages 31 – 39.

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|
| **U. T. SYSTEM ADMINISTRATION** | | | | |
| **Chancellor** | | | | |
| *Mark G. Yudof* | | | | |
| Salary Rate | $ 476,400 | 476,400 | 0 | 0.0% |
| Deferred Compensation | 200,000 | 225,000 | 25,000 | 12.5% |
| Life Insurance | 17,277 | 17,277 | 0 | 0.0% |
| Total Compensation | $ 693,677 | 718,677 | 25,000 | 3.6% |
| **Executive Vice Chancellor for Business Affairs** | | | | |
| *Scott C. Kelley* | | | | |
| Salary Rate | $ 283,400 | 313,400 | 30,000 | 10.6% |
| Total Compensation | $ 283,400 | 313,400 | 30,000 | 10.6% |
| **Executive Vice Chancellor for Health Affairs** | | | | |
| *Kenneth I. Shine* | | | | |
| Salary Rate | $ 512,327 | 532,327 | 20,000 | 3.9% |
| Sub-Total Compensation | $ 512,327 | 532,327 | 20,000 | 3.9% |
| One-time Merit | 20,000 | 25,000 | | |
| Total Compensation | $ 532,327 | 557,327 | | |

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|
| **U. T. SYSTEM ADMINISTRATION (Cont'd)** | | | | |
| **Vice Chancellor for Administration** | | | | |
| *Tonya Moten Brown* | | | | |
| Salary Rate | $ 242,000 | 255,000 | 13,000 | 5.4% |
| Total Compensation | $ 242,000 | 255,000 | 13,000 | 5.4% |
| **Vice Chancellor for External Relations** | | | | |
| *Randa S. Safady*** | | | | |
| Salary Rate | $ 283,400 | 293,400 | 10,000 | 3.5% |
| Sub-Total Compensation | $ 283,400 | 293,400 | 10,000 | 3.5% |
| One-time Merit | | 10,000 | | |
| Total Compensation | | 303,400 | | |
| **Vice Chancellor and General Counsel** | | | | |
| *Barry Burgdorf**** | | | | |
| Salary Rate | $ 260,750 | 310,750 | 50,000 | 19.2% |
| Sub-Total Compensation | $ 260,750 | 310,750 | 50,000 | 19.2% |
| One-time Merit | 17,000 | 15,000 | | |
| Total Compensation | $ 277,750 | 325,750 | | |

Note:

**Randa Safady received a salary increase from $222,485 to $275,000 effective 1/1/2006.

*** Retention counter offer.

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|
| **U. T. SYSTEM ADMINISTRATION (Cont'd)** | | | | |
| **Vice Chancellor for Governmental Relations** | | | | |
| *Barry McBee*** | | | | |
| Salary Rate | $ 238,400 | 238,400 | 0 | 0.0% |
| Total Compensation | $ 238,400 | 238,400 | 0 | 0.0% |
| **Vice Chancellor for Federal Relations** | | | | |
| *William Shute* | | | | |
| Salary Rate | $ 208,400 | 216,400 | 8,000 | 3.8% |
| Total Compensation | $ 208,400 | 216,400 | 8,000 | 3.8% |
| **Vice Chancellor for Research and Technology Transfer** | | | | |
| *Robert Barnhill* | | | | |
| Salary Rate | $ 258,400 | 258,400 | 0 | 0.0% |
| Total Compensation | $ 258,400 | 258,400 | 0 | 0.0% |
| **Vice Chancellor for Strategic Management***** | | | | |
| *Geri Malandra* | | | | |
| Salary Rate | $ 0 | 225,000 | n/a | n/a |
| Total Compensation | $ 0 | 225,000 | n/a | n/a |

Note:

**Barry McBee began employment on 6/12/2006.

***New position effective 9/1/2006. In addition, Dr. Malandra will receive a $30,000 annualized salary supplement for the period that she serves as Interim Executive Vice Chancellor for Academic Affairs.

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|---|
| **U. T. SYSTEM ADMINISTRATION (Cont'd)** | | | | | |
| **Counsel and Secretary to the Board** | | | | | |
| *Francie A. Frederick* | | | | | |
| Salary Rate | $ | 242,536 | 272,536 | 30,000 | 12.4% |
| Deferred Compensation | | 15,000 | 0 | -15,000 | -100.0% |
| Total Compensation | $ | 257,536 | 272,536 | 15,000 | 5.8% |
| One-time Merit | | | 15,000 | | |
| Total Compensation | | | 287,536 | | |
| **Director of Audits** | | | | | |
| *Charles G. Chaffin*** | | | | | |
| Salary Rate | $ | 195,000 | 203,000 | 8,000 | 4.1% |
| Total Compensation | $ | 195,000 | 203,000 | 8,000 | 4.1% |

Note:

**Also serves as System-wide Compliance Officer - Charles Chaffin received a salary increase from $177,500 to $195,000 effective 3/1/2006.

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|---|
| **ACADEMIC INSTITUTION PRESIDENTS** | | | | | |
| **U.T. Arlington** | | | | | |
| *James Spaniolo* | | | | | |
| Salary Rate | $ | 340,000 | 370,000 | 30,000 | 8.8% |
| Deferred Compensation | | - | - | - | - |
| Total Compensation | $ | 340,000 | 370,000 | 30,000 | 8.8% |
| **U.T. Austin** | | | | | |
| *William C. Powers, Jr.*** | | | | | |
| Salary Rate | $ | 525,000 | 552,500 | 27,500 | 5.2% |
| Deferred Compensation | | - | - | - | - |
| Total Compensation | $ | 525,000 | 552,500 | 27,500 | 5.2% |
| **U.T. Brownsville** | | | | | |
| *Juliet V. García* | | | | | |
| Salary Rate | $ | 270,263 | 275,263 | 5,000 | 1.9% |
| Deferred Compensation*** | | 20,000 | 25,000 | 5,000 | 25.0% |
| Sub-Total Compensation | $ | 290,263 | 300,263 | 10,000 | 3.4% |
| One-time Merit | | - | 15,000 | | |
| Total Compensation | $ | 290,263 | 315,263 | | |

Note: All Presidents are paid $65,945 from General Revenue and the difference is paid from other institutional fund sources

** William Powers hired effective 2/1/2006

***Vests 8/31/2008

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|---|
| **ACADEMIC INSTITUTION PRESIDENTS (Cont'd)** | | | | | |
| **U.T. Dallas** | | | | | |
| *David E. Daniel* | | | | | |
| Salary Rate | $ | 432,600 | 449,904 | 17,304 | 4.0% |
| Deferred Compensation | | - | - | - | - |
| Sub-Total Compensation | $ | 432,600 | 449,904 | 17,304 | 4.0% |
| One-time Merit | | - | 10,000 | | |
| Total Compensation | $ | 432,600 | 459,904 | | |
| **U.T. El Paso** | | | | | |
| *Diana S. Natalicio* | | | | | |
| Salary Rate | $ | 335,000 | 350,000 | 15,000 | 4.5% |
| Deferred Compensation** | | 25,000 | 30,000 | 5,000 | 20.0% |
| Total Compensation | $ | 360,000 | 380,000 | 20,000 | 5.6% |
| **U.T. Pan American** | | | | | |
| *Blandina Cárdenas* | | | | | |
| Salary Rate | $ | 257,000 | 269,000 | 12,000 | 4.7% |
| Deferred Compensation | | - | - | - | |
| Total Compensation | $ | 257,000 | 269,000 | 12,000 | 4.7% |

Note: All Presidents are paid $65,945 from General Revenue and the difference is paid from other institutional fund sources

**Vests 8/31/2006; New agreement must be signed by that date

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|---|
| **ACADEMIC INSTITUTION PRESIDENTS (Cont'd)** | | | | | |
| **U.T. Permian Basin** | | | | | |
| *W. David Watts* | | | | | |
| Salary Rate | $ | 275,000 | 275,000 | 0 | 0.0% |
| Deferred Compensation | | - | 12,000 | 12,000 | 100.0% |
| Sub-Total Compensation | $ | 275,000 | 287,000 | 12,000 | 4.4% |
| One-time Merit | | - | 10,000 | | |
| Total Compensation | $ | 275,000 | 297,000 | | |
| **U.T. San Antonio** | | | | | |
| *Ricardo Romo* | | | | | |
| Salary Rate | $ | 330,000 | 340,000 | 10,000 | 3.0% |
| Deferred Compensation** | | 20,000 | 25,000 | 5,000 | 25.0% |
| Total Compensation | $ | 350,000 | 365,000 | 15,000 | 4.3% |
| **U.T. Tyler** | | | | | |
| *Rodney H. Mabry* | | | | | |
| Salary Rate | $ | 306,000 | 321,000 | 15,000 | 4.9% |
| Deferred Compensation*** | | 25,000 | 25,000 | - | - |
| Total Compensation | $ | 331,000 | 346,000 | 15,000 | 4.5% |

Note: All Presidents are paid $65,945 from General Revenue and the difference is paid from other institutional fund sources

**Vests 8/31/2008

***Vests 8/31/2007

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|---|
| **HEALTH INSTITUTION PRESIDENTS** | | | | | |
| **U.T. Medical Branch - Galveston** | | | | | |
| *John Stobo* | | | | | |
| Salary Rate | $ | 563,685 | 604,582 | 40,897 | 7.3% |
| Deferred Compensation | | 150,000 | 150,000 | 0 | 0.0% |
| Practice Plan | | 153,265 | 164,385 | 11,120 | 7.3% |
| Total Compensation | $ | 866,950 | 918,967 | 52,017 | 6.0% |
| **U.T. Health Science Center - Houston** | | | | | |
| *James T. Willerson* | | | | | |
| Salary Rate | $ | 551,415 | 577,090 | 25,675 | 4.7% |
| Deferred Compensation | | 115,000 | 115,000 | 0 | 0.0% |
| Practice Plan | | 149,585 | 156,550 | 6,965 | 4.7% |
| Total Compensation | $ | 816,000 | 848,640 | 32,640 | 4.0% |
| **U.T. Health Science Center - San Antonio** | | | | | |
| *Francisco G. Cigarroa* | | | | | |
| Salary Rate | $ | 492,556 | 531,998 | 39,442 | 8.0% |
| Deferred Compensation | | 90,000 | 90,000 | 0 | 0.0% |
| Practice Plan | | 132,646 | 143,268 | 10,622 | 8.0% |
| Total Compensation | $ | 715,202 | 765,266 | 50,064 | 7.0% |

Note: All Presidents are paid $65,945 from General Renvenue and the difference is paid from other institutional fund sources

# The University of Texas System

Approved by the Board of Regents

August 10, 2006 for Fiscal Year Ending August 31, 2007

| | | Approved 2006 Rate | Approved 2007 Rate | Dollar Increase | Percentage Increase |
|---|---|---|---|---|---|
| **HEALTH INSTITUTION PRESIDENTS (Cont'd)** | | | | | |
| **U.T. Southwestern Medical Center - Dallas** | | | | | |
| *Kern Wildenthal* | | | | | |
| Salary Rate | $ | 621,800 | 661,913 | 40,113 | 6.5% |
| Deferred Compensation | | 230,000 | 230,000 | 0 | 0.0% |
| Practice Plan | | 170,700 | 181,712 | 11,012 | 6.5% |
| Total Compensation | $ | 1,022,500 | 1,073,625 | 51,125 | 5.0% |
| **U.T. M. D. Anderson Cancer Center** | | | | | |
| *John Mendelsohn* | | | | | |
| Salary Rate | $ | 616,723 | 657,368 | 40,645 | 6.6% |
| Deferred Compensation** | | 250,000 | 250,000 | 0 | 0.0% |
| Practice Plan | | 169,177 | 180,327 | 11,150 | 6.6% |
| Total Compensation | $ | 1,035,900 | 1,087,695 | 51,795 | 5.0% |
| **U.T. Health Center - Tyler** | | | | | |
| *Kirk Calhoun*** | | | | | |
| Salary Rate | $ | 361,438 | 361,438 | 0 | 0.0% |
| Deferred Compensation | | 25,000 | 25,000 | 0 | 0.0% |
| Practice Plan | | 93,132 | 93,132 | 0 | 0.0% |
| Total Compensation | $ | 479,570 | 479,570 | 0 | 0.0% |

Note: All Presidents are paid $65,945 from General Renvenue and the difference is paid from other institutional fund sources

**In view of work force changes at U. T. Health Center - Tyler, Dr. Calhoun requested no salary increase.

6. U. T. System Board of Regents: Appointment of George Willeford III, M.D., as Regental Representative to U. T. Austin Intercollegiate Athletics Council for Men and appointment of Dr. Susan C. Blackwood and reappointment of Mrs. Sylvie P. Crum as Regental Representatives to Intercollegiate Athletics Council for Women effective September 1, 2006

Approval was given to appoint the following Regental representatives to The University of Texas at Austin Intercollegiate Athletics Council for Men and the Intercollegiate Athletics Council for Women, effective September 1, 2006:

a. George Willeford III, M.D., to replace Mr. Jeffrey M. Heller on the Intercollegiate Athletics Council for Men for a four-year term ending August 31, 2010

b. Dr. Susan C. Blackwood to replace George Willeford III, M.D., and serve the remainder of his term until August 31, 2009, on the Intercollegiate Athletics Council for Women

c. Reappoint Mrs. Sylvie P. Crum on the Intercollegiate Athletics Council for Women for a four-year term ending August 31, 2010.

Dr. Willeford is a gastroenterologist in private practice in Austin and a graduate of U. T. Austin and The University of Texas Southwestern Medical School at Dallas. He was appointed to the Women's Athletics Council in August 1996, reappointed in May 2000, and again in July 2005 to serve a term to expire on August 31, 2009. His appointment to the Men's Athletics Council leaves a vacancy on the Women's Athletics Council that will be filled by Dr. Blackwood.

Dr. Blackwood is Executive Director of the San Antonio Sports Foundation and Adjunct Professor at the Incarnate Word University. She was Associate Director of Athletics at U. T. Austin from 1990-1994, has worked in the private sector with Oshman's Sporting Goods, and as Assistant Commissioner for the Southwest Athletic Conference and Assistant Athletics Director for the University Interscholastic League (UIL). Dr. Blackwood has worked closely with the U.S. Olympic Committee and the National Collegiate Athletic Association (NCAA) and is working in the San Antonio community on a program to involve young girls in more active lifestyles. Dr. Blackwood holds bachelor's, master's, and doctoral degrees from the University of Nebraska.

Mrs. Crum, a well-respected community leader, received a B.A. in Liberal Arts/Romance Languages in 1974 from U. T. Austin. She is an active supporter of women's athletics through her past service on the Women's Athletics Council and through her considerable support for capital projects and an endowed scholarship. Mrs. Crum will be Chairman of the Longhorn Foundation Advisory Council in 2007.

7. U. T. System Board of Regents: Amendment to the Regents' *Rules and Regulations*, Series 10401, related to meetings of the Board and Standing Committees to add a new Section 6 related to accessibility

The Board amended the Regents' *Rules and Regulations*, Series 10401 to add Section 6 related to accessibility to Board meetings to read as follows:

Sec. 6 Accessibility to Board meetings. People with disabilities interested in witnessing committee and/or Board meetings and requiring communication or other special accommodations should contact the Office of the Board of Regents.

This amendment is in compliance with House Bill 2819, codified as *Texas Government Code* Section 2054.451 *et seq.* and Rule 206.70(1)(b) of the Department of Information Resources that takes effect September 1, 2006, related to accessibility to allow participation in public meetings. Under the new rule, institutions of higher education must provide accommodations related to an open meeting in accordance with Sections 2054.456 and 2054.457 of the *Texas Government Code*. These sections require State agencies to provide persons with disabilities comparable access and use of electronic and other information resources as is available to persons without disabilities unless doing so would impose significant difficulty or expense.

8. U. T. System Board of Regents: Amendments to the Regents' *Rules and Regulations*, Series 20202 (Cash Compensation for Chief Administrative Officers)

The Board approved amendments to the Regents' *Rules and Regulations*, Series 20202 (Presidential Cash Compensation) and retitled the Series as Cash Compensation for Chief Administrative Officers as set forth on Pages 43 - 46.

Changes to the Cash Compensation Policy, originally approved by the Board on August 7, 2003, are intended to provide clear guidance concerning the permissible elements of cash compensation for the institutional presidents and the Chancellor. The revisions remove the option of contracted use of university housekeeping staff in personal residences and discontinue the payment of a separately identified salary supplement provided as a substitute for a housing allowance. The revisions specifically authorize the payment of one-time merit pay when appropriate and provide that all elements of compensation for service as a chief administrative officer are subject to the guidelines and approval process outlined in the Regents' *Rules*.

The revisions coordinate with amendments to Series 20101, related to duties of the Chancellor (see Item 10 on Page 50 ), and Series 20203, related to compensation for key executives (see Item 9 on Page 47 ), and will include a definition of “Chief Administrative Officer” that covers the positions of Chancellor and President. The General Counsel to the Board of Regents will work with other staff members to integrate these policies into a single compensation policy to the extent possible.

## 1. Title

Cash Compensation for Chief Administrative Officers

## 2. Rule and Regulation

Sec. 1 Purpose. This Rule sets forth the cash compensation structure authorized for the Chancellor and presidents (chief administrative officers) of the institutions of The University of Texas System. It is prospective in nature and application and is not intended to be applied retroactively. It does not pertain to, nor affect, benefit programs such as insurance, retirement benefits, and deferred compensation, which may also be a part of a chief administrative officer's overall compensation package.

Sec. 2 Elements of Compensation Structure. In order to attract and to retain effective, highly skilled and committed chief administrative officers of the institutions of the U. T. System and to recognize their professional achievements, it is the policy of the U. T. System to offer competitive levels of cash compensation within a compensation structure consistently applied. This Policy establishes and defines the various elements for the cash compensation portion of a chief administrative officer's compensation package. Compensation packages for the presidents are recommended by the appropriate Executive Vice Chancellor to the Chancellor, and then by the Chancellor to the Board of Regents for approval. The compensation package for the Chancellor is determined by the Board of Regents and will address issues related to residence at Bauer House.

2.1 Base Salary. The base salary rate for each chief administrative officer shall be set by the U. T. System Board of Regents following review of national compensation survey data for respective peer institutions.

2.2 Housekeeping Staff. Each institution, at the institution's expense, shall provide appropriate housekeeping and other support services for business-related functions held at the chief administrative officer's residence, but no housekeeping or other support services will be provided for personal use at a residence that is not owned by the University.

2.3 Practice Plan Supplement. The bylaws of the physician practice plans provide that the compensation for the presidents of the health institutions may be supplemented by up to 30% of the president's salary from practice plan funds. The supplement is contingent on availability of funds in the practice plan. The practice plan salary supplement is not a part of the base salary and shall be reported as a separate element of the health president's cash compensation because of the special nature of the source of funding. Practice plan supplements are not eligible for Teacher Retirement System and Optional Retirement Program retirement benefits or other retirement benefits and no employer matching contributions may be made with respect to practice plan supplements.

2.4 Deferred Compensation. Upon approval by the Board, deferred compensation may be paid pursuant to a Deferred Compensation Plan originally adopted effective September 1, 1996, for the benefit of a select group of employees. The purpose of the plan is to offer those employees an opportunity to elect to defer the receipt of compensation pursuant to Section 457(f) of the Internal Revenue Code of 1987, as amended. Deferred compensation is not part of the base salary and shall be reported as a separate element of the chief administrative officer's cash compensation. Deferred compensation is not eligible for Teacher Retirement System and Optional Retirement Program retirement benefits or other retirement benefits.

2.5 One-time Merit Awards. In instances where a chief administrative officer has made a significant contribution in a particular year, the Board of Regents may elect to make a merit award on an annual basis. Merit awards are not eligible for Teacher Retirement System and Optional Retirement Program retirement benefits or other retirement benefits.

Sec. 3 Prohibited Allowances or Adjustments. No allowances or adjustments will be provided for the following items:

3.1 Housing Allowance. No separate allowance for housing may be paid. Base salary includes compensation sufficient to purchase or lease a residence.

3.2 Housing Maintenance Allowance. No separate allowance for maintenance, utilities, landscaping, or other expenses attributable to a chief administrative officer's personal residence may be paid. All personal expenses associated with a chief administrative officer's personal residence are intended to be covered by the base salary. No University physical plant personnel may be used to provide personal services related to repair or maintenance at a residence that is not owned by the University.

3.3 Car Allowance. No separate car allowance may be provided to a chief administrative officer. Base salary includes compensation sufficient to purchase or lease a car. An institution may reimburse a chief administrative officer for mileage associated with business use of a personal vehicle in accordance with the latest published Internal Revenue Service guidelines, the State Travel Regulations Act (*Texas Government Code* Chapter 660) and applicable institutional policies. No vehicle may be purchased for or assigned to the chief administrative officer for personal use.

Sec. 4 Other Compensation. This Rule covers all compensation provided for service as a chief administrative officer by the institution or an external organization that is established to support the mission of the institution. Compensation for other service, such as service on outside boards must be pursuant to approval required by the System-wide policy titled *Service on Outside Boards*.

Sec. 5 University-Owned Housing. If the Board of Regents makes arrangements that require the chief administrative officer to reside in the institutionally-owned residence or if covenants, conditions, or restrictions applicable to the institutionally-owned residence require occupancy by the chief administrative officer, then he or she shall reside in the institutionally-owned residence. In the absence of such requirements, each chief administrative officer of an

institution, for which a residence is owned by the U. T. System and is available, shall have the option of leasing the residence from the U. T. System.

5.1 Those presidents who elect to or are required to reside in an institutionally-owned residence shall enter into a lease arrangement with the U. T. System. The rental rate to be paid by the president under the lease shall be based on the current fair market rental value of that portion of the residence that is used as the president's private residence.

9. U. T. System Board of Regents: Amendments to the Regents' *Rules and Regulations*, Series 20203 (Compensation for Key Executives)

The Regents' *Rules and Regulations*, Series 20203, regarding compensation for key executives, was amended to read as set forth on Pages 48 - 49.

The clarifying amendments to the Regents' *Rules and Regulations* mention optional additional elements of compensation to facilitate recruitment of individuals and delete an unneeded reference to vehicle allowances. The revisions coordinate with amendments to Series 20101, related to duties of the Chancellor (see Item 10 on Page 50 ), and Series 20202, related to cash compensation for chief administrative officers (see Item 8 on Page 41 ).

## 1. Title

Compensation for Key Executives

## 2. Rule and Regulation

Sec. 1 Compensation Philosophy. To attract, retain and motivate the top talent needed to lead The University of Texas System and accomplish its mission, and to recognize and reward performance, the Board of Regents seeks to compensate key executives at levels that are competitive in the marketplace, cost effective, and, to the extent possible, internally equitable.

Sec. 2 Market Review. To align executive compensation with the relevant market, the Office of the Board of Regents will oversee the conduct of a comprehensive survey and analysis to obtain current and reliable market data on total compensation of key executives in comparable positions at peer institutions. Market data will be adjusted using cost of living information related to respondent's geographic region. The survey will be conducted every three years. In non-survey years, the Office of the Board of Regents will obtain information concerning general changes in executive compensation in the marketplace, and the comprehensive survey will be adjusted accordingly.

Sec. 3 Elements of Compensation. The elements of compensation may include and are limited to base salary; short and long-term incentive pay; supplemental retirement plans, such as deferred compensation plans; one-time merit pay; special provisions necessary to recruit an individual to a key executive position, such as salary supplement for a limited time or a one-time relocation payment as necessary and prudent to recruit the top talent for the position; and perquisites such as memberships, parking privileges, and provision of or allowance for cell phone and/or other mobile communications devices as determined necessary for business purposes and as covered in individual agreements. Key executives must promptly reimburse the institution for any personal use of a membership provided by the institution. All compensation set pursuant to this Rule must comply with all applicable state and federal laws and must be approved and documented in budget summaries. All compensation for service as a key executive is

covered by this Series. Elements of compensation paid on behalf of a chief administrative officer must be disclosed in the annual report of expenses required by Series 20205.

Sec. 4 Peer Institutions. Peer institutions or groups of institutions will be selected through an interactive, consultative process between the Chancellor, Executive Vice Chancellors, presidents and the organization engaged to conduct the comprehensive survey. To the extent possible, the same institutions will be surveyed during each comprehensive survey. Peer institutions may be changed based on sound business decisions; such changes will be fully disclosed to the Board of Regents. The Executive Vice Chancellors will maintain the list of peer institutions. Factors to consider in selecting peer institutions include size, purpose, institutions used in assessing U. T. System performance and those from which U. T. System competes for key executives.

Sec. 5 Approval by Board of Regents. All proposed elements of compensation, including taxable and nontaxable items, will be presented to the Board of Regents for approval in advance of the annual budgeting process.

Sec. 6 Determining Compensation. In setting a key executive's initial compensation, the following factors should be considered: relevant market data, current compensation, cost of living differences, internal equity and the U. T. System budget. Where appropriate, U. T. System may target the 75th percentile of the market rate of a key executive's peer institutions. Factors to consider in making future adjustments to a key executive's compensation include market data, key executive performance, the institution's progress on key performance indicators, internal equity, and the U. T. System budget.

Sec. 7 The presidents will implement appropriate policies and procedures concerning executive compensation for the direct reports at each U. T. System academic and health institution.

10. U. T. System Board of Regents: Amendment to the Regents' *Rules and Regulations*, Series 20101, Sections 3.4 and 3.9, related to appointment of officers by the Chancellor

The Board amended the Regents' *Rules and Regulations*, Series 20101, Sections 3.4 and 3.9, related to appointment of officers by the Chancellor. The Rule is set forth in its entirety on Pages 51 - 53.

These revisions delete an outdated reference to nominations by the Chancellor and include specific authorization for payment of supplemental salary to individuals assuming additional duties. The revisions also coordinate with amendments to Series 20203, related to compensation for key executives (see Item 9 on Page 47 ), and Series 20202, related to cash compensation for chief administrative officers (see Item 8 on Page 41 ).

## 1. Title

Chancellor

## 2. Rule and Regulation

Sec. 1 Role. The Chancellor is the chief executive officer of The University of Texas System. The Chancellor reports to and is responsible to the Board of Regents. The Chancellor heads the System Administration, which is used by the Board to exercise its powers and authorities in the governance of the U. T. System. The Chancellor has direct line responsibility for all aspects of the U. T. System's operations.

Sec. 2 Appointment. The Chancellor shall be elected by the affirmative vote of a majority of the Regents in office and shall hold office without fixed term, subject to the pleasure of the Board.

Sec. 3 Primary Duties and Responsibilities. The Chancellor, by delegation from the Board of Regents, is authorized to exercise the powers and authorities of the Board in the governance of the U. T. System. The Chancellor will normally act through the officers of the U. T. System regarding the matters delegated to them by the Regents' *Rules and Regulations*. The Chancellor, however, shall not be precluded from any direct participation and communication with System Administration officers or staff, institutional officers or staff, faculty members, and groups. The major duties of the Chancellor include:

3.1 Counseling, Implementing, and Representing. Counseling the Board with respect to the policies, purposes, and goals of the System; acting as executive agent of the Board in implementing Board policies, purposes, and goals and a system of internal controls; representing the U. T. System in all other respects as deemed appropriate to carry out such policies, purposes, and goals, and interpreting and articulating the U. T. System's academic, administrative, and developmental policies, programs, needs, and concerns to the general public and to other constituencies at the community, state, regional, and national levels.

3.2 Strategic Planning. Preparing a strategic plan for the U. T. System for recommendation to the Board of Regents in consultation with the institutional presidents. The proposed plan should include periodic adjustments to the mission statement; assessments of the internal and external environment; and recommendations for U. T. System goals, priorities, and benchmarks of progress in academic programs, service, capital expenditures, and the allocation of financial resources.

3.3 Directing. Directing the management and administration of System Administration and all institutions of the U. T. System.

3.4 Organizing. Reviewing periodically the organization of the System Administration and the institutions of the U. T. System and reporting to the appropriate standing committees of the Board of Regents and to the Board recommendations for changes in organization, assignments, and procedures.

3.5 Preparing and Approving Recommendations. Preparing and approving appropriate recommendations to the Board of Regents and standing committees of the Board along with the appropriate Executive Vice Chancellor, Vice Chancellor, or president of an institution.

3.6 Budgeting. Preparing and approving annual operating budgets for the System Administration and the institutions of the U. T. System and submitting recommendations to the Board of Regents.

3.7 Preparing Legislative Submissions. Preparing and approving biennial legislative submissions to the Legislative Budget Board and to the Governor for the System Administration and the institutions of the U. T. System for the consideration of the Board of Regents in accordance with Series 20501 of the Regents' *Rules and Regulations*.

3.8 Fund Development. Serving as the chief executive officer for fund development and as the agent of the Board of Regents for the discharge of development responsibilities. Defining for the Board, at periodic intervals, descriptions of

current and future needs, as determined by the presidents and System Administration, taking into account recommendations from institutions development boards.

3.9 Appointment of Officers. Appointing the Executive Vice Chancellors and Vice Chancellors and taking administrative action and terminating employment regarding these positions. In making such appointments, the Chancellor shall adhere to the Board's policy on the compensation of key executives as outlined in Series 20203 of these *Rules and Regulations*. The Chancellor may also approve the payment of reasonable supplemental salary for an individual assuming additional duties including those of an interim appointment.

3.10 Nominating Director of Audits. Nominating candidates for the position of System Director of Audits for appointment by the Board of Regents, as outlined in Series 20401 of these *Rules and Regulations*.

3.11 Nominating Compliance Officer. Appointing the System-wide Compliance Officer, as outlined in Series 20401 of these *Rules and Regulations*.

3.12 Oversight of UTIMCO. Serving on the Board of Directors of The University of Texas Investment Management Company (UTIMCO). Generally overseeing the operations of UTIMCO and coordinating interaction between the U. T. System and UTIMCO. Ensuring that UTIMCO implements the core investment functions delegated by the Board of Regents in conformance with the Regents' *Rules and Regulations*, the Investment Management Services Agreement, and the Investment Policy Statements adopted by the Board. Directing UTIMCO in areas other than core investment functions such as relations with the media, intergovernmental relations, and public disclosure issues. Recommending to the Board of Regents, in its fiduciary role, an effective oversight system for the proper management of UTIMCO, including, but not limited to clear procedures for the selection of UTIMCO directors; process for budget review; and periodic review of the Investment Management Services Agreement.

11. U. T. System Board of Regents: Amendment to the Regents' *Rules and Regulations*, Series 20201, Section 4.9 concerning the role of faculty, staff, and student governance groups, as appropriate, in the development of an institution's operating procedures

The Board amended the Regents' *Rules and Regulations*, Series 20201, Section 4.9 concerning the role of faculty, staff, and student governance groups, as appropriate, in the development of an institution's operating procedures, to read as set forth below:

Sec. 4 Duties and Responsibilities. Within the policies and regulations of the Board of Regents and under the supervision and direction of the appropriate Executive Vice Chancellor, the president has general authority and responsibility for the administration of that institution. Specifically, the president is expected, with the appropriate participation of the staff, to:

. . .

4.9 Cause to be prepared and submitted to the appropriate Executive Vice Chancellor and the Vice Chancellor and General Counsel for approval, the rules and regulations for the governance of the institution and any related amendments. Such rules and regulations shall constitute the *Handbook of Operating Procedures* for that institution. Any rule or regulation in the institutional *Handbook of Operating Procedures* that is in conflict with any rule or regulation in the Regents' *Rules and Regulations*, is null and void and has no effect. Input from the faculty, staff, and student governance bodies for the institution will be sought for all significant changes to an institution's *Handbook of Operating Procedures*.

. . . .

This Rule will direct the president to consult the faculty, staff, and student governing groups on changes to the *Handbook of Operating Procedures* (HOP) that affect them in general.

The Faculty Advisory Council recommended that Section 4.9 of the Regents' *Rules and Regulations*, Series 20201, be clarified concerning the role of faculty governing groups in the development of and participation in the HOP policies affecting these groups. The Office of Academic Affairs worked with the Faculty Advisory Council to clarify duties and responsibilities of academic presidents and recommended this revised Rule to cover staff and student groups as well. Drafts of this Rule were reviewed by members of the Faculty Advisory Council, presidents, and U. T. System administrators.

12. U. T. System Board of Regents: Amendment of the Regents' *Rules and Regulations*, Series 60301 related to the development boards; Series 60302 related to advisory councils; and deletion of Series 60303 related to internal foundations

The Board amended the Regents' *Rules and Regulations* as set forth below:

a. Series 60301, related to the development board of an institution, was amended to read as set forth on Pages 56 - 58;

b. Series 60302, related to advisory councils of an institution, was revised to read as set forth on Pages 59 - 60; and

c. Series 60303, related to internal foundations of an institution, was deleted in its entirety.

These revisions are designed to enhance each institution's ability to direct the activities of these entities while maintaining appropriate oversight by The University of Texas System Administration and the Board of Regents. Series 60301 and 60302 are structured to work in conjunction with a set of model bylaws that will function to allow System-wide consistency in the governance of these entities. These Rules also incorporate any existing internal foundations into an institution's development board or an appropriate advisory council, thereby eliminating the need for a separate Rule (Series 60303) concerning internal foundations.

## 1. Title

Development Board of an Institution

## 2. Rule and Regulation

Sec. 1 Authorization. With the approval of the president of an institution, the Vice Chancellor for External Relations, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents, each institution may have a development board dedicated to its own unique interests.

Sec. 2 Purpose. An institution's development board shall serve an institution of the U. T. System by assisting in the development plans and programs of the institution with an emphasis on increasing private support.

Sec. 3 Composition. Unless otherwise excepted, the institution's development board shall consist of members recommended and appointed by the president of the institution. Presidents of institutions shall adopt guidelines for the appointment of the members of the institution's development board. The guidelines shall make clear each individual's term of office and the expectations and responsibilities of membership. Consideration shall be directed to appropriate balance in board membership, including gender, ethnicity, range of experience, geographical distribution, and the special needs of the institution and the development board. All terms shall officially begin on September 1. The president of the institution shall be an ex officio member with voting privileges.

Sec. 4 Governance and Bylaws. Consistent with the Regents' *Rules and Regulations*, the president of each institution shall be responsible for and have authority over the institution's development board. The institution's president may appoint from the development board's membership a chair and such other officers as appropriate or may choose to allow the membership to elect such officers.

4.1 Model Bylaws. Subject to the approval of the president of the institution, each development board shall adopt bylaws for its internal governance that are consistent with this Series and that substantially comply with model bylaws developed by the Office of General Counsel.

Sec. 5 Reporting Rosters and Expenses. Institutions shall annually forward an accurate roster of the development board membership to the Vice Chancellor for External Relations on a designated date. In addition, each institution shall maintain specifically identifiable accounts that document any development board related revenues and expenses out of the president's office or other offices that support development board activities. These accounts must be identifiable in an institution's annual operating budget.

Sec. 6 Role of Internal Foundations. As used in this Series, the term "internal foundation" means an entity created by resolution of the Board of Regents of The University of Texas System for certain development purposes. An internal foundation is part of the organizational structure of either a development board or an advisory council and functions as an administrative and accounting mechanism that is employed to approach prospective donors. Internal foundations are not encouraged and shall not be established or maintained except with the approval of the president of the institution, the Vice Chancellor for External Relations, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents.

Sec. 7 Campaigns.

7.1 Special Purpose Campaigns. From time to time, special purpose campaigns for campus-specific objectives (for example, a significant scholarship fund or faculty endowment program) may be conducted without approval by the Board of Regents. However, special purpose campaigns regarding prominent buildings and programs as identified in Series 80307, must be approved by the Board of Regents.

7.2 Comprehensive Capital Campaigns. All broad-scale, institution-wide campaigns must be reviewed by the appropriate Executive Vice Chancellor and the Vice Chancellor for External Relations before campaign plans are implemented and consultants retained. Other than planning efforts necessary for appropriate review, no such campaign shall be authorized or undertaken until it is approved by the Board of Regents.

Sec. 8 Ex-Students' Associations. Not withstanding the provisions hereof conferring authority upon and placing responsibility with the Chancellor for fund development and fund raising, it is understood that ex-students' associations of the U. T. System institutions may engage in fund raising for their own support through dues and payments for memberships, both annual and life. However, it is expected that no such ex-students' association will sponsor or participate in any other organized fund raising effort without first consulting with and gaining the approval of the president of the institution.

Sec. 9 Development Activity Reporting. Each institution shall participate annually in the Voluntary Support of Education (VSE) survey administered by the Council for Aid to Education (CAE) and submit the resulting report to the institution's president and the Vice Chancellor for External Relations.

## 1. Title

Advisory Councils of an Institution

## 2. Rule and Regulation

Sec. 1 Authorization. With the approval of the president of an institution, the Vice Chancellor for External Relations, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents, any school, college, or other comparable teaching or research unit may have an advisory council dedicated to its own unique interests. An advisory council for any subdivision or small unit such as a department or unit within a college or school requires specific approval of the president.

Sec. 2 Purpose. An advisory council shall promote and support, including assistance in increasing private support, a particular school, college, or other comparable teaching or research unit with which the advisory council is affiliated in a manner determined by the dean or the director of the school, college, or research unit subject to the approval of the institution's president.

Sec. 3 Composition. An advisory council shall consist of members recommended by the dean or director of the school, college, or other approved unit and appointed by the president of the institution. Presidents shall, in consultation with the dean or director of the school, college, or other approved unit, adopt guidelines for the appointment of the members of the institution's advisory council(s). The guidelines shall make clear each individual's term of office and the expectations and responsibilities of membership. Consideration shall be directed to appropriate balance in advisory council membership, including gender, ethnicity, years of involvement or experience with the college, school, or unit, geographical distribution, and the special needs of the school, college, or unit and the advisory council. All terms shall officially begin on September 1. A dean or director shall be an ex-officio member with voting privileges on the advisory council that serves the school, college, or unit's advisory council he or she administers. The president of the institution shall be an ex officio member with voting privileges of all the institution's advisory councils.

Sec. 4 Governance and Bylaws. Consistent with the Regents' *Rules and Regulations*, the president of each institution shall be responsible for and have authority over the institution's advisory council. An advisory council will elect a chair and such other officers as are appropriate from among its membership.

4.1 Model Bylaws. Subject to the approval of the president of the institution, each advisory council shall adopt bylaws for its internal governance that are consistent with this Series and that substantially comply with model bylaws developed by the Office of General Counsel.

Sec. 5 Reporting and Budget. Institutions shall annually forward an accurate roster of all advisory council memberships to the Vice Chancellor for External Relations on a designated date. Each institution shall maintain specifically identifiable accounts that document any advisory council related revenues and expenses out of the dean's office or other offices that support advisory council activities. These accounts must be identifiable in an institution's annual operating budget. An advisory council's budget shall be determined and approved through established budget procedures.

Sec. 6 Role of Internal Foundations. As used in this Series, the term "internal foundation" means an internal development entity created by resolution of the Board of Regents of The University of Texas System for certain development purposes. An internal foundation is part of an organizational structure of either a development board or an advisory council and functions as an administrative and accounting mechanism that is employed to approach prospective donors. Internal foundations are not encouraged and shall not be established or maintained except with the approval of the president of the institution, the Vice Chancellor for External Relations, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents.

13. U. T. System Board of Regents: Approval of The University of Texas Investment Management Company (UTIMCO) Board of Directors' recommendations to (a) amend Exhibit A of the Investment Policy Statements for the Permanent University Fund (PUF), the General Endowment Fund (GEF), and the Intermediate Term Fund (ITF), related to the adoption of a new benchmark for the hedge fund asset class, effective January 1, 2006, for the PUF and the GEF and effective February 1, 2006, for the ITF; and (b) restate and republish the corresponding benchmark performance of the MSCI Investable Hedge Fund Index for the period January through April 2006

Upon recommendation of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board approved the adoption of a new benchmark for the hedge fund asset class, which required amending Exhibit A of the Investment Policy Statements for each of the Permanent University Fund (PUF), the General Endowment Fund (GEF), and the Intermediate Term Fund (ITF) and approved restatement and republication of the corresponding benchmark performance of the MSCI Investable Hedge Fund Index for the period January through April 2006.

Amendments to Exhibit A are detailed in the following:

a. PUF Exhibit A (See Page 63 )

b. GEF Exhibit A (See Page 64 )

c. ITF Exhibit A (See Page 65 )

Benchmarks for the PUF and GEF were adopted by The University of Texas System Board of Regents on August 11, 2005, and made effective September 1, 2005. The benchmarks for the ITF approved by the U. T. System Board of Regents on February 9, 2006, were made effective as of July 1, 2006. The benchmarks for the directional hedge funds and the absolute return hedge funds were composites of Standard & Poor's (S&P) "investable" hedge fund indices.

The integrity and reliability of these indices have been called into question since the investment manager, PlusFunds, had disputed dealings with Refco in late 2005 and subsequently filed for bankruptcy in early 2006. On June 28, 2006, S&P announced that due to the diminishing number of managed accounts and their distribution in the index as of July 1, 2006, the S&P hedge fund indices would not be representative of the broad range of strategies that hedge funds employ and therefore would no longer be published. The S&P has not published final numbers for May 2006, and therefore, preliminary numbers that were reported for May cannot be verified.

Due to the elimination of the S&P benchmark, a replacement benchmark was required and UTIMCO staff conducted a thorough review of alternative benchmark solutions for the portfolio and recommended a new benchmark, the MSCI Investable Hedge Fund Index, to be used for both the Directional Hedge Funds and the Absolute Return Hedge Funds. On July 13, 2006, the UTIMCO Board approved use of the MSCI Investable Hedge Fund Index.

The UTIMCO Board approved the effective date for the new benchmark as January 1, 2006, for the PUF and GEF and February 1, 2006, for the ITF. January 1, 2006 was recommended as the effective date for the new benchmark because this date approximately coincides with Refco's claim against PlusFunds, the catalyst that created the disruptive developments surrounding the S&P investable indices.

Items I and II on Pages 66 - 67 demonstrate the effect of the retroactive change for the period January through April 2006 as a reduction in the PUF and GEF hedge fund asset class benchmark performance of -0.06%. The effect of the retroactive change for this four-month period on the policy portfolio benchmark performance for the PUF and GEF is a reduction of -0.02%.

Item III on Page 68 demonstrates the effect of the retroactive change for the ITF's hedge fund asset class benchmark performance for the period February through April 2006 as a reduction of -0.34%. The effect on the ITF policy portfolio benchmark performance for this three-month period is a reduction of -0.08%.

The hedge fund benchmark performance reported from January 1 through April 30, 2006, is not an "error" as defined by the U. T. System Investment Performance Reporting Error Correction Policy (approved July 8, 2005) since it was not misstated, miscalculated, or presented incorrectly. The policy does provide, however, that the U. T. System Board of Regents will make the final determination concerning whether a proposed restatement and republication should be made in cases where a benchmark is replaced for reasons other than an actual error. The restatement relates to the hedge fund benchmark only and does not affect actual investment performance.

**EXHIBIT A**

**PERMANENT UNIVERSITY FUND**
**POLICY TARGETS, RANGES AND PERFORMANCE OBJECTIVES**

**EFFECTIVE DATE JULY 13, 2006**

| | Percent of Portfolio (%) | | |
|---|---|---|---|
| **Asset Category** | **Policy Targets** | **Policy Ranges** | **Benchmarks** |
| **U.S. Equities** | **20.0** | **10 to 30** | Russell 3000 Index |
| **Global ex U.S. Equities** | **17.0** | **10 to 30** | |
| Non-U.S. Developed Equity | 10.0 | 0 to 30 | MSCI EAFE Index with net dividends |
| Emerging Markets Equity | 7.0 | 0 to 10 | MSCI Emerging Markets Index with net dividends |
| **Hedge Funds** | **25.0** | **15 to 27.5** | MSCI Investable Hedge Fund Index* |
| Directional Hedge Funds | 10.0 | 5 to 15 | |
| Absolute Return Hedge Funds | 15.0 | 10 to 20 | |
| **Private Capital** | **15.0** | **5 to 15** | Venture Economics' Periodic IRR Index |
| Venture Capital | 4.0 | 0 to 8 | |
| Private Equity | 11.0 | 5 to 15 | |
| **Inflation Linked** | **13.0** | **5 to 20** | |
| REITS | 5.0 | 0 to 10 | Dow Jones Wilshire Real Estate Securities Index |
| Commodities | 3.0 | 0 to 6 | Combination index: 66.7% GSCI minus .5% plus 33.3% DJ-AIG Commodity Index |
| TIPS | 5.0 | 0 to 10 | Lehman Brothers US TIPS Index |
| **Fixed Income:** | **10.0** | **5 to 15** | Lehman Brothers Aggregate Bond Index |
| **Liquidity Reserve** | **0.0** | **-1 to 10** | 90 Day T-Bills |
| Unencumbered Cash | | | |
| Temporary Cash Imbalance** | | | |
| Net non-trading receivable | | | |

| | |
|---|---|
| Expected Annual Return (%) | 8.34 |
| 1 year Downside Deviation (%) | -7.6 |
| Standard Deviation (%) | 10.8 |

| | % of Target Risk |
|---|---|
| Upper Risk Bound: 1 year Downside Deviation (%) | 128% |
| Lower Risk Bound: 1 year Downside Deviation (%) | 74% |

*Changed with approval of the Board of Regents on August 10, 2006, effective retroactively to January 1, 2006.

** 3 trading days or less

**EXHIBIT A**

**GENERAL ENDOWMENT FUND**
**POLICY TARGETS, RANGES AND PERFORMANCE OBJECTIVES**

**EFFECTIVE DATE JULY 13, 2006**

| | Percent of Portfolio (%) | | |
|---|---|---|---|
| **Asset Category** | **Policy Targets** | **Policy Ranges** | **Benchmarks** |
| **U.S. Equities** | **20.0** | **10 to 30** | Russell 3000 Index |
| **Global ex U.S. Equities** | **17.0** | **10 to 30** | |
| Non-U.S. Developed Equity | 10.0 | 0 to 30 | MSCI EAFE Index with net dividends |
| Emerging Markets Equity | 7.0 | 0 to 10 | MSCI Emerging Markets Index with net dividends |
| **Hedge Funds** | **25.0** | **15 to 27.5** | MSCI Investable Hedge Fund Index* |
| Directional Hedge Funds | 10.0 | 5 to 15 | |
| Absolute Return Hedge Funds | 15.0 | 10 to 20 | |
| **Private Capital** | **15.0** | **5 to 15** | Venture Economics' Periodic IRR Index |
| Venture Capital | 4.0 | 0 to 8 | |
| Private Equity | 11.0 | 5 to 15 | |
| **Inflation Linked** | **13.0** | **5 to 20** | |
| REITS | 5.0 | 0 to 10 | Dow Jones Wilshire Real Estate Securities Index |
| Commodities | 3.0 | 0 to 6 | Combination index: 66.7% GSCI minus .5% plus 33.3% DJ-AIG Commodity Index |
| TIPS | 5.0 | 0 to 10 | Lehman Brothers US TIPS Index |
| **Fixed Income:** | **10.0** | **5 to 15** | Lehman Brothers Aggregate Bond Index |
| **Liquidity Reserve** | **0.0** | **-1 to 10** | 90 Day T-Bills |
| Unencumbered Cash | | | |
| Temporary Cash Imbalance** | | | |
| Net non-trading receivable | | | |

| | |
|---|---|
| Expected Annual Return (%) | 8.34 |
| 1 year Downside Deviation (%) | -7.6 |
| Standard Deviation (%) | 10.8 |

| | % of Target Risk |
|---|---|
| Upper Risk Bound: 1 year Downside Deviation (%) | 128% |
| Lower Risk Bound: 1 year Downside Deviation (%) | 74% |

*Changed with approval of the Board of Regents on August 10, 2006, effective retroactively to January 1, 2006.

** 3 trading days or less

**EXHIBIT A**

**INTERMEDIATE TERM FUND**
**POLICY TARGETS, RANGES, AND PERFORMANCE OBJECTIVES**

**EFFECTIVE DATE JULY 13, 2006**

| Asset Categories | Percent of Policy (%) | | Benchmarks |
|---|---|---|---|
| | Policy Targets | Policy Ranges | |
| **U.S. Equities** | **15** | **5 to 20** | Russell 3000 Index |
| **Global ex U.S. Equities** | **10** | **0 to 15** | |
| Non - U.S. Developed Equity | 5 | 0 to 10 | MSCI EAFE Index with net dividends |
| Emerging Markets Equities | 5 | 0 to 10 | MSCI Emerging Markets Index with net dividends |
| **Hedge Funds** | **25** | **10 to 27.5** | MSCI Investable Hedge Fund Index* |
| Directional Hedge Funds | 12.5 | 5 to 20 | |
| Absolute Return Hedge Funds | 12.5 | 5 to 20 | |
| **Inflation Linked** | **25** | **10 to 35** | |
| REITS | 10 | 0 to 15 | Dow Jones Wilshire Real Estate Securities Index |
| Commodities | 5 | 0 to 10 | Combination Index: 66.7% GSCI minus .5% plus 33.3% DJ-AIG Commodity Index |
| TIPS | 10 | 5 to 15 | Lehman Brothers US TIPS Index |
| **Fixed Income** | **25** | **15 to 40** | Lehman Brothers Aggregate Bond Index |
| **Liquidity Reserve** | 0.0 | -1 to 20 | 90 Day T-Bills |
| Unencumbered Cash | | | |
| Temporary Cash Imbalance** | | | |
| Net non-trading receivable | | | |

| | |
|---|---|
| Expected Annual Return (%) | 7.08 |
| 1 year Downside Deviation (%) | -5.0 |
| Standard Deviation (%) | 7.5 |

| | | % of Target Risk |
|---|---|---|
| Upper Risk Bound: 1 year Downside Deviation (%) | | 127% |
| Lower Risk Bound: 1 year Downside Deviation (%) | | 69% |

* Changed with approval of Board of Regents on August 10, 2006, effective retroactively to February 1, 2006 for performance reporting purposes.

** 3 trading days or less

# I. PERMANENT UNIVERSITY FUND
## Fiscal Year to Date Performance Attribution through April 30, 2006

| Asset Class | Presented with current Hedge Fund Benchmark | | | | |
|---|---|---|---|---|---|
| | Returns | | Value Added | | |
| | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 2.79% | 2.63% | 0.02% | 0.00% | 0.02% |
| U.S. Equities | 5.63% | 9.57% | 0.01% | -0.81% | -0.80% |
| Non-U.S. Developed Equity | 26.37% | 24.61% | 0.37% | 0.15% | 0.52% |
| Emerging Markets Equity | 29.17% | 40.58% | -0.10% | -0.70% | -0.80% |
| Directional Hedge Funds | 6.56% | 6.52% | 0.03% | 0.00% | 0.03% |
| Absolute Return Hedge Funds | 8.43% | 5.74% | 0.00% | 0.41% | 0.41% |
| REITS | 17.32% | 14.79% | -0.01% | 0.12% | 0.11% |
| Commodities | -0.57% | -3.05% | -0.30% | 0.08% | -0.22% |
| TIPS | -2.01% | -2.36% | 0.10% | 0.02% | 0.12% |
| Fixed Income | -0.43% | -1.26% | -0.04% | 0.09% | 0.05% |
| **Total Marketable Securities** | **9.82%** | **10.40%** | **0.08%** | **-0.64%** | **-0.56%** |
| Private Capital | 12.16% | 18.25% | -0.06% | -0.87% | -0.93% |
| **Total** | **10.07%** | **11.56%** | **0.02%** | **-1.51%** | **-1.49%** |

| | Policy Target Allocation | Benchmark Return | Weighted Benchmark |
|---|---|---|---|
| Directional Hedge Funds | 10.00% | 6.52% | 2.61% |
| Absolute Return Hedge Funds | 15.00% | 5.74% | 3.44% |
| Total Hedge Fund Benchmark | | | 6.05% |

| Asset Class | Presented with proposed Hedge Fund benchmark restated from January 1, 2006 - April 30, 2006 | | | | |
|---|---|---|---|---|---|
| | Returns | | Value Added | | |
| | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 2.79% | 2.63% | 0.02% | 0.00% | 0.02% |
| U.S. Equities | 5.63% | 9.57% | 0.01% | -0.81% | -0.80% |
| Non-U.S. Developed Equity | 26.37% | 24.61% | 0.37% | 0.15% | 0.52% |
| Emerging Markets Equity | 29.17% | 40.58% | -0.10% | -0.70% | -0.80% |
| Directional Hedge Funds | 6.56% | 6.45% | 0.03% | 0.01% | 0.04% |
| Absolute Return Hedge Funds | 8.43% | 5.69% | 0.00% | 0.42% | 0.42% |
| REITS | 17.32% | 14.79% | -0.01% | 0.12% | 0.11% |
| Commodities | -0.57% | -3.05% | -0.30% | 0.08% | -0.22% |
| TIPS | -2.01% | -2.36% | 0.10% | 0.02% | 0.12% |
| Fixed Income | -0.43% | -1.26% | -0.04% | 0.09% | 0.05% |
| **Total Marketable Securities** | **9.82%** | **10.38%** | **0.08%** | **-0.62%** | **-0.54%** |
| Private Capital | 12.16% | 18.25% | -0.06% | -0.87% | -0.93% |
| **Total** | **10.07%** | **11.54%** | **0.02%** | **-1.49%** | **-1.47%** |

| | Policy Target Allocation | Benchmark Return | Weighted Benchmark |
|---|---|---|---|
| Directional Hedge Funds | 10.00% | 6.45% | 2.58% |
| Absolute Return Hedge Funds | 15.00% | 5.69% | 3.41% |
| Total Hedge Fund Benchmark | | | 5.99% |

## II. GENERAL ENDOWMENT FUND
## Fiscal Year to Date Performance Attribution through April 30, 2006

| | Presented with current Hedge Fund Benchmark | | | | |
|---|---|---|---|---|---|
| | Returns | | Value Added | | |
| Asset Class | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 2.79% | 2.63% | 0.04% | 0.00% | 0.04% |
| U.S. Equities | 5.95% | 9.57% | -0.03% | -0.74% | -0.77% |
| Non-U.S. Developed Equity | 25.99% | 24.61% | 0.35% | 0.12% | 0.47% |
| Emerging Markets Equity | 28.61% | 40.58% | -0.19% | -0.73% | -0.92% |
| Directional Hedge Funds | 6.46% | 6.52% | 0.04% | -0.01% | 0.03% |
| Absolute Return Hedge Funds | 8.36% | 5.74% | 0.00% | 0.40% | 0.40% |
| REITS | 17.35% | 14.79% | -0.02% | 0.12% | 0.10% |
| Commodities | -0.55% | -3.05% | -0.30% | 0.08% | -0.22% |
| TIPS | -2.00% | -2.36% | 0.12% | 0.02% | 0.14% |
| Fixed Income | -0.22% | -1.26% | -0.04% | 0.11% | 0.07% |
| **Total Marketable Securities** | **9.73%** | **10.40%** | **-0.03%** | **-0.63%** | **-0.66%** |
| Private Capital | 11.51% | 18.25% | -0.02% | -0.97% | -0.99% |
| **Total** | **9.91%** | **11.56%** | **-0.05%** | **-1.60%** | **-1.65%** |

| | Policy Target Allocation | Benchmark Return | Weighted Benchmark |
|---|---|---|---|
| Directional Hedge Funds | 10.00% | 6.52% | 2.61% |
| Absolute Return Hedge Funds | 15.00% | 5.74% | 3.44% |
| Total Hedge Fund Benchmark | | | 6.05% |

| | Presented with proposed Hedge Fund benchmark restated from January 1, 2006 - April 30, 2006 | | | | |
|---|---|---|---|---|---|
| | Returns | | Value Added | | |
| Asset Class | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 2.79% | 2.63% | 0.04% | 0.00% | 0.04% |
| U.S. Equities | 5.95% | 9.57% | -0.03% | -0.74% | -0.77% |
| Non-U.S. Developed Equity | 25.99% | 24.61% | 0.35% | 0.12% | 0.47% |
| Emerging Markets Equity | 28.61% | 40.58% | -0.19% | -0.73% | -0.92% |
| Directional Hedge Funds | 6.46% | 6.45% | 0.04% | 0.00% | 0.04% |
| Absolute Return Hedge Funds | 8.36% | 5.69% | 0.00% | 0.41% | 0.41% |
| REITS | 17.35% | 14.79% | -0.02% | 0.12% | 0.10% |
| Commodities | -0.55% | -3.05% | -0.30% | 0.08% | -0.22% |
| TIPS | -2.00% | -2.36% | 0.12% | 0.02% | 0.14% |
| Fixed Income | -0.22% | -1.26% | -0.04% | 0.11% | 0.07% |
| **Total Marketable Securities** | **9.73%** | **10.38%** | **-0.03%** | **-0.61%** | **-0.64%** |
| Private Capital | 11.51% | 18.25% | -0.02% | -0.97% | -0.99% |
| **Total** | **9.91%** | **11.54%** | **-0.05%** | **-1.58%** | **-1.63%** |

| | Policy Target Allocation | Benchmark Return | Weighted Benchmark |
|---|---|---|---|
| Directional Hedge Funds | 10.00% | 6.45% | 2.58% |
| Absolute Return Hedge Funds | 15.00% | 5.69% | 3.41% |
| Total Hedge Fund Benchmark | | | 5.99% |

## III. INTERMEDIATE TERM FUND
## Inception to Date Performance Attribution through April 30, 2006

| Asset Class | Presented with current Hedge Fund Benchmark | | | | |
|---|---|---|---|---|---|
| | Returns | | Value Added | | |
| | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 1.12% | 1.08% | -0.03% | 0.00% | -0.03% |
| U.S. Equities | 2.72% | 3.02% | 0.00% | -0.04% | -0.04% |
| Non-U.S. Developed Equity | 8.70% | 7.99% | 0.01% | 0.03% | 0.04% |
| Emerging Markets Equity | 3.89% | 7.94% | 0.01% | -0.20% | -0.19% |
| Directional Hedge Funds | 2.96% | 2.81% | -0.04% | 0.02% | -0.02% |
| Absolute Return Hedge Funds | 3.76% | 2.97% | 0.02% | 0.10% | 0.12% |
| REITS | 4.86% | 3.75% | -0.02% | 0.10% | 0.08% |
| Commodities | 0.21% | 1.04% | 0.00% | -0.05% | -0.05% |
| TIPS | -1.94% | -2.32% | -0.01% | 0.04% | 0.03% |
| Fixed Income | -0.17% | -0.83% | 0.02% | 0.17% | 0.19% |
| **Total** | **2.13%** | **2.00%** | **-0.04%** | **0.17%** | **0.13%** |

| | Policy Target Allocation | Benchmark Return | Weighted Benchmark |
|---|---|---|---|
| Directional Hedge Funds | 12.50% | 2.81% | 1.41% |
| Absolute Return Hedge Funds | 12.50% | 2.97% | 1.49% |
| Total Hedge Fund Benchmark | | | 2.89% |

| Asset Class | Presented with proposed Hedge Fund benchmark restated from February 1, 2006 - April 30, 2006 | | | | |
|---|---|---|---|---|---|
| | Returns | | Value Added | | |
| | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 1.12% | 1.08% | -0.03% | 0.00% | -0.03% |
| U.S. Equities | 2.72% | 3.02% | 0.00% | -0.04% | -0.04% |
| Non-U.S. Developed Equity | 8.70% | 7.99% | 0.01% | 0.03% | 0.04% |
| Emerging Markets Equity | 3.89% | 7.94% | 0.01% | -0.20% | -0.19% |
| Directional Hedge Funds | 2.96% | 2.55% | -0.04% | 0.05% | 0.01% |
| Absolute Return Hedge Funds | 3.76% | 2.55% | 0.02% | 0.15% | 0.17% |
| REITS | 4.86% | 3.75% | -0.02% | 0.10% | 0.08% |
| Commodities | 0.21% | 1.04% | 0.00% | -0.05% | -0.05% |
| TIPS | -1.94% | -2.32% | -0.01% | 0.04% | 0.03% |
| Fixed Income | -0.17% | -0.83% | 0.02% | 0.17% | 0.19% |
| **Total** | **2.13%** | **1.92%** | **-0.04%** | **0.25%** | **0.21%** |

| | Policy Target Allocation | Benchmark Return | Weighted Benchmark |
|---|---|---|---|
| Directional Hedge Funds | 12.50% | 2.55% | 1.28% |
| Absolute Return Hedge Funds | 12.50% | 2.55% | 1.28% |
| Total Hedge Fund Benchmark | | | 2.55% |

14. U. T. System Board of Regents: Approval of Restated University of Texas Investment Management Company (UTIMCO) Compensation Program

Regent Caven, Chairman of The University of Texas Investment Management Company (UTIMCO) Board of Directors, summarized the proposed changes to the UTIMCO Compensation Program. Vice Chairman Krier questioned the performance incentives and Regent Caven and Regent Rowling discussed the complicated issue. Mr. Boldt clarified that if everyone at UTIMCO met their performance goals, both qualitative and quantitative, the maximum amount they could earn is in the 75th percentile of that position in the marketplace. That is total compensation. At the base salary level, he said UTIMCO's goal is to pay at the median. Everybody at UTIMCO is within a 20% band of the median salary for that position in the marketplace. The reason the threshold is slightly below the median is because UTIMCO is paying at the median for salary. In order to get up to competitiveness, UTIMCO would have to start the threshold slightly lower. Vice Chairman Krier appreciated the explanation and repeated that even at the maximum level, total compensation would not exceed 75% of the market for that position.

Upon recommendation of the UTIMCO Board of Directors, the Board approved the restated UTIMCO Compensation Program as set forth on Pages 77 - 107. Vice Chairman Krier and Regent Estrada abstained from vote.

The revisions, approved by actions of the UTIMCO Board of Directors on July 13, 2006, and July 25, 2006, amend and restate the UTIMCO Compensation Program that was approved by the Board on September 28, 2004, to be effective for the full Plan Year beginning July 1, 2006, except for specific provisions required to be effective earlier by Internal Revenue Service (IRS) regulations.

UTIMCO originally adopted a compensation program effective September 1, 2000. This program was amended and restated in its entirety effective September 1, 2004, (the "Prior Plan") for key investment and operations staff. The salaries and merit bonuses for employees other than the key investment and operation staff are determined by Corporation's management in accordance with the Compensation Committee Charter of the UTIMCO Board. The proposed FY 2007 UTIMCO budget (see deferred Item 15 on Page 108) included funding for a discretionary bonus program for employees not eligible for the Compensation Program.

The Prior Compensation Plan included a two-part structure for determining annual compensation, base salary, and an annual incentive plan. Changes

to the Prior Plan were approved by actions of the UTIMCO Board on July 13, 2006, and July 25, 2006, and it has been restated in its entirety as the UTIMCO Compensation Program (the "Compensation Program"). The effective date of the restatement is July 1, 2006, except that the provisions relating to Section 409A of the *Internal Revenue Code of 1986*, as amended, are effective January 1, 2005, and the changes to Section 5.7 are effective September 1, 2004.

Primary Substantive Changes

The most significant changes to the Prior Plan are

a. change in Table 1 of Appendix C on Page 105 related to target and maximum incentive award opportunities (percent of salary). The changes to Appendix C (see Item l on Page 76 ) increase the maximum potential performance incentive award opportunities by approximately $1.6 million (39.9%) to $5.619 million. FY07 budgeted incentive award funding increased also by 39.9% ($569,089) as a result of the changes. The budget estimates that 50% of maximum potential incentive awards will be earned, of which 70% will be paid in the current budget year (30% is deferred and paid over the three years following); however, if performance maximum thresholds are achieved, incentive awards at the maximum potential are payable to eligible participants, 70% paid currently, and 30% paid over three successive years.

b. inclusion of the new Intermediate Term Fund (ITF) (formed February 1, 2006) in the basis for measuring entity performance and performance of the asset classes in determining entitlement to awards; and

c. requirement of the distribution of nonvested deferred awards immediately after they became vested due to the addition of Section 409A (409A) to the *Internal Revenue Code of 1986*, as amended.

The remaining changes clarify operational provisions of the Compensation Program, are necessary to conform or exempt the Compensation Program to/from 409A, and are stylistic.

Intermediate Term Fund

The Prior Plan is amended to incorporate the ITF as a measure of entity performance and asset class performance effective July 1, 2006. For the entity performance portion, the actual total return of the ITF is measured against the ITF policy portfolio benchmark. For purposes of entity performance, the performance of the total endowment assets is weighted at 85%, and the performance of the ITF is weighted at 15%. The

weighting was determined by calculating the approximate percentage of the ITF assets compared to the total of the endowment funds and ITF. Until June 30, 2009, instead of a three-year historical period, the performance of the ITF will be measured based on the actual number of years it is part of the Compensation Program. The benchmarks and performance standards for measuring the ITF are outlined in Table 4 that has been inserted as Appendix D in the Compensation Program (Pages 106 - 107).

Summary of Changes Related to Intermediate Term Fund

a. Section 5.8, Performance Measurement Standards, is amended to add provisions relative to the 15% weighting of the ITF to measure entity performance.

b. Section 5.9, Modification of Performance Standards for Newly Hired Employees. The title of this section was changed to Modifications of Measurement Period for Measuring Equity and Asset Class Performance Goals and stylistic changes have been made. Section 5.9(a) was added regarding the measure that will be used for the ITF until three years of historical data is available.

c. Section 8, Definition of Terms. Section 8.1, Asset Class Performance and Section 8.8, Entity Performance definitions are updated to include references to the ITF. Section 8.10 adds the definition of ITF. Section 8.22 adds a definition of Policy Portfolio Return as the benchmark return for the ITF policy portfolio and is calculated by summing the neutrally weighted index returns (percentage weight for each asset class multiplied by the benchmark return for the asset class) for the various asset classes in the ITF portfolio for the Performance Period.

Continued Investment with UTIMCO of Vested Awards/Compliance with *Internal Revenue Code* Section 409A

On October 4, 2004, Congress amended the *Internal Revenue Code of 1986*, as amended, by adding Section 409A that requires changes in the operation and provisions of most nonqualified deferred compensation plans. The Prior Plan falls within the definition of a nonqualified deferred compensation plan for purposes of 409A. The new rules were effective January 1, 2005, and as of that date, nonqualified deferred compensation plans (with a few exceptions) must be operated in compliance with 409A or face significant adverse federal income tax consequences. Failure to comply with 409A subjects plan participants to a penalty tax equal to 20% of the amounts deferred plus interest. Plan administrators, however, have until December 31, 2006, to amend plan documents to comply with the new law.

Because of the change in law, it was necessary to delete the provision in the Prior Plan that had been added on September 1, 2004, that permitted participants to continue to invest with UTIMCO their Nonvested Deferred Awards after the award became vested (and continue to be credited or debited for the net returns of the endowment assets) (the "Vested Award"). Continued investment with UTIMCO of the Vested Award would have violated the 409A rules relating to permissible payment times for nonqualified deferred compensation. Because counsel for UTIMCO and U. T. System were aware that amendments to the Prior Plan might be needed to delete this provision at the time the Prior Plan was rolled out to employees, this option was never made available to employees and no employees had Vested Awards that would have been eligible for continued investment with UTIMCO. As such, the deletion of the provision is made effective September 1, 2004, the effective date of the Prior Plan. As amended, all Nonvested Deferred Awards will be distributed to participants upon vesting as provided in the original plan in effect from September 1, 2000 to August 31, 2004.

Other provisions of the Prior Plan also required modification to conform to 409A or, alternatively, to exempt the plan from the 409A rules. These provisions are to be effective January 1, 2005.

Proposed regulations pertaining to 409A were issued by the IRS in 2005 and the IRS is expected to issue final regulations in September 2006. All plan documents must be amended to conform to the new law by December 31, 2006. Although final guidance has not yet been issued, it is the opinion of UTIMCO counsel and U. T. System counsel that changes beyond those incorporated into the Compensation Program to conform to the new law are unlikely.

Summary of Changes related to *Internal Revenue Code* Section 409A

a. Section 5.6, Form and Timing of Payouts of Performance Incentive Awards. A deadline for distribution of Performance Incentive Awards has been added to conform to the definition of short-term deferrals in 409A and is intended to exempt the Compensation Program from the provisions of 409A.

b. Section 5.7, Nonvested Deferred Awards. Section 5.7(c)-(e) regarding Vested Deferred Awards have been deleted to eliminate the option permitting continued investment of Awards even after the award is vested as required by 409A. Section 5.7(b)(4) adds a deadline for distribution of Vested Awards to conform to the definition of short-term deferrals in 409A and is intended to exempt the Compensation Program from the provisions of 409A.

c. Section 5.10, Termination Provisions. The provision regarding distribution of Vested Deferred Awards in Section 5.10(a) was deleted because the provisions regarding continued investment of Vested Deferred Awards were deleted to comply with 409A. Section 5.10(c) regarding payment of Nonvested Deferred Awards due to death or disability has been amended to add a deadline for distribution of such awards to conform to the definition of short-term deferrals in 409A and is intended to exempt the Compensation Program from the provisions of 409A. Language is added to Section 5.10(d) to clarify that Nonvested Deferred Awards will continue to vest and be paid as provided in the Compensation Program when a Participant is out on a Compensation Committee-approved leave of absence.

d. Section 8, Definition of Terms. Section 8.5, definition of "disability" has been added to conform to the definition required by 409A.

Additional Changes

a. Title. Language has been added on the cover page to identify the restatement of the Compensation Program: "Restated effective July 1, 2006."

b. Table of Contents. The Table of Contents has been adjusted to conform to the new Compensation Program format.

c. Section 1, Program Structure. The title of this section has changed to "Compensation Program Structure and Effective Date." The first paragraph has been added to clarify the purposes of the two sections of the Compensation Program, the base salary portion and the annual performance incentive plan portion. The second paragraph, relocated from Section 5.1(b), has been added explaining the effective date of the original and restated Compensation Program.

d. Section 3, Total Compensation Program Philosophy. Stylistic changes have been made in this section.

e. Section 4, Base Salary Administration. Section 4.2 has been amended to provide that the base salary for the President and CEO will be determined by the UTIMCO Board and the base salary of all other eligible employees will be determined by the UTIMCO Compensation Committee. Stylistic changes have also been made in this section.

f. Section 5, Performance Incentive Plan.

Section 5.1(b) has been moved to Section 1, with a modification to address the restated Compensation Program.

Section 5.3, Eligibility and Participation. The Compensation Program is modified to clarify how positions become approved eligible positions annually and how participants filling the eligible positions are reported each year to the UTIMCO Board for approval. UTIMCO staff has been updating the eligible positions each year for UTIMCO Board approval and has been providing the UTIMCO Board with the individuals filling the eligible positions for approval. The modified language explains the steps that UTIMCO staff is already performing to keep the UTIMCO Board apprised of the eligible positions and the participants. Also, the time period in which the UTIMCO Board will approve the eligible positions and designate the participants was changed from 60 days after the start of the performance period to 90 days after the start of the performance period, a revision approved by the UTIMCO Board on September 14, 2005.

Section 5.4, Performance Goals. Stylistic revisions and cross-references have been added. In Section 5.4(d), the Compensation Program was amended to permit the UTIMCO Compensation Committee to adjust the assigned weighting for a performance goal upon a determination that weighting is inappropriate for a participant because of his or her length of service, tenure in position, or prior work experience and to provide that weightings for the Performance Goals for each Performance Period are subject to approval by the UTIMCO Board.

Section 5.5, Incentive Award Opportunity Levels and Performance Incentive Awards. Section 5.5(a) was amended to clarify that the incentive award opportunity is determined by the UTIMCO Compensation Committee for the eligible position rather than for the participant, subject to approval by the UTIMCO Board. Section 5.5(b) was revised to relocate Table 1 to Appendix C and provide that it will be revised each Performance Period as soon as administratively practicable after the relevant information (e.g., eligible positions, weightings, incentive award opportunities for each eligible position) was approved by the UTIMCO Board. Section 5.5(e) was revised to reference Appendix A, which outlines the methodology for calculating Incentive Award Opportunities and Performance Incentive Awards [prior reference contained in Section 5.5(f)] and provide that Performance Incentive Awards will be interpolated in a linear fashion between threshold and target as well as between target and maximum.

Section 5.5(f) was amended to add that the Performance Incentive Award calculations submitted to the UTIMCO Compensation Committee for review will be based on certification of its advisors.

In Section 5.5(g), miscellaneous stylistic revisions were made.

Section 5.7, Nonvested Deferred Awards. Section 5.7(a)-(b) was clarified regarding the creation and crediting of a hypothetical account on UTIMCO's books for each participant for the Nonvested Deferred Awards and provides for the forfeiture of the Nonvested Deferred Award if the participant is not employed by UTIMCO on the date the Nonvested Deferred Award would be credited to the participant's account.

Section 5.8, Performance Measurement Standards. The table in Section 5.8 is identified as Table 2 for the period 7/1/04 through 8/31/05. Table 3 is added to identify benchmarks for each asset class as well as threshold, target, and maximum performance standards for the Performance Period September 1, 2005 through December 31, 2005. Language is added to provide that similar information for the Performance Period beginning July 1, 2006, will be set forth in Table 4, which is attached as Appendix D and reflects benchmarks and performance standards from January 1, 2006 through June 30, 2006 and thereafter. The document also provides that revised tables for future Performance Periods will be updated as soon as administratively practicable after the benchmarks and standards are set and will be attached as Appendix D.

Section 5.10, Termination Provisions. Section 5.10(e) was added to clarify how an award is calculated and prorated when a participant ceases to be a participant prior to the end of a Performance Period.

g. Section 6, Plan Authority and Responsibility. The title of this section was changed to Compensation Program Authority and Responsibility. Section headers have been added to provide clarification. Section 6.2 has been amended to provide that in addition to the powers necessary or advisable to administer the Compensation Program, the UTIMCO Board has all powers specifically vested in the Compensation Program plan document necessitating deletion of Sections 6.2(3) and (4) because these powers are already stated in other sections of the plan document or have been vested in the UTIMCO Compensation Committee.

h. Section 7, Performance Incentive Plan Interpretation. The title of this section was changed to Compensation Program Interpretation and "Plan" is replaced by "Compensation Program" throughout this section to conform to the change in title. Section 7.3, Recordkeeping and Reporting, incorporates a revision approved by the UTIMCO Board on September 14, 2005, to be effective September 1, 2005, changing the responsibility for the review of relative performance data and calculations from the investment consultant to UTIMCO's external auditor. Section 7.9 is amended to clarify the effect of the restatement of the Compensation Program on the Prior Plan.

i. Section 8, Definition of Terms. Section 8.16, Definition of Peer Group, was amended to incorporate a definition of peer group, approved by the UTIMCO Board on September 14, 2005.

j. Appendix A. Appendix A was changed to reflect the calculation of awards considering the ITF and tables were updated.

k. Appendix B. Stylistic changes have been made.

l. Appendix C. Appendix C was added to include Table 1 of updated eligible positions, weightings, and incentive award opportunities for each eligible position for the Performance Period beginning July 1, 2006. Under the Prior Plan, the maximum bonus calculated based on current eligible participants is $4,016,000; under the restated Plan, the maximum bonus potential calculated based on current eligible participants is $5,619,000. This is an increase of 39.9% and a total budget impact of $569,089 or 1.1%, based on 70% payout of an estimated 50% potential earned.

m. Appendix D. Appendix D was added to include Table 4, Benchmarks for Asset Class, Threshold, Target, and Maximum Performance Standards for Performance Periods beginning on or after July 1, 2006, and Performance Standards for Intermediate Term Fund for Performance Periods beginning on or after July 1, 2006.




# UTIMCO
# COMPENSATION PROGRAM

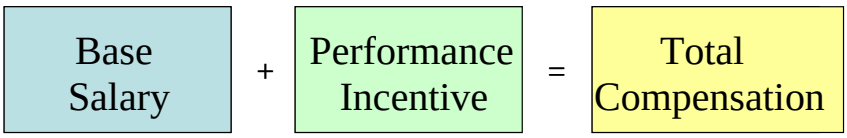
**Restated: Effective July 1, 2006**

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## 1. COMPENSATION PROGRAM STRUCTURE AND EFFECTIVE DATE

The UTIMCO Compensation Program ("Compensation Program" or "Plan") consists of two elements**:** base salary and an annual incentive plan (the "Performance Incentive Plan"):




The base salary portion of the Compensation Program sets forth a structure and guidelines for establishing and adjusting the salaries of key investment and operations staff employees. The Performance Incentive Plan portion of the Compensation Program sets forth the criteria for calculating and receiving annual incentive awards for key investment and operations staff who are eligible Participants in the Performance Incentive Plan. Provisions of the Compensation Program relating solely to the base salary portion of the Compensation Program are described in Section 4. Provisions of the Compensation Program relating solely to the Performance Incentive Plan portion of the Compensation Program are described in Section 5. Sections 1, 2, 3, 6, 7, and 8 of the Compensation Program relate to both the base salary portion and the Performance Incentive Plan portion except where otherwise specified in any such Section.

***Effective Date***: The original Compensation Program was effective September 1, 2000. It was amended and restated in its entirety effective September 1, 2004. This document amends and restates the Compensation Program with an "Effective Date" of July 1, 2006, except that (i) provisions of the Performance Incentive Plan relating to the further deferral of Nonvested Deferred Awards after they become vested are eliminated effective September 1, 2004, and (ii) provisions of the Performance Incentive Plan that are deleted, added, or modified to conform to, or exempt the plan from, section 409A of the Internal Revenue Code (Sections 5.6(a), 5.7(b)(4), 5.10(c), and 8.5) are effective January 1, 2005.

## 2. COMPENSATION PROGRAM OBJECTIVES

UTIMCO's Compensation Program serves a number of objectives:

- To attract and retain key investment and operations staff of outstanding competence and ability.
- To encourage key investment staff to develop a strong commitment to the performance of the assets for which UTIMCO has been delegated investment responsibility.
- To motivate key investment staff to focus on maximizing real, long-term returns for all funds managed by UTIMCO while assuming appropriate levels of risk.
- To facilitate teamwork so that members of UTIMCO operate as a cohesive group.

# 3. TOTAL COMPENSATION PROGRAM PHILOSOPHY

UTIMCO aspires to attract and retain high caliber employees from nationally recognized peer institutions and the investment management community in general. UTIMCO strives to provide a total compensation program that is competitive nationally, with the elements of compensation evaluated relative to comparably sized university endowments, foundations, in-house managed pension funds**,** and for-profit investment management firms with a similar investment philosophy (e.g., externally managed funds).

UTIMCO's total Compensation Program is positioned against the competitive market as follows:

- Base salaries are targeted at the market median (e.g., 50th percentile).
- Target total compensation (salary plus target Incentive Award Opportunity) is positioned at the market median.
- Maximum total compensation (salary plus maximum Incentive Award Opportunity) is targeted at the market 75th percentile if performance is outstanding. (For this purpose, 0 is the lowest point and 100 is the highest.)

Although base salaries, as well as target and maximum total compensation**,** have a targeted positioning relative to market, an individual employee's actual total compensation may vary from the targeted positioning based on the individual's experience, education, knowledge, skills, and performance as well as UTIMCO's investment performance as described in this document. Except as provided in Sections 5.8 and 5.9 for purposes of determining the length of historical performance, base salaries and Incentive Award Opportunities (as well as the actual Performance Incentive Awards) are not determined based on seniority at UTIMCO.

# 4. BASE SALARY ADMINISTRATION

## *4.1. Salary Structure*

(a) Base salaries are administered through a Salary Structure as set forth in this Section 4.1. Each employment position has its own salary range, with the midpoint set approximately equal to the market median base salary for employment positions with similar job content and level of responsibility. In most cases, the salary range will be from 20% below the midpoint to 20% above the midpoint.

(b) The salary range midpoints will be determined by the Compensation Committee based on consultation with an outside compensation consultant and with UTIMCO management. Salary range midpoints for key management, investment, and operations positions will be updated at least every three years based on a salary benchmarking study conducted by a qualified compensation consultant selected by the Compensation Committee. In years in which the Compensation Committee does not commission a formal salary survey, the base salary midpoints may be adjusted at the

Compensation Committee's discretion based on expected annual salary structure adjustments as reported in one or more published compensation planning surveys.

### *4.2. Salary Adjustments*

(a) The base salary of the President and CEO is determined by the Board, and the base salaries of the other key investment and operations employees are determined by the Compensation Committee. Base salaries will be set within the salary range for each employment position. An individual's base salary within the range may be higher or lower than the salary range midpoint based on his or her level of experience, education, knowledge, skills, and performance. On an exception basis, the Board may set individual base salaries outside of the salary range if an individual either substantially exceeds or does not meet all of the market criteria for a particular position (e.g., recent promotion).

(b) Individuals may receive an annual adjustment (increase or decrease) of their base salaries at the discretion of the Compensation Committee or, in the case of the President and CEO, at the discretion of the Board. Base salary adjustments, if any, will be determined based on each individual employee's experience, education, knowledge, skills, and performance. Employees are not guaranteed an annual salary increase.

## 5. PERFORMANCE INCENTIVE PLAN

### *5.1. Purpose of the Performance Incentive Plan*

The purpose of the Performance Incentive Plan is to provide annual Performance Incentive Awards to eligible Participants based on specific objective criteria relative to UTIMCO's and each Participant's performance. The primary objectives of the Performance Incentive Plan are outlined in Section 2.

### *5.2. Performance Period*

(a) For purposes of the Performance Incentive Plan, the "Performance Period" begins on July 1 of each year and ends the following June 30.

(b) Except as otherwise provided under Sections 5.8 and 5.9, performance for each year in the historical performance period will be measured between July 1 and the following June 30 of the applicable year for gauging achievement of the Entity and Asset Class Performance Goals.

### *5.3. Eligibility and Participation*

(a) Each employee of UTIMCO will be a "Participant" in the Performance Incentive Plan for a Performance Period if (and only if) he or she is both (i) employed by UTIMCO in an employment position that is designated as an "Eligible Position" for that Performance Period and (ii) selected by the Board

as eligible to participate in the Performance Incentive Plan for that Performance Period. "Eligible Positions" for a Performance Period include senior management, investment staff, and other key positions as designated by the President and CEO and approved by the Board as Eligible Positions for that Performance Period. An employment position that is an Eligible Position in one Performance Period is not automatically an Eligible Position in any subsequent Performance Period, and each Eligible Position must be confirmed or re-confirmed by the Board as being an "Eligible Position" for the applicable Performance Period. Similarly, an employee who is eligible to participate in the Performance Plan in one Performance Period is not automatically eligible to participate in any subsequent Performance Period (notwithstanding that such employee may be employed in an Eligible Position in that subsequent Performance Period), and each employee must be designated or re-designated by the Board as being eligible to participate in the Performance Incentive Plan for the applicable Performance Period. The Board will confirm the Eligible Positions and designate the eligible employees who will become Participants for a Performance Period within the first 90 days of the Performance Period or, if later, as soon as administratively feasible after the start of the Performance Period. The Board in its discretion may also designate the employment position of a newly hired or promoted employee as an "Eligible Position" and may designate such newly hired or promoted employee as eligible to participate in the Performance Incentive Plan for a Performance Period (or remainder of a Performance Period) within 30 days of such hire or promotion or, if later, as soon as administratively feasible after such hire or promotion**.** A list of Eligible Positions for each Performance Period is set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period to set forth the Eligible Positions for that Performance Period as soon as administratively practicable after confirmation of such Eligible Positions by the Board for such Performance Period, and such revised Table 1 will be attached as Appendix C.

(b) An employee in an Eligible Position who has been selected by the Board to participate in the Performance Incentive Plan will become a Participant on the later of (i) the date he or she is employed in an Eligible Position or (ii) the date he or she is selected by the Board to participate in the Performance Incentive Plan; provided, however, that the Board in its discretion may designate any earlier or later date (but not earlier than such employee's date of hire and not later than such employee's date of termination of employment) upon which such employee will become a Participant, and such employee will instead become a Participant on such earlier or later date. The preceding notwithstanding, except when compelling individual circumstances justify a shorter period of time and such circumstances are recorded in the minutes of a meeting of the Board, an employee may not commence participation in the Performance Incentive Plan and first become a Participant during the last six months of any Performance Period, and, if an employee is selected by the Board to participate in the Performance Incentive Plan or becomes employed in an Eligible Position during the last six months of any Performance Period, participation of such employee in the Performance

Incentive Plan will be delayed until the first day of the next Performance Period (assuming such employee is employed by UTIMCO in an Eligible Position on such date).

(c) An employee will cease to be a Participant in the Performance Incentive Plan on the earliest to occur of: (i) the date such employee is no longer employed in an Eligible Position; (ii) the date of termination of such employee's employment with UTIMCO for any reason (including voluntary and involuntary termination, death, and disability); (iii) the date of termination of the Performance Incentive Plan; (iv) the date such employee commences a leave of absence; (v) the date such employee begins participation in any other UTIMCO incentive program; (vi) the date the Board designates that such employee's employment position is not an Eligible Position (or fails to designate the employee's employment position as an Eligible Position with respect to a Performance Period); or (vii) any date designated by the Board as the date on which such employee is no longer a Participant.

(d) Except as provided in Sections 5.10(b), (c), and (d), only individuals who are Participants on the last day of a Performance Period are eligible to receive Performance Incentive Awards under the Performance Incentive Plan for that Performance Period**.**

### *5.4. Performance Goals*

(a) Within the first 60 days of each Performance Period, the President and CEO will recommend goals ("Performance Goals") for each Participant (other than the Performance Goals for the President and CEO, which are determined as provided in Section 5.4(c), and the Performance Goals for employees who are hired or promoted later during a Performance Period) subject to approval by the Compensation Committee within the first 90 days of the Performance Period. The President and CEO will also recommend Performance Goals for employees who are hired or promoted during the Performance Period and become Participants at the time those employees are designated as Participants (with such Performance Goals subject to confirmation by the Compensation Committee as soon as administratively feasible after such Performance Goals are recommended).

(b) There are three categories of Performance Goals:

(1) Entity Performance (described in Section 5.8(a))

(2) Asset Class Performance (described in Section 5.8(b))

(3) Individual Performance (described in Section 5.8(c))

Except for the President and CEO, Individual Performance Goals will be defined jointly by each Participant and his or her supervisor. These Individual Performance Goals will be measured and approved by the President and CEO subject to approval by the Compensation Committee.

Individual Performance Goals may be established in one or more of the following areas:

- Leadership
- Implementation of operational goals
- Management of key strategic projects
- Effective utilization of human and financial resources

(c) The President and CEO's Performance Goals will be determined and approved by the Board.

(d) Each Performance Goal for each Eligible Position is assigned a weight for the Performance Period. For each Performance Period, the Compensation Committee will approve (or adjust as it deems appropriate) the weightings of the Performance Goals at the same time it approves the Performance Goals. The weightings for each Eligible Position are set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period to set forth the weightings for the Eligible Positions for that Performance Period as soon as administratively practicable after such weightings are approved by the Compensation Committee for such Performance Period. Notwithstanding the identified weighting for an Eligible Position, the Compensation Committee may adjust the weightings (up or down) for any Participant for a Performance Period where it considers the assigned weighting for a Performance Goal to be inappropriate for such Participant because of his or her length of service with UTIMCO, his or her tenure in the respective Eligible Position, or his or her prior work experience. The weightings for the Performance Goals for each Performance Period are subject to approval by the Board.

### *5.5. Incentive Award Opportunity Levels and Performance Incentive Awards*

(a) At the beginning of each Performance Period, each Eligible Position is assigned an "Incentive Award Opportunity" for each Performance Goal for the Participants in that Eligible Position. Each Incentive Award Opportunity is determined by the Compensation Committee (and subject to approval by the Board) and is expressed as a percentage of base salary earned during the Performance Period. The Incentive Award Opportunities include a threshold, target, and maximum award for achieving commensurate levels of performance of the respective Performance Goal.

(b) Incentive Award Opportunities for each Performance Period are set forth in Table 1, which is attached as Appendix C. Table 1 will be revised each Performance Period to set forth the Incentive Award Opportunities for that Performance Period as soon as administratively practicable after approval of the Incentive Award Opportunities by the Board for such Performance Period, and such revised Table 1 will be attached as Appendix C.

(c) Actual "Performance Incentive Awards" are the amounts that are actually awarded to Participants for the respective Performance Period. Actual Performance Incentive Awards will range from zero (if a Participant performs below threshold on all Performance Goals) to the maximum Incentive Award Opportunity (if a Participant performs at or above maximum on all Performance Goals) depending on performance relative to objectives. Awards are capped at maximum levels regardless of whether a Participant exceeds the stated maximum Performance Goals.

(d) Following the end of each Performance Period, the Compensation Committee will review the actual performance of each Participant against the Performance Goals of the respective Participant and determine the Participant's level of achievement of his or her Performance Goals. The Compensation Committee will seek, and may rely on, the independent confirmation of the level of Performance Goal achievement from an external investment consultant to evaluate Entity Performance and Asset Class Performance. The President and CEO will submit a written report to the Compensation Committee, which documents the Participant's performance relative to the Participant's Performance Goals set at the beginning of the Performance Period, and upon which the Compensation Committee may rely in evaluating the Participant's performance. The Board will determine the President and CEO's level of achievement relative to the President and CEO's Performance Goals.

(e) Performance Incentive Awards will be calculated for each Participant based on the percentage achieved of each Performance Goal, taking into account the weightings for the Participant's Entity Performance, Asset Class Performance, and Individual Performance Goals and each Participant's Incentive Award Opportunity. The methodology for calculating Incentive Award Opportunities and Performance Incentive Awards is presented on Appendix A. Performance Incentive Awards will be interpolated in a linear fashion between threshold and target as well as between target and maximum.

(f) Within 150 days following the end of a Performance Period, the Compensation Committee will review all Performance Incentive Award calculations, based on the certification of its advisors, and make any changes it deems appropriate. The Compensation Committee will submit its recommendations to the Board for approval. Subject to the provisions of Section 7.1, the Board will approve Performance Incentive Awards.

(g) Following the approval of a Performance Incentive Award by the Board, each Participant will be notified as to the amount, if any, of his or her Performance Incentive Award as well as the terms, provisions, conditions, and limitations of the Nonvested Deferred Award portion of such Performance Incentive Award.

### *5.6. Form and Timing of Payouts of Performance Incentive Awards*

Approved Performance Incentive Awards will be paid as follows:

(a) Seventy percent of the Performance Incentive Award will be paid to the Participant ("Paid Performance Incentive Award") within 150 days of the completion of the Performance Period (and in no event later than the 15th day of the third month following the later of (i) the last day of the calendar year in which the Performance Incentive Award is determined or (ii) the last day of the fiscal year of UTIMCO in which the Performance Incentive Award is determined), and

(b) Thirty percent of the Performance Incentive Award will be treated as a "Nonvested Deferred Award" subject to the terms of Section 5.7 and paid in accordance with that Section.

### *5.7. Nonvested Deferred Awards*

(a) For each Performance Period, a hypothetical account on UTIMCO's books ("Nonvested Deferred Award Account") will be established for each Participant. As of the date that the corresponding Paid Performance Incentive Award is paid to the Participant, each Participant's Nonvested Deferred Award for a Performance Period will be credited to his or her Nonvested Deferred Award Account established for that Performance Period; provided, however, that, in the case of any Participant who is not employed by UTIMCO on the date such Nonvested Deferred Award would be so credited to his or her Nonvested Deferred Award Account, such Nonvested Deferred Award will not be credited to such Participant's Nonvested Deferred Award Account but will instead be forfeited. The Nonvested Deferred Award Accounts will be credited (or debited) monthly with an amount equal to the net investment returns of the Total Endowment Assets ("Net Returns") for the month multiplied by the balance of the respective Participant's Nonvested Deferred Award Account(s) as of the last day of the month. When the Nonvested Deferred Award is initially credited to the Nonvested Deferred Award Account, the Nonvested Deferred Award Account will be credited (or debited) with Net Returns for the month of the initial credit of a Nonvested Deferred Award, but the Net Returns will be prorated to reflect the number of days of the month during which the amounts were credited to the Nonvested Deferred Award Account. Participants are not entitled to their Nonvested Deferred Award Accounts unless and until they become vested in those accounts in accordance with Section 5.7(b).

(b) Assuming and contingent upon continued employment with UTIMCO, except as provided in Section 5.10(c), a Participant will become vested in, and entitled to payment of, his or her Nonvested Deferred Award Account for each respective Performance Period according to the following schedule:

(1) On the first anniversary of the last day of the Performance Period for which the Nonvested Deferred Award was earned, one third of the amount then credited to the Participant's Nonvested Deferred Award

Account for that Performance Period will be vested and paid to the Participant.

(2) On the second anniversary of the end of the Performance Period for which the Nonvested Deferred Award was earned, one half of the amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.

(3) On the third anniversary of the end of the Performance Period for which the Nonvested Deferred Award was earned, the remaining amount then credited to the Participant's Nonvested Deferred Award Account for that Performance Period will be vested and paid to the Participant.

(4) Nonvested Deferred Award Accounts payable under the above paragraphs of this Section 5.7(b) will be paid as soon as administratively practicable after the applicable portion of any such Nonvested Deferred Award Account becomes vested and in no event later than the 15th day of the third month following the later of (i) the last day of the calendar year in which the applicable portion of such Nonvested Deferred Award Account becomes vested or (ii) the last day of the fiscal year of UTIMCO in which the applicable portion of such Nonvested Deferred Award Account becomes vested.

### *5.8. Performance Measurement Standards*

(a) Entity Performance

(1) Entity Performance for purposes of the Performance Incentive Plan is the performance of the Total Endowment Assets (weighted at 85%) and the Intermediate Term Fund (weighted at 15%).

(2) The performance of the Total Endowment Assets is measured based on the TEA's performance relative to the Peer Group. The Board's chosen investment advisor will determine the performance of the Peer Group annually for the Performance Period. Performance of the Total Endowment Assets is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Total Endowment Assets. The Board's investment advisor will calculate a percentile rank for the performance of the Total Endowment Assets relative to the Peer Group, with the $100^{th}$ percentile representing the highest rank, the $50^{th}$ percentile representing the median, and the $0^{th}$ percentile representing the lowest rank.

(3) The performance of the Intermediate Term Fund will be measured based on the performance of the ITF relative to the Policy Portfolio Return (benchmark). The performance standards related to the Intermediate Term Fund for the Performance Period beginning July 1, 2006, are reflected in Table 4 on Appendix D. Performance standards

related to the ITF for each Performance Period beginning after June 30, 2007, will be set forth on a revised table for each such Performance Period and set forth on Appendix D as soon as administratively practicable after such standards are determined. Performance of the Intermediate Term Fund is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the ITF.

(4) Except as provided in Section 5.9, performance of the Total Endowment Assets and the Intermediate Fund will be measured based on a three-year rolling historical performance of each such fund.

(b) Asset Class Performance

(1) Asset Class Performance is the performance of specific asset classes within the Total Endowment Assets and the Intermediate Term Fund (such as US public equity, private capital, etc.) based on the standards set forth in this Section 5.8(b). Except as provided in paragraph (2) below and Section 5.9, Asset Class Performance will be measured relative to the appropriate benchmark based on three-year rolling historical performance. Performance standards for each asset class will vary depending on the ability to outperform the respective benchmark. Table 2 below identifies the benchmarks for each asset class as well as threshold, target, and maximum performance standards for the Performance Periods ending June 30, 2003, 2004, and 2005 and includes July 2005 and August 2005. Table 3 below identifies the benchmarks for each asset class as well as threshold, target, and maximum performance standards beginning September 1, 2005, through December 31, 2005. Table 4 below identifies the benchmarks for each asset class as well as threshold, target, and maximum performance standards beginning January 1, 2006, through June 30, 2006. The benchmarks for each asset class as well as threshold, target, and maximum performance standards for Performance Periods beginning after June 30, 2006, will be set forth in a revised table for each such Performance Period as soon as administratively practicable after such benchmarks and standards are set, and such revised table will be attached as Appendix D.

## TABLE 2 (7/1/04 through 8/31/05)

| Asset Class | Benchmark | Policy Portfolio Weights (% of Portfolio) | Performance Standards | | |
|---|---|---|---|---|---|
| | | | Threshold | Target | Maximum |
| Entity: Peer goup | Peer group (Endowments w/ >$ 1 B assets) | n/a | 40th %ile | 60th %ile | 75th %ile |
| US Public Equity | Russell 3000 | 20.0% | +0 bps | +31 bps | +62 bps |
| International Equity | MSCI All Country World Index, Ex US | 17.0% | +0 bps | +52.5 bps | +105 bps |
| Fixed Income | Lehman Brothers Aggregate Bond Index | 10.0% | +0 bps | +12.5 bps | +25 bps |
| Private Capital | Roll up of Private Equity & Venture Capital | 15.0% | | | |
| Private Equity | Venture Economics Private Equity Database | -- | +0 bps | +100 bps | +200 bps |
| Venture Capital | Venture Economics Venture Capital Database | -- | +0 bps | +112.5 bps | +225 bps |
| Absolute Return Hedge Funds | 91-Day T-Bill | 15.0% | +300 bps | +350 bps | +400 bps |
| Equity Hedge Funds | 91-Day T-Bill | 10.0% | +400 bps | +465 bps | +530 bps |
| Inflation Hedge | Roll up of Commodities, TIPS & REITS | 13.0% | | | |
| Commodities | Goldman Sachs Commodity Index | 3.0% | -100 bps | -15 bps | +0 bps |
| TIPS | Lehman Brothers US TIPS Index | 5.0% | +0 bps | +2.5 bps | +5 bps |
| REITS | Dow Jones Wilshire Real Estate Securities Index | 5.0% | +0 bps | +37.5 bps | +75 bps |
| Cash | 91-Day T-Bill | 0.0% | +0 bps | +0 bps | +0 bps |
| Short Intermediate Term Fund | SITF Policy Statement | -- | +0 bps | +5 bps | +10 bps |

## TABLE 3 (9/1/05 through 12/31/05

| Asset Class | Benchmark | Policy Portfolio Weights (% of Portfolio) | Performance Standards | | |
|---|---|---|---|---|---|
| | | | Threshold | Target | Maximum |
| Entity: Peer Group | Peer group (Endowments w/>$1 B assets) | n/a | 40th %ile | 60th %ile | 75th %ile |
| US Public Equity | Russell 3000 Index | 20% | +0 bps | +31 bps | +62 bps |
| Non-US Developed Equity | MSCI EAFE Index with net dividends | 10% | +0 bps | +37.5 bps | +75 bps |
| Emerging Markets Equity | MSCI Emerging Markets Index with net dividends | 7% | +0 bps | +75 bps | +150 bps |
| Directional Hedge Funds | Combination index: 50% S&P Event-Driven Hedge Fund Index plus 50% S&P Directional/Tactical Hedge Fund Index | 10% | +0 bps | +65 bps | +130 bps |
| Absolute Return Hedge Funds | Combination index: 66.7% S&P Event-Driven Hedge Fund Index plus 33.3% S&P Arbitrage Hedge Fund Index | 15% | +0 bps | +50 bps | +100 bps |
| Private Equity | Custom Benchmark Created from Venture Economics Database | 11% | +0 bps | +103.5 bps | +207 bps |
| Venture Capital | Custom Benchmark Created from Venture Economics Database | 4% | +0 bps | +103.5 bps | +207 bps |
| REITS | Dow Jones Wilshire Real Estate Securities Index | 5% | +0 bps | +37.5 bps | +75 bps |
| Commodities | Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index | 3% | +0 bps | +17.5 bps | +35 bps |
| TIPS | Lehman Brothers US TIPS Index | 5% | +0 bps | +2.5 bps | +5 bps |
| Fixed Income | Lehman Brothers Aggregate Bond Index | 10% | +0 bps | +12.5 bps | +25 bps |
| Cash | 90 day t-bills | 0% | +0 bps | +0 bps | +0 bps |
| Short Intermediate Term Fund | SITF Policy Statement | -- | +0 bps | +5 bps | +10 bps |

## TABLE 4 (1/1/06 through 6/30/06)

| Asset Class | Benchmark | Policy Portfolio Weights (% of Portfolio) | Performance Standards | | |
|---|---|---|---|---|---|
| | | | Threshold | Target | Maximum |
| Entity: Peer Group | Peer group (Endowments w/>$1 B assets) | n/a | 40th %ile | 60th %ile | 75th %ile |
| US Public Equity | Russell 3000 Index | 20% | +0 bps | +31 bps | +62 bps |
| Non-US Developed Equity | MSCI EAFE Index with net dividends | 10% | +0 bps | +37.5 bps | +75 bps |
| Emerging Markets Equity | MSCI Emerging Markets Index with net dividends | 7% | +0 bps | +75 bps | +150 bps |
| Directional Hedge Funds | MSCI Investable Hedge Fund Index | 10% | +0 bps | +65 bps | +130 bps |
| Absolute Return Hedge Funds | MSCI Investable Hedge Fund Index | 15% | +0 bps | +50 bps | +100 bps |
| Private Equity | Custom Benchmark Created from Venture Economics Database | 11% | +0 bps | +103.5 bps | +207 bps |
| Venture Capital | Custom Benchmark Created from Venture Economics Database | 4% | +0 bps | +103.5 bps | +207 bps |
| REITS | Dow Jones Wilshire Real Estate Securities Index | 5% | +0 bps | +37.5 bps | +75 bps |
| Commodities | Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index | 3% | +0 bps | +17.5 bps | +35 bps |
| TIPS | Lehman Brothers US TIPS Index | 5% | +0 bps | +2.5 bps | +5 bps |
| Fixed Income | Lehman Brothers Aggregate Bond Index | 10% | +0 bps | +12.5 bps | +25 bps |
| Cash | 90 day t-bills | 0% | +0 bps | +0 bps | +0 bps |
| Short Intermediate Term Fund | SITF Policy Statement | -- | +0 bps | +5 bps | +10 bps |

(2) Performance for the private capital asset class is calculated differently from other asset classes due to its longer investment horizon and illiquidity of assets. Performance of the private capital asset class is determined based on the performance of partnership commitments made by the current private capital team since 2001 based on internal rates of return (IRR's) relative to the respective Venture Economics benchmarks.

(c) Individual Performance

Individual Performance of each Participant will be measured based on that Participant's performance of the duties of his or her employment position during the Performance Period.

### *5.9. Modifications of Measurement Period for Measuring Equity and Asset Class Performance Goals*

(a) Although generally Entity Performance and most Asset Class Performance are measured based on three-year rolling historical performance, newly hired Participants will be phased into the Performance Incentive Plan so that Entity Performance and Asset Class Performance are measured over a period of time consistent with each Participant's tenure at UTIMCO. This provision ensures that a Participant is measured and rewarded over a period of time consistent with the period during which he or she influenced the performance of the entity or a particular asset class. In the Performance Period in which a Participant begins participation in the Performance Incentive Plan, the Entity Performance and Asset Class Performance components of the Incentive Award Opportunity will be based on one full year of historical performance

(i.e., the performance for the Performance Period during which the Participant commenced Performance Incentive Plan participation). During a Participant's second year of Performance Incentive Plan participation, the Entity Performance and Asset Class Performance components of the Incentive Award Opportunity will be based on two full years of historical performance. In the third year of a Participant's Performance Incentive Plan participation and beyond, the Entity and Asset Class Performance components of the Incentive Award Opportunity will be based on the three full years of rolling historical performance. This provision will apply to Participants who are UTIMCO employees hired after July 1, 2001.

(b) For purposes of measuring the Intermediate Term Fund component of Entity and Asset Class Performance, the three-year historical performance cycle will not be utilized until the Intermediate Term Fund has three years of historical performance as part of the Performance Incentive Plan and, until that time, the actual years of historical performance will be used as the measurement period. The Intermediate Term Fund was formed on February 1, 2006, and is added as a measurement of performance under the Performance Incentive Plan effective July 1, 2006. Therefore, as of June 30, 2007, the ITF will have one year of historical performance that will be measured for purposes of determining Equity and Asset Class Performance; as of June 30, 2008, the ITF will have two consecutive years of historical performance that will be measured for purposes of determining Equity and Asset Class Performance; and as of June 30, 2009, and for each Performance Period thereafter, three consecutive years of historical performance will be utilized for purposes of measuring the ITF prong of Equity and Asset Class Performance.

### *5.10. Termination Provisions*

(a) Except as otherwise provided in this Section 5.10, any Participant who ceases to be a Participant (either because of termination of employment with UTIMCO or for any other reason stated in Section 5.3(c)) prior to the end of a Performance Period will not be eligible to receive payment of any Performance Incentive Award for that or any subsequent Performance Periods. In addition, a Participant will only continue to vest in Nonvested Deferred Awards while he or she is employed with UTIMCO and will forfeit any Nonvested Deferred Awards at termination of employment with UTIMCO.

(b) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment position is no longer an Eligible Position (but such employee continues to be employed with UTIMCO), such Participant's Performance Incentive Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date the Participant ceases to be in an Eligible Position, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a

Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards continue to vest and be paid subject to the provisions of Section 5.7(b).

(c) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because his or her employment with UTIMCO terminates due to death or Disability, the Participant's Performance Incentive Award for the Performance Period in which termination occurs will be paid at target on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or, if applicable, coinciding with the date of the Participant's death or Disability, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Award Accounts will vest immediately and be paid as soon as administratively practicable after such termination and in no event later than the 15th day of the third month following the later of (i) the last day of the calendar year in which such termination occurs or (ii) the last day of the fiscal year of UTIMCO in which such termination occurs. Payments under this provision will be made to the estate or designated beneficiaries of the deceased Participant or to the disabled Participant, as applicable.

(d) If a Participant ceases to be a Participant in the Performance Incentive Plan under Section 5.3(c) prior to the end of a Performance Period because he or she commences a leave of absence, such Participant's Performance Incentive Award for the current Performance Period, if any, will be calculated on a prorated basis from the first day of the Performance Period to the Performance Measurement Date immediately preceding or coinciding with the date the Participant commences such leave of absence, and such individual will not be entitled to any Performance Incentive Awards for any Performance Period thereafter (unless he or she again becomes a Participant in accordance with Sections 5.3(a) and (b)). All Nonvested Deferred Awards continue to vest and be paid subject to the provisions of Section 5.7(b).

(e) In the case of any Participant who ceases to be a Participant in the Performance Incentive Plan prior to the end of Performance Period and is entitled to a Performance Incentive Award or a prorated Performance Incentive Award under this Section 5.10, such Performance Incentive Award will be calculated at the time and in the manner provided in Section 5.5 and Appendix A and paid in accordance with Section 5.6 and will not be calculated or paid prior to such time.

# 6. COMPENSATION PROGRAM AUTHORITY AND RESPONSIBILITY

### *6.1. Board as Plan Administrator*

Except as otherwise specifically provided in this Compensation Program with respect to powers, duties, and obligations of the Compensation Committee, the Compensation Program will be administered by the Board.

### *6.2. Powers of Board*

The Board has all powers specifically vested herein and all powers necessary or advisable to administer the Compensation Program as it determines in its discretion, including, without limitation, the authority to:

(1) Establish the conditions for the determination and payment of compensation by establishing the provisions of the Performance Incentive Plan.

(2) Select the employees who are eligible to be Participants in the Performance Incentive Plan**.**

(3) Delegate to any other person, committee, or entity any of its ministerial powers and/or duties under the Compensation Program as long as any such delegation is in writing and complies with the UTIMCO Bylaws.

# 7. COMPENSATION PROGRAM INTERPRETATION

## *7.1. Board Discretion*

(a) Consistent with the provisions of the Compensation Program, the Board has the discretion to interpret the Compensation Program and may from time to time adopt such rules and regulations that it may deem advisable to carry out the Compensation Program. All decisions made by the Board in selecting the Participants approved to receive Performance Incentive Awards, including the amount thereof, and in construing the provisions of the Compensation Program, including without limitation the terms of any Performance Incentive Awards, are final and binding on all Participants.

(b) Notwithstanding any provision of the Compensation Program to the contrary and subject to the requirement that the approval of Performance Incentive Awards that will result in an increase of 5% or more in the total Performance Incentive Awards calculated using the methodology set out on Appendix A must have the prior approval of the U.T. System Board of Regents, the Board has the discretion and authority to make changes in the terms of the Compensation Program in determining a Participant's eligibility for, or amount of, a Performance Incentive Award for any Performance Period whenever it considers that circumstances have occurred during the Performance Period so as to make such changes appropriate in the opinion of the Board, provided, however, that any such change will not deprive or eliminate an award of a Participant after it has become vested and that such circumstances are recorded in the minutes of a meeting of the Board.

## *7.2. Duration, Amendment, and Termination*

The Board has the right in its discretion to amend the Compensation Program or any portion thereof from time to time, to suspend it for a specified period, or to terminate it entirely or any portion thereof. However, if the Performance Incentive Plan is suspended or terminated during a Performance Period, Participants will receive a prorated Performance Incentive Award based on performance achieved and base salary earned through the Performance Measurement Date immediately preceding such suspension or termination. The Compensation Program will be in effect until suspension or termination by the Board; provided, however, that if the Board so determines at the time of any suspension or termination of the Performance Incentive Plan, Nonvested Deferred Awards credited to Participants' Nonvested Deferred Award Account(s) as of the effective date of such suspension or termination will continue to be administered under the terms of the Performance Incentive Plan after any suspension or termination, except as the Board otherwise determines in its discretion at the time of such suspension or termination.

## *7.3. Recordkeeping and Reporting*

(a) All records for the Compensation Program will be maintained by the Managing Director of Accounting, Finance, and Administration at UTIMCO.

Relative performance data and calculations will be reviewed by UTIMCO's external auditor before Performance Incentive Awards are finalized and approved by the Board.

(b) UTIMCO will provide all Participants with a comprehensive report of the current value of their respective Nonvested Deferred Award Account balances, including a complete vesting status of those balances, on at least a quarterly basis.

### *7.4. Continued Employment*

Nothing in the adoption of the Compensation Program or the awarding of Performance Incentive Awards will confer on any employee the right to continued employment with UTIMCO or affect in any way the right of UTIMCO to terminate his or her employment at any time.

### *7.5. Non-transferability of Awards*

Except for the rights of the estate or designated beneficiaries of Participants to receive payments, as set forth herein, Performance Incentive Awards under the Performance Incentive Plan, including both the Paid Performance Incentive Award portion and the Nonvested Deferred Award portion, are non-assignable and non-transferable and are not subject to anticipation, adjustment, alienation, encumbrance, garnishment, attachment, or levy of any kind. The preceding notwithstanding, the Compensation Program will pay any portion of a Performance Incentive Award that is or becomes vested in accordance with an order that meets the requirements of a "qualified domestic relations order" as set forth in Section 414(p) of the *Internal Revenue Code* and Section 206(d) of ERISA.

### *7.6. Unfunded Liability*

(a) Neither the establishment of the Compensation Program, the award of any Performance Incentive Awards, nor the creation of Nonvested Deferred Awards Accounts will be deemed to create a trust. The Compensation Program will constitute an unfunded, unsecured liability of UTIMCO to make payments in accordance with the provisions of the Compensation Program. Any amounts set aside by UTIMCO to assist it in the payment of Performance Incentive Awards or other benefits under the Compensation Program, including without limitation, amounts set aside to pay for Nonvested Deferred Awards, will be the assets of UTIMCO, and no Participant will have any security or other interest in any assets of UTIMCO or the U.T. System Board of Regents by reason of the Compensation Program.

(b) Nothing contained in the Compensation Program will be deemed to give any Participant, or any personal representative or beneficiary, any interest or title to any specific property of UTIMCO or any right against UTIMCO other than as set forth in the Compensation Program.

### *7.7. Compliance with State and Federal Law*

No portion of the Compensation Program will be effective at any time when such portion violates an applicable state or federal law, regulation, or governmental order or directive.

### *7.8. Federal, State, and Local Tax and Other Deductions*

All Performance Incentive Awards under the Compensation Program will be subject to any deductions (1) for tax and withholding required by federal, state, or local law at the time such tax and withholding is due (irrespective of whether such Performance Incentive Award is deferred and not payable at such time) and (2) for any and all amounts owed by the Participant to UTIMCO at the time of payment of the Performance Incentive Award. UTIMCO will not be obligated to advise an employee of the existence of the tax or the amount that UTIMCO will be required to withhold.

### *7.9. Prior Plan*

(a) Except as provided in the following paragraphs of this Section 7.9, this restatement of the Compensation Program amends and supersedes any prior version of the Compensation Program ("Prior Plan").

(b) All nonvested deferred awards under a Prior Plan will retain the vesting schedule in effect under the Prior Plan at the time such awards were allocated to the respective Participant's account. In all other respects, as of the Effective Date, those nonvested deferred amounts will (1) be credited or debited with the Net Returns over the remaining deferral period in accordance with Section 5.7(a), and (2) be subject to the terms and conditions for Nonvested Deferred Awards under the Performance Incentive Plan as set forth in this restated document.

## 8. DEFINITION OF TERMS

**8.1. Asset Class Performance** is the performance of specific asset classes within the Total Endowment Assets and the Intermediate Term Fund (such as US public equity, private capital, etc.) based on the standards set forth in Section 5.8(b).

**8.2. Board** is the UTIMCO Board of Directors.

**8.3. Compensation Committee** is the Compensation Committee of the UTIMCO Board of Directors.

**8.4. Compensation Program** is defined in Section 1.

**8.5. Disability** means a condition whereby a Participant either (i) is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected either to result in death or to last for a continuous period of not less than 12 months or (ii) is, by reason of a medically determinable physical or mental impairment that is expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a disability plan maintained or contributed to by UTIMCO for the benefit of eligible employees.

**8.6. Effective Date** is defined in Section 1.

**8.7. Eligible Position** is defined in Section 5.3(a).

**8.8. Entity Performance** represents the performance of the Total Endowment Assets and the Intermediate Term Fund (based on the measurement standards set forth in Section 5.8(a)).

**8.9. Incentive Award Opportunity** is defined in Section 5.5(a).

**8.10. Intermediate Term Fund or ITF** is The University of Texas System ("U.T. System") Intermediate Term Fund established by the U.T. System Board of Regents as a pooled fund for the collective investment of operating funds and other intermediate and long-term funds held by the U.T. System institutions and U.T. System Administration. Performance of the Intermediate Term Fund is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Intermediate Term Fund.

**8.11. Net Returns** is the investment performance return of the Total Endowment Assets, net of fees. Net of fees factors in all administrative and other fees for managing the Total Endowment Assets. The net investment return will be calculated as follows:

$$\frac{\text{Permanent University Fund Beginning Net Asset Value}}{\text{Total Endowment Beginning Net Asset Value}} \times \text{Permanent University Fund Net Investment Return}$$

Plus

$$\frac{\text{General Endowment Fund Beginning Net Asset Value}}{\text{Total Endowment Beginning Net Asset Value}} \times \text{General Endowment Fund Net Investment Return}$$

**8.12. Nonvested Deferred Award** is defined in Section 5.6(b).

**8.13. Nonvested Deferred Award Account** is defined in Section 5.7(a).

**8.14. Paid Performance Incentive Award** is defined in Section 5.6(a).

**8.15. Participant** is defined in Section 5.3(a).

**8.16. Peer Group** is a peer group of endowment funds maintained by the Board's external investment advisor that is comprised of all endowment funds with assets greater than $1 billion on the last day of each of the three immediately preceding Performance Periods and set forth on Appendix B; provided, however, that Harvard University's endowment fund, Yale University's endowment fund, and Total Endowment Assets are excluded from the Peer Group. The Peer Group will be updated from time to time as deemed appropriate by the Board, and Appendix B will be amended accordingly.

**8.17. Performance Goals** are defined in Section 5.4.

**8.18. Performance Incentive Award** is the component of a Participant's total compensation that is based on specific performance goals and awarded as current income or deferred at the end of a Performance Period in accordance with Section 5 and Appendix A.

**8.19. Performance Incentive Plan** is as defined in Section 1 and described more fully in Section 5.

**8.20. Performance Measurement Date** is the close of the last business day of the month.

**8.21. Performance Period** is defined in Section 5.2.

**8.22. Policy Portfolio Return** is the benchmark return for the Intermediate Term Fund policy portfolio and is calculated by summing the neutrally weighted index returns (percentage weight for each asset class multiplied by the benchmark return for the asset class) for the various asset classes in the Intermediate Term Fund portfolio for the Performance Period.

**8.23. Prior Plan** is defined in Section 7.9.

**8.24. Salary Structure** is described in Section 4.1.

**8.25. Total Endowment Assets or TEA** means the combination of the Permanent University Fund and the General Endowment Fund, but does not include any other endowment funds monitored by UTIMCO such as the Separately Invested Fund. Performance of the Total Endowment Assets is measured net of fees, meaning performance is measured after factoring in all administrative and other fees incurred for managing the Total Endowment Assets.

# Appendix A

## Performance Incentive Award Methodology
## (for Performance Periods beginning on or after July 1, 2006)

### I. Determine "Incentive Award Opportunities" for Each Participant[1]

Step 1. Identify the weights to be allocated to each of the three Performance Goals for each Participant's Eligible Position. The weights vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. The total of the weights ascribed to the three Performance Goals must add up to 100% for each Participant. For example, Table 1 on Appendix C may reflect for a Performance Period for the President and CEO that the weight allocated to the Entity Performance Goal is 70%, the weight allocated to the Asset Class Performance Goal is 0%, and the weight allocated to the Individual Performance Goal is 30%.

Step 2. Identify the percentage of base salary for the Participant's Eligible Position that determines the Performance Incentive Award for achievement of the Threshold, Target, and Maximum levels of the Performance Goals. The percentages vary for each Eligible Position each Performance Period and are set forth in Table 1 on Appendix C for the applicable Performance Period. For example, Table 1 on Appendix C may show that for a Performance Period the applicable percentages for determining the Performance Incentive Award for the President and CEO are 18% of his or her base salary for achievement of Threshold level performance of all three Performance Goals, 90% of his or her base salary for achievement of Target level performance of all three Performance Goals, and 180% of his or her base salary for achievement of Maximum level performance of all three Performance Goals.

Step 3**.** Calculate the dollar amount of the potential Threshold, Target, and Maximum awards (the "Incentive Award Opportunities") for each Participant by multiplying the Participant's base salary for the Performance Period by the applicable percentage (from Step #2 above). For example, assuming the President and CEO has a base salary of $495,000 for a Performance Period, based on the assumed percentages set forth in Step #2 above, the President and CEO will be eligible for a total award of $89,100 (18% of his or her base salary) if he or she achieves Threshold level performance of all three Performance Goals, $445,500 (90% of his or her

[1] These Incentive Award Opportunities represent amounts that each Participant will be awarded if he or she achieves his or her Performance Goals at varying levels and are calculated at the beginning of each Performance Period or, if later, the date such Participant commences participation in the Performance Incentive Plan**.**

base salary) if he or she achieves Target level performance of all three Performance Goals, and $891,000 (180% of his or her base salary) if he or she achieves Maximum level performance of all three Performance Goals.

Step 4. Because a Participant may achieve different levels of performance in different Performance Goals and be eligible for different levels of awards for that achievement (e.g., he or she may achieve Target performance in the Entity Performance Goal and be eligible to receive a Target award for that goal and achieve Maximum performance in the Individual Performance Goal and be eligible to receive a Maximum award for that Performance Goal), it is necessary to determine the Incentive Award Opportunity of the Threshold, Target, and Maximum award for each separate Performance Goal (and, because achievement of the Equity Performance Goal is determined in part by achievement of the Total Endowment Assets and in part by achievement of the Intermediate Term Fund, a Threshold, Target, and Maximum Incentive Award Opportunity separately for the TEA and the ITF must be determined). This is done by multiplying the dollar amount of the Threshold, Target, and Maximum awards for the performance of all three Performance Goals calculated in Step #3 above for the Participant by the weight allocated for that Participant to the particular Performance Goal (and, further, by multiplying the Incentive Award Opportunity for the Equity Performance by the weight ascribed to achievement of the Total Endowment Assets (85%) and by the weight ascribed to achievement of the Intermediate Term Fund (15%)).

Step 5. After Steps #3 and #4 above are performed for each of the three levels of performance for each of the three Performance Goals, there will be 12 different Incentive Award Opportunities for each Participant. For example, for the President and CEO (based on an assumed base salary of $495,000, the assumed weights for the Performance Goals set forth in Step #1 above, and the assumed percentages of base salary for the awards set forth in Step #2 above), the 12 different Incentive Award Opportunities for achievement of the Performance Goals for the Performance Period are as follows:

**Incentive Award Opportunities for President and CEO**
(based on assumed base salary of $495,000)

| Performance Goal | Weight | Threshold Level Award | Target Level Award | Maximum Level Award |
|---|---|---|---|---|
| Entity (TEA v. Peer Group) | 59.5% (.85 x .70) | **$**53,015 | **$**265,073 | **$**530,145 |
| Entity (ITF v. Policy Portfolio Return) | 10.5% (.15 x .70) | $9,356 | $46,778 | $93,555 |
| Asset Class | 0% | $0 | $0 | $0 |
| Individual | 30% | $26,730 | $133,650 | $267,300 |
| Total | 100% | $89,100 (18% of salary) | $445,500 (90% of salary) | $891,000 (180% of salary) |

## II. Calculate Performance Incentive Award for Each Participant

Step 6. Identify the achievement percentiles or achieved basis points that divide the Threshold, Target, and Maximum levels for each Performance Goal. These divisions for the level of achievement of the Entity and Asset Class Performance Goals are set forth in the table for the applicable Performance Period (i.e., Table 2, Table 3, Table 4, or any later table set forth on Appendix D, as applicable). The measurement for the level of achievement (i.e., Threshold, Target, or Maximum) for the Individual Performance Goal is initially determined each Performance Period by the Participant's supervisor, if any, and then is approved (or adjusted) by the Compensation Committee as it deems appropriate in its discretion. If the Participant has no supervisor, the measurement for the level of achievement for the Individual Performance Goal is determined each Performance Period by the Compensation Committee**.** The Board will determine the President and CEO's level of achievement relative to the President and CEO's Performance Goals.

Step 7. Determine the percentile or basis points achieved for each Performance Goal for each Participant using the standards set forth in Sections 5.5 and 5.8 of the Compensation Program, as modified in the case of new hires in Section 5.9. Determine the level of achievement of each Participant's Individual Performance Goal.

Step 8. Calculate the amount of each Participant's award attributable to each Performance Goal by identifying the Incentive Award Opportunity amount for each Performance Goal (e.g., as assumed and set forth for the President and CEO in the table in Step #5 above) commensurate with the Participant's level of achievement for that Performance Goal (determined in Steps #6 and #7 above). An award for achievement percentiles in between the stated Threshold, Target, and Maximum levels is determined by linear interpolation. For example, if the 65th percentile of the Total Endowment Assets portion of the Entity Performance Goal has been achieved, that percentile is between the Target ($60^{th}$ percentile) and the Maximum ($75^{th}$ percentile) levels, so to determine the amount of the award attributable to the $65^{th}$ percentile achievement of the TEA portion of the Entity Performance Goal, perform the following steps: (i) subtract the difference between the dollar amounts of the Target and Maximum Incentive Award Opportunities for the Participant (e.g., for the President and CEO, as illustrated in the table in Step #5, the difference is $265,072 ($530,145-$265,073)); (ii) divide 5 (the percentile difference between the Target level of $60^{th}$ percentile and the attained level of $65^{th}$ percentile) by 15 (the percentile difference between the Target level and Maximum level) to get the fraction 5/15 to determine the pro rata portion of the difference between Target and Maximum actually achieved; (iii) multiply the amount determined in the preceding Step (i) by the fraction determined in the preceding Step (ii) ($265,072 x 5/15 = $88,357); and (iv) add the amount determined in the preceding Step (iii) to the Target Incentive Award

Opportunity for the Participant to get the actual award for the Participant attributable to each Performance Goal ($88,357 + $265,073 = $353,430).

Step 9. In determining the award attributable to the Equity Performance Goal, achievement of the Total Endowment Assets portion of the Entity Performance Goal (and the commensurate award) is weighted at 85% (and then multiplied by the weight assigned to the Entity Performance Goal for the Participant), and achievement of the Intermediate Term Fund portion of the Equity Performance Goal (and commensurate award) is weighted at 15% (and then multiplied by the weight assigned to the Entity Performance Goal for the Participant). For example, assuming a base salary of $495,000, if the President and CEO achieved the Target level (60th percentile) of the Total Endowment Assets portion of the Entity Performance Goal and achieved the Maximum level (+65 bps) of the Intermediate Term Fund portion of the Entity Performance Goal, he or she would have earned an award of $358,628 for his or her level of achievement of the Equity Performance Goal as follows: $265,073 for Target level of achievement of the TEA portion of the Equity Performance Goal (.85 x .70 x $445,500); plus $93,555 for Maximum level of achievement of the ITF portion of the Equity Performance Goal (.15 x .70 x 891,000).

Step 10. No award is given for an achievement percentile below Threshold, and no award above the Maximum award is given for an achievement percentile above the Maximum level.

Step 11. Subject to any applicable adjustment in Step #12 below, add the awards determined in Steps #8 and #9 above for each Performance Goal (as modified by Step #10) together to determine the total amount of the Participant's Performance Incentive Award for the Performance Period.

Step 12. In the case of any Participant who becomes a Participant in the Performance Incentive Plan after the first day of the applicable Performance Period, such Participant's Performance Incentive Award (determined in Step #11) will be prorated to reflect the actual portion of the Performance Period in which he or she was a Participant. In the case of a Participant who ceases to be a Participant prior to the end of a Performance Period, his or her entitlement to any Performance Incentive Award is determined under Section 5.10 and, in the case of such entitlement, such Participant's Performance Incentive Award, if any, will be prorated and adjusted as provided in Section 5.10.

# Appendix B

## UTIMCO Peer Group

- Brown University
- California Institute of Technology
- Case Western Reserve University
- Columbia University
- Cornell University
- Dartmouth College
- Duke University
- Emory University
- Grinnell College
- Johns Hopkins University
- Massachusetts Institute of Technology
- New York University
- Northwestern University
- Ohio State University and Foundation
- Princeton University
- Purdue University
- Rice University
- Stanford University
- The Rockefeller University
- The Texas A&M University System and Foundations
- UNC at Chapel Hill and Foundations
- University of California
- University of Chicago
- University of Michigan
- University of Minnesota and Foundation
- University of Notre Dame
- University of Pennsylvania
- University of Pittsburgh
- University of Rochester
- University of Southern California
- University of Virginia
- University of Washington
- Vanderbilt University
- Washington University
- Wellesley College
- Williams College

Source: Cambridge Associates. Represents University endowments (excluding Harvard, Yale, and Total Endowment Assets) with total assets in excess of $1 billion as of each fiscal year end June 2003, 2004, 2005.

# Appendix C

## Eligible Positions
## Weightings
## Incentive Award Opportunities for each Eligible Position
**(for each Performance Period)**

## TABLE 1 (2005/2006 Performance Period)

| Eligible Position | Weighting | | | Incentive Award Opportunity (% of Salary) | | | |
|---|---|---|---|---|---|---|---|
| | Entity | Asset Class | Individual | < Threshold | Threshold | Target | Maximum |
| ***Investment Professionals*** | | | | | | | |
| President, CEO & CIO | 70% | 0% | 30% | 0% | 18% | 90% | 180% |
| Deputy CIO & MD of Marketable Alt. Invest. | 40% | 40% | 20% | 0% | 13% | 65% | 130% |
| Risk Manager | 70% | 0% | 30% | 0% | 12% | 60% | 120% |
| MD, Public Markets Invest. | 20% | 60% | 20% | 0% | 12% | 60% | 120% |
| MD, Inflation Hedging Assets | 20% | 60% | 20% | 0% | 12% | 60% | 120% |
| Co-MD, Non-Marketable Alt Inv (n=2) | 30% | 50% | 20% | 0% | 12% | 60% | 120% |
| Manager of Operating Fund Investments | 20% | 60% | 20% | 0% | 10% | 50% | 100% |
| Portfolio Manager, Equity Invest. | 20% | 60% | 20% | 0% | 10% | 50% | 100% |
| Sr. Portfolio Mgr., Fixed Income Invest. | 20% | 60% | 20% | 0% | 10% | 50% | 100% |
| Portfolio Manager, Fixed Income Invest. | 20% | 60% | 20% | 0% | 10% | 50% | 100% |
| Analytical Support-Investment | 20% | 60% | 20% | 0% | 5% | 25% | 50% |
| Analytical Support-Risk Management | 70% | 0% | 30% | 0% | 5% | 25% | 50% |
| ***Operations/Support Professionals*** | | | | | | | |
| MD, Accounting, Finance & Admin. | 20% | 0% | 80% | 0% | 10% | 50% | 100% |
| MD, Information Technology | 20% | 0% | 80% | 0% | 10% | 50% | 100% |
| Manager, Finance & Administration | 20% | 0% | 80% | 0% | 5% | 25% | 50% |
| Manager, Investment Reporting | 20% | 0% | 80% | 0% | 5% | 25% | 50% |
| Manager, Portfolio Accounting & Ops. | 20% | 0% | 80% | 0% | 5% | 25% | 50% |

## UPDATED TABLE 1 (For the Performance Periods beginning after June 30, 2006)

| Eligible Position | Weighting | | | Incentive Award Opportunity (% of Salary) | | | |
|---|---|---|---|---|---|---|---|
| | Entity | Asset Class | Individual | < Threshold | Threshold | Target | Maximum |
| ***Investment Professionals*** | | | | | | | |
| President, CEO & CIO | 70% | 0% | 30% | 0% | 20% | 100% | 200% |
| Deputy CIO & MD of Marketable Alt. Invest. | 40% | 40% | 20% | 0% | 18% | 90% | 190% |
| Risk Manager | 70% | 0% | 30% | 0% | 18% | 90% | 190% |
| MD, Public Markets Invest. | 20% | 60% | 20% | 0% | 18% | 90% | 190% |
| MD, Inflation Hedging Assets | 20% | 60% | 20% | 0% | 18% | 90% | 190% |
| MD, Non-Marketable Alt Inv | 30% | 50% | 20% | 0% | 18% | 90% | 190% |
| Sr. Portfolio Mgr., Fixed Income Invest. | 20% | 60% | 20% | 0% | 10% | 50% | 140% |
| Portfolio Manager, Fixed Income Invest. | 20% | 60% | 20% | 0% | 10% | 50% | 140% |
| Director, Public Markets | 20% | 60% | 20% | 0% | 8% | 40% | 80% |
| Director, Marketable Alternative | 20% | 60% | 20% | 0% | 8% | 40% | 80% |
| Director, Inflation Hedging Assets | 20% | 60% | 20% | 0% | 8% | 40% | 80% |
| Director, Non-Marketable Alternative | 20% | 60% | 20% | 0% | 8% | 40% | 80% |
| Director, Risk Management | 70% | 0% | 30% | 0% | 8% | 40% | 80% |
| Associate, Public Markets | 20% | 60% | 20% | 0% | 6% | 30% | 70% |
| Associate, Marketable Alternative | 20% | 60% | 20% | 0% | 6% | 30% | 70% |
| Associate, Inflation Hedging Assets | 20% | 60% | 20% | 0% | 6% | 30% | 70% |
| Associate, Non-Marketable Alternative | 20% | 20% | 60% | 0% | 6% | 30% | 70% |
| Associate, Risk Management | 70% | 0% | 30% | 0% | 6% | 30% | 70% |
| Analyst, Public Markets | 20% | 60% | 20% | 0% | 6% | 30% | 50% |
| Analyst, Marketable Alternative | 20% | 60% | 20% | 0% | 6% | 30% | 50% |
| Analyst, Inflation Hedging Assets | 20% | 60% | 20% | 0% | 6% | 30% | 50% |
| Analyst, Non-Marketable Alternative | 20% | 20% | 60% | 0% | 6% | 30% | 50% |
| Analyst, Risk Management | 70% | 0% | 30% | 0% | 6% | 30% | 50% |
| ***Operations/Support Professionals*** | | | | | | | |
| MD, Accounting, Finance & Admin. | 20% | 0% | 80% | 0% | 10% | 50% | 140% |
| MD, Information Technology | 20% | 0% | 80% | 0% | 10% | 50% | 140% |
| Manager, Finance & Administration | 20% | 0% | 80% | 0% | 8% | 40% | 80% |
| Manager, Investment Reporting | 20% | 0% | 80% | 0% | 8% | 40% | 80% |
| Manager, Portfolio Accounting & Ops. | 20% | 0% | 80% | 0% | 8% | 40% | 80% |
| Manager, Client Services | 20% | 0% | 80% | 0% | 8% | 40% | 80% |

# Appendix D

## Benchmarks for Asset Class
## Threshold, Target, and Maximum Performance Standards
**(for Performance Periods beginning on or after July 1, 2006)**

## Performance Standards for Intermediate Term Fund
**(for Performance Periods beginning on or after July 1, 2006)**

# UPDATED TABLE 4 (7/1/06 through 6/30/07)

| | | Policy Portfolio Weights | | Performance Standards | | |
|---|---|---|---|---|---|---|
| | | Total Endowment Assets | ITF | | | |
| **Asset Class** | **Benchmark** | **(% of Portfolio)** | **(% of Portfolio)** | **Threshold** | **Target** | **Maximum** |
| Entity: Peer Group (Total Endowment Funds) | Peer group (Endowments w/>$1 B assets) | n/a | n/a | 40th %ile | 60th %ile | 75th %ile |
| Entity: Benchmark (Intermediate Term Fund) | Policy Portfolio | n/a | n/a | +0 bps | +32.5 bps | +65 bps |
| US Public Equity | Russell 3000 Index | 20% | 15% | +0 bps | +31 bps | +62 bps |
| Non-US Developed Equity | MSCI EAFE Index with net dividends | 10% | 5% | +0 bps | +37.5 bps | +75 bps |
| Emerging Markets Equity | MSCI Emerging Markets Index with net dividends | 7% | 5% | +0 bps | +75 bps | +150 bps |
| Directional Hedge Funds | MSCI Investable Hedge Fund Index | 10% | 12.5% | +0 bps | +65 bps | +130 bps |
| Absolute Return Hedge Funds | MSCI Investable Hedge Fund Index | 15% | 12.5% | +0 bps | +50 bps | +100 bps |
| Private Equity | Custom Benchmark Created from Venture Economics Database | 11% | 0% | +0 bps | +103.5 bps | +207 bps |
| Venture Capital | Custom Benchmark Created from Venture Economics Database | 4% | 0% | +0 bps | +103.5 bps | +207 bps |
| REITS | Dow Jones Wilshire Real Estate Securities Index | 5% | 10% | +0 bps | +37.5 bps | +75 bps |
| Commodities | Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index | 3% | 5% | +0 bps | +17.5 bps | +35 bps |
| TIPS | Lehman Brothers US TIPS Index | 5% | 10% | +0 bps | +2.5 bps | +5 bps |
| Fixed Income | Lehman Brothers Aggregate Bond Index | 10% | 25% | +0 bps | +12.5 bps | +25 bps |
| Cash | 90 day t-bills | 0% | 0% | +0 bps | +0 bps | +0 bps |

15. U. T. System Board of Regents: Approval of the Annual Budget, including the capital expenditures budget, and Annual Fee and Allocation Schedule for The University of Texas Investment Management Company (UTIMCO) (Deferred)

The item related to approval of the Annual Budget, including the capital expenditures budget, and Annual Fee and Allocation Schedule for The University of Texas Investment Management Company (UTIMCO) was deferred.

16. U. T. Medical Branch - Galveston: Discussion of implementation of Performance Improvement Plan

President Stobo discussed implementation of the Performance Improvement Plan at The University of Texas Medical Branch at Galveston following the findings and recommendations of an external performance improvement review conducted by Navigant Consultants, Inc. Over a 10-week period, Navigant benchmarked academic, clinical, and support programs and where the institution was below the benchmark, Navigant provided savings opportunities. Dr. Stobo said Navigant's recommendations served as a framework for U. T. Medical Branch – Galveston's three-year operations improvement plan that is composed of three elements:

a. reduce expenses based on productivity and benchmarks;

b. enhance revenue by focusing on service excellence and increasing clinical volumes, altering the payer mix, and focusing on programs of excellence at the Victory Lakes ambulatory care facility and the new specialty care inpatient tower; and

c. expand performance-based compensation to administrative and professional staff and to faculty.

President Stobo said he created the Strategic Executive Council, a new governance group, to oversee implementation of the Improvement Plan. Approximately 747 individuals (1,300 full-time equivalents) will be affected by the plan and faculty compensation is under vigorous discussion. Dr. Stobo said more plans are forthcoming to achieve the $130 million reduction target and he outlined the following Fiscal Year 2007 priorities: implement the financial improvement and strategic clinical plan, begin construction of a specialty care center at Victory Lakes and specialty care inpatient tower, and advance the legislative agenda.

Executive Vice Chancellor Shine cautioned members of the Board that implementation of the plan will be controversial and Chancellor Yudof commended President Stobo for taking difficult, divisive steps to make the proposed changes. He asked Dr. Stobo how he was going to make the needed cultural change at the institution and Dr. Stobo responded the culture needs to be changed to one of accountability for sustainability purposes and the compensation plan addresses this by recognizing and rewarding achievement. In addition, more services need to be delivered, and in a better way. Chairman Huffines asked if the 85% ($88 million) in savings due to expense reduction is one-time only and President Stobo responded that incremental revenue needs to be generated each year and the institution is continually looking for efficiencies in expenses but year two and year three targets will not be met if significant increases in revenue are not generated. The Chairman also asked about the situation with the Texas Department of Criminal Justice (TDCJ) and Dr. Stobo said he has been in discussions with Legislators to increase the appropriation. Dr. Stobo said there will be a negative variance at the end of the year and Chairman Huffines congratulated President Stobo for this.

17. U. T. System Board of Regents: Report on the Archer Center, Washington, D.C.

Vice Chancellor for Federal Relations William H. Shute reported on the Archer Center in Washington, D.C.

Upon his retirement from Congress in 2000, Congressman Bill Archer of the 7th District of Texas worked with The University of Texas System to establish an intensive semester-based program of academics and internship for The University of Texas System students. The Archer Center Fellowship Program began as a collaboration between The University of Texas at Austin and the U. T. System Office of Federal Relations located in Washington, D.C., with the stated purpose of introducing the best and brightest undergraduate students from Texas to the federal process. The Archer Center slogan states, "Where Texas Meets the World."

The program began with 12 students during Spring 2001 and since has been host to 162 upper-division undergraduate students. The original class was populated with only U. T. Austin students, but has expanded to each of the nine academic campuses. U. T. Brownsville selected its first Archer Fellow this past spring.

Vice Chancellor Shute introduced three Fellows in attendance, Archer Center staff members, and Congressman Archer. He explained the Archer program has three components: internships, scholarships, and friendships. He then outlined the application process whereby prospective Fellows apply

on their home campus and are submitted to a rigorous application and interview process. Once selected, each Fellow works with the Program Director to find an internship in Washington that matches his or her degree matriculation, work experience, and career goals.

The program is supported by a small endowment that has been funded by individuals, corporations, and charitable foundations. In addition, in 2005, the Archer Center was awarded two Department of Education grants with the help of the Texas Congressional Delegation.

Vice Chancellor Shute explained future objectives of the Center include expansion of the program to the U. T. System health campuses and to graduate programs of the academic campuses, and to a permanent presence for the U. T. System in Washington.

Vice Chairman Krier thanked Congressman Archer for his vision and involvement and Regent Estrada acknowledged the public career of Congressman Archer. Vice Chairman Krier encouraged members of the Board to further explore the idea of establishing a residence hall in Washington and she asked the Facilities Planning and Construction Committee to bring back some possibilities at a future meeting. She asked Dr. Geri Malandra, Interim Executive Vice Chancellor for Academic Affairs, to be involved in the exploration regarding expanding the program and costs with respect to economies of scale.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 11:00 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Huffines announced the Board would reconvene to approve the report and recommendations of the committees.

The meetings of the Standing Committees were conducted in open session, and the reports and recommendations thereof are set forth on Pages 111 - 160.

REPORTS AND RECOMMENDATION OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Pages 111 - 112).--Acting Committee Chairman Krier reported that the Audit, Compliance, and Management Review Committee met in open session to consider the matter on its agenda and to formulate recommendations for The University of Texas System Board of Regents. The action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Management Review Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Report on the status of the Fiscal Year 2006 U. T. System Financial Statements Audit

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

2. U. T. System: Update on the Information Security Compliance Initiatives

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

3. U. T. System Board of Regents: Appointment of Mr. Erle Nye (Chair), Ms. Colleen McHugh, and Mr. Robert B. Rowling to the Audit and Ethics Committee of The University of Texas Investment Management Company (UTIMCO) Board of Directors and report on UTIMCO officers

   The University of Texas System Board of Regents approved appointments to the Audit and Ethics Committee of The University of Texas Investment Management Company (UTIMCO) Board of Directors as follows:

   Mr. Erle Nye (Chair)
   Ms. Colleen McHugh
   Mr. Robert B. Rowling

   Regent McHugh and Regent Rowling were recorded as abstaining from vote.

   The UTIMCO officers were reported as follows:

   Chairman: Mr. H. Scott Caven, Jr.
   Vice-Chairman: Mr. Robert B. Rowling
   Vice-Chairman for Policy: Chancellor Mark G. Yudof

   Section 66.08 of the *Texas Government Code* requires that the U. T. System Board of Regents approve the appointment of members of the Audit and Ethics Committee of the Board of Directors of UTIMCO. The Board of Directors of UTIMCO recommended these appointments conditioned on the approval of the U. T. System Board of Regents.

Mr. Nye, Mr. Rowling, and Ms. McHugh were appointed to the UTIMCO Board of Directors on March 10, 2005, February 10, 2005, and November 10, 2005, respectively. Ms. McHugh replaces Mr. Woody L. Hunt on the Audit and Ethics Committee. Mr. Hunt's term expired July 13, 2006. Mr. Nye and Mr. Rowling have previously served on the Audit and Ethics Committee, as appointed by the Board of Regents on February 9, 2006.

Regent Caven served as Vice-Chairman of the UTIMCO Board of Directors from May 19, 2005 until September 14, 2005, when he was appointed Chairman of the UTIMCO Board. Regent Rowling was appointed Vice-Chairman on July 13, 2006, replacing former Regent Hunt as Vice-Chairman.

4. U. T. System: Report on the System-wide Internal Audit Activity

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

5. U. T. System: Report on the System-wide Institutional Compliance Program Activity

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

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 113 - 130).--Committee Chairman Rowling reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Discussion and appropriate action related to approval of *Docket No. 127*

   The Board approved *Docket No. 127* in the form distributed by the General Counsel to the Board of Regents. It is attached following Page 164 in the official copy of the *Minutes* and is made a part of the record of this meeting.

   It was expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective University of Texas System institution involved.

   Committee Chairman Rowling remarked that almost every U. T. System institution reduced the number of small classes reported in the Docket. He also noted the following amendments to the Docket:

   a. Change in employment agreement in Item 1 on Page Docket - 19 for Mr. D. DeLoss Dodds, Director of Men's Athletics at The University of Texas at Austin, related to an element of compensation for an annuity of $750,000 after taxes, to be paid in the fiscal year following August 31, 2011, contingent on the completion of several goals. The change allows the estate of Mr. Dodds to be paid immediately or to allow his estate to elect to receive the regular annuity payment in the fiscal year after August 31, 2011. Additionally, if employment of Mr. Dodds as Athletic Director ends prior to August 31, 2011, due to mutual agreement for reasons other than cause, and the other conditions for the annuity have been substantially completed, the annuity payment shall be prorated at the rate of $150,000 after taxes, per fiscal year or portion of a fiscal year served and will be paid after August 31, 2011.

   b. Amendment to the employment agreement for Mr. Dodds related to addition of an academic performance incentive of $25,000 contingent upon all men’s teams meeting the National Collegiate Athletic Association (NCAA) established annual benchmark for the Academic Progress Rate (APR) for the preceding academic year.

c. Addition of a similar academic performance incentive of $25,000 for Ms. Christine A. Plonsky, Director of Women's Athletics at U. T. Austin, in Item 2 on Page Docket - 20.

d. Deferral of a new tenure appointment at The University of Texas - Pan American on Page Docket - 46.

Chairman Huffines called on Vice Chairman Krier for observations related to the contracts for Mr. Dodds and Ms. Plonsky. Vice Chairman Krier expressed her support and appreciation for the incentives related to academic performance and said these are similar to incentives that have been adopted for some of the coaches at U. T. Austin. She reported on improvements in academic performance over the past year for baseball and basketball players at U. T. Austin. Chairman Huffines echoed his appreciation.

Items 1 and 2 on Pages Docket - 19 and 20 involving changes in the contracts for Mr. Dodds and Ms. Plonsky were found to be in the best interest of the U. T. System as required by *Texas Education Code* Section 51.948.

To avoid any appearance of a possible conflict of interest, Vice Chairman Clements, Regent Barnhill, and Regent Rowling were recorded as abstaining from vote on the contract with U. T. Austin and Exxon Mobil on Page Docket - 15 because of stock holdings.

2. U. T. System: Approval of Shared Services Initiative

This item was considered only by the Committee (see Committee Minutes) with action deferred to a future meeting.

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report

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

4. U. T. System: Approval to exceed the full-time equivalent limitation on employees paid from appropriated funds

Article IX, Section 6.14 of the General Appropriations Act places a limit on the number of full-time equivalent (FTE) employees paid from appropriated funds that an institution may employ without written approval of the Governor and the Legislative Budget Board. To exceed the FTE limitation, a request must be submitted by the governing board and must include the date on which the board approved the request, a statement justifying the need to exceed the

limitation, the source of funds to be used to pay the salaries, and an explanation as to why the functions of the additional FTEs cannot be performed within current staffing levels.

The Board approved those institutions, as set forth in the table on Page 116, to exceed the number of FTE employees for Fiscal Year 2007 that are authorized in Article III of the General Appropriations Act. The University of Texas at Austin, The University of Texas at Dallas, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Center at Tyler, and The University of Texas System Administration did not exceed the FTE limitation. Further, as required by Article IX, Section 6.14 of the General Appropriations Act, the U. T. System Board of Regents will submit a request to the Governor's Office and the Legislative Budget Board to grant approval for these institutions to exceed the authorized number of FTE employees paid from appropriated funds.

[Note from the General Counsel to the Board of Regents: On September 1, 2006, the U. T. System Board of Regents submitted the required letter and supporting materials to the Governor's Office and the Legislative Budget Board.]

**The University of Texas System**

**Approval to Exceed Full-time Equivalent Limitation on Employees Paid From Appropriated Funds**

**Approval to Exceed Cap - by NACUBO Function**

| | Faculty | Staff | Total |
|---|---|---|---|
| Instruction | 576.7 | 210.2 | 786.9 |
| Academic Support | - | 43.8 | 43.8 |
| Research | 134.1 | 173.4 | 307.5 |
| Public Service | 2.6 | 5.0 | 7.6 |
| Hospitals and Clinics | 85.1 | 766.1 | 851.2 |
| Institutional Support | - | 324.5 | 324.5 |
| Student Support | - | 69.3 | 69.3 |
| Operations and Maintenance of Plant | - | 394.9 | 394.9 |
| Scholarships and Fellowships | - | - | - |
| Total | 798.5 | 1,987.2 | 2,785.7 |

**Approval to Exceed Cap - by Institution**

| | | Approval to Exceed Cap | | | |
|---|---|---|---|---|---|
| | FY 2007 Cap | Faculty | Staff | Total | |
| U. T. Arlington | 2,104.8 | 87.0 | 34.0 | 121.0 | |
| U. T. Austin | 6,641.0 | - | - | - | * |
| U. T. Brownsville | 429.9 | 176.9 | 219.9 | 396.8 | |
| U. T. Dallas | 1,354.8 | - | - | - | * |
| U. T. El Paso | 1,724.6 | 34.3 | 39.0 | 73.3 | |
| U. T. Pan American | 1,445.7 | 52.0 | 73.0 | 125.0 | |
| U. T. Permian Basin | 268.3 | 17.5 | 13.5 | 31.0 | |
| U. T. San Antonio | 1,834.0 | 88.0 | 109.6 | 197.6 | |
| U. T. Tyler | 419.0 | 32.0 | 30.0 | 62.0 | |
| Total Academic Institutions | 16,222.1 | 487.7 | 519.0 | 1,006.7 | |
| U. T. Southwestern Medical Center | 1,773.2 | 81.9 | 57.3 | 139.2 | |
| U. T. Medical Branch - Galveston | 5,729.8 | - | - | - | * |
| U. T. Health Science Center - Houston | 1,858.1 | - | - | - | * |
| U. T. Health Science Center - San Antonio | 2,208.6 | 100.0 | 45.0 | 145.0 | |
| U. T. M. D. Anderson Cancer Center | 10,452.4 | 128.9 | 1,365.9 | 1,494.8 | |
| U. T. Health Center - Tyler | 919.7 | - | - | - | * |
| Total Health Institutions | 22,941.8 | 310.8 | 1,468.2 | 1,779.0 | |
| U. T. System Administration | 249.0 | - | - | - | * |
| U. T. System Total | 39,412.9 | 798.5 | 1,987.2 | 2,785.7 | |

* U. T. Austin, U. T. Dallas, U. T. Medical Branch - Galveston, U. T. HSC Houston, U. T. HC Tyler, and U. T. System Administration will not exceed their cap.

NACUBO - National Association of College and University Business Officers

5. U. T. System: Approval of Optional Retirement Program (ORP) employer contribution rates for Fiscal Year 2007

The Board approved the Optional Retirement Program (ORP) employer contribution rates for Fiscal Year 2007 as follows:

a. 8.5% for all institutions and The University of Texas System Administration with respect to employees who participated in the ORP prior to September 1, 1995; and

b. for all other employees, an employer contribution rate as recommended by each institution and set forth on Page 119.

Prior to September 1, 1995, the ORP employer contribution rate was 8.5% for all ORP participants. An enactment by the 74th Texas Legislature reduced ORP employer contributions to participants from 8.5% to 6.0%, effective September 1, 1995. However, the U. T. System was permitted to "grandfather" those employees participating in the ORP during the 1994-95 biennium. This resulted in a two-tiered ORP employer contribution rate for U. T. System employees: those who participated in the ORP during the 1994-95 biennium continued to receive 8.5%, while those who did not participate during the 1994-95 biennium received 6.0%.

The 78th Texas Legislature enacted *Texas Government Code* Section 830.2015, which expanded the definition of a grandfathered employee from one who had participated during the 1994-95 biennium to one who had participated in the ORP prior to September 1, 1995. The legislation also granted permissive authority for institutions of higher education to set the ORP employer contribution rate for grandfathered and nongrandfathered participants at any percentage level between 6.0% and 8.5%. It is not required that the rate be the same for grandfathered employees, nor that the rate be the same for all U. T. System institutions.

Given the diversity of the U. T. System institutions and the differential budget impact for each institution, each institutional president was asked to propose its ORP employer contribution rates for grandfathered and nongrandfathered participants. For Fiscal Year 2007, with respect to grandfathered employees hired prior to September 1, 1995, all U. T. System institutions elected to continue the current 8.5% employer contribution rate. For nongrandfathered participants hired after September 1, 1995, five institutions elected to increase the ORP employer contribution rate from the rate established by the Board for Fiscal Year 2006. The University of Texas at Arlington has elected to increase the contribution rate from 6.0% to 6.5%. Four institutions (The University of Texas at Austin, The University of Texas at Dallas, The University of Texas - Pan American, and The University of Texas

Southwestern Medical Center at Dallas) elected to increase the contribution rate from 6.5% to 7.0%. For nongrandfathered participants hired after September 1, 1995, the remaining institutions elected to adopt the same rate adopted in the prior year.

The governing board of an institution of higher education has the authority to set the ORP employer contribution rates in accordance with rules issued by the Texas Higher Education Coordinating Board. Under those rules, the governing board is to determine the employer contribution rates once per year, to be effective for the entire year. All institutions will implement the employer contribution rates effective September 1, 2006, with the exception of U. T. Austin. Because of the number of employees this will impact and the required analysis of each individual's tax deferrals to ensure compliance with the *Internal Revenue Code*, U. T. Austin will implement the new employer contribution rate change beginning with paychecks issued on or after January 1, 2007.

Board members engaged in discussion about the importance of careful review and justification for the differing contribution rates proposed by the U. T. System institutions.

**The University of Texas System**
**Optional Retirement Program Contribution Rates**

| | Fiscal Year 2006 | | Fiscal Year 2007 | |
|---|---|---|---|---|
| | **Grandfathered** | **Nongrandfathered** | **Grandfathered** | **Nongrandfathered** |
| **U. T. Arlington** | 8.5% | 6.0% | 8.5% | 6.5% |
| **U. T. Austin*** | 8.5% | 6.5% | 8.5% | 7.0% |
| **U. T. Brownsville** | 8.5% | 6.0% | 8.5% | 6.0% |
| **U. T. Dallas** | 8.5% | 6.5% | 8.5% | 7.0% |
| **U. T. El Paso** | 8.5% | 6.0% | 8.5% | 6.0% |
| **U. T. Pan American** | 8.5% | 6.5% | 8.5% | 7.0% |
| **U. T. Permian Basin** | 8.5% | 8.5% | 8.5% | 8.5% |
| **U. T. San Antonio** | 8.5% | 8.5% | 8.5% | 8.5% |
| **U. T. Tyler** | 8.5% | 8.5% | 8.5% | 8.5% |
| **U. T. Southwestern Medical Center - Dallas** | 8.5% | 6.5% | 8.5% | 7.0% |
| **U. T. Medical Branch - Galveston** | 8.5% | 8.5% | 8.5% | 8.5% |
| **U. T. HSC - Houston** | 8.5% | 6.0% | 8.5% | 6.0% |
| **U. T. HSC - San Antonio** | 8.5% | 6.0% | 8.5% | 6.0% |
| **U. T. M. D. Anderson Cancer Center** | 8.5% | 8.5% | 8.5% | 8.5% |
| **U. T. Health Center - Tyler** | 8.5% | 8.5% | 8.5% | 8.5% |
| **U. T. System Administration** | 8.5% | 8.5% | 8.5% | 8.5% |

*U. T. Austin will implement 1/1/2007. Rate will continue at 6.5% from 9/1/2006-12/31/2006.

6. U. T. System Board of Regents: Adoption of a Resolution authorizing the issuance, sale, and delivery of Permanent University Fund Bonds not to exceed $400,000,000 and authorization to complete all related transactions

The Board

a. adopted a Resolution, substantially in the form previously approved by the Board of Regents, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Permanent University Fund (PUF) Bonds in one or more installments in an aggregate principal amount not to exceed $400,000,000 to be used to refund certain outstanding PUF Bonds, to refund all or a portion of the then outstanding PUF Flexible Rate Notes, Series A, and to pay the costs of issuance; and

b. authorized appropriate officers and employees of the U. T. System as set forth in the Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such Bonds.

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

As provided in the Resolution, the potential bonds to be refunded include the outstanding PUF Bonds, Series 1997, Series 2002A&B, Series 2004A&B, Series 2005A&B, and Series 2006A.

The Resolution also authorizes the current refunding of all or a portion of the PUF Flexible Rate Notes, Series A. The PUF Flexible Rate Note program is used to provide interim financing for PUF projects approved by the Board. Adoption of the Resolution permits the interim financing provided through the Notes to be replaced with long-term financing.

Proceeds from the Bonds related to refunding outstanding debt will be used to purchase U.S. government or other eligible securities to be placed in one or more escrow accounts. Proceeds from the escrowed securities will be used to redeem the refunded bonds and the refunded Flexible Rate Notes.

7. U. T. System Board of Regents: Adoption of Sixteenth Supplemental Resolution authorizing Revenue Financing System Bonds in an amount not to exceed $575,000,000; authorization to issue Bonds and execute corresponding interest rate swap transactions; authorization to complete all related transactions; and resolution regarding parity debt

The Board

a. adopted the Sixteenth Supplemental Resolution to the Master Resolution, substantially in the standard form approved by the Board of Regents on November 13, 2003, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System (RFS) Bonds in one or more installments in an aggregate principal amount not to exceed $575,000,000 with a final maturity not to exceed the Year 2040 for the purpose of refunding a portion of the outstanding Revenue Financing System Commercial Paper Notes, Series A; to provide new money to fund construction and acquisition costs of projects in the Capital Improvement Program; to current or advance refund certain outstanding Revenue Financing System Bonds to produce present value debt service savings; and to pay the costs of issuance and any original issue discount;

b. authorized issuance of the Bonds and the execution of corresponding interest rate swap transactions consistent with the U. T. System Interest Rate Swap Policy; and

c. authorized appropriate officers and employees of the U. T. System as set forth in the Sixteenth Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. System Board of Regents within the limitations and procedures specified therein; make certain covenants and agreements in connection therewith; and resolve other matters incident and related to the issuance, sale, security, and delivery of such Bonds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the U. T. System Board of Regents on February 14, 1991, amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as required by Section 5 of the Master Resolution, the Board resolved that

a. sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the Board relating to the Financing System; and

b. the institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt Parity Debt.

The Sixteenth Supplemental Resolution (Resolution) authorizes the refunding of certain outstanding RFS Bonds provided that an advance refunding exceeds a minimum 3% present value debt service savings threshold. An advance refunding involves issuing bonds to refund outstanding bonds in advance of the call date. Refunding bonds are issued at lower interest rates thereby producing debt service savings. The Resolution provides the flexibility to select the particular bonds to be refunded depending on market conditions at the time of pricing. The particular bonds to be refunded will be called for redemption on the first practical optional redemption date for each series of refunded bonds occurring after the delivery of the refunding bonds.

In addition, the Resolution authorizes refunding a portion of the outstanding Revenue Financing System Commercial Paper Notes, Series A, refunding certain outstanding RFS Bonds for savings, and new money to fund construction and acquisition costs of projects in the Capital Improvement Program. Generally, commercial paper debt is issued to fund projects during the construction phase and the debt is not amortized. Once construction is complete, the commercial paper is refunded with bonds. Depending on the level of interest rates at the time of pricing, outstanding commercial paper and new money for construction may be financed with long-term debt.

The Resolution provides authority to execute interest rate swap agreements. The determination to utilize an interest rate swap agreement will be made based on market conditions at the time of pricing and will be in accordance with the U. T. System Interest Rate Swap Policy approved by the Board on February 13, 2003, using standard International Swaps and Derivatives Association, Inc. (ISDA) documentation. The Chairman of the Board of Regents and the Chairman of the Finance and Planning Committee will be informed of any proposed transactions to be undertaken pursuant to the Resolution.

The Resolution also authorizes remarketing, tender, auction, and broker-dealer agreements customarily utilized in connection with the types of variable rate instruments authorized.

Note: The Sixteenth Supplemental Resolution and forms of auction agreement and broker-dealer agreement are in substantially the same form as the Thirteenth through Fifteenth Supplemental Resolutions and forms of auction agreement and broker-dealer agreement previously approved by the Board on November 13, 2003, for use as standard agreements.

8. U. T. System: Approval of an aggregate amount of $108,000,000 of Revenue Financing System Equipment Financing for Fiscal Year 2007 and resolution regarding parity debt

The Board

a. approved an aggregate amount of $108,000,000 of Revenue Financing System Equipment Financing as allocated to The University of Texas System Administration and those U. T. System institutions set out on Page 124; and

b. resolved in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the cost of equipment including costs incurred prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System;

- the institutions and U. T. System Administration, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $108,000,000 for the purchase of equipment; and

- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

APPROVAL OF U. T. SYSTEM EQUIPMENT FINANCING
FY 2007

| Institution | $ Amount of Request | Description of Equipment Purchases | Debt Service Coverage Ratio (1) |
|---|---|---|---|
| U. T. Arlington | $1,000,000 | Fitness center equipment | 3.3x |
| U. T. Austin | 1,500,000 | Classroom & research equipment, technology infrastructure | 4.6x |
| U. T. Brownsville | 961,000 | Surveillance equipment, police radio, thermal plant equipment | 2.4x |
| U. T. Dallas | 7,000,000 | Information resources projects, general purpose equipment | 5.2x |
| U. T. El Paso | 828,000 | Technology infrastructure, vehicle replacement | 1.8x |
| U. T. Pan American | 1,605,000 | Technology infrastructure, vehicle replacement | 1.4x |
| U. T. San Antonio | 3,500,000 | Scientific & lab equipment | 2.9x |
| U. T. Southwestern Medical Center - Dallas | 35,000,000 | Clinical & hospital equipment, information resources projects | 3.5x |
| U. T. Medical Branch - Galveston | 10,000,000 | Clinical & information technology equipment | 2.5x |
| U. T. Health Science Center - San Antonio | 16,000,000 | Cyclotron, research, clinical & information technology equipment | 2.6x |
| U. T. M. D. Anderson Cancer Center | 30,000,000 | Research & clinical equipment | 4.6x |
| U. T. System | 606,000 | Technology infrastructure | NA |
| Total | $108,000,000 | | |

(1) Reflects FY 2005 actual debt service coverage ratio.

U. T. System Office of Finance, June 19, 2006

9. U. T. System Board of Regents: Investments Report for the quarter ended May 31, 2006, and The University of Texas Investment Management Company (UTIMCO) Performance Summary Report

The Investments Report for the quarter ended May 31, 2006, is summarized below. These reports include the new MSCI (Morgan Stanley Composite Index) Investable Hedge Fund Index benchmark that replaced the Standard & Poor's (S&P) benchmark no longer published since May 2006 (see Item 13 on Page 61 ).

Item I on Page 126 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the quarter end was 1.84% versus its composite benchmark return of 1.45%. The PUF's net asset value increased by $230.3 million since the beginning of the quarter to $10,028.9 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return.

Item II on Page 127 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the quarter was 1.87% versus its composite benchmark return of 1.45%. The GEF's net asset value increased during the quarter to $5,330.8 million.

Item III on Page 128 reports activity for the Intermediate Term Fund (ITF). The ITF was implemented on February 1, 2006. The ITF's net investment return for the quarter was .68% versus its composite benchmark return of .21%. The ITF's net asset value increased during the quarter to $2,988.8 million largely due to net contributions.

Item IV on Page 129 presents book and market value of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, increased by $282.2 million to $1,460.1 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: $45.7 million versus $46.4 million at the beginning of the period; equities: $82.4 million versus $81.6 million at the beginning of the period; and other investments: $.3 million versus $105.7 million at the beginning of the period.

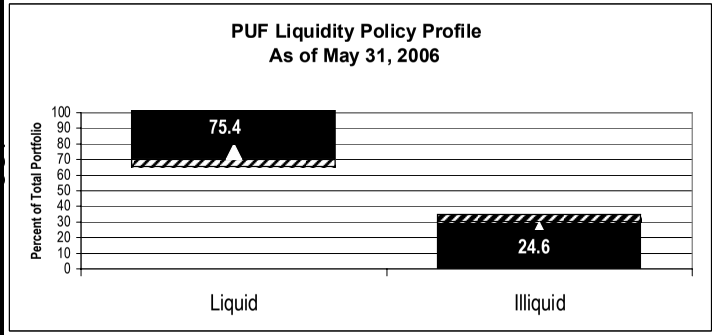
The May 31, 2006, UTIMCO Performance Summary Report is attached on Page 130.

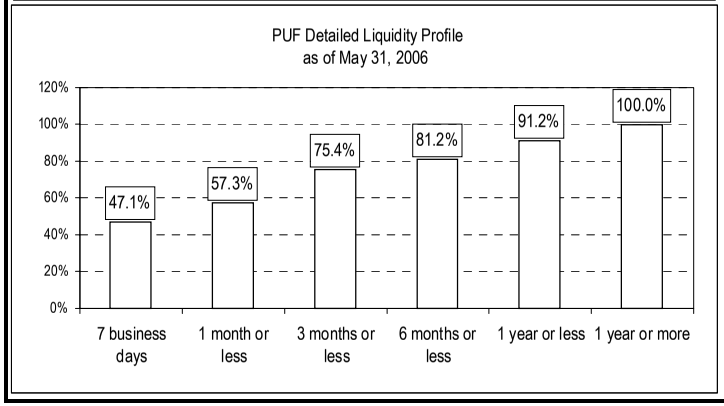
# I. PERMANENT UNIVERSITY FUND
## Investment Reports for Periods Ended May 31, 2006

**Prepared in accordance with *Texas Education Code* Sec. 51.0032**

### Summary of Capital Flows

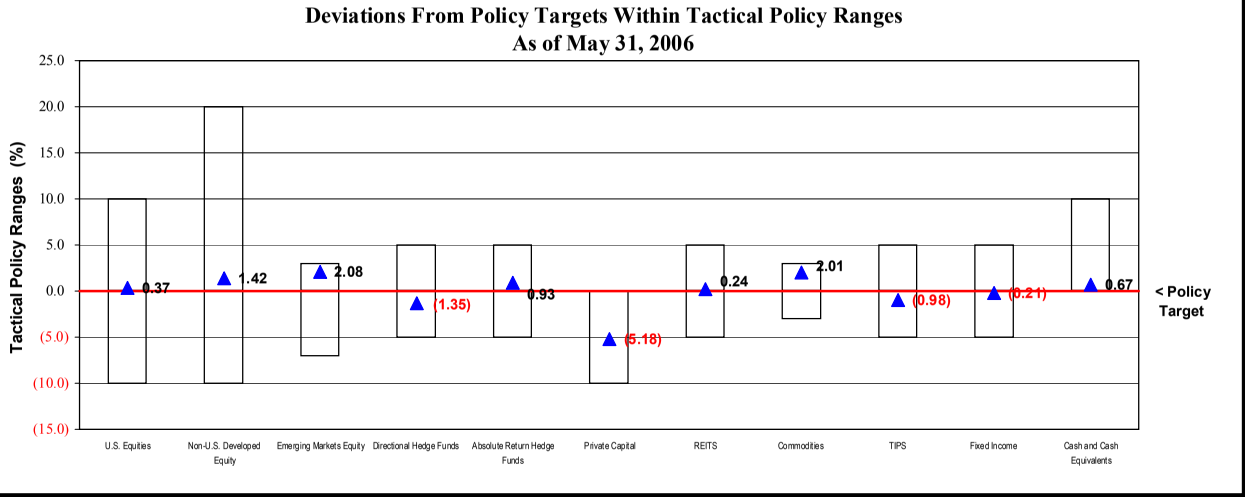
| ($ millions) | Fiscal Year Ended August 31, 2005 | Quarter Ended May 31, 2006 | Fiscal Year to Date May 31, 2006 |
|---|---|---|---|
| Beginning Net Assets | $ 8,087.9 | $ 9,798.6 | $ 9,426.7 |
| PUF Lands Receipts | 193.0 | 51.8 | 169.2 |
| Investment Return | 1,538.0 | 197.3 | 847.1 |
| Expenses | (51.0) | (18.8) | (56.8) |
| Distributions to AUF | (341.2) | - | (357.3) |
| Ending Net Assets | $ 9,426.7 | $ 10,028.9 | $ 10,028.9 |




| | May 31, 2006 | | Fiscal Year to Date Returns | | Fiscal Year to Date Value Added | | |
|---|---|---|---|---|---|---|---|
| | Portfolio Exposure | Policy Target | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 0.67% | 0.00% | 3.22% | 3.05% | 0.00% | 0.00% | 0.00% |
| U.S. Equities | 20.37% | 20.00% | 4.94% | 6.07% | 0.02% | -0.23% | -0.21% |
| Non-U.S. Developed Equity | 11.42% | 10.00% | 21.92% | 19.77% | 0.32% | 0.20% | 0.52% |
| Emerging Markets Equity | 9.08% | 7.00% | 18.28% | 25.85% | -0.31% | -0.53% | -0.84% |
| Directional Hedge Funds | 8.65% | 10.00% | 3.74% | 5.39% | 0.04% | -0.17% | -0.13% |
| Absolute Return Hedge Funds | 15.93% | 15.00% | 8.14% | 4.64% | 0.01% | 0.54% | 0.55% |
| REITS | 5.24% | 5.00% | 13.83% | 11.38% | -0.01% | 0.11% | 0.10% |
| Commodities | 5.01% | 3.00% | -0.85% | -3.26% | -0.27% | 0.08% | -0.19% |
| TIPS | 4.02% | 5.00% | -1.68% | -2.08% | 0.08% | 0.02% | 0.10% |
| Fixed Income | 9.79% | 10.00% | -0.12% | -1.37% | -0.05% | 0.14% | 0.09% |
| **Total Marketable Securities** | **90.18%** | 85.00% | **7.66%** | **7.58%** | **-0.17%** | **0.16%** | **-0.01%** |
| Private Capital | 9.82% | 15.00% | 17.64% | 20.79% | -0.49% | -0.40% | -0.89% |
| **Total** | **100.00%** | 100.00% | **8.60%** | **9.50%** | **-0.66%** | **-0.24%** | **-0.90%** |

Policy Benchmark returns for Directional Hedge Funds, Absolute Return Hedge Funds and the Total Fund reflect restatements effective January 1, 2006, for the proposed benchmark change approved by the U. T. System Board of Regents August 10, 2006. The change was approved by the UTIMCO Board at its July 13, 2006 meeting.



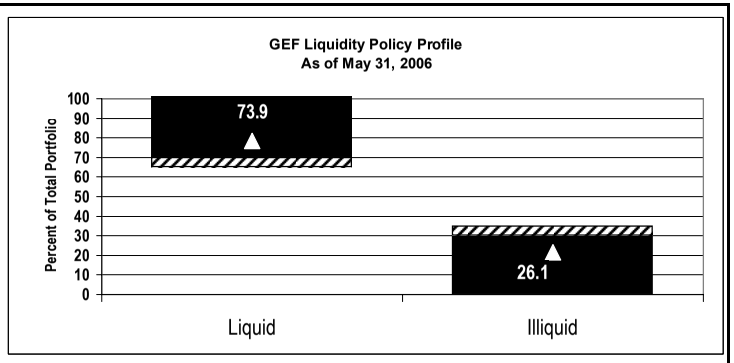


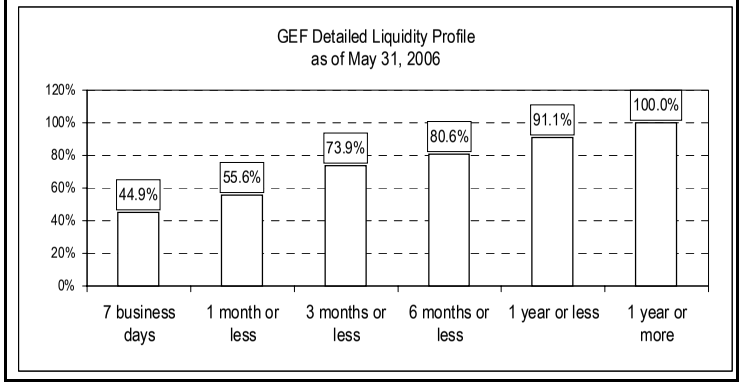

UTIMCO 8/10/2006

# II. GENERAL ENDOWMENT FUND
## Investment Reports for Periods Ended May 31, 2006
**Prepared in accordance with *Texas Education Code* Sec. 51.0032**

### Summary of Capital Flows

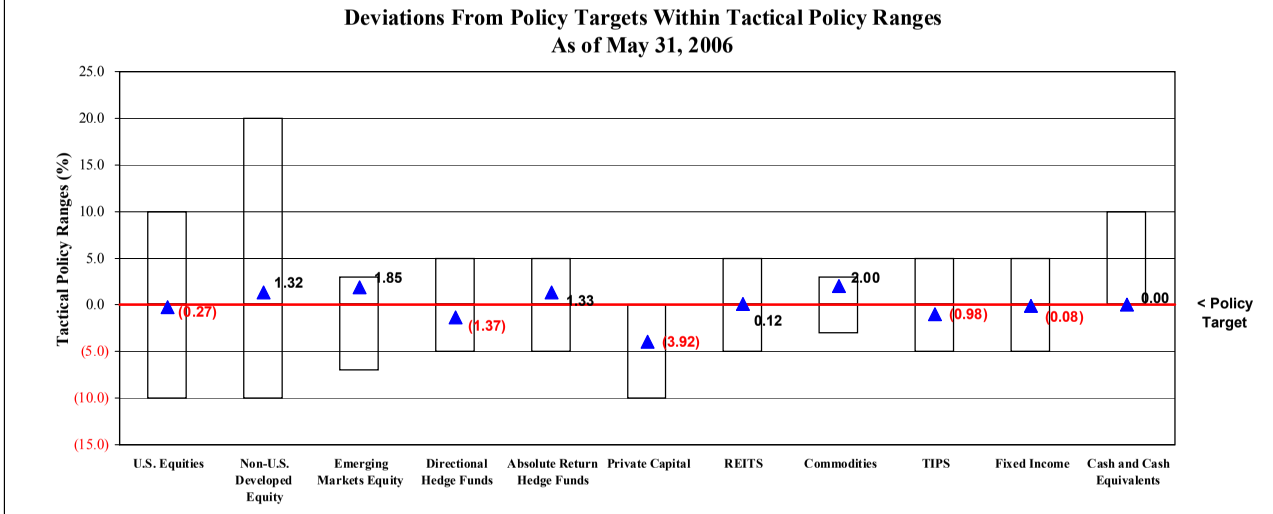
| ($ millions) | Fiscal Year Ended August 31, 2005 | Quarter Ended May 31, 2006 | Fiscal Year to Date May 31, 2006 |
|---|---|---|---|
| Beginning Net Assets | $ 4,207.6 | $ 5,228.5 | $ 4,926.8 |
| Contributions | 139.2 | 59.3 | 246.5 |
| Withdrawals | (4.7) | (0.2) | (105.7) |
| Distributions | (206.4) | (55.1) | (164.6) |
| Investment Return | 814.2 | 106.1 | 453.9 |
| Expenses | (23.1) | (7.8) | (26.1) |
| Ending Net Assets | $ 4,926.8 | $ 5,330.8 | $ 5,330.8 |




| | May 31, 2006 | | Fiscal Year to Date Returns | | Fiscal Year to Date Value Added | | |
|---|---|---|---|---|---|---|---|
| | Portfolio Exposure | Policy Target | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 0.00% | 0.00% | 3.22% | 3.05% | 0.03% | 0.00% | 0.03% |
| U.S. Equities | 19.73% | 20.00% | 5.26% | 6.07% | -0.04% | -0.16% | -0.20% |
| Non-U.S. Developed Equity | 11.32% | 10.00% | 21.62% | 19.77% | 0.31% | 0.17% | 0.48% |
| Emerging Markets Equity | 8.85% | 7.00% | 17.81% | 25.85% | -0.35% | -0.56% | -0.91% |
| Directional Hedge Funds | 8.63% | 10.00% | 3.64% | 5.39% | 0.04% | -0.18% | -0.14% |
| Absolute Return Hedge Funds | 16.33% | 15.00% | 8.07% | 4.64% | 0.01% | 0.52% | 0.53% |
| REITS | 5.12% | 5.00% | 13.86% | 11.38% | -0.03% | 0.12% | 0.09% |
| Commodities | 5.00% | 3.00% | -0.82% | -3.26% | -0.26% | 0.08% | -0.18% |
| TIPS | 4.02% | 5.00% | -1.69% | -2.08% | 0.09% | 0.02% | 0.11% |
| Fixed Income | 9.92% | 10.00% | 0.15% | -1.37% | -0.05% | 0.17% | 0.12% |
| **Total Marketable Securities** | **88.92%** | **85.00%** | **7.62%** | **7.58%** | **-0.25%** | **0.18%** | **-0.07%** |
| Private Capital | 11.08% | 15.00% | 16.66% | 20.79% | -0.35% | -0.54% | -0.89% |
| **Total** | **100.00%** | **100.00%** | **8.54%** | **9.50%** | **-0.60%** | **-0.36%** | **-0.96%** |

Policy Benchmark returns for Directional Hedge Funds, Absolute Return Hedge Funds and the Total Fund reflect restatements effective January 1, 2006, for the proposed benchmark change approved by the U. T. System Board of Regents August 10, 2006. The change was approved by the UTIMCO Board at its July 13, 2006 meeting.

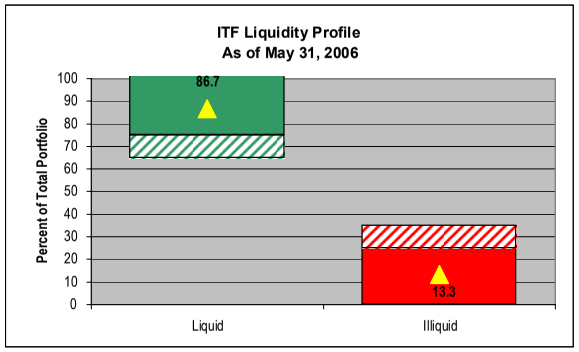


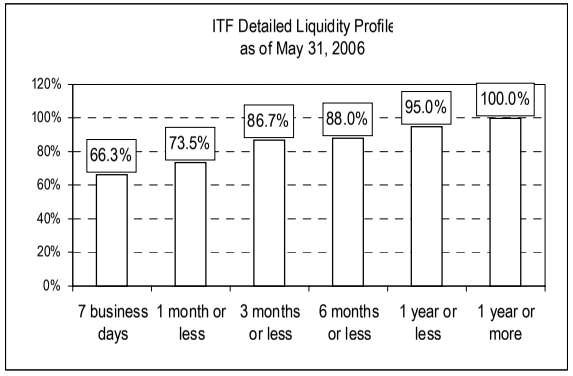
# III. INTERMEDIATE TERM FUND
## Investment Reports for Periods Ended May 31, 2006

**Prepared in accordance with *Texas Education Code* Sec. 51.0032**

### Summary of Capital Flows

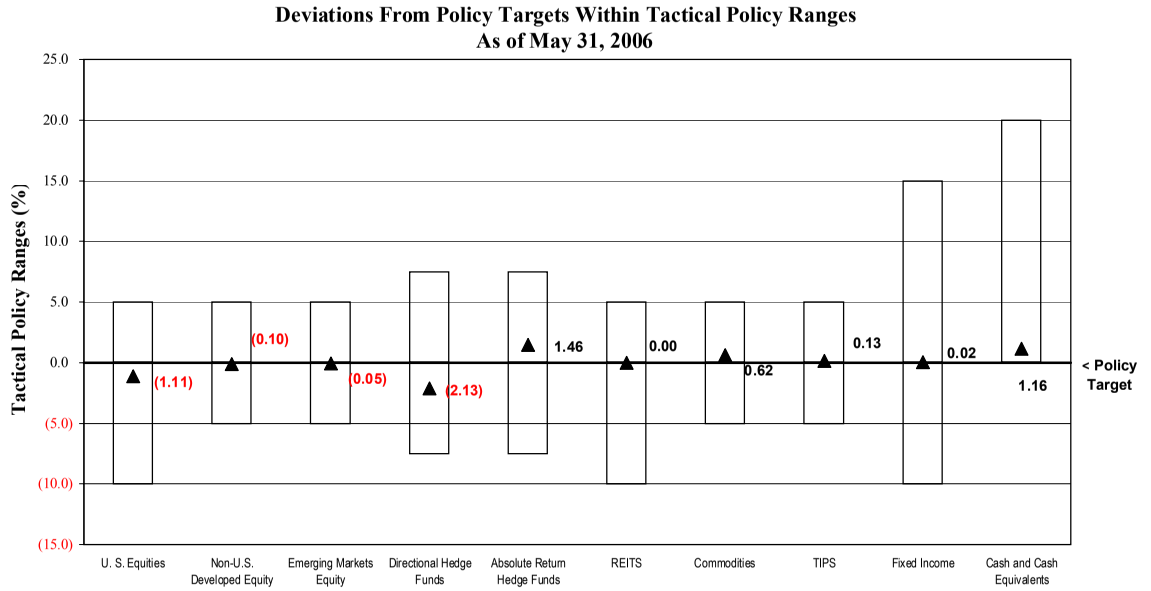
| ($ millions) | Quarter Ended May 31, 2006 | Inception to Date |
|---|---|---|
| Beginning Net Assets | $ 2,920.0 | $ - |
| Contributions | 134.0 | 3,064.9 |
| Withdrawals | (62.2) | (62.2) |
| Distributions | (22.8) | (30.1) |
| Investment Return | 26.3 | 23.0 |
| Expenses | (6.5) | (6.8) |
| Ending Net Assets | $ 2,988.8 | $ 2,988.8 |




| | May 31, 2006 | | Four Months Ended May 31, 2006 | | | | |
|---|---|---|---|---|---|---|---|
| | | | Returns | | Value Added | | |
| | Portfolio Exposure | Policy Target | Portfolio | Policy Benchmark | From Asset Allocation | From Security Selection | Total |
| Cash and Cash Equivalents | 1.16% | 0.00% | 1.54% | 1.49% | -0.02% | 0.00% | -0.02% |
| U.S. Equities | 13.89% | 15.00% | 0.22% | -0.28% | 0.01% | 0.08% | 0.09% |
| Non-U.S. Developed Equity | 4.90% | 5.00% | 4.05% | 3.80% | 0.01% | 0.01% | 0.02% |
| Emerging Markets Equity | 4.95% | 5.00% | -4.90% | 3.37% | -0.02% | -0.09% | -0.11% |
| Directional Hedge Funds | 10.37% | 12.50% | 0.23% | 1.54% | -0.03% | -0.16% | -0.19% |
| Absolute Return Hedge Funds | 13.96% | 12.50% | 3.42% | 1.54% | 0.04% | 0.23% | 0.27% |
| REITS | 10.00% | 10.00% | 2.08% | 0.67% | -0.02% | 0.13% | 0.11% |
| Commodities | 5.62% | 5.00% | 0.01% | 0.82% | 0.01% | -0.04% | -0.03% |
| TIPS | 10.13% | 10.00% | -1.59% | -2.04% | -0.01% | 0.05% | 0.04% |
| Fixed Income | 25.02% | 25.00% | 0.17% | -0.94% | -0.02% | 0.28% | 0.26% |
| **Total** | **100.00%** | 100.00% | **0.57%** | **0.13%** | **-0.05%** | **0.49%** | **0.44%** |

Policy Benchmark returns for Directional Hedge Funds, Absolute Return Hedge Funds and the Total Fund reflect restatements effective January 1, 2006, for the proposed benchmark change approved by the U. T. System Board of Regents August 10, 2006. The change was approved by the UTIMCO Board at its July 13, 2006 meeting.



## IV. SEPARATELY INVESTED ASSETS

### Summary Investment Report at May 31, 2006

Report prepared in accordance with *Texas Education Code* Sec. 51.0032.

($ thousands)

| | FUND TYPE | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | CURRENT PURPOSE | | | | ENDOWMENT & | | ANNUITY & LIFE | | | | TOTAL EXCLUDING | | OPERATING FUNDS | | | |
| | DESIGNATED | | RESTRICTED | | SIMILAR FUNDS | | INCOME FUNDS | | AGENCY FUNDS | | OPERATING FUNDS | | (SHORT TERM FUND) | | TOTAL | |
| **ASSET TYPES** | | | | | | | | | | | | | | | | |
| **Cash & Equivalents:** | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET |
| Beginning value 2/28/06 | 4,492 | 4,492 | 2,861 | 2,861 | 82,665 | 82,665 | 792 | 792 | 2,288 | 2,288 | 93,098 | 93,098 | 1,084,812 | 1,084,812 | 1,177,910 | 1,177,910 |
| Increase/(Decrease) | (2,902) | (2,902) | 3,249 | 3,249 | (35,236) | (35,236) | (124) | (124) | 1,062 | 1,062 | (33,951) | (33,951) | 316,122 | 316,122 | 282,171 | 282,171 |
| Ending value 5/31/06 | 1,590 | 1,590 | 6,110 | 6,110 | 47,429 | 47,429 | 668 | 668 | 3,350 | 3,350 | 59,147 | 59,147 | 1,400,934 | 1,400,934 | 1,460,081 | 1,460,081 |
| **Debt Securities:** | | | | | | | | | | | | | | | | |
| Beginning value 2/28/06 | - | - | 263 | 212 | 29,878 | 29,543 | 16,599 | 16,668 | - | - | 46,740 | 46,423 | - | - | 46,740 | 46,423 |
| Increase/(Decrease) | - | - | - | 17 | (1) | (309) | (2) | (412) | - | - | (3) | (704) | - | - | (3) | (704) |
| Ending value 5/31/06 | - | - | 263 | 229 | 29,877 | 29,234 | 16,597 | 16,256 | - | - | 46,737 | 45,719 | - | - | 46,737 | 45,719 |
| **Equity Securities:** | | | | | | | | | | | | | | | | |
| Beginning value 2/28/06 | 27 | 7,364 | 3,409 | 3,135 | 36,879 | 44,313 | 21,577 | 26,836 | - | - | 61,892 | 81,648 | - | - | 61,892 | 81,648 |
| Increase/(Decrease) | - | (1,123) | 2,374 | 2,380 | 167 | (332) | (149) | (154) | - | - | 2,392 | 771 | - | - | 2,392 | 771 |
| Ending value 5/31/06 | 27 | 6,241 | 5,783 | 5,515 | 37,046 | 43,981 | 21,428 | 26,682 | - | - | 64,284 | 82,419 | - | - | 64,284 | 82,419 |
| **Other:** | | | | | | | | | | | | | | | | |
| Beginning value 2/28/06 | 105,487 | 105,487 | 139 | 139 | 1 | 1 | 239 | 105 | - | - | 105,866 | 105,732 | - | - | 105,866 | 105,732 |
| Increase/(Decrease) | (105,487) | (105,487) | 38 | 38 | 1 | 1 | 12 | - | - | - | (105,436) | (105,448) | - | - | (105,436) | (105,448) |
| Ending value 5/31/06 | - | - | 177 | 177 | 2 | 2 | 251 | 105 | - | - | 430 | 284 | - | - | 430 | 284 |
| **Total Assets:** | | | | | | | | | | | | | | | | |
| Beginning value 2/28/06 | 110,006 | 117,343 | 6,672 | 6,347 | 149,423 | 156,522 | 39,207 | 44,401 | 2,288 | 2,288 | 307,596 | 326,901 | 1,084,812 | 1,084,812 | 1,392,408 | 1,411,713 |
| Increase/(Decrease) | (108,389) | (109,512) | 5,661 | 5,684 | (35,069) | (35,876) | (263) | (690) | 1,062 | 1,062 | (136,998) | (139,332) | 316,122 | 316,122 | 179,124 | 176,790 |
| Ending value 5/31/06 | 1,617 | 7,831 | 12,333 | 12,031 | 114,354 | 120,646 | 38,944 | 43,711 | 3,350 | 3,350 | 170,598 | 187,569 | 1,400,934 | 1,400,934 | 1,571,532 | 1,588,503 |

Details of individual assets by account furnished upon request.

# UTIMCO Performance Summary

**May 31, 2006**

| | Net Asset Value 5/31/2006 (in Millions) | Periods Ended May 31, 2006 (Returns for Periods Longer Than One Year are Annualized) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | One Month | Three Months | Calendar Year To Date | Six Months | Fiscal Year To Date | One Year | Two Years | Three Years | Four Years | Five Years | Ten Years |
| **ENDOWMENT FUNDS** | | | | | | | | | | | | |
| Permanent University Fund | $ 10,028.9 | (1.33) | 1.84 | 4.70 | 6.64 | 8.60 | 14.62 | 14.01 | 15.98 | 11.14 | 8.31 | 9.60 |
| General Endowment Fund | | (1.24) | 1.87 | 4.78 | 6.71 | 8.55 | 14.49 | 13.94 | 16.00 | 11.26 | 8.60 | N/A |
| Permanent Health Fund | 974.0 | (1.26) | 1.84 | 4.78 | 6.68 | 8.49 | 14.40 | 13.86 | 15.86 | 11.14 | 8.48 | N/A |
| Long Term Fund | 4,356.8 | (1.26) | 1.84 | 4.79 | 6.68 | 8.50 | 14.41 | 13.86 | 15.88 | 11.17 | 8.52 | 10.08 |
| Separately Invested Funds | 187.5 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Total Endowment Funds** | **15,547.2** | | | | | | | | | | | |
| **OPERATING FUNDS** | | | | | | | | | | | | |
| Short Term Fund | 1,400.9 | 0.42 | 1.20 | 1.91 | 2.26 | 3.22 | 4.06 | 3.01 | 2.34 | 2.14 | 2.28 | 3.98 |
| Intermediate Term Fund | 2,988.8 | (1.52) | 0.68 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Total Operating Funds** | **4,389.7** | | | | | | | | | | | |
| **Total Investments** | **$ 19,936.9** | | | | | | | | | | | |
| **BENCHMARKS (1)(2)** | | | | | | | | | | | | |
| Permanent University Fund: Policy Portfolio | | (1.84) | 1.45 | 5.17 | 6.96 | 9.50 | 14.10 | 13.04 | 13.57 | 9.37 | 6.39 | 10.18 |
| General Endowment Fund: Policy Portfolio | | (1.84) | 1.45 | 5.17 | 6.96 | 9.50 | 14.10 | 13.04 | 13.57 | 9.37 | 6.40 | 9.92 |
| Short Term Fund: 90 Day Treasury Bills Average Yield | | 0.40 | 1.16 | 1.80 | 2.13 | 3.05 | 3.83 | 2.90 | 2.28 | 2.10 | 2.23 | 3.82 |
| Intermediate Term Fund: Policy Portfolio | | (1.75) | 0.21 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **VALUE ADDED (3)** | | | | | | | | | | | | |
| Permanent University Fund | | 0.51 | 0.39 | (0.47) | (0.32) | (0.89) | 0.52 | 0.97 | 2.41 | 1.76 | 1.92 | (0.58) |
| General Endowment Fund | | 0.59 | 0.41 | (0.39) | (0.25) | (0.95) | 0.39 | 0.90 | 2.43 | 1.88 | 2.21 | N/A |
| Permanent Health Fund | | 0.58 | 0.39 | (0.39) | (0.28) | (1.01) | 0.30 | 0.82 | 2.29 | 1.77 | 2.08 | N/A |
| Long Term Fund | | 0.58 | 0.39 | (0.38) | (0.28) | (0.99) | 0.31 | 0.83 | 2.30 | 1.79 | 2.12 | 0.16 |
| Short Term Fund | | 0.01 | 0.04 | 0.10 | 0.13 | 0.18 | 0.23 | 0.11 | 0.06 | 0.04 | 0.05 | 0.16 |
| Intermediate Term Fund | | 0.23 | 0.48 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

(1) Effective May 6, 2004, benchmark returns for the PUF policy portfolio have been restated for prior periods beginning June 1, 1993 through September 30, 2000 and for the GEF/LTF policy portfolio for prior periods beginning June 1, 1993 through September 30, 2001 to correct the following technical errors in benchmark construction and calculation: (a) to reflect actual asset class target allocations which were in place, or the practical implementation of changes to those policy allocations, and (b) to distinguish between PUF and GEF/LTF historical investment objectives and distribution policies by accurately representing actual asset class allocations during those periods.

Benchmark returns for the PUF and GEF/LTF policy portfolios were also restated for all prior periods beginning June 1, 1993 through December 31, 2003 to replace various benchmark returns reported previously for the Private Capital asset class. Specifically, the Wilshire 5000 + 4%, the benchmark used prior to January 1, 2004, was replaced with the Venture Economics Periodic IRR Index, a more appropriate benchmark measure for the actual Private Capital portfolio.

Effective August 10, 2006, benchmark returns for the PUF and GEF policy portfolios were also restated for periods beginning January 1, 2006 through April 30, 2006, and for the ITF policy portfolio for periods beginning February 1, 2006 to April 30, 2006, to replace benchmark returns for the Hedge Fund asset class due to integrity concerns regarding existing benchmarks. Specifically, composites of Standard & Poor's investable hedge fund indices were replaced with the MSCI Investable Hedge Fund Index.

Complete details of the restatements and previous policy portfolio benchmark history are documented on the UTIMCO website at www.UTIMCO.org or are available upon request.

(2) Benchmark returns for the PUF, GEF and ITF policy portfolios reflect restatements effective January 1, 2006, for the proposed hedge fund benchmark change approved by the U. T. System Board of Regents on August 10, 2006. The change was approved by the UTIMCO Board at its July 13, 2006 meeting.

(3) Value added is a measure of the difference between actual returns and benchmark or policy portfolio returns for each period shown. Value added is a result of the active management decisions made by UTIMCO staff and external managers.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 131 - 140).--Committee Chairman Krier reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Brief updates by academic presidents and discussion by Interim Executive Vice Chancellor Malandra and Academic Affairs Committee members about initiatives to align programs with K-12 education and to graduate more K-12 teachers (Deferred)

   This item was for consideration only by the Committee but was deferred due to time constraints.

2. U. T. Dallas: Approval of revisions to Mission Statement

   The Board approved revisions to The University of Texas at Dallas Mission Statement as set forth below and authorized submission to the Texas Higher Education Coordinating Board for approval.

   **Mission Statement**

   The University of Texas at Dallas serves the Metroplex and the State of Texas as a global leader in innovative, high quality sciences, engineering, and business education and research.

   The University is committed to (1) producing engaged graduates, prepared for life, work, and leadership in a constantly changing world, (2) advancing excellent educational and research programs in the natural and social sciences, engineering and technology, management, and the liberal, creative, and practical arts, and (3) transforming ideas into actions that directly benefit the personal, economic, social, and cultural lives of the citizens of Texas.

3. U. T. Pan American: Authorization to establish a Ph.D. degree program in Rehabilitation Counseling

   Pursuant to the Regents' *Rules and Regulations*, Series 40307, the Board granted authorization to

   a. establish a Ph.D. degree program in Rehabilitation Counseling within the Department of Rehabilitation at The University of Texas - Pan American; and

b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

This degree program will be administered by the College of Health Sciences and Human Services through the Department of Rehabilitation. Doctoral students in the program will be engaged in research and teaching future Rehabilitation Counseling practitioners and will be involved in clinical practice.

Graduates will also be trained as rehabilitation counselors who are eligible for certification and can provide direct client services. Other career paths will include graduates assuming positions in university administration, research, and in management in nonprofit agencies.

The Department is staffed by eight faculty members: six are tenured, one is on tenure-track, and one tenure-track is to be hired. Two additional tenure-track positions have been approved for hire.

The cost of operating the program across five years is approximately $2,180,000. This includes $1,155,000 for faculty salaries; $837,500 for administrative support; $152,500 for library, supplies, materials, and professional development; and $35,000 for facilities/equipment. Sources of funding are: $675,000 from reallocated funds, $681,000 from anticipated new formula funding, and $824,000 from other State funding.

4. U. T. Permian Basin: Approval to expand preliminary planning authority to offer an Ed.D. degree in Educational Leadership

The Board approved

a. expansion of preliminary planning authority for The University of Texas of the Permian Basin to seek an Ed.D. degree in Educational Leadership; and

b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

This degree is in response to broad and extensive citizen input from the leaders in the service area of U. T. Permian Basin to establish an Ed.D. in Educational Leadership for the educators in the region.

Once preliminary planning authority has been approved, U. T. Permian Basin will submit the degree program for approval by the U. T. System Board of Regents and the Coordinating Board. The program will be administered by the Office of Graduate Studies and Research through the faculty of the School of Education, consisting of a Dean and Assistant Dean, five program coordinators, 14 full-time tenure-track faculty members including four in

Educational Administration, as well as eight visiting lecturers. Programs of study or certification will be offered in 32 areas of specialization. Two senior tenure-track faculty positions will be hired for the Educational Leadership program.

5. U. T. San Antonio: Authorization to establish a Ph.D. degree program in Psychology

The Board granted authorization, pursuant to the Regents' *Rules and Regulations*, Series 40307, to

a. establish a Ph.D. in Psychology degree program at The University of Texas at San Antonio; and

b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

This degree program is designed to prepare students to be leading professionals in the field of psychology with a strong background in psychological theory, research methods, techniques of statistical analysis, and grant-writing.

Students admitted to the program will take 48 semester credit hours of post-master's coursework. The program requires 27 hours of organized coursework beyond the master's degree distributed as follows: 24 hours of core courses in research methods, statistics, and theory and 3 hours of designated electives, which may include courses outside the field of psychology, such as statistics. The program also requires 9 hours of supervised research and 12 hours of dissertation. The Psychology Department has 19 tenured and tenure-track faculty members who will comprise the core faculty.

The Department of Psychology has approximately 4,400 square feet of research space for general faculty use and 2,700 square feet of research space dedicated to special grant activities. The program will require additional office space for new faculty and graduate teaching assistants, as well as an increase in total research space to approximately 8,000 square feet. Funds to renovate existing research space to better accommodate researchers are also needed. Current equipment is adequate for faculty needs, but additional computers and software will be needed to accommodate doctoral students' needs.

The cost of operating the program across five years is approximately $1,698,421. This includes $180,000 for faculty salaries, $75,000 for administrative support, $1,227,800 for graduate student support, $70,500 for staff support, $115,621 for renovation of facilities, $10,000 for library and information technology resources, and $19,500 for equipment, supplies, and materials. Revenues of $746,424 from formula funding, $884,955 from

federal funding for research support for graduate students, and the reallocation of $819,125 in existing university resources are expected to be sufficient to fully fund the program.

6. U. T. Tyler: Authorization to establish a Ph.D. degree in Nursing

Pursuant to the Regents' *Rules and Regulations*, Series 40307, the Board granted authorization to

a. establish a Ph.D. degree in Nursing at The University of Texas at Tyler; and

b. submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The Ph.D. in Nursing degree program will offer the advanced education necessary to prepare nurse educators and researchers for the future. The College of Nursing and Health Sciences has a long-standing commitment to providing access to higher education and career mobility. Faculty members are proficient in the use of multiple distance teaching strategies and are nationally and internationally known for their scholarship in the areas of health care, workplace issues, and health policy.

The College of Nursing and Health Sciences moved into a world-class 34,447 square foot facility in Fall 2003. The David G. and Jacqueline M. Braithwaite Building houses state-of-the-art classrooms, computer labs, and the Office for Nursing Research and Scholarship in addition to faculty, staff, administrative offices, and student study/lounge areas.

Program start-up costs are consistent with others of similar scope and emphasis. The total costs to the institution are $2,147,974. Of this amount, $100,945 is designated for the salary of the program coordinator (all reallocated funds) and $1,587,029 for program faculty ($474,602 of new money and $1,111,427 reallocated). Salaries for graduate assistants represent $100,000 in new money as does $39,000 for clerical staff. Expendable supplies require $21,000 and equipment needed to support the program will require $50,000. Library and informational technology resources represent $250,000 in the total budget; the bulk of this was purchased during the planning period.

7. U. T. San Antonio: Approval to rename a portion of John Peace Boulevard as UTSA Circle

The Board approved the renaming of a portion of John Peace Boulevard at The University of Texas at San Antonio, specifically, the circle drive in front of the recently constructed Main Building as UTSA Circle. U. T. San Antonio expects to use One UTSA Circle as the primary address for the campus located on North Loop 1604 West.

Mr. John Peace served as Chairman of The University of Texas System Board of Regents from 1971-1973.

8. U. T. San Antonio: Honorific naming of new street as Sam Barshop Boulevard

The Board approved the naming of a new street at The University of Texas at San Antonio as Sam Barshop Boulevard in honor of Mr. Sam Barshop, a community leader and former University of Texas System Regent. The planned new roadway, expected to be completed in January 2008, will allow north-south travel across the campus.

Former Regent Barshop has distinguished himself throughout his career and service to the U. T. System by serving as a member of the U. T. System Board of Regents from 1987-1993, including as Vice Chairman from 1989-1991. He served on the Development Boards of The University of Texas at Austin, U. T. San Antonio, and The University of Texas Health Science Center at San Antonio in addition to various University of Texas Advisory Boards. Former Regent Barshop has given generously to The University of Texas by working tirelessly to gain private funding for the University, including gift support for The Sam and Ann Barshop Center for Longevity and Aging Studies at U. T. Health Science Center - San Antonio. He has established numerous endowed scholarships and professorships at U. T. Austin and was inducted into the Texas Philanthropy Hall of Fame.

9. U. T. Austin: Texas Memorial Museum - Approval of acceptance of gift of outdoor work of art

The Board accepted a gift of outdoor work of art, specifically a statue of a saber-toothed cat, for display on the east (Trinity Street) side of the Texas Memorial Museum at The University of Texas at Austin.

Through the Sarah and Ernest Butler Family Fund, Dr. and Mrs. Ernest Butler gave $80,000 for a bronze sculpture of a saber-toothed cat to be placed at the main entry point for visitors to the Museum and $70,000 for a variety of improvements: an outdoor classroom, digital enhancements

of the Paleontology Laboratory, and Fishes of Texas configuration (Phase One). Phase Two improvements include signage on the third floor and taxidermy/diorama improvements (in addition to the bronze sculpture).

The saber-toothed cat (*Smilodon fatalis*) was selected because of its inherent charisma and its appropriateness to a natural history museum. A subcommittee of U. T. Austin's Faculty Building Advisory Committee reviewed three artists' proposals and unanimously selected the proposal of staff sculptor, Mr. John Maisano. Since Mr. Maisano is an employee of U. T. Austin, the Museum followed the special protocol for requesting permission to hire a U. T. Austin staff member under separate contract.

All installation charges for this statue will be covered by funds donated to the Texas Memorial Museum. Ongoing maintenance charges will be minimal and will be covered by the annual Museum budget or by one of the Museum's local accounts.

10. U. T. System Board of Regents: Approval of designation of Presidents Emeriti for U. T. Austin, U. T. Brownsville, and U. T. Dallas

The Board granted authorization to appoint Dr. Norman Hackerman as President Emeritus at The University of Texas at Austin, Dr. Homer J. Peña as President Emeritus at The University of Texas at Brownsville, and Dr. Bryce Jordan as President Emeritus at The University of Texas at Dallas.

Dr. Norman Hackerman joined the faculty of U. T. Austin in 1945 and served as president of the institution from 1967-1970, following the Board's decision to reinstitute the office of the presidency at U. T. Austin. Dr. Hackerman also served as Vice Chancellor for Academic Affairs at The University of Texas System from 1963-1967 and later served as president of Rice University from 1971-1985. In 1985, he was named Professor of Chemistry Emeritus at U. T. Austin. Dr. Hackerman continues to be involved in activities on the U. T. Austin campus and with the Robert A. Welch Foundation, serving as Chairman of the Scientific Advisory Board.

Dr. Homer J. Peña assumed the presidency of Pan American University at Brownsville in 1980 and served as the founding president of U. T. Brownsville in 1991. He led the university at a key time of transition and played an important role in the creation of U. T. Brownsville's unique educational partnership with Texas Southmost College. In October 1991, Dr. Peña was named Executive Director of South Texas Program Development for the U. T. System and served in that position until his retirement in 2003.

Dr. Bryce Jordan served as president of U. T. Dallas from 1971-1981. He had previously served as president ad interim at U. T. Austin from 1970-1971. During his tenure at U. T. Dallas, the institution was transformed from a single

building and 40 students to a modern metropolitan campus and 7,000 students. By the time Dr. Jordan left the presidency to assume the Vice Chancellor for Academic Affairs position at U. T. System, a position he held from 1981-1983, U. T. Dallas had become a leader among the state's public institutions in the amount of funds it raised through private grants, gifts, and endowments, and in the quantity of per faculty research dollars it received. He served as president of The Pennsylvania State University from 1983-1990.

11. U. T. Arlington: Approval of adjustment to allow additional designated tuition for students in the College of Business Administration

The Board approved the following adjustment to the March 28, 2006, action on tuition and fees at The University of Texas at Arlington to be effective August 28, 2006:

> The University of Texas at Arlington is allowed to charge additional designated tuition of $15 per semester credit hour to lower-division undergraduate students enrolled in the College of Business Administration, beginning with the Spring 2007 Semester. This approval corrects an error made by U. T. Arlington in its tuition proposal to the Board in March. The Board approved additional designated tuition of $15 per semester credit hour for upper-division undergraduates enrolled in the College of Business Administration, beginning Fall 2006. The University had intended to request approval to charge this additional designated tuition to all undergraduates in the College of Business Administration, including lower-division undergraduates.

12. U. T. Austin: Authorization to purchase approximately 21,000 square feet of unimproved real property located at 2201 Hidalgo Street, Austin, Travis County, Texas, from Capital Metropolitan Transportation Authority, at a purchase price not to exceed fair market value as established by independent appraisals, for parking and a playground area for the campus of The University of Texas Elementary School

On behalf of The University of Texas at Austin, the Board

a. authorized the purchase of approximately 21,000 square feet of unimproved real property located at 2201 Hidalgo Street, Austin, Travis County, Texas, from the Capital Metropolitan Transportation Authority, at a purchase price not to exceed fair market value as established by independent appraisals, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Vice

Chancellor for Business Affairs or the Executive Director of Real Estate, for parking and a playground area for the campus of The University of Texas Elementary School; and

b. authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

The subject property, consisting of approximately 21,000 square feet of unimproved land, is located at the corner of Hidalgo and Robert Martinez Streets and is adjacent to the campus of The University of Texas Elementary School. To fund the purchase, U. T. Austin will use Unexpended Plant Funds.

The University of Texas System Board of Regents authorized the establishment of The University of Texas Elementary Charter School on December 20, 2002. The school opened in August 2003 and will have approximately 220 students enrolled in prekindergarten through Grade Four for the Fall 2006 semester. U. T. Austin operates the school under the name "The University of Texas Elementary School."

13. U. T. Austin: Authorization to purchase a conservation easement covering approximately 3,261.24 acres of unimproved land known as the Fennessey Ranch located on FM 2678 near Refugio, Refugio County, Texas, and being out of the Refugio Town Tract, A-56, the G.W. Archer Survey, A-74, the G.W. Archer Survey, A-75, the Heirs of Chas Haskell Survey, A-157, the Heirs of Chas Haskell Survey, A-169, the T.W. Johnson Survey, A-201, and the Martin Toole Survey, A-347, from Mr. Brien O'Connor Dunn at less than the fair market value as established by an independent appraisal for inclusion in the Mission-Aransas National Estuarine Research Reserve

On behalf of The University of Texas at Austin, the Board

a. authorized the purchase of a conservation easement covering approximately 3,261.24 acres of unimproved land known as the Fennessey Ranch located on FM 2678 near Refugio, Refugio County, Texas, and being out of the Refugio Town Tract, A-56, the G.W. Archer Survey, A-74, the G.W. Archer Survey, A-75, the Heirs of Chas Haskell Survey, A-157, the Heirs of Chas Haskell Survey, A-169, the T.W. Johnson Survey, A-201, and the Martin Toole Survey, A-347, from Mr. Brien O'Connor Dunn at less than fair market value as established by an independent appraisal, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the

property as deemed necessary or advisable by the Executive Director of Real Estate for inclusion in the Mission-Aransas National Estuarine Research Reserve; and

b. authorized the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

The perpetual conservation easement restricting the use of the subject property will be purchased for $1,585,000, one-half of the easement's fair market value of $3,170,000 as established by an independent appraisal.

This conservation easement will be included in the newly formed Mission-Aransas National Estuarine Research Reserve (the "Reserve"), located in the Mission-Aransas Estuary and created with the support of the Governor's Office. The Reserve is the 27th created under a program established in the 1970s and overseen by the National Oceanic and Atmospheric Administration (NOAA). It is the first reserve located in Texas, and the only one located in the Gulf of Mexico west of the Mississippi River.

The Fennessey Ranch contains artesian wells, freshwater wetlands, and riparian zones, including over nine miles of frontage along the Mission River. The balance of the Reserve is composed of marine environments in Mission, Copano, Aransas, Mesquite and Ayers Bays, and in the Gulf of Mexico. Rights to conduct research in these marine areas are being acquired by U. T. Austin through a separate lease for research purposes from the General Land Office. The conservation easement and the lease from the General Land Office provide U. T. Austin with access for research to a complete estuarine region from freshwater sources to the marine seas.

Mr. Dunn has managed the property for ecotourism, controlled hunting, limited cattle grazing, oil extraction, and research; large portions of the property are in a natural or nearly natural condition. The conservation easement will restrict the property in perpetuity to these or similar low-impact uses. Additionally, the Marine Science Institute at U. T. Austin will have the right to enter and conduct research on the property.

U. T. Austin will use a grant from NOAA to fund the purchase. The grant is matched by Mr. Dunn's reduction of the purchase price to 50% of the fair market value of the easement interest. As a result of the federal funds contributed to the project, NOAA will also have rights in and to the conservation easement. The easement will permit future conveyances to other public and private entities.

Committee Chairman Krier said this purchase represents a significant partnership between a private landowner, U. T. Austin, the State of Texas, and the federal government in environmental preservation and research, and she called on President Powers to speak briefly about the project. Vice Chairman Krier said although the Reserve is the 27th in the nation, it is the first in Texas. She thanked President Powers for his leadership on the project.

14. U. T. El Paso: Discussion and appropriate action to address flood damage at The University of Texas at El Paso

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 141 - 151).--Committee Chairman Clements reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine

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

2. U. T. Health Science Center - San Antonio: Authorization to establish an International Dental Education Program in the Dental School and approve tuition and fees

   Pursuant to the Regents' *Rules and Regulations*, Series 40307, the Board authorized

   a. establishment of an International Dental Education Program in the Dental School at The University of Texas Health Science Center at San Antonio;

   b. setting up tuition and fees associated with this program; and

   c. submission the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

   The International Dental Education Program (IDEP) will be the first program of its kind in Texas designed for dentists who have trained in countries other than the U.S. or Canada with the education and training required to meet the educational requirements necessary for licensure in the U.S. The IDEP will be 24-26 months in length and will result in a Doctor of Dental Surgery (D.D.S.) degree. The shortened timeframe is possible because of the substantial background and experience international students will have prior to entering the program.

   Dentists who have moved to the U.S. find they are prevented from practicing their profession by State laws requiring graduation from a dental school accredited by the Commission on Dental Accreditation. The demand for programs allowing them to meet the requirements is great.

   Currently there is a shortage of dentists seeking academic careers and the shortage will increase as the large number of academic dentists aged 55-65 begins to retire. There also are large segments of the population,

usually defined by their ethnic diversity and lower socioeconomic status, with limited access to oral healthcare. Preliminary evidence suggests that graduates of international programs are more likely to pursue careers in academic dentistry and more likely to provide care to ethnically diverse populations. By granting the D.D.S. degree to successful international candidates, the hope is that some will pursue careers in academics or establish practices in areas of need.

The program will admit 10 students per year with a maximum of 20 students enrolled when the program reaches maturity. Students entering the program must have passed Parts 1 and 2 of the Dental National Board Examination. They will have demonstrated acquisition of the basic and clinical science foundation knowledge necessary for clinical practice so there is no direct implication for didactic instruction. Special preclinical courses will be necessary to ensure students are well grounded in the procedures and materials used in U.S. dental practice. These courses will be provided following an individual assessment of each student's capability through a series of simulated patient experiences. The Dental School has sufficient lecture halls, small classrooms, preclinical laboratories, and clinical facilities to absorb 20 additional students.

The tuition charged will allow the IDEP to be self-supporting. Prospective budgets suggest the program could generate additional revenue that could be used to enhance the Dental School's faculty incentive program to help reduce the continually increasing earning differential between academic and private practice dentists. As shown in the table on Page 143, the tuition and fees for year one residents total $50,952 and total $61,752 for nonresidents. The tuition and fees for year two students decreases by approximately $3,000 for both residents and nonresidents because of no computer or implant fee.

## International Dental Education Program

### Tuition and Fees - FY2007-08

| Level | Student Service * | Statutory Resident** Tuition* | Statutory Non-resident** Tuition* | Resident ** Designated Tuition | Non-Resident** Designated Tuition | Resident** Differential Tuition | Non-Resident** Differential Tuition | Medical Services Fee * | Liability Insurance * | Required Major Medical Health Insurance * | Library Fee * | Technology Support Fee * | Clinical Usage Fee * | Instrument Leasing Fee * | Graduation * |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **YR 1** | $220 | $5,400 | $16,200 | $25,925 | $4,325 | $10,800 | $32,400 | $135 | $30 | $1,039 | $200 | $350 | $500 | $1,800 | $0 |
| **YR 2** | $220 | $5,400 | $16,200 | $25,925 | $4,325 | $10,800 | $32,400 | $135 | $30 | $1,039 | $200 | $350 | $500 | $1,800 | $60 |

### Other Costs - FY2007-08

| Level | Computer * | Vital Source Tecnology * | Supplemental Kit * | Implant Fee * | Parking * | Grand Total Residents** | Grand Total Nonresidents** |
|---|---|---|---|---|---|---|---|
| **YR 1** | $2,500 | $1,500 | $5 | $500 | $48 | *$50,952* | *$61,752* |
| **YR 2** | $0 | $1,500 | $0 | $0 | $48 | *$48,007* | *$58,807* |

* Based upon FY2006-07 values (subject to change)
** Resident/Nonresident status is determined by Texas laws defining "residency for admissions and tuition purposes at a public college or university."

Prepared by Dr. Kenneth Kalkwarf
June 14, 2006

3. U. T. Southwestern Medical Center - Dallas: Biotechnology Development Complex - Phase I - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; approval of total project cost; and authorization for institutional management

The Board amended the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Biotechnology Development Complex - Phase I project at The University of Texas Southwestern Medical Center at Dallas as follows:

| | |
|---|---|
| **Project No.:** | 303-269 |
| **Architecturally or Historically Significant:** | Yes ☐ No ☒ |
| **Institutionally Managed:** | Yes ☒ No ☐ |
| **Project Delivery Method:** | Construction Manager at Risk |
| **Substantial Completion Date:** | July 2010 |

**Total Project Cost:**

| Source | |
|---|---|
| Revenue Financing System Bond Proceeds | $46,100,000 |

a. approve a total project cost of $46,100,000 with funding from Revenue Financing System Bond Proceeds; and

b. authorize U. T. Southwestern Medical Center - Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

The project includes a three-story building with 100,000 gross square feet to accommodate biomedical research and associated activities. Space will be leased to biotechnology companies that will have a symbiotic relationship with U. T. Southwestern Medical Center - Dallas. The project includes the building, site utilities, and parking as well as the demolition of an existing garage and warehouse structures left on the site.

U. T. Southwestern Medical Center - Dallas Facilities Management personnel have the experience and capability to manage all aspects of the work.

This off-cycle project has been approved by University of Texas System staff and meets the criteria for inclusion in the Capital Improvement Program.

4. U. T. System: Authorization to lease approximately 15.857 gross acres of unimproved land legally described as Lot 1, Block C, Mueller Section 1, Phase A Subdivision, bounded on the north by East 51st Street, on the east by Mueller Boulevard, on the south by Barbara Jordan Boulevard, and on the west by Lancaster Drive and part of the former 700-acre Robert Mueller Municipal Airport, Austin, Travis County, Texas, from the City of Austin for a nominal rental rate for development and use as an academic health center

The Board granted authorization, on behalf of The University of Texas System, to

a. lease for a term of 99 years approximately 15.857 gross acres of unimproved land legally described as Lot 1, Block C, Mueller Section 1, Phase A Subdivision, bounded on the north by East 51st Street, on the east by Mueller Boulevard, on the south by Barbara Jordan Boulevard, and on the west by Lancaster Drive and part of the former 700-acre Robert Mueller Municipal Airport, Austin, Travis County, Texas, from the City of Austin for a nominal rental rate for development and use as an academic health center; and

b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

U. T. System Administration will lease the subject property for development and use as an academic health center for U. T. System. Efforts are currently underway to develop a master plan for the property, which will include an initial building of approximately 150,000 square feet for the new Dell Pediatric Research Institute. The Michael & Susan Dell Foundation recently awarded a matching grant over three years to enable U. T. System to establish the Research Institute in Austin at the former Robert Mueller Municipal Airport site, adjacent to the new Dell Children's Medical Center of Central Texas. The new facility is scheduled to open in 2009.

The lease tract is part of the former Robert Mueller Municipal Airport that covered approximately 700 acres of land. The City of Austin developed the Robert Mueller Municipal Airport Redevelopment and Reuse Plan in 2000. Use of the subject property by U. T. System for medical, academic, research and teaching facilities, and ancillary uses is contemplated by the plan.

The rental will be a nominal $99 for the 99-year term. The cost of infrastructure installed previously by the developer of the master planned subdivision and attributable to the parcel, however, must be reimbursed by U. T. System and is included as a $4 million expense in the Capital Improvement Program of The University of Texas at Austin pertaining to

the construction of the Dell Pediatric Research Institute. On June 20, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of $97,000,000 with funding of $38,000,000 from Gifts, $38,000,000 from Grants, and $21,000,000 from Revenue Financing System Bond Proceeds.

See Item 3 on Page 153 related to approval of design development for the Dell Pediatric Research Institute.

5. U. T. System: Approval to set The University of Texas System Professional Medical Liability Benefit Plan premium rates for Fiscal Year 2007, approval to distribute a portion of Plan Premium Returns, and amendment of Plan coverage

The Board approved that

a. all Plan participant premium rates for Fiscal Year 2007 for The University of Texas System Professional Medical Liability Benefit Plan (Plan) be unchanged from the rates for Fiscal Year 2006 (see rates on Page 148);

b. $25 million be distributed from Plan premium returns as follows (see distribution on Page 149): $17 million to the participating U. T. System institutions pro rata in accordance with the premium contributions of Plan participants at each participating institution, $5 million to establish a U. T. System business interruption self-insurance pool (see Page 150), and $3 million to be used at the discretion of the Executive Vice Chancellor for Health Affairs for collaborative projects that include two or more U. T. System institutions participating in the Plan; and

c. the Plan be amended to allow U. T. physicians and dentists who are providing professional services internationally on behalf of U. T. to be covered for professional liability purposes. (See Article II on Page 151.)

Amendments to the Plan were adopted on February 13, 2003, and August 12, 2004. The amendments had the effect of changing the definition of the term "Plan territory" for which Plan coverage is provided to U. T. physicians and dentists. Under the latest amendments, U. T. physicians and dentists are not covered under the Plan for physician services provided outside the U.S., its territories or possessions, or Canada, as they had been previously. This issue affects approximately 75 physicians at the six U. T. System health institutions. Over a three-year period, international services have generated $4.75 million in revenue to The University of Texas M. D. Anderson Cancer Center. The amendment allows for U. T. physicians

to be covered internationally after meeting conditions of participation, which will include approval of the institutional president or department chair and the payment of an additional premium for international coverage. The coverage will be available on only an episodic basis.

**The University of Texas System Professional Medical Liability Benefit Plan**

Summary of Rates by Risk Class by Institution

**Risk Class 1**

| | Fiscal Year 2007 Rates | |
|---|---|---|
| Institution | Staff | Resident |
| UTMDACC | $1,025 | $959 |
| UTSWMC | 1,019 | 953 |
| UTMB | 1,675 | 1,567 |
| UTHSCH | 1,624 | 1,519 |
| UTHSCSA | 1,214 | 1,137 |
| UTHCT | 1,452 | 1,358 |
| UT Austin | 1,214 | 1,137 |
| UT Arl | 1,214 | 1,137 |
| UTSA | 1,214 | 1,137 |

**Risk Class 2**

| | Fiscal Year 2007 Rates | |
|---|---|---|
| Institution | Staff | Resident |
| UTMDACC | $1,603 | $1,500 |
| UTSWMC | 1,594 | 1,491 |
| UTMB | 2,620 | 2,453 |
| UTHSCH | 2,541 | 2,378 |
| UTHSCSA | 1,899 | 1,780 |
| UTHCT | 2,272 | 2,126 |
| UT Austin | 1,899 | 1,780 |
| UT Arl | 1,899 | 1,780 |
| UTSA | 1,899 | 1,780 |

**Risk Class 3**

| | Fiscal Year 2007 Rates | |
|---|---|---|
| Institution | Staff | Resident |
| UTMDACC | $2,562 | $2,397 |
| UTSWMC | 2,546 | 2,382 |
| UTMB | 4,185 | 3,918 |
| UTHSCH | 4,059 | 3,799 |
| UTHSCSA | 3,034 | 2,843 |
| UTHCT | 3,630 | 3,396 |
| UT Austin | 3,034 | 2,843 |
| UT Arl | 3,034 | 2,843 |
| UTSA | 3,034 | 2,843 |

**Risk Class 4**

| | Fiscal Year 2007 Rates | |
|---|---|---|
| Institution | Staff | Resident |
| UTMDACC | $4,765 | $4,458 |
| UTSWMC | 4,735 | 4,430 |
| UTMB | 7,785 | 7,287 |
| UTHSCH | 7,550 | 7,066 |
| UTHSCSA | 5,642 | 5,288 |
| UTHCT | 6,750 | 6,317 |
| UT Austin | 5,642 | 5,288 |
| UT Arl | 5,642 | 5,288 |
| UTSA | 5,642 | 5,288 |
| | | |
| | | |

**Risk Class 5**

| | Fiscal Year 2007 Rates | |
|---|---|---|
| Institution | Staff | Resident |
| UTMDACC | $7,019 | $6,568 |
| UTSWMC | 6,976 | 6,526 |
| UTMB | 11,468 | 10,735 |
| UTHSCH | 11,120 | 10,408 |
| UTHSCSA | 8,312 | 7,791 |
| UTHCT | 9,943 | 9,306 |
| UT Austin | 8,312 | 7,791 |
| UT Arl | 8,312 | 7,791 |
| UTSA | 8,312 | 7,791 |
| | | |
| | | |

**All Risk Classes Combined**

| | Fiscal Year 2007 Rates | |
|---|---|---|
| Institution | Staff | Resident |
| UTMDACC | $2,464 | $2,974 |
| UTSWMC | 2,792 | 2,538 |
| UTMB | 4,546 | 4,274 |
| UTHSCH | 4,290 | 9,206 |
| UTHSCSA | 2,867 | 3,127 |
| UTHCT | 2,809 | 4,260 |
| UT Austin | NA | NA |
| UT Arl | NA | NA |
| UTSA | NA | NA |
| | | |
| Total Weighted Average | 3,252 | 3,370 |

For easier presentation, the premium rates shown here have been rounded by Tillinghast-Towers Perrin, the Plan actuary.
Office of General Counsel 7/13/06

**The University of Texas System Professional Medical Liability Benefit Plan**
Distribution of Plan Returns

Pro Rata Distribution to Institutions:

| Institution | 2006 Premium | % Distribution | Distribution |
|---|---|---|---|
| UTMB | $ 5,524,498 | 27.486% | $ 4,672,625 |
| UTSWMC | 3,985,770 | 19.830% | 3,371,167 |
| UTHSCSA | 3,638,864 | 18.104% | 3,077,754 |
| UTHSCH | 2,645,361 | 13.161% | 2,237,448 |
| UTMDACC | 2,410,688 | 11.994% | 2,038,962 |
| Med Foundation* | 1,598,821 | 7.955% | 1,352,284 |
| UTHCT | 250,566 | 1.247% | 211,929 |
| UT Austin | 37,410 | 0.186% | 31,641 |
| UT San Antonio | 3,771 | 0.019% | 3,190 |
| UT Arlington | 3,547 | 0.018% | 3,000 |
| TOTAL | $20,099,296 | 100.000% | $17,000,000 |

*Estimated 4th quarter-Med Foundation and Final Premium Billing

| | |
|---|---|
| Establishment of U. T. System business interruption self-insurance pool | 5,000,000 |
| Collaborative Projects Fund | 3,000,000 |
| Total Distribution of Plan Returns | $25,000,000 |

Prepared by Office of General Counsel
July 13, 2006

**Risk Financing Recommendation for Health Care**
**Business Interruption Loss Pool**

Background
The University of Texas System's Comprehensive Property Protection Plan ("CPPP") was established in 1995 as a means of financing catastrophic property losses. In 2002, due to a hardened insurance market, adverse loss experience from Tropical Storm Allison, and the unavailability of reasonable coverage for named-windstorms and flood perils, the Board of Regents allocated $5.5 million to restructure the Plan. The restructured CPPP consists of two programs.

The first program covers fire and other perils and includes a layer of self-insurance ($7.5 million per occurrence and $25 million annual aggregate) and commercial insurance with a $1 billion limit. This program includes coverage for business interruption losses associated with direct physical loss resulting from a covered peril. Named-windstorm and/or flood in the 100-year flood zones are not covered perils.

The second program consists of a self-insurance fund which is supported with a mechanism to issue debt up to $50 million for physical damage resulting from named-windstorm and catastrophic flood events. Insurance policies providing relatively low limits ($1-3 million per building/contents) are purchased through the Texas Windstorm Insurance Association and the National Flood Insurance Program. These policies provide a primary layer of insurance. Business interruption losses are not covered by the program since the program is supported by the issuance of debt.

Issue and Recommendation
The University of Texas System does not have a mechanism to finance business interruption losses resulting from physical damage to its facilities during a named-windstorm and/or catastrophic flood event, or from a mandatory evacuation resulting from an impending named-windstorm where no physical damage is sustained by the institution. In addition, certain other incidents could arise that may result in a business interruption loss that is not covered by established risk financing programs.

It is recommended that $5 million be allocated from the Professional Medical Liability Benefit Plan to establish a U. T. System business interruption self-insurance pool. The purpose of the pool will be to provide a level of coverage for business interruption losses that health Institutions sustain that are not otherwise covered by existing risk financing programs.

The Office of Risk Management will work with the Medical Liability Management Committee, the Business Management Council, and the Risk Management Advisory Committee to develop the terms, conditions, deductibles, and limits. In addition, because $5 million is a limited fund amount, discussions will include ongoing capitalization and premium allocation methodologies that may include options for participation by those institutions that do not participate in the Professional Medical Liability Program.

Prepared by the Office of Risk Management
July 13, 2006

The University of Texas System
Professional Medical Liability Benefit Plan

Article II
Definitions

Unless otherwise required by the context, the following definitions shall control:

. . .

B. ***Liability Claim*** means a claim, lawsuit or cause of action based upon treatment or lack of treatment within the United States of America, its territories or possessions, or Canada that departs from accepted standards of medical or dental care which proximately results in injury to or death of a patient, whether the claim or cause of action sounds in tort or contract, subject to the exclusions described in Article V, Section 4, below. This definition shall extend to anywhere in the world for full-time or part-time faculty of a medical or dental school or hospital of the System after compliance with conditions for participation set by the Administrator and the Executive Vice Chancellor for Health Affairs or a delegate.

. . . .

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 152 - 161).--Committee Chairman Barnhill reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Discussion of basis of design guidelines for inclusion in requests to approve design development

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

2. U. T. System: Designation of U. T. Health Science Center - San Antonio - South Texas Research Facility as architecturally or historically significant and selection of architects for the Hogg Auditorium Renovation project and Student Activity Center project at U. T. Austin
   - U. T. Arlington Engineering Research Building Expansion
   - U. T. Austin Robert A. Welch Hall
   - U. T. Brownsville Science and Technology Learning Center
   - U. T. Dallas Math, Science, and Engineering Teaching-Learning Center
   - U. T. El Paso Physical Sciences/Engineering Core Facility
   - U. T. El Paso Science and Engineering Core Facilities Upgrade
   - U. T. San Antonio Combined Science Facility Renovations - 1604 Campus
   - U. T. Tyler Braithwaite Building Addition
   - U. T. Southwestern Medical Center Dallas - North Campus Phase 5
   - U. T. Health Science Center - Houston - Dental Branch Replacement Building
   - U. T. Health Science Center - Houston Biomedical Research and Education Facility
   - U. T. Health Science Center - San Antonio - South Texas Research Facility
   - U. T. M. D. Anderson Cancer Center - Administrative Support Building Phase I
   - U. T. M. D. Anderson Cancer Center - Center for Targeted Therapy Research Building

   For the record, The University of Texas Health Science Center at San Antonio South Texas Research Facility was declared architecturally significant.

   See the Committee Minutes (Page 2 ) for selection of Parsons - 3/DI and Overland Partners Architects for the Hogg Auditorium Renovation and Student Activity Center projects, respectively, at The University of Texas at Austin.

3. U. T. Austin: Dell Pediatric Research Institute – Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Dell Pediatric Research Institute project at The University of Texas at Austin as follows:

**Project No:** 102-257
**Project Delivery Method:** Design/Build
**Substantial Completion Date:** November 2008

**Total Project Cost:**

| Source | Current |
|---|---|
| Gifts | $38,000,000 |
| Grants | $38,000,000 |
| Revenue Financing System Bond Proceeds | $21,000,000 |
| | $97,000,000 |

a. approve design development plans;

b. approval of evaluation of alternative energy economic feasibility;

c. appropriate funds and authorize expenditure of funds; and

d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $21,000,000.

Debt Service

The $21,000,000 in Revenue Financing System debt will be repaid from indirect cost recovery resulting from new research activity at the Dell Pediatric Research Institute as well as parking and retail revenues attributable to the garage and stores. Average annual debt service on the project is estimated at $1.53 million. Once fully occupied, the project's debt service coverage ratio is expected to be at least 2.9 times.

Previous Board Action

On June 20, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of $97,000,000 with funding of $38,000,000 from Gifts, $38,000,000 from Grants, and $21,000,000 from Revenue Financing System Bond Proceeds.

Project Description

This project will establish a pediatric health research institute in Austin. Combining U. T. Austin's core expertise in life sciences with the new Dell Children's Medical Center will establish Austin as a center of excellence for children's health and biomedical research.

The Dell Pediatric Research Institute is to be constructed on the former Robert Mueller Airport site, adjacent to the new Dell Children's Medical Center of Central Texas. It is anticipated the Dell Pediatric Research Institute will comply with the guidelines of the Master Plan established for the development of the former Robert Mueller Airport site. U. T. Austin will provide funding if gift funding is not available.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 25-40 years
- Building Systems: 15-20 years
- Interior Construction: 10-20 years

The exterior appearance and finish will be consistent with high-end commercial research facilities. This facility is the first University of Texas building in the Mueller Master Redevelopment, and will comply with Mueller Design Guidelines.

The mechanical and electrical building systems will be designed with sufficient flexibility and space for future capacity to allow for programmatic changes without significant disruption to ongoing research.

The interior appearance and finish will include open, flexible, generic lab space with central lab utilities and support space.

*Texas Government Code* Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to the U. T. System Board of Regents as part of the design development presentation.

See Item 4 on Page 145 regarding lease of land for the Institute.

Note from the General Counsel to the Board of Regents:
On October 13, 2006, the Institute was renamed The Dell Pediatric Research Institute, The University of Texas at Austin.

4. U. T. Permian Basin: Student Housing Phase IV - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Student Housing Phase IV project at The University of Texas of the Permian Basin as follows:

**Project No.:** 501-264

**Architecturally or Historically Significant:** Yes ☐ No ☒

**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** July 2007

| **Total Project Cost:** | Source | Current |
|---|---|---|
| | Revenue Financing System Bond Proceeds | $5,600,000 |

a. approve design development plans;

b. approval of evaluation of alternative energy economic feasibility;

c. appropriate funds and authorize expenditure of funds; and

d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Permian Basin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $5,600,000.

Debt Service

The $5,600,000 of Revenue Financing System (RFS) debt will be repaid from net revenues generated from occupancy rates and pledged revenues (Unexpended Balances and Designated Tuition). Average annual debt service on the $5,600,000 in RFS debt is estimated at approximately $364,000. Debt service coverage on the entire housing project RFS (including RFS from prior phases) is expected to be at least 1.3 times and average 1.3 times over FY 2008 - FY 2011.

Previous Board Action

On June 20, 2006, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of $5,600,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

This project includes construction of four new apartment style student housing units based on previously approved designs providing 76 beds on the main campus.

Basis of Design

The planned building life expectancy is as follows:

- Enclosure: 25-30 years
- Building Systems: 7-10 years
- Interior Construction: 7-10 years

The exterior and interior appearance and finish is a "site adaptation" of existing student housing on the campus. It is consistent with nearby private sector apartment complexes and student needs. The mechanical and electrical building systems are also consistent with private sector apartment complexes.

*Texas Government Code* Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to the U. T. System Board of Regents as part of the design development presentation.

5. U. T. Medical Branch - Galveston: Specialty Care Center at Victory Lakes - Amendment to the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Deferred)

The item related to the Specialty Care Center at Victory Lakes at The University of Texas Medical Branch at Galveston was deferred.

6. U. T. M. D. Anderson Cancer Center: Center for Advanced Biomedical Imaging Research - Approval of design development; approval of evaluation of alternative energy economic feasibility; revision of funding sources; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Center for Advanced Biomedical Imaging Research project at The University of Texas M. D. Anderson Cancer Center as set forth on the following page.

**Institutionally Managed:** Yes ☒ No ☐

**Architecturally or Historically Significant:** Yes ☐ No ☒

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** February 2008

**Total Project Cost:**

| Source | Former | Current |
|---|---|---|
| Grants | $42,500,000 | $30,000,000 |
| Gifts | $12,500,000 | $25,000,000 |
| | $55,000,000 | $55,000,000 |

a. approve design development plans;

b. approval of evaluation of alternative energy economic feasibility;

c. revise funding sources; and

d. appropriate funds and authorize expenditure of funds.

Previous Board Action

On August 7, 2003, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of $55,000,000 with funding of $42,500,000 from Grants and $12,500,000 from Gifts.

Project Description

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development.

The Center for Advanced Biomedical Imaging Research will be approximately 172,000 gross square feet. This project will build-out approximately 96,000 gross square feet with the remainder shelled for build-out during future phases. The new research facility is to be located at The University of Texas Research Park on the South Campus in close proximity to the other research facility. The four-story building will house laboratories dedicated to the development and validation of Positron Emission Tomography (PET) as well as magnetic resonance imaging (MRI) and optical imaging tracers.

This project involves multiple funding sources including support from the Texas Enterprise Fund. In addition, GE Healthcare will contribute sophisticated technology and instrumentation, including a cyclotron to

produce radionuclides. The research will focus on both preclinical and clinical investigations using PET scanning to detect and monitor cardiovascular disease and cancer. Scientists will utilize sophisticated probes to seek out cancer cells with specific molecular abnormalities and image them with scanning and other technologies. New advances will enable physicians to select appropriate treatments and determine within hours or days instead of months the effectiveness of cancer therapy. The Center for Advanced Biomedical Imaging Research will be a unique program that brings together the expertise of GE Healthcare and researchers to create new ways of diagnosing cancer and cardiac disease and selecting appropriate therapy.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 25-40 years
- Building Systems: 15-20 years
- Interior Construction: 10-20 years

The exterior appearance and finish are consistent with high-end commercial research facilities and with the existing Campus Master Plan.

The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for research programmatic changes without significant disruption to ongoing research.

The interior appearance and finish are consistent with high-end commercial biomedical research facilities.

*Texas Government Code* Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to the U. T. System Board of Regents as part of the design development presentation.

7. U. T. San Antonio: University Center Expansion Phase III - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase the total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the University Center Expansion Phase III project at The University of Texas at San Antonio as follows:

**Project Number:** 401-174

**Architecturally or Historically Significant:** Yes ☐ No ☒

**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** June 2008

**Total Project Cost:**

| Source | Former | Current |
|---|---|---|
| Revenue Financing System Bond Proceeds | $25,000,000 | $31,225,000 |
| Auxiliary Enterprise Balances | $ 200,000 | $ 2,075,000 |
| | $25,200,000 | $33,300,000 |

a. amend the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase the total project cost from $25,200,000 to $33,300,000;

b. appropriate additional funds and authorize expenditure of funds of $6,225,000 from Revenue Financing System Bond Proceeds and $1,875,000 from Auxiliary Enterprise Balances; and

c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $6,225,000.

Debt Service

The $6,225,000 in Revenue Financing System debt will be repaid from University Center fees and other operating revenues. With the inclusion of the $6,225,000 in incremental debt, total annual debt service on the project is estimated at $2,270,000. Upon completion, the project is expected to achieve debt service coverage of at least 1.30 times.

Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of $32,200,000 with funding from Revenue Financing System Bond Proceeds. On May 12, 2005, the Board approved the design development plans, decreased the total project cost to $25,200,000, and appropriated funding of $25,000,000 from Revenue Financing System Bond Proceeds and $200,000 from Auxiliary Enterprise Balances.

Project Description

The project will consist of facilities to include meeting rooms, food services and dining facilities, student advising and administrative offices, program and reception space for student organizations including a large function venue, student lounges, study spaces, art gallery, and storage/support areas. A critical element of this project will include a series of life and safety upgrades to bring the facility up to current code requirements. The increase in total project cost is to provide for increased proposal costs as a result of conditions created by a saturated construction market in San Antonio.

RECONVENE AS COMMITTEE OF THE WHOLE.--At 11:15 a.m., the Board reconvened as a committee of the whole to consider items remaining on the agenda.

18. U. T. System: Adoption of resolution regarding the U. T. System Police Academy

The Board adopted the following resolution committing their continued support and endorsement of The University of Texas System Police Academy for the purpose of training law enforcement officers for the U. T. System:

RESOLUTION

Whereas, The University of Texas System Police Academy was created and established by The University of Texas System in 1968, and was licensed by the Texas Commission on Law Enforcement Officer Standards and Education in 1969;

Whereas, The University of Texas System Board of Regents recognizes the importance of training Law Enforcement Officers for The University of Texas System institutions;

Whereas, The University of Texas System Police Academy through the Office of the Director of Police provides the training to these Law Enforcement Officers for the purpose of performing their duties in a professional, prepared, and skilled manner;

Whereas, The Texas Commission on Law Enforcement Officer Standards and Education issues a license to a training academy that meets the requirements of training Law Enforcement Officers; and

Whereas, The University of Texas System Police Academy meets all licensing requirements as set forth by the Texas Commission on Law Enforcement Officer Standards and Education.

NOW THEREFORE BE IT RESOLVED, that we, the members of The University of Texas System Board of Regents hereby continue to support and endorse the establishment of The University of Texas System Police Academy for the purpose of training Law Enforcement Officers for The University of Texas System.

As reported to the U. T. System Board of Regents in January 26, 1968, and October 23, 1970, the U. T. System Police Academy (formerly known as Basic Training Schools) was created and established in 1968 and received licensure from the Texas Commission on Law Enforcement Officer Standards

and Education (TCLEOSE) in 1969. The need for this ministerial act is a result of a recent audit of TCLEOSE. TCLEOSE requested the U. T. System provide a resolution from the Academy's governing board to complete the Commission's files.

An overview of the U. T. System police operations, including the Academy, was provided at the May 12, 2004 meeting of the Student, Faculty, and Staff Campus Life Committee.

19. U. T. System Board of Regents: Presentation of certificate of appreciation to Director of Police Roy R. Baldridge

Chairman Huffines and Chancellor Yudof presented the following certificate of appreciation to Director of Police Roy R. Baldridge for his distinguished service and outstanding contributions as a leader, administrator, and teacher at The University of Texas at Austin and The University of Texas System. Mr. Baldridge served as Director of Police for the U. T. System for the past 10 years and retired effective August 31, 2006.

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

ROY R. BALDRIDGE

Its Sincere Appreciation for His
Distinguished Service and Outstanding Contributions

to

The University of Texas at Austin
1973 - 1974

and to

The University of Texas System

as

Police Training Officer
1974 - 1975

Inspector
1975 - 1982

Assistant Director
1982 - 1996

Director of Police
1996 - 2006

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on November 15-16, 2006, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 11:25 a.m.

/s/Francie A. Frederick
General Counsel to the Board of Regents

November 8, 2006

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION**
**DOCKET NO. 127**

July 27, 2006

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Robert B. Rowling, Chairman
John W. Barnhill, Jr.
H. Scott Caven, Jr.
Cyndi Taylor Krier
Colleen McHugh

The Docket for The University of Texas System Administration and the Dockets recommended by the respective presidents and prepared by the institutions listed below are submitted for discussion and appropriate action regarding approval of the Docket at the meeting of the U. T. System Board of Regents on August 10, 2006. The Interim Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor and General Counsel, and I concur in these recommendations.


| Institutions | Pages |
|---|---|
| The University of Texas System Administration | Docket 1 - 5 |
| The University of Texas at Arlington | Docket 6 - 13 |
| The University of Texas at Austin | Docket 14 - 29 |
| The University of Texas at Brownsville | Docket 30 - 35 |
| The University of Texas at Dallas | Docket 36 - 40 |
| The University of Texas at El Paso | Docket 41 - 45 |
| The University of Texas - Pan American | Docket 46 - 49 |
| The University of Texas of the Permian Basin | Docket 50 - 57 |
| The University of Texas at San Antonio | Docket 58 - 69 |
| The University of Texas at Tyler | Docket 70 - 73 |
| The University of Texas Southwestern Medical Center at Dallas | Docket 74 - 81 |
| The University of Texas Medical Branch at Galveston | Docket 82 - 89 |
| The University of Texas Health Science Center at Houston | Docket 90 - 97 |
| The University of Texas Health Science Center at San Antonio | Docket 98 -104 |
| The University of Texas M. D. Anderson Cancer Center | Docket 105 -113 |
| The University of Texas Health Center at Tyler | Docket 114 |


Mark G. Yudof
Chancellor

xc: Other Members of the Board

*Prepared by:*
*U. T. System Administration*



*August 10, 2006*

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## U. T. SYSTEM ADMINISTRATION

## AMENDMENTS TO THE 2005-06 BUDGET

## TRANSFERS OF FUNDS

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and are recommended for approval by the U. T. System Board of Regents:

| Description | $ Amount | RBC # |
|---|---|---|
| EDUCATION AND GENERAL FUNDS | | |
| U. T. System Administration | | |
| 1. Amount of Transfer: | 1,200,000 | 05 |
| From: State Appropriations | | |
| To: Debt Service Reimbursement<br>U. T. Dallas Natural Science and Engineering Research Building (NSERB) | | |
| Receipt of funds for 2006 appropriated by HB 153, 79th Legislature, 3rd Called Session for the purpose of reimbursing the U. T. System for debt service related to NSERB at U. T. Dallas. | | |
| LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION | | |
| U. T. System Administration | | |
| 2. Amount of Transfer: | 1,132,000 | 06 |
| From: Equipment Reserve – Allocated for Budget | 1,132,000 | |
| To: Ashbel Smith Hall Chiller Replacement | 850,000 | |
| System Complex Repair and Renovations | 282,000 | |
| Replace two chillers serving Ashbel Smith Hall, Claudia Taylor Johnson Hall (CTJ), and O. Henry Hall (OHH). Repair and renovations include exterior door, window, and wall repairs to the Colorado Building (CLB), CTJ, and OHH along with security system upgrades and lock replacement. These funds will also provide CLB with an air conditioning backup system. | | |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## TRANSFERS OF FUNDS (CONTINUED)

| Description | $ Amount | RBC # |
|---|---|---|
| PLANT FUNDS | | |
| U. T. System Administration | | |
| 3. Amount of Transfer: | 1,305,000 | 07 |

From: Designated Funds – Special Fee Fund – Sales of Oil and Gas Leases

To: University Lands Office Relocation and Remodel

Funds will be used to relocate the University Lands Accounting Office from Austin, Texas, to Midland, Texas, and to relocate University Lands West Texas Operations from their existing offices on Wall Street to the Dengar Building. Additionally, funds will be used to remodel the Dengar Building to included ADA compliance, fire protection, parking lot repaving, telephone system upgrade, and roof and air conditioning replacement.

| | | |
|---|---|---|
| 4. Amount of Transfer: | 780,000 | 08 |

From: Educational and General Funds
Unallocated Account

To: Unexpended Plant Funds
System Complex Relocation and Renovations

Transfer funds for expenses involved in office renovations and furniture replacement at System Administration.

| | | |
|---|---|---|
| 5. Amount of Transfer: | 211,000 | 09 |

From: Educational and General Funds
Unallocated Account

To: Unexpended Plant Funds
System Complex Meeting and Conference Room Audio and Video Technology Upgrades

Transfer funds for expenses involved in the upgrade of audio and video support for the conduct and webcast of U. T. System meetings and conferences and provide infrastructure necessary to support video captioning.

## OTHER FISCAL ITEMS

## BANKING AGREEMENTS

A standard banking depository agreement with Amegy Bank National Association has been administratively approved by the Executive Vice Chancellor for Business Affairs. This agreement is effective June 15, 2006. Banking depository agreements are made and entered into by and between the U. T. System Board of Regents and the respective bank and inclusion of the proposed agreements in the Docket assures that any interests of members of the Board in the contracting banks are identified and disclosed.

## OTHER MATTERS

## APPROVAL OF NEWLY COMMISSIONED U. T. SYSTEM PEACE OFFICERS

In accordance with Chapter 51.203 of the *Texas Education Code*, the U. T. System Board of Regents is requested to approve the commissioning of the individuals listed below as peace officers effective June 15, 2006. The following officers have completed a course of training that included mandated Texas Commission on Law Enforcement Officer Standards and Education courses at The University of Texas System Police Training Academy and have successfully passed the State of Texas Peace Officer Licensing Examination.

| Name | Institution |
|---|---|
| Kyle W. Albritton | U. T. Health Science Center - Houston |
| David J. Devine | U. T. Austin |
| Eric L. Gambill | U. T. Arlington |
| LeVon Griffin | U. T. Austin |
| Steven C. Hagle | U. T. Arlington |
| Evan C. Harrison | U. T. Austin |
| Don I. Holland, III | U. T. Austin |
| Shelby A. R. Ingles | U. T. Austin |
| Stephen G. Johnson | U. T. San Antonio |
| Adam M. Jones | U. T. Southwestern Medical Center - Dallas |
| Jimmie H. Jones, Jr. | U. T. Health Science Center - Houston |
| April America Keith | U. T. Austin |
| Carlos Lopez | U. T. Brownsville |
| Zachary Miller | U. T. Austin |
| Christopher P. Mullaney | U. T. Southwestern Medical Center - Dallas |
| Steven J. Petrick | U. T. San Antonio |
| Kristopher K. Ramirez | U. T. Arlington |
| Joel I. Rivera | U. T. Arlington |
| Wayne D. Smith, Jr. | U. T. Health Science Center - Houston |
| Johnny R. Soliz | U. T. Medical Branch - Galveston |
| Justin L. Taylor | U. T. Health Science Center - Houston |
| Carl Willis | U. T. Health Science Center - Houston |

# REAL ESTATE REPORT

THE UNIVERSITY OF TEXAS SYSTEM
SEPARATELY INVESTED ASSETS
Managed by U. T. System

Summary Report at May 31, 2006

**FUND TYPE**

| | Current Purpose Restricted | | Endowment & Similar Funds | | Annuity & Life Income Funds | | TOTAL | |
|---|---|---|---|---|---|---|---|---|
| | **Book** | **Market** | **Book** | **Market** | **Book** | **Market** | **Book** | **Market** |
| **Land & Buildings:** | | | | | | | | |
| Ending Value 2/28/06 | $ 3,689,613 | $ 23,244,091 | $ 105,536,793 | $ 218.262.702 | $ 1,138,209 | $ 1,063,080 | $ 110,364,615 | $ 242,569,873 |
| Increase or Decrease | 175,004 | 175,004 | 1 | 1,038,314 | - | - | 175,005 | 1,213,318 |
| Ending Value 5/31/06 | $ 3,864,617 | $ 23,419,095 | $ 105,536,794 | $ 219,301,015 | $ 1,138,209 | $ 1,063,080 | $ 110,539,620 | $ 243,783,190 |
| **Other Real Estate:** | | | | | | | | |
| Ending Value 2/28/06 | $ 111,894 | $ 111,894 | $ 294,434 | $ 249,434 | $ - | $ - | $ 361,328 | $ 361,328 |
| Increase or Decrease | (1,070) | (1,070) | (10,558) | (10,558) | - | - | (11,628) | (11,628) |
| Ending Value 5/31/06 | $ 110,824 | $ 110,824 | $ 238,876 | $ 238,876 | $ - | $ - | $ 349,700 | $ 349,700 |

Report prepared in accordance with Sec. 51.0032 of the *Texas Education Code*.

Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands – West Texas Operations. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

## U. T. ARLINGTON

## CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Interim Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

## GENERAL CONTRACTS

### FUNDS COMING IN

1. Agency: ARAMARK Educational Services of Texas, Inc.
   Funds: $10,500,000
   Period: The term of the original contract began on August 10, 2000 and was scheduled to expire on June 30, 2010. The Amended and Restated Contract will extend through June 30, 2020. The Office of General Counsel approved the proposed extension of the term of the contract in accordance with the terms of the original procurement and contract.
   Description: U. T. Arlington requests the Board of Regents to authorize John Hall, Vice President for Administration and Campus Operations for U. T. Arlington, to negotiate (subject to approval by the U. T. System Office of General Counsel) and sign the Amended and Restated Food Service Agreement between U. T. Arlington and ARAMARK Educational Services of Texas, Inc. ARAMARK shall provide campus food services that will include cash sales, debit card sales, board plan sales, catering sales, and concession sales at various food service locations across the campus. ARAMARK will provide an investment of $3,000,000 over the extended term to provide the University with capital funding necessary to expand and renovate food service facilities. In addition, ARAMARK will provide the University with royalty payments of eight percent (8%) on cash, debit card, and short-term meal plans adjusted gross revenue, twenty percent (20%) on board plan adjusted gross revenue, and fifteen percent (15%) on Maverick Stadium Concession adjusted gross revenue on concession sales exceeding $1,000/event. Over the extended term (10 years), royalty payments are estimated to exceed $7,500,000.

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|---|
| COLLEGE OF SCIENCE | | | | | | |
| Chemistry | | | | | | |
| 1. | Martin Pomerantz (T) | | | | | 1304 |
| From: | Professor and Associate Chair | | 100 | 09 | 90,000 | |
| To: | Professor | 9/1-5/31 | 100 | 09 | 90,000 | |
| 2. | Zoltan A. Schelly (T) | | | | | 1306 |
| From: | Professor | | 100 | 09 | 86,500 | |
| To: | Professor and Associate Chair | 9/1-5/31 | 100 | 09 | 86,500 | |

## TRANSFERS OF FUNDS

| Description | | $ Amount | RBC # |
|---|---|---|---|
| VICE PRESIDENT FOR FINANCE AND ADMINISTRATION | | | |
| 3. | Amount of Transfer: | 500,000 | 1302 |

From: Bank Account Analysis/Credit Card Fee Miscellaneous Income

To: President-Aux Admin- President's Office Maintenance and Operations

To provide President Spaniolo with funds for Special Project Initiatives, particularly student services projects.

## OTHER FISCAL ITEMS

## EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements are subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Arlington is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Arlington. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Men's and Women's Tennis Coach

   Funds: $36,000 annually

   Period: June 1, 2006 through May 31, 2009

   Description: Initial agreement for employment of Head Men's and Women's Tennis Coach, Diego Benitez, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Men's Basketball Coach

   Funds: $90,000 annually

   Period: June 1, 2006 through March 31, 2009

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

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **College of Business Administration** | | |
| Information System/Operation Management | | |
| Riyaz Sikora | Associate Professor (NT) | Associate Professor (T) |
| **College of Education** | | |
| Kinesiology | | |
| Judy Wilson | Assistant Professor (NT) | Associate Professor (T) |
| **College of Engineering** | | |
| Bioengineering | | |
| Hanli Liu | Associate Professor (T) | Professor (T) |
| Civil and Environmental Engineering | | |
| Ali Abolmaali | Assistant Professor (NT) | Associate Professor (T) |
| Computer Science Engineering | | |
| Manfred Huber | Assistant Professor (NT) | Associate Professor (T) |
| Electrical Engineering | | |
| Soontorn Oraintara | Assistant Professor (NT) | Associate Professor (T) |
| **College of Liberal Arts** | | |
| Art and Art History | | |
| David Keens | Associate Professor (T) | Professor (T) |
| Kenda North | Associate Professor (T) | Professor (T) |
| English | | |
| Kevin Gustafson | Assistant Professor (NT) | Associate Professor (T) |
| Music | | |
| Rick Bogard | Assistant Professor (NT) | Associate Professor (T) |
| Diane M. Lange | Assistant Professor (NT) | Associate Professor (T) |
| John Solomons | Assistant Professor (NT) | Associate Professor (T) |

**NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)**

| College, Department, and Name | From | To |
|---|---|---|
| **College of Liberal Arts (Continued)** | | |
| Political Science | | |
| Joseph Ignagni | Associate Professor (T) | Professor (T) |
| Theatre Arts | | |
| Kim LaFontaine | Associate Professor (T) | Professor (T) |
| **College of Science** | | |
| Biology | | |
| James Grover | Associate Professor (T) | Professor (T) |
| Chemistry/Biochemistry | | |
| Frederick M. MacDonnell | Associate Professor (T) | Professor (T) |
| Mathematics | | |
| Jianzhong Su | Associate Professor (T) | Professor (T) |
| David Jorgensen | Assistant Professor (NT) | Associate Professor (T) |
| Hristo Kojouharov | Assistant Professor (NT) | Associate Professor (T) |
| Physics | | |
| Manfred A. Cuntz | Assistant Professor (NT) | Associate Professor (T) |
| Jaehoon Yu | Assistant Professor (NT) | Associate Professor (T) |
| **School of Social Work** | | |
| Richard Hoefer | Associate Professor (T) | Professor (T) |

## OTHER MATTERS

## APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Interim Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Gerlach with The University of Texas at Arlington. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

1.

| | |
|---|---|
| Name: | Jeanne Marcum Gerlach, Ph.D. |
| Title: | Dean, College of Education |
| Position: | State Board for Educator Certification |
| Period: | June 29, 2006 through February 1, 2011 |
| Compensation: | None |
| Description: | Dr. Gerlach will represent the deans of the Schools and Colleges of Education at public universities in Texas. |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 7 | 0 | 7 | 7 |
| b. | To keep proper sequence | 6 | 3 | 9 | 8 |
| c. | New program | 0 | 0 | 0 | 4 |
| d. | Cross listed | 3 | 3 | 6 | 2 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 4 |
| g. | Limited facilities | 1 | 1 | 2 | 2 |
| | Subtotal | 17 | 7 | 24 | 27 |
| h. | Voluntarily offered | 9 | 6 | 15 | 15 |
| | Total | 26 | 13 | 39 | 42 |
| Semester Credit Hours generated in small classes | | 451 | 147 | 598 | 610 |
| Percentage of total Semester Credit Hours offered in small classes | | 0.20% | 0.07% | 0.13% | 0.14% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 2 | 0 | 2 | 3 |
| b. | To keep proper sequence | 1 | 3 | 4 | 0 |
| c. | New program | 0 | 0 | 0 | 3 |
| d. | Cross listed | 2 | 1 | 3 | 15 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 1 | 0 | 1 | 0 |
| | Subtotal | 6 | 4 | 10 | 21 |
| h. | Voluntarily offered | 0 | 1 | 1 | 1 |
| | Total | 6 | 5 | 11 | 22 |
| Semester Credit Hours generated in small classes | | 56 | 82 | 138 | 179 |
| Percentage of total Semester Credit Hours offered in small classes | | 0.14% | 0.22% | 0.18% | 0.21% |

## U. T. AUSTIN

## GIFTS

The following gifts have been received, have been administratively approved by the President or his delegate and are recommended for approval by the U. T. System Board of Regents:

1. Donor Name: Mr. W. A. “Tex” Moncrief, Jr.
   College/School/Department: Athletics
   Purpose: The North End Zone of Darrell K Royal - Texas Memorial Stadium and related projects
   Asset Type: Stock
   Value: $4,000,032

2. Donor Name: Nelda C. and H. J. Lutcher Stark Foundation
   College/School/Department: Athletics
   Purpose: Creation of the Museum of Physical Culture and Sports, the North End Zone Darrell K Royal - Texas Memorial Stadium, and related projects
   Asset Type: Pledge
   Value: $3,500,000

## CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

## GENERAL CONTRACTS

### FUNDS COMING IN

1. Agency: Exxon Mobil Corporation
   Funds: $1,265,000
   Period: January 1, 2006 through January 31, 2010
   Description: U. T. Austin shall receive funding for the Center for American History to direct and manage the research and writing of a book-length history of the Exxon Mobil Corporation for the years 1975 through 2000.

2. Agency: Ex-Students' Association (ESA)
   Funds: $110,000 per licensed room
   Period: June 8, 2006 to end of the last Initial License Period or the end of the last Renewal License Period.
   Description: The ESA is granted the right to market licenses to use rooms in the Executive Education and Conference Center for two nights for regular season home football game weekends for a term of 15 to 18 years. The licenses will be prepaid. U. T. Austin will receive $110,000 for each license of a standard room (and $110,000 plus a multiplier for larger rooms or suites), or approximately $611 to $733 per night. The ESA will retain any amount above the $110,000 selling price with the belief that the market value of a room is approximately $150,000. The ESA is expected to incur marketing costs of $5,600 per room, netting $34,400 per room. If licenses are sold on all 300 rooms, the total revenue to U. T. Austin will be approximately $33 million and the total revenue to the ESA will be approximately $12 million or net income of approximately $10.3 million after marketing costs. The room licenses will contain a right of first refusal for a second term of 10 years. 75% of income for renewals will go to U. T. Austin. A proposed transfer or assignment of a license must be approved. It is unknown whether a secondary market will arise. If it does, ESA and U. T. Austin will negotiate appropriate terms that will include a transfer fee for U. T. Austin. ESA's term to market the licenses expires on August 31, 2008 after which any non-licensed rooms for those weekends will be part of the regular room inventory.

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| COLLEGE OF LIBERAL ARTS | | | | | |
| Psychology | | | | | |
| 1. Judith H. Langlois (T) | | | | | 1295 |
| From: Charles and Sarah Seay Professor | | | | | |
| in Psychology and | | 100 | 09 | 137,000 | |
| Professor | | SUPLT | 09 | 13,000 | |
| To: Charles and Sarah Seay | | | | | |
| Professor in Psychology | 6/1-8/31 | 0 | 09 | 162,000 | |
| and Professor | 6/1-8/31 | SUPLT | 09 | 13,000 | |
| Interim Dean | 6/1-8/31 | 100 | 12 | 203,000 | |
| | 6/1-8/31 | SUPLT | 12 | 34,000 | |

## TRANSFERS OF FUNDS

| Description | $ Amount | RBC # |
|---|---|---|
| DESIGNATED FUNDS | | |
| Pickle Research Campus | | |
| 2. Amount of Transfer: | 1,554,024 | 1387 |
| From: Provision for Utilities - Allocation | | |
| For Budget Adjustments | 1,554,024 | |
| To: Pickle Research Campus | | |
| Purchased Utilities – | | |
| Electricity | 823,858 | |
| Gas | 461,954 | |
| Water | 268,212 | |

Transfer from institutional reserve account to J. J. Pickle Research Campus to provide funding needs for the remainder of fiscal year.

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## TRANSFER OF FUNDS (CONTINUED)

| Description | $ Amount | RBC # |
|---|---|---|
| DESIGNATED FUNDS (Continued) | | |
| Red McCombs School of Business | | |
| 3. Amount of Transfer: | 500,000 | 1319 |
| From: Executive Education – Option II MBA Program – Operating Income | | |
| To: Business Administration – Dean's Revolving Fund – Allocation for Budget Adjustment | | |
| Commitment from the Executive Education program to the Dean's Revolving Account (McCombs School of Business). The funds will be used for summer appointments, school operations, programs, and initiatives. | | |
| PLANT FUNDS | | |
| Vice President for Employee and Campus Services | | |
| 4. Amount of Transfer: | 4,500,000 | 1324 |
| From: Interest on Temporary Investments – Designated Funds – Allocation for Budget Adjustment | | |
| To: Vice President for Employee and Campus Services – U. T. Executive Education and Conference Center – Allocation for Budget Adjustment | | |
| To record appropriation of sources by transferring funds from Designated Funds to Plant Funds for the U. T. Executive Education and Conference Center. | | |
| Physical Plant – Kinsolving | | |
| 5. Amount of Transfer: | 1,450,000 | 1325 |
| From: Housing and Food Services General Repair and Replacement Reserve – Allocation for Budget Adjustment | | |
| To: Physical Plant – Kinsolving – Dining Improvements Summer – All Expenses | | |
| Additional funding for kitchen improvements in Kinsolving Dormitory for summer 2006. | | |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## TRANSFERS OF FUNDS (CONTINUED)

| Description | $ Amount | RBC # |
|---|---|---|
| PLANT FUNDS (Continued) | | |
| Physical Plant – Simkins | | |
| 6. Amount of Transfer: | 1,120,000 | 1388 |

From: Housing and Food Services – Division
Office Expenses – Other Expenses

To: Physical Plant – Simkins Hall Dormitory – Fire Protection Improvements 2006 – All Expenses

Additional funding for fire protection improvements for Simkins Hall Dormitory.

| | | |
|---|---|---|
| Physical Plant – Kinsolving | | |
| 7. Amount of Transfer: | 900,000 | 1389 |

From: Housing and Food Services – General
Repair/Replacement Reserve

To: Physical Plant – Kinsolving – Design and Roof Replacement – All Expenses

Additional funding for roof replacement in Kinsolving Dormitory.

## OTHER FISCAL ITEMS

## EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Austin is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Austin. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Director of Men's Athletics

| | | |
|---|---|---|
| From: | $447,500 | Base Salary |
| | 37,292 | Performance Incentive: contingent upon financial solvency and excellent performance |
| | 7,500 | Car Allowance |
| | 3,834 | Club Memberships |
| | 7,500 | One Courtesy Car (Non-cash) |
| To: | $550,000 | Base Salary |
| | 25,000 | Performance incentive: contingent upon all men's teams meeting the NCAA established annual benchmark for the Academic Progress Rate (APR) for the preceding academic year. |
| | 50,000 | Performance Incentive: contingent upon no occurrence of a major infraction assessed by the NCAA or the Big 12 Conference |
| | 50,000 | Performance Incentive: contingent upon financial solvency and excellent performance |
| | 7,500 | Car Allowance |
| | 3,834 | Club Memberships |
| | 7,500 | One Courtesy Car (Non-cash) |
| | 750,000 | Annuity to be paid, after taxes, in the fiscal year following August 31, 2011. The payment shall be made to D. DeLoss Dodds if, during his service as Athletics Director, he completes the current athletics capital campaign, the Darrell K Royal Memorial – Texas Stadium north end zone project, and the UFCU Disch-Falk Field renovation project. If D. DeLoss Dodds' employment as Athletics Director ends prior to August 31, 2011, due to his death or disability, the annuity payment shall be prorated at the rate or $150,000, after taxes, per fiscal year or portion of fiscal year served and paid immediately; or, D. DeLoss Dodds or his estate may elect to receive |

the regular annuity payment in the fiscal year after August 31, 2011. If D. DeLoss Dodds' employment as Athletics Director ends prior to August 31, 2011, due to mutual agreement of D. DeLoss Dodds and U. T. Austin, for reasons other than cause, and the other conditions for the annuity have been substantially completed, the annuity payment shall be prorated at the rate of $150,000, after taxes, per fiscal year or portion of fiscal year served and will be paid after August 31, 2011. Funds for D. DeLoss Dodds' compensation, including the annuity, shall be taken from a source generated by operations or activities of the Department of Intercollegiate Athletics for Men.

Period: September 1, 2006 through August 31, 2011 (2 year extension)

Description: Agreement for employment of Athletics Director, D. DeLoss Dodds, for the above designated period following a coach's employment contract approved by the U. T. System Office of General Counsel.

2. Item: Director of Women's Athletics

| | | |
|---|---|---|
| From: | $253,000 | Base Salary |
| | 21,084 | Performance Incentive: contingent upon financial solvency and excellent performance |
| | 3,834 | Club Memberships |
| | 7,500 | One Courtesy Car (Non-cash) |
| To: | $280,000 | Base Salary |
| | 25,000 | Performance incentive: contingent upon all women's teams meeting the NCAA established annual benchmark for the Academic Progress Rate (APR) for the preceding academic year. |
| | 23,334 | Performance Incentive: contingent upon financial solvency and excellent performance |
| | 3,834 | Club Memberships |
| | 7,500 | One Courtesy Car (Non-cash) |

Period: September 1, 2006 through August 31, 2011 (2 year extension)

Description: Agreement for employment of Athletics Director, Christine A. Plonsky, for the above designated period following a coach's employment contract approved by the U. T. System Office of General Counsel.

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **School of Architecture** | | |
| Architecture and Planning | | |
| Steven A. Moore | Associate Professor (T) | Bartlett Cocke Regents Professor in Architecture (T) |
| Lois Weinthal | Assistant Professor (NT) | Associate Professor (T) |
| **Red McCombs School of Business** | | |
| Accounting | | |
| Lillian F. Mills | New | Associate Professor (T) |
| Finance | | |
| Jay C. Hartzell | Assistant Professor (NT) | Associate Professor (T) |
| Information, Risk, and Operations Management | | |
| Efstathios Tompaidis | Assistant Professor (NT) | Associate Professor (T) |
| Management | | |
| Andrew D. Henderson | Assistant Professor (NT) | Associate Professor (T) |
| Martin Kilduff | New | Kleberg-King Ranch Centennial Professor in Management (T) |
| Violina P. Rindova | New | Associate Professor (T) |
| **College of Communication** | | |
| Communication Studies | | |
| Sharon E. Jarvis | Assistant Professor (NT) | Associate Professor (T) |
| Radio-Television-Film | | |
| Shanti Kumar | New | Associate Professor (T) |

**NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)**

| College, Department, and Name | From | To |
|---|---|---|
| **College of Education** | | |
| Curriculum and Instruction | | |
| Louis Harrison | New | Associate Professor (T) |
| Min Liu | Associate Professor (T) | Professor (T) |
| Anna E. Maloch | Assistant Professor (NT) | Associate Professor (T) |
| Lourdes D. Soto | New | Professor (T) |
| Walter M. Stroup | Assistant Professor (NT) | Associate Professor (T) |
| Angela Valenzuela | Associate Professor (T) | Professor (T) |
| Mary Jo Worthy | Associate Professor (T) | Professor (T) |
| Educational Administration | | |
| Ruben D. Olivarez | New | L. D. Haskew Centennial Professor in Public School Administration (T) |
| Michelle D. Young | New | Associate Professor (T) |
| Educational Psychology | | |
| Susan N. Beretvas | Assistant Professor (NT) | Associate Professor (T) |
| Kristin Neff | Assistant Professor (NT) | Associate Professor (T) |
| Aaron B. Rochlen | Assistant Professor (NT) | Associate Professor (T) |
| Marilla D. Svinicki | Associate Professor (T) | Professor (T) |
| Kinesiology and Health Education | | |
| Alexandra Loukas | Assistant Professor (NT) | Associate Professor (T) |
| Special Education | | |
| Sylvia F. Thompson | Assistant Professor (NT) | Associate Professor (T) |
| **College of Engineering** | | |
| Aerospace Engineering and Engineering Mechanics | | |
| L. L. Raja | Assistant Professor (NT) | Associate Professor (T) |
| Chemical Engineering | | |
| Gyeong S. Hwang | Assistant Professor (NT) | Associate Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **College of Engineering (Continued)** | | |
| Civil Engineering | | |
| Oguzhan Bayrak | Assistant Professor (NT) | Associate Professor (T) |
| Ben R. Hodges | Assistant Professor (NT) | Associate Professor (T) |
| Zhanmin Zhang | Assistant Professor (NT) | Associate Professor (T) |
| Jorge G. Zornberg | Assistant Professor (NT) | Associate Professor (T) |
| Mechanical Engineering | | |
| Matthew I. Campbell | Assistant Professor (NT) | Associate Professor (T) |
| Li Shi | Assistant Professor (NT) | Associate Professor (T) |
| **College of Fine Arts** | | |
| Art and Art History | | |
| Steve Bourget | Assistant Professor (NT) | Associate Professor (T) |
| Michael R. Charles | Associate Professor (T) | Professor (T) |
| Teresa Hubbard | Assistant Professor (NT) | Associate Professor (T) |
| Melissa W. Miller | Assistant Professor (NT) | Associate Professor (T) |
| Bogdan P. Perzynski | Associate Professor (T) | Professor (T) |
| Louis A. Waldman | Assistant Professor (NT) | Associate Professor (T) |
| Music | | |
| Robert M. Carnochan | Assistant Professor (NT) | Associate Professor (T) |
| Gerre E. Hancock | New | Professor (T) |
| Roger E. Myers | Associate Professor (T) | Professor (T) |
| David A. Small | Assistant Professor (T) | Associate Professor (T) |
| Gerhardt Zimmerman | New | Professor (T) |
| Theatre and Dance | | |
| Charlotte Canning | Associate Professor (T) | Professor (T) |
| Pamela D. Christian | Assistant Professor (NT) | Associate Professor (T) |
| Steven Dietz | New | Professor (T) |
| Yacov Sharir | Associate Professor (T) | Professor (T) |

**NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)**

| College, Department, and Name | From | To |
|---|---|---|
| **John A. and Katherine G. Jackson School of Geosciences** | | |
| Geological Sciences | | |
| James N. Connelly | Associate Professor (T) | Professor (T) |
| David Mohrig | New | Associate Professor (T) |
| **School of Information** | | |
| Information | | |
| Patricia K. Galloway | Assistant Professor (NT) | Associate Professor (T) |
| **College of Liberal Arts** | | |
| Anthropology | | |
| Darrell G. Creel | New | Associate Professor (T) |
| Charles R. Hale | Associate Professor (T) | Professor (T) |
| Elizabeth L. Keating | Associate Professor (T) | Professor (T) |
| Asian Studies | | |
| John W. Traphagan | Assistant Professor (NT) | Associate Professor (T) |
| Classics | | |
| Paula J. Perlman | Associate Professor (T) | Professor (T) |
| Economics | | |
| Eugenio J. Miravete | Assistant Professor (NT) | Associate Professor (T) |
| English | | |
| Janine Barchas | Assistant Professor (NT) | Associate Professor (T) |
| Douglas S. Bruster | Associate Professor (T) | Professor (T) |
| Martin W. Kevorkian | Assistant Professor (NT) | Associate Professor (T) |
| French and Italian | | |
| Alexandra K. Wettlaufer | Associate Professor (T) | Trice Professor in Plan II (T) |
| Government | | |
| Catherine Boone | Associate Professor (T) | Professor (T) |
| Terri E. Givens | Assistant Professor (NT) | Associate Professor (T) |
| James R. Muirhead | New | Associate Professor (T) |

**NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)**

| College, Department, and Name | From | To |
|---|---|---|
| **College of Liberal Arts (Continued)** | | |
| History | | |
| Virginia G. Burnett | New | Associate Professor (T) |
| Madeline Y. Hsu | New | Associate Professor (T) |
| Mark A. Lawrence | Assistant Professor (NT) | Associate Professor (T) |
| Martin A. Summers | New | Associate Professor (T) |
| Middle Eastern Studies | | |
| Mahmoud M. A. Al-Batal | New | Associate Professor (T) |
| Kristen Brustad | New | Associate Professor (T) |
| Psychology | | |
| Todd W. Maddox | Associate Professor (T) | Professor (T) |
| David M. Schnyer | New | Associate Professor (T) |
| Jacqueline D. Wooley | Associate Professor (T) | Professor (T) |
| Rhetoric and Composition | | |
| Clay Spinuzzi | Assistant Professor (NT) | Associate Professor (T) |
| Sociology | | |
| Michael P. Young | Assistant Professor (NT) | Associate Professor (T) |
| Spanish and Portuguese | | |
| Maximo R. Salaberry | New | Professor (T) |
| **College of Natural Sciences** | | |
| Astronomy | | |
| Karl Gebhart | Associate Professor (T) | Professor (T) |
| Chemistry and Biochemistry | | |
| Edward M. Marcotte | Associate Professor (T) | William and Gwyn Shive Endowed Professor (T) |
| Keith J. Stevenson | Assistant Professor (NT) | Associate Professor (T) |
| Computer Sciences | | |
| Keshav K. Pingali | New | W. A. “Tex” Moncrief, Jr. Chair in Distributed and Grid Computing (T) |

**NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)**

| College, Department, and Name | From | To |
|---|---|---|
| **College of Natural Sciences (Continued)** | | |
| Human Ecology | | |
| Christopher A. Jolly | Assistant Professor (NT) | Associate Professor (T) |
| D. M. Snodderly, Jr. | New | Professor (T) |
| Mathematics | | |
| Oscar Gonzalez | Assistant Professor (NT) | Associate Professor (T) |
| Tamas Hausel | Assistant Professor (NT) | Associate Professor (T) |
| Physics | | |
| Richard Fitzpatrick | Associate Professor (T) | Professor (T) |
| Sacha E. Kopp | Assistant Professor (NT) | Associate Professor (T) |
| Sonia Paban | Assistant Professor (NT) | Associate Professor (T) |
| Gennady Shvets | Assistant Professor (NT) | Associate Professor (T) |
| Section of Integrative Biology | | |
| Ulrich G. Mueller | Associate Professor (T) | Professor (T) |
| Camille Parmesan | Assistant Professor (NT) | Associate Professor (T) |
| Section of Molecular Cell and Developmental Biology | | |
| Janice Ann Fisher | Associate Professor (T) | Professor (T) |
| Section of Molecular Genetics | | |
| Vishwanath R. Iyer | Assistant Professor (NT) | Associate Professor (T) |
| Tanya T. Paull | Assistant Professor (NT) | Associate Professor (T) |
| Section of Neurobiology | | |
| Richard W. Aldrich | New | Professor and Karl Folkers Chair in Interdisciplinary Biomedical Research (T) |
| Kristen M. Harris | New | Professor (T) |
| **School of Nursing** | | |
| Nursing | | |
| Eun-Ok Im | Associate Professor (T) | Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **College of Pharmacy** | | |
| Pharmacy | | |
| Maria A. Croyle | Assistant Professor (NT) | Associate Professor (T) |
| Richard A. Morrisett | Associate Professor (T) | Professor (T) |
| **Lyndon B. Johnson School of Public Affairs** | | |
| LBJ School of Public Affairs | | |
| Francis J. Gavin | Assistant Professor (NT) | Associate Professor (T) |
| **School of Social Work** | | |
| Social Work | | |
| Lori K. Holleran | Assistant Professor (T) | Associate Professor (T) |
| Elizabeth C. Pomeroy | Associate Professor (T) | Professor (T) |
| Mary M. Velasquez | New | Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|
| a. Required for graduation | 64 | 71 | 135 | 108 |
| b. To keep proper sequence | 65 | 105 | 170 | 159 |
| c. New program | 0 | 0 | 0 | 0 |
| d. Cross listed | 19 | 25 | 44 | 79 |
| e. First time offered | 0 | 0 | 0 | 0 |
| f. Accreditation or licensing standard | 7 | 3 | 10 | 18 |
| g. Limited facilities | 2 | 1 | 3 | 0 |
| Subtotal | 157 | 205 | 362 | 364 |
| h. Voluntarily offered | 8 | 10 | 18 | 12 |
| Total | 165 | 215 | 380 | 376 |
| Semester Credit Hours generated in small classes | 2,614 | 3,295 | 5,909 | 6,089 |
| Percentage of Total Semester Credit Hours offered in small classes | 0.43% | 0.58% | 0.50% | 0.51% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 10 | 21 | 31 | 47 |
| b. | To keep proper sequence | 65 | 85 | 150 | 68 |
| c. | New program | 0 | 0 | 0 | 0 |
| d. | Cross listed | 35 | 56 | 91 | 129 |
| e. | First time offered | 1 | 0 | 1 | 0 |
| f. | Accreditation or licensing standard | 10 | 6 | 16 | 12 |
| g. | Limited facilities | 0 | 0 | 0 | 0 |
| | Subtotal | 121 | 168 | 289 | 256 |
| h. | Voluntarily offered | 0 | 0 | 0 | 0 |
| | Total | 121 | 168 | 289 | 256 |
| Semester Credit Hours generated in small classes | | 1,060 | 1,581 | 2,641 | 2,491 |
| Percentage of total Semester Credit Hours offered in small classes | | 0.17% | 0.28% | 0.22% | 0.21% |

**U. T. BROWNSVILLE**

**AMENDMENTS TO THE 2005-06 BUDGET**

**APPOINTMENTS AND PROMOTIONS**

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|---|
| COLLEGE OF LIBERAL ARTS | | | | | | |
| Behavioral Sciences | | | | | | |
| 1. | Ethel L. Cantu (T) | | | | | 1368 |
| From: | Master Technical Instructor | | 100 | 09 | 53,941 | |
| To: | Master Technical Instructor | | 100 | 09 | 53,941 | |
| | Interim Dean | 6/1-8/31 | SUPLT | 12 | 36,000 | |
| Dean | | | | | | |
| 2. | Charles F. Dameron (T) | | | | | 1369 |
| From: | Dean | | 100 | 12 | 106,090 | |
| To: | Dean and Interim Vice President for Academic Affairs | 6/1-8/31 | 100<br>SUPLT | 12<br>12 | 106,090<br>14,400 | |
| Social Sciences | | | | | | |
| 3. | Anthony K. Knopp | | | | | 1371 |
| From: | Professor (T) | | 50 | 09 | 31,377 | |
| To: | Professor Emeritus | 5/31-8/31 | | | 0 | |
| 4. | Milo E. Kearney | | | | | 1372 |
| From: | Professor (T) | | 50 | 09 | 34,092 | |
| To: | Professor Emeritus | 5/31-8/31 | | | 0 | |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## APPOINTMENTS AND PROMOTIONS (CONTINUED)

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| DEVELOPMENTAL AND GENERAL EDUCATION | | | | | |
| Dean | | | | | |
| 5. Terry Jay Phillips (T) | | | | | 1373 |
| From: Dean and | | 100 | 12 | 83,693 | |
| Interim Associate Vice President for Academic Affairs | 1/1-5/1 | SUPL | 12 | 5,000 | |
| To: Dean and | | 100 | 12 | 83,693 | |
| Interim Dean of Science, Math, and Technology | 5/1-8/31 | SUPL | 12 | 15,000 | |
| SCHOOL OF BUSINESS | | | | | |
| Accounting | | | | | |
| 6. Janna L. Arney (T) | | | | | 1370 |
| From: Associate Professor | | 100 | 09 | 81,712 | |
| To: Associate Professor and | | 100 | 09 | 81,712 | |
| Interim Associate Vice President for Academic Affairs | 6/1-8/31 | SUPLT | 12 | 36,000 | |
| Dean | | | | | |
| 7. Hugh Martin Shane (T) | 7/1-8/31 | 100 | 12 | 135,000 | 1403 |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007*.*

| College, Department, and Name | From | To |
|---|---|---|
| **School of Business** | | |
| Business Administration | | |
| Steve Lovett | Assistant Professor (NT) | Associate Professor (T) |
| **College of Science, Mathematics and Technology** | | |
| Engineering | | |
| Manuel J. Blanco | Associate Professor (T) | Professor (T) |
| Industrial Technology | | |
| Jaime Garza | Associate Master Technical Instructor (T) | Master Technical Instructor (T) |
| Biology | | |
| Daniel Provenzano | Assistant Professor (NT) | Associate Professor (NT) |
| Industrial Technology | | |
| Immanuel Edinbarough | Associate Professor (NT) | Associate Professor (T) |
| Biology | | |
| Michael Lehker | Associate Professor (NT) | Associate Professor (T) |
| Engineering | | |
| Guillermo G. Weber | Professor (NT) | Professor (T) |
| **College of Liberal Arts** | | |
| Government | | |
| Robert Angell | Assistant Professor (NT) | Associate Professor (NT) |
| Behavioral Sciences | | |
| William Davis | Associate Professor (T) | Master Technical Instructor (T) |
| English and Communication | | |
| Eduardo del Rio | Assistant Professor (NT) | Associate Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| Behavioral Sciences | | |
| Matthew Johnson | Assistant Professor (NT) | Associate Professor (T) |
| English and Communication | | |
| Elizabeth Vidaurri | Assistant Professor (T) | Associate Master Technical Instructor (T) |
| **School of Education** | | |
| Curriculum and Instruction | | |
| Renee Rubin | Assistant Professor (NT) | Associate Professor (T) |
| **School of Health Sciences** | | |
| Allied Health | | |
| Elizabeth A. Chavez | Technical Instructor (NT) | Assistant Master Technical Instructor (T) |
| Constance Hayes | Instructor (NT) | Assistant Master Technical Instructor (NT) |
| Nursing | | |
| Helen Dixon | Instructor (NT) | Assistant Master Technical Instructor (NT) |
| Nursing<br>Nora Montalvo-Liendo | Instructor (NT) | Assistant Professor (NT) |
| Nursing<br>Eloisa G. Tamez | Assistant Professor (NT) | Associate Professor (NT) |
| Nursing<br>Ariel Villanueva | Assistant Professor (NT) | Assistant Master Technical Instructor (NT) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|
| a. Required for graduation | 18 | 28 | 46 | 64 |
| b. To keep proper sequence | 19 | 27 | 46 | 31 |
| c. New program | 3 | 9 | 12 | 12 |
| d. Cross listed | 5 | 13 | 18 | 13 |
| e. First time offered | 3 | 4 | 7 | 3 |
| f. Accreditation or licensing standard | 0 | 0 | 0 | 4 |
| g. Limited facilities | 1 | 2 | 3 | 3 |
| Subtotal | 49 | 83 | 132 | 130 |
| h. Voluntarily offered | 0 | 0 | 0 | 2 |
| Total | 49 | 83 | 132 | 132 |
| Semester Credit Hours generated in small classes | 937 | 1511 | 2448 | 2060 |
| Percentage of total Semester Credit Hours offered in small classes | 3.32% | 4.98% | 4.18% | 4.04% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 7 | 8 | 15 | 8 |
| b. | To keep proper sequence | 0 | 1 | 1 | 1 |
| c. | New program | 0 | 2 | 2 | 7 |
| d. | Cross listed | 0 | 2 | 2 | 3 |
| e. | First time offered | 0 | 1 | 1 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 0 | 0 | 0 | 0 |
| | Subtotal | 7 | 14 | 21 | 19 |
| h. | Voluntarily offered | 5 | 1 | 6 | 13 |
| | Total | 12 | 15 | 27 | 32 |
| Semester Credit Hours generated In small classes | | 103 | 160 | 263 | 263 |
| Percentage of total Semester Credit Hours offered in small classes | | 2.54% | 3.79% | 3.18% | 3.19% |

## U. T. DALLAS

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Request for Budget Change (RBC) has been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| OFFICE OF THE PROVOST AND SCHOOL OF SOCIAL SCIENCES | | | | | |
| Associate Provost and Associate Professor | | | | | |
| 1. Shelia Amin Gtz de Pineres (T) | 6/1-8/31 | 100 | 12 | 142,668 | 1358 |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **School of Arts and Humanities** | | |
| Literary Studies | | |
| Theresa Towner | Associate Professor (T) | Professor (T) |
| **School of Engineering and Computer Science** | | |
| Computer Science | | |
| Ovidiu Daescu | Assistant Professor (NT) | Associate Professor (T) |
| Latifur Khan | Assistant Professor (NT) | Associate Professor (T) |
| Electrical Engineering | | |
| Mohammd Saquib | Assistant Professor (NT) | Associate Professor (T) |
| **School of Management** | | |
| Information Systems/Operations Management | | |
| Metin Cakanyildirim | Assistant Professor (NT) | Associate Professor (T) |
| Syam Menon | Assistant Professor (NT) | Associate Professor (T) |
| Marketing | | |
| Nanda Kumar | Assistant Professor (NT) | Associate Professor (T) |
| **School of Natural Sciences and Mathematics** | | |
| Biology | | |
| Juan Gonzalez | Associate Professor (T) | Professor (T) |
| Chemistry | | |
| John Sibert | Assistant Professor (NT) | Associate Professor (T) |
| Math Sciences | | |
| Michael Baron | Associate Professor (T) | Professor (T) |
| Physics | | |
| Gregory Earle | Associate Professor (T) | Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **School of Economic, Political and Policy Sciences** | | |
| Economics and Political Economy | | |
| Kurt Beron | Associate Professor (T) | Professor (T) |
| Geographic Information Systems | | |
| Jennifer Holmes | Assistant Professor (NT) | Associate Professor (T) |
| Government and Politics and Political Economy | | |
| Fang Qui | Assistant Professor (NT) | Associate Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|
| a. Required for graduation | 7 | 16 | 23 | 23 |
| b. To keep proper sequence | 16 | 20 | 36 | 11 |
| c. New program | 0 | 0 | 0 | 0 |
| d. Cross listed | 0 | 0 | 0 | 1 |
| e. First time offered | 5 | 2 | 7 | 0 |
| f. Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. Limited facilities | 0 | 0 | 0 | 0 |
| Subtotal | 28 | 38 | 66 | 35 |
| h. Voluntarily offered | 8 | 2 | 10 | 14 |
| Total | 36 | 40 | 76 | 49 |
| Semester Credit Hours generated in small classes | 681 | 652 | 1,333 | 927 |
| Percentage of total Semester Credit Hours offered in small classes | 0.59% | 0.61% | 0.60% | 0.46% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 0 | 2 | 2 | 2 |
| b. | To keep proper sequence | 1 | 3 | 4 | 8 |
| c. | New program | 0 | 0 | 0 | 0 |
| d. | Cross listed | 0 | 0 | 0 | 0 |
| e. | First time offered | 0 | 2 | 2 | 1 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 0 | 0 | 0 | 0 |
| | Subtotal | 1 | 7 | 8 | 11 |
| h. | Voluntarily offered | 5 | 6 | 11 | 7 |
| | Total | 6 | 13 | 19 | 18 |
| Semester Credit Hours generated in small classes | | 39 | 102 | 141 | 159 |
| Percentage of total Semester Credit Hours offered in small classes | | 0.12% | 0.31% | 0.21% | 0.25% |

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## U. T. EL PASO

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| COLLEGE OF ENGINEERING | | | | | |
| Mechanical and Industrial Engineering | | | | | |
| 1. Ryan B. Wicker (T) | | | | | 1375 |
| From: Professor in Mechanical and Industrial Engineering and Mr. and Mrs. MacIntosh Murchison Chair in Engineering No. 1 | | 100 | 09 | 96,589 | |
| | | SUPLT | 09 | 20,000 | |
| To: Associate Dean – College of Engineering, and | 9/1-8/31 | 50 | 12 | 146,750 | |
| Professor in Mechanical and Industrial Engineering and Mr. and Mrs. MacIntosh Murchison Chair in Engineering No. 1 | 9/1-5/31 | 50 | 09 | 96,589 | |
| | 9/1-5/31 | SUPLT | 09 | 20,000 | |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **College of Business Administration** | | |
| Accounting | | |
| Sid Glandon | Assistant Professor (NT) | Associate Professor (T) |
| Terry Ann Glandon | Assistant Professor (NT) | Associate Professor (T) |
| Economics | | |
| Tom Fullerton | Associate Professor (T) | Professor (T) |
| Information/Decision Sciences | | |
| Kallol Bagchi | Assistant Professor (NT) | Associate Professor (T) |
| Francisco Lopez | Assistant Professor (NT) | Associate Professor (T) |
| Adriano Solis | Assistant Professor (NT) | Associate Professor (T) |
| **College of Education** | | |
| Educational Psychology | | |
| Beverley Argus-Calvo | Assistant Professor (NT) | Associate Professor (T) |
| **College of Engineering** | | |
| Civil Engineering | | |
| Cesar Carrasco | Assistant Professor (NT) | Associate Professor (T) |
| Wen-Whai Li | Associate Professor (T) | Professor (T) |
| Computer Science | | |
| Steve Roach | Assistant Professor (NT) | Associate Professor (T) |
| Electrical Engineering | | |
| John Moya | Assistant Professor (NT) | Associate Professor (T) |
| Industrial Engineering | | |
| Rene Luis Contreras | Assistant Professor (NT) | Associate Professor (T) |
| **College of Health Sciences** | | |
| Health Promotion | | |
| Maria Duarte | Associate Professor (NT) | Associate Professor (T) |
| Sharon Thompson | Assistant Professor (NT) | Associate Professor (T) |

**NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)**

| College, Department, and Name | From | To |
|---|---|---|
| **College of Health Sciences (Continued)** | | |
| Physical Therapy | | |
| Mary Carlson | Assistant Professor (NT) | Associate Professor (T) |
| **College of Liberal Arts** | | |
| Art | | |
| Antonio Castro | Assistant Professor (NT) | Associate Professor (T) |
| Creative Writing | | |
| Luis Arturo Ramos | Associate Professor (T) | Professor (T) |
| Benjamin Saenz | Associate Professor (T) | Professor (T) |
| Communication | | |
| Kenneth Yang | Associate Professor (NT) | Associate Professor (T) |
| English | | |
| Helen Foster | Assistant Professor (NT) | Associate Professor (T) |
| History | | |
| Yolanda Leyva | Assistant Professor (NT) | Associate Professor (T) |
| Languages and Linguistics | | |
| Bruce Louden | Associate Professor (T) | Professor (T) |
| Music | | |
| Steve Wilson | Assistant Professor (NT) | Associate Professor (T) |
| Philosophy | | |
| Jules Simon | Assistant Professor (NT) | Associate Professor (T) |
| Sociology | | |
| Theodore Curry | Assistant Professor (NT) | Associate Professor (T) |
| **College of Science** | | |
| Biological Sciences | | |
| Kristine Garza | Assistant Professor (NT) | Associate Professor (T) |
| Mathematics | | |
| Osvaldo Mendez | Assistant Professor (NT) | Associate Professor (T) |
| Leticia Velazquez | Assistant Professor (NT) | Associate Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|
| a. Required for graduation | 9 | 6 | 15 | 15 |
| b. To keep proper sequence | 8 | 14 | 22 | 13 |
| c. New program | 1 | 1 | 2 | 2 |
| d. Cross listed | 24 | 32 | 56 | 8 |
| e. First time offered | 3 | 2 | 5 | 5 |
| f. Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. Limited facilities | 0 | 0 | 0 | 6 |
| Subtotal | 45 | 55 | 100 | 49 |
| h. Voluntarily offered | 4 | 4 | 8 | 17 |
| Total | 49 | 59 | 108 | 66 |
| Semester Credit Hours generated in small classes | 755 | 757 | 1512 | 990 |
| Percentage of total Semester Credit Hours offered in small classes | 0.41% | 0.44% | 0.42% | 0.28% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|
| a. Required for graduation | 7 | 0 | 7 | 2 |
| b. To keep proper sequence | 1 | 2 | 3 | 1 |
| c. New program | 0 | 3 | 3 | 10 |
| d. Cross listed | 6 | 10 | 16 | 9 |
| e. First time offered | 2 | 0 | 2 | 6 |
| f. Accreditation or licensing standard | 0 | 1 | 1 | 1 |
| g. Limited facilities | 0 | 0 | 0 | 0 |
| Subtotal | 16 | 16 | 32 | 29 |
| h. Voluntarily offered | 1 | 3 | 4 | 7 |
| Total | 17 | 19 | 36 | 36 |
| Semester Credit Hours generated in small classes | 112 | 132 | 244 | 264 |
| Percentage of total Semester Credit Hours offered in small classes | 0.62% | 0.71% | 0.67% | 0.75% |

## U. T. PAN AMERICAN

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007*.*

| College, Department, and Name | From | To |
|---|---|---|
| **College of Business Administration** | | |
| CIS and Quantitative Methods | | |
| Joe Roge, Jr. | Associate Professor (NT) | Associate Professor (T) |
| Economics and Finance | | |
| Marie T. Mora | Associate Professor (T) | Professor (T) |
| Mark William Simpson | Assistant Professor (NT) | Associate Professor (T) |
| Management, Marketing and International Business | | |
| Opal Jane LeMaster | Associate Professor (T) | Professor (T) |
| **College of Science and Engineering** | | |
| Electrical Engineering | | |
| Sanjeev Kumar | Assistant Professor (NT) | Associate Professor (T) |
| Jae Sok Son | Assistant Professor (NT) | Associate Professor (T) |
| Chemistry | | |
| Narayan Bhat | Associate Professor (T) | Professor (T) |
| Bimal Krishan Banik | Assistant Professor (NT) | Associate Professor (T) |
| Thomas Whelan | Assistant Professor (NT) | Associate Professor (T) |
| Biology | | |
| Kenneth Rodney Summy | Assistant Professor (NT) | Associate Professor (T) |
| **College of Education** | | |
| Curriculum and Instruction | | |
| James Bardwell Curts | Assistant Professor (NT) | Associate Professor (T) |
| Michael David Guerrero | Assistant Professor (NT) | Associate Professor (T) |
| Educational Psychology | | |
| Cheryl Ann Fielding | Assistant Professor (NT) | Associate Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **College of Arts and Humanities** | | |
| Music | | |
| Dahlia Guerra | Associate Professor (T) | Professor (T) |
| Lorne W. O'Neil | Associate Professor (T) | Professor (T) |
| Communication | | |
| Thomas Grabowski | Assistant Professor (NT) | Associate Professor (T) |
| English | | |
| Linda Marie Belau | Assistant Professor (NT) | Associate Professor (T) |
| Yong Lang | Assistant Professor (NT) | Associate Professor (T) |
| Rene Saldana, Jr. | Assistant Professor (NT) | Associate Professor (T) |
| **College of Social and Behavioral Sciences** | | |
| Criminal Justice | | |
| Joseph Appiahene-Gyamfi | Assistant Professor (NT) | Associate Professor (T) |
| Political Science | | |
| James Paul Wetzel | Assistant Professor (NT) | Associate Professor (T) |
| Psychology and Anthropology | | |
| Russell Eisenman | Assistant Professor (NT) | Associate Professor (T) |
| **College of Health Sciences and Human Services** | | |
| Occupational Therapy | | |
| Judith E. Bowen | Associate Professor (NT) | Associate Professor (T) |
| Social Work | | |
| Lydia Gonzalez Arizmendi | Assistant Professor (NT) | Associate Professor (T) |
| Dietetics | | |
| Bahram Faraji | Associate Professor (T) | Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 17 | 19 | 36 | 41 |
| b. | To keep proper sequence | 8 | 16 | 24 | 16 |
| c. | New program | 7 | 4 | 11 | 22 |
| d. | Cross listed | 45 | 57 | 102 | 72 |
| e. | First time offered | 2 | 3 | 5 | 0 |
| f. | Accreditation or licensing standard | 0 | 2 | 2 | 60 |
| g. | Limited facilities | 0 | 3 | 3 | 13 |
| | Subtotal | 79 | 104 | 183 | 224 |
| h. | Voluntarily offered | 27 | 44 | 71 | 87 |
| | Total | 106 | 148 | 254 | 311 |
| Semester Credit Hours generated in small classes | | 1366 | 1878 | 3244 | 4518 |
| Percentage of total Semester Credit Hours offered in small classes | | 0.78% | 1.15% | 0.96% | 1.34% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 2 | 9 | 11 | 21 |
| b. | To keep proper sequence | 0 | 3 | 3 | 5 |
| c. | New program | 4 | 1 | 5 | 2 |
| d. | Cross listed | 8 | 17 | 25 | 23 |
| e. | First time offered | 1 | 0 | 1 | 1 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 0 | 0 | 0 | 0 |
| | Subtotal | 15 | 30 | 45 | 52 |
| h. | Voluntarily offered | 4 | 4 | 8 | 41 |
| | Total | 19 | 34 | 53 | 93 |
| Semester Credit Hours generated in small classes | | 205 | 229 | 434 | 564 |
| Percentage of total Semester Credit Hours offered in small classes | | 1.53% | 1.70% | 1.62% | 2.20% |

## U. T. PERMIAN BASIN

## OTHER FISCAL ITEMS

## EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas of the Permian Basin is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas of the Permian Basin. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Men's Baseball Coach

   From: $28,500

   To: $29,355

   Salary Percent Change: 3.0

   Description: Renewal agreement for employment of Head Men's Baseball Coach, Brian E. Reinke, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

2. Item: Head Men's & Women's Swimming Coach

   From: $5,938

   To: $6,116

   Salary Percent Change: 3.0

   Description: Renewal agreement for employment of Head Men's and Women's Swimming Coach, Robin T. Rankin, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

3. Item: Head Men's and Women's Soccer Coach

   From: $28,840

   To: $30,106

   Salary Percent Change: 4.4

   Description: Renewal agreement for employment of Head Men's and Women's Soccer Coach, Dennis R. Peterson, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

4. Item: Head Men's Basketball Coach

   From: $13,985

   To: $14,795

   Salary Percent Change: 5.8

   Description: Renewal agreement for employment of Head Men's Basketball Coach, James R. Lee, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

5. Item: Head Women's Basketball Coach

   From: $13,890

   To: $14,307

   Salary Percent Change: 3.0

   Description: Renewal agreement for employment of Head Women's Basketball Coach, John F. Hufford, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

6. Item: Head Men's and Women's Cross Country Track Coach

   From: $4,708

   To: $8,848

   Salary Percent Change: 87.9

   Description: Renewal agreement for employment of Head Men's and Women's Cross Country Track Coach, Pamela R. Gray, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

7. Item: Head Women's Softball Coach

   From: $13,483

   Funds: $13,887

   Salary Percent Change: 3.0

   Description: Renewal agreement for employment of Head Women's Softball Coach, Daniel R. Dunaway, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

8. Item: Athletic Director and Head Women's Volleyball Coach

   From: $48,911

   To: $50,378

   Salary Percent Change: 3.0

   Description: Renewal agreement for employment of Athletic Director and Head Women's Volleyball Coach, Steven J. Aicinena, or the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

9. Item: Assistant Athletic Director

   From: $12,354

   To: $12,725

   Salary Percent Change: 3.0

   Description: Renewal agreement for employment of Assistant Athletic Director, Rob Rankin, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel

   Incentive Change: None

   Period: September 1, 2006 through August 31, 2007

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each component institution and are consistent with the Regents' *Rules and Regulations*, Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **Behavioral Science** | | |
| Craig Emmert | Associate Professor (NT) | Associate Professor (T) |
| **Humanities and Fine Arts** | | |
| History | | |
| Jaime Aguila | Assistant Professor (NT) | Associate Professor (T) |
| **Science and Math** | | |
| History | | |
| Paul Feit | Associate Professor (T) | Professor (T) |
| **Education** | | |
| Carl Hoffmeyer | Assistant Professor (NT) | Associate Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 8 | 15 | 23 | 10 |
| b. | To keep proper sequence | 19 | 36 | 55 | 79 |
| c. | New program | 11 | 12 | 23 | 18 |
| d. | Cross listed | 2 | 0 | 2 | 0 |
| e. | First time offered | 0 | 2 | 2 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 2 | 0 | 2 | 2 |
| | Subtotal | 42 | 65 | 107 | 109 |
| h. | Voluntarily offered | 2 | 0 | 2 | 7 |
| | Total | 44 | 65 | 109 | 116 |
| Semester Credit Hours generated in small classes | | 751 | 1,078 | 1,829 | 1,884 |
| Percentage of total Semester Credit Hours offered in small classes | | 2.32% | 3.51% | 2.90% | 3.13% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 0 | 1 | 1 | 2 |
| b. | To keep proper sequence | 6 | 2 | 8 | 5 |
| c. | New program | 0 | 2 | 2 | 0 |
| d. | Cross listed | 0 | 0 | 0 | 0 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 0 | 0 | 0 | 0 |
| | Subtotal | 6 | 5 | 11 | 7 |
| h. | Voluntarily offered | 0 | 0 | 0 | 1 |
| | Total | 6 | 5 | 11 | 8 |
| Semester Credit Hours generated in small classes | | 51 | 63 | 114 | 75 |
| Percentage of total Semester Credit Hours offered in small classes | | 1.50% | 1.87% | 1.69% | 1.30% |

## U. T. SAN ANTONIO

## CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Interim Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

## GENERAL CONTRACTS

### FUNDS COMING IN

| | | |
|---|---|---|
| 1. | Agency: | Follett Higher Education Group, Inc. |
| | Funds: | Minimum yearly royalty: $850,000<br>plus $1,015,000 one time investment to fund the renovation of the existing bookstore. |
| | Period: | July 1, 2006 - June 30, 2010<br>and up to two additional renewal periods, with each renewal period being a five year term |
| | Description: | Follett Higher Education Group, Inc. agrees to provide services for the management and operation of the two U. T. San Antonio bookstores. Follett Higher Education Group, Inc. was selected following a competitive bid process. |

## OTHER FISCAL ITEMS

## EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Interim Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at San Antonio is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at San Antonio. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Men's Basketball Coach

   Funds: $110,000 annually

   Period: May 1, 2006 through April 30, 2011

   Description: Initial agreement for employment of Head Men's Basketball Coach, James Brooks Thompson, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Women's Softball Coach

   Funds: $50,000 annually

   Period: July 1, 2006 through June 30, 2009

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

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

3. Item: Head Men's Tennis Coach

   From: $39,566 annually

   To: $39,566 annually

   Salary Percent Change: None

   Description: Renewal agreement for employment of Head Men's Tennis Coach, Oliver Trittenwein, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: June 1, 2006 through May 31, 2007

4. Item: Head Women's Basketball Coach

   From: $94,053 annually

   To: $95,959 annually

   Salary Percent Change: 2.00

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

   Incentive Change: None

   Period: April 1, 2006 through March 31, 2009

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

5. Item: Head Women's Tennis Coach

   From: $40,327 annually

   To: $40,327 annually

   Salary Percent Change: None

   Description: Renewal agreement for employment of Head Women's Tennis Coach, Brenda Niemeyer, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: June 1, 2006 through May 31, 2007

6. Item: Head Women's Track and Field Coach

   From: $37,894 annually

   To: $37,894 annually

   Salary Percent Change: None

   Description: Renewal agreement for employment of Head Women's Track and Field Coach, James Blackwood, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: July 1, 2006 through June 30, 2007

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

7. Item: Head Men's and Women's Cross Country Coach

   From: $30,945 annually

   To: $30,945 annually

   Salary Percent Change: None

   Description: Renewal agreement for employment of Head Men's and Women's Cross Country Coach, Rose Monday, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: July 1, 2006 through June 30, 2007

8. Item: Head Men's Track and Field Coach

   From: $38,169 annually

   To: $38,169 annually

   Salary Percent Change: None

   Description: Renewal agreement for employment of Head Men's Track and Field Coach, Aaron Fox, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: July 1, 2006 through June 30, 2009

## OTHER FISCAL ITEMS (CONTINUED)

## EMPLOYMENT AGREEMENTS (CONTINUED)

9. Item: Head Men's Golf Coach

   From: $48,119 annually

   To: $48,119 annually

   Salary Percent Change: None

   Description: Renewal agreement for employment of Head Men's Golf Coach, Chris Donielson, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

   Incentive Change: None

   Period: July 1, 2006 through June 30, 2007

## FEES AND MISCELLANEOUS CHARGES

## ATHLETIC FEES

Approval is recommended for the following athletic fee to be effective beginning with the Spring Semester 2007. The statutory requirements for involvement of a student services fees committee have been met. The fee has been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The proposed rates are consistent with applicable statutory requirements under *Texas Education Code* Section 54.5322.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

| | Current Rates $ | Proposed Rates $ | Percent Increase |
|---|---|---|---|
| For each regular semester | | | |
| Per Semester Credit Hour | 9.40 | 10 | 6.38 |
| Maximum | 112.80 | 120 | 6.38 |
| For summer session | | | |
| Per Semester Credit Hour | 9.40 | 10 | 6.38 |
| Maximum for 10 week session | 112.80 | 120 | 6.38 |
| Maximum for 5 week session | 56.40 | 60 | 6.38 |

## FEES AND MISCELLANEOUS CHARGES (CONTINUED)

## RECREATION CENTER FEES

Approval is recommended for the following recreation center fee to be effective beginning with the Spring Semester 2007. The fee increase has been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The proposed rates are consistent with applicable statutory requirements under *Texas Education Code* Section 54.543.

Following Regental approval, the appropriate institutional catalog will be amended to reflect these fees.

| | Current Rates $ | Proposed Rates $ | Percent Increase |
|---|---|---|---|
| For each regular or summer semester | | | |
| Per Semester | 65 | 66 | 1.54 |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **College of Architecture** | | |
| Stephen Temple | Assistant Professor (NT) | Associate Professor (T) |
| **College of Business** | | |
| Finance | | |
| Thomas Thomson | Associate Professor (T) | Professor (T) |
| Information Systems | | |
| Kevin Grant | Assistant Professor (NT) | Associate Professor (T) |
| Management | | |
| Katsuhiko Shimizu | Assistant Professor (NT) | Associate Professor (T) |
| Management Sciences and Statistics | | |
| Rolando Quintana | Associate Professor (T) | Professor (T) |
| **College of Education and Human Development** | | |
| Counseling, Education, and Higher Education | | |
| Patricia McGee | Assistant Professor (NT) | Associate Professor (T) |
| Educational Leadership and Policy Studies | | |
| Felecia Briscoe | Assistant Professor (NT) | Associate Professor (T) |
| Page Smith | Assistant Professor (NT) | Associate Professor (T) |
| Interdisciplinary Learning and Teaching | | |
| Janis Harmon | Associate Professor (T) | Professor (T) |
| Roxanne Henkin | Associate Professor (T) | Professor (T) |
| Elizabeth Pate | Associate Professor (T) | Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **College of Engineering** | | |
| Computer and Electrical Engineering | | |
| Manuel Diaz | Assistant Professor (NT) | Associate Professor (T) |
| Mechanical Engineering and Biomechanics | | |
| J. Keith Clutter | Assistant Professor (NT) | Associate Professor (T) |
| Harry Millwater | Assistant Professor (NT) | Associate Professor (T) |
| **College of Liberal Arts** | | |
| Music | | |
| David Bruenger | Assistant Professor (NT) | Associate Professor (T) |
| William McCrary | Assistant Professor (NT) | Associate Professor (T) |
| History | | |
| Kristen Gardner | Assistant Professor (NT) | Associate Professor (T) |
| Psychology | | |
| Peter Pfordresher | Assistant Professor (NT) | Associate Professor (T) |
| **College of Public Policy** | | |
| Criminal Justice | | |
| John McCluskey | Assistant Professor (NT) | Associate Professor (T) |
| **College of Science** | | |
| Chemistry | | |
| Waldemar Gorski | Associate Professor (T) | Professor (T) |
| George Negrete | Associate Professor (T) | Professor (T) |
| Earth and Environmental Science | | |
| Lance Lambert | Assistant Professor (NT) | Associate Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 14 | 7 | 21 | 14 |
| b. | To keep proper sequence | 10 | 16 | 26 | 28 |
| c. | New program | 4 | 4 | 8 | 13 |
| d. | Cross listed | 16 | 7 | 23 | 54 |
| e. | First time offered | 0 | 2 | 2 | 2 |
| f. | Accreditation or licensing standard | 2 | 5 | 7 | 0 |
| g. | Limited facilities | 5 | 9 | 14 | 10 |
| | Subtotal | 51 | 50 | 101 | 121 |
| h. | Voluntarily offered | 6 | 5 | 11 | 10 |
| | Total | 57 | 55 | 112 | 131 |
| Semester Credit Hours generated in small classes | | 1032 | 910 | 1942 | 2320 |
| Percentage of total Semester Credit Hours offered in small classes | | 0.37% | 0.35% | 0.36% | 0.46% |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 7 | 9 | 16 | 21 |
| b. | To keep proper sequence | 8 | 3 | 11 | 10 |
| c. | New program | 5 | 4 | 9 | 3 |
| d. | Cross listed | 2 | 2 | 4 | 21 |
| e. | First time offered | 4 | 5 | 9 | 5 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 2 | 1 | 3 | 0 |
| | Subtotal | 28 | 24 | 52 | 60 |
| h. | Voluntarily offered | 6 | 2 | 8 | 11 |
| | Total | 34 | 26 | 60 | 71 |
| Semester Credit Hours generated in small classes | | 196 | 183 | 379 | 504 |
| Percentage of total Semester Credit Hours offered in small classes | | 0.90% | 0.85% | 0.87% | 1.01% |

## U. T. TYLER

## FEES AND MISCELLANEOUS CHARGES

## ATHLETIC FEES

Approval is recommended for the following athletic fee to be effective beginning with the Fall Semester 2007. The statutory requirements for involvement of a student services fees committee have been met. The fee has been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The proposed rate is consistent with applicable statutory requirements under *Texas Education Code* Section 54.5342.

Following Regental approval, the appropriate institutional catalog will be amended to reflect this new fee.

| | Current Rates $ | Proposed Rates $ | Percent Increase |
|---|---|---|---|
| Fall 2007 | | | |
| For each regular or summer semester | | | |
| Per Semester Credit Hour | 7 | 10 | 42.86 |
| Maximum | | 150 | |
| Fall 2008 | | | |
| For each regular or summer semester | | | |
| Per Semester Credit Hour | 10 | 12 | 20.00 |
| Maximum | 150 | 172 | 14.67 |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Interim Executive Vice Chancellor for Academic Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Section 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **College of Education** | | |
| Psychology | | |
| Ronald Livingston | Associate Professor (T) | Professor (T) |
| Technology | | |
| Rita Dobbs | Assistant Professor (NT) | Associate Professor (T) |
| **College of Arts and Sciences** | | |
| Literature and Languages | | |
| Karen Sloan | Assistant Professor (NT) | Associate Professor (T) |
| David Strong | Assistant Professor (NT) | Associate Professor (T) |
| Social Sciences | | |
| Robert Sterken | Assistant Professor (NT) | Associate Professor (T) |
| Communication | | |
| Michael Eidenmuller | Assistant Professor (NT) | Associate Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.301 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Academic Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 27 | 41 | 68 | 33 |
| b. | To keep proper sequence | 7 | 0 | 7 | 52 |
| c. | New program | 0 | 6 | 6 | 0 |
| d. | Cross listed | 2 | 0 | 2 | 3 |
| e. | First time offered | 0 | 0 | 0 | 6 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 5 |
| g. | Limited facilities | 2 | 6 | 8 | 1 |
| | Subtotal | 38 | 53 | 91 | 100 |
| h. | Voluntarily offered | 1 | 0 | 1 | 13 |
| | Total | 39 | 53 | 92 | 113 |
| Semester Credit Hours generated in small classes | | 550 | 786 | 1336 | 1890 |
| Percentage of total Semester Credit Hours offered in small classes | | 1.41% | 1.47% | 1.95% | 1.68% |

*Prepared by:*
*U. T. Tyler*



*August 10, 2006*

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 14 | 9 | 23 | 14 |
| b. | To keep proper sequence | 6 | 0 | 6 | 19 |
| c. | New program | 0 | 1 | 1 | 0 |
| d. | Cross listed | 0 | 0 | 0 | 10 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 1 | 1 | 1 |
| g. | Limited facilities | 0 | 0 | 0 | 1 |
| | Subtotal | 20 | 11 | 31 | 45 |
| h. | Voluntarily offered | 0 | 0 | 0 | 8 |
| | Total | 20 | 11 | 31 | 53 |
| Semester Credit Hours generated in small classes | | 170 | 99 | 269 | 1080 |
| Percentage of total Semester Credit Hours offered in small classes | | 3.29% | 1.99% | 2.66% | 9.61% |

## U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

## CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

## GENERAL CONTRACTS

### FUNDS GOING OUT

| | | |
|---|---|---|
| 1. | Agency: | Baylor Health Enterprises, L.P., DBA Medco Construction |
| | Funds: | Approximately $2,193,967 annually, based upon services provided |
| | Period: | February 1, 2006 through August 31, 2006 with the option to renew for four additional one year terms |
| | Description: | Medco Construction will provide construction labor for Physical Plant construction projects. |

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SOUTHWESTERN MEDICAL CENTER | | | | | |
| Office of Executive Vice President for Academic Affairs and Provost | | | | | |
| Office of the Dean | | | | | |
| 1. Alfred G. Gilman | | | | | 1294 |
| From: Dean, Regental Professor of Pharmacology, Director of Cecil H. and Ida Green Comprehensive Center for Molecular, Computational, and Systems Biology, Nadine and Tom Craddick Distinguished Chair in Medical Science, Raymond Willie and Ellen Willie Distinguished Chair in Molecular Neuropharmacology, in Honor of Harold B. Crasilneck, Ph.D., and Atticus James Gill, M.D. Chair in Medical Science | | 100 | 12 | 460,000 | |
| To: Executive Vice President for Academic Affairs and Provost, Dean, Regental Professor | | | | | |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## APPOINTMENTS AND PROMOTIONS (CONTINUED)

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| of Pharmacology, Director of Cecil H. and Ida Green Comprehensive Center for Molecular, Computational, and Systems Biology, Nadine and Tom Craddick Distinguished Chair in Medical Science, Raymond Willie and Ellen Willie Distinguished Chair in Molecular Neuropharmacology, in Honor of Harold B. Crasilneck, Ph.D., and Atticus James Gill, M.D. Chair in Medical Science | 4/1-8/31 | 100 | 12 | 460,000 | |
| Biophysics and Molecular Genetics | | | | | |
| 2. Robert B. Rawson | | | | | 1378 |
| From: Professor | | 100 | 12 | 80,000 | |
| To: Professor and Assistant Dean | 5/4-8/31 | 100 | 12 | 80,000 | |
| Department of Clinical Sciences | | | | | |
| 3. Milton Packer (T) | | | | | 1258 |
| From: Professor and Gayle and Paul Stoffel Distinguished Chair in Cardiology | | 100 | 12 | 309,000 | |
| To: Professor and Chairman and Gayle and Paul Stoffel Distinguished Chair in Cardiology | 1/1-8/31 | 100 | 12 | 309,000 | |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## APPOINTMENTS AND PROMOTIONS (CONTINUED)

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Internal Medicine | | | | | |
| Professor | | | | | |
| 4. Joel K. Elmquist (T) | 1/1-8/31 | 100 | 12 | 165,000 | 1379 |
| Internal Medicine | | | | | |
| Professor | | | | | |
| 5. Joan Schiller (T) | 5/1-8/31 | 100 | 12 | 270,000 | 1380 |
| Pediatrics | | | | | |
| Professor | | | | | |
| 6. Rashmin C. Savani (T) | 3/1-8/31 | 100 | 12 | 230,000 | 1381 |
| Pharmacology | | | | | |
| 7. David J. Mangelsdorf (T) | | | | | 1261 |
| From: Professor and the Doris and Bryan Wildenthal Distinguished Chair | | 100 | 12 | 170,000 | |
| To: Professor, Chairman and the Doris and Bryan Wildenthal Distinguished Chair | 3/1-8/31 | 100 | 12 | 170,000 | |
| Physiology | | | | | |
| 8. Helen L. Yin (T) | | | | | 1260 |
| From: Professor | | 100 | 12 | 168,200 | |
| To: Professor and Peter and Jean D. Dehlinger Professorship in Biomedical Science | 3/1-8/31 | 100 | 12 | 168,200 | |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## APPOINTMENTS AND PROMOTIONS (CONTINUED)

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Psychiatry | | | | | |
| Professor | | | | | |
| 9. Carol S. North (T) | 10/1-8/31 | 31 | 12 | 65,000 | 1382 |
| Surgery | | | | | |
| Professor | | | | | |
| 10. Robert P. Foglia (T) | 04/1-8/31 | 100 | 12 | 550,000 | 1383 |
| 11. John R. Zuniga (T) | 01/1-8/31 | 100 | 12 | 295,000 | 1384 |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **SOUTHWESTERN MEDICAL SCHOOL** | | |
| Cell Biology | | |
| John M. Abrams | Associate Professor (T) | Professor (T) |
| Center for Basic Neuroscience | | |
| Jane E. Johnson | Associate Professor (T) | Professor (T) |
| Internal Medicine | | |
| Rebecca S. Gruchalla | Associate Professor (NT) | Professor (T) |
| Chou-Long Huang | Associate Professor (T) | Professor (T) |
| Lynne M. Kirk | Professor (NT) | Professor (T) |
| Chandra Mohan | Associate Professor (T) | Professor (T) |
| Molecular Biology | | |
| Dennis M. McKearin | Associate Professor (T) | Professor (T) |
| Ophthalmology | | |
| R. Wayne Bowman | Professor (NT) | Professor (T) |
| Otolaryngology | | |
| Bradley F. Marple | Associate Professor (NT) | Professor (T) |
| Pathology | | |
| Nitin J. Karandikar | Assistant Professor (NT) | Associate Professor (T) |
| Makoto Kuro-o | Assistant Professor (NT) | Associate Professor (T) |
| Pharmacology | | |
| Rama Ranganathan | Associate Professor (T) | Professor (T) |
| Psychiatry | | |
| Bryon Adinoff | Professor (NT) | Professor (T) |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Health Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 21 | 15 | 36 | 44 |
| b. | To keep proper sequence | 0 | 0 | 0 | 0 |
| c. | New program | 0 | 0 | 0 | 0 |
| d. | Cross listed | 0 | 0 | 0 | 0 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 3 | 0 | 3 | 16 |
| | Subtotal | 24 | 15 | 39 | 60 |
| h. | Voluntarily offered | 1 | 4 | 5 | 7 |
| | Total | 25 | 19 | 44 | 67 |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 14 | 12 | 26 | 18 |
| b. | To keep proper sequence | 1 | 0 | 1 | 7 |
| c. | New program | 0 | 0 | 0 | 0 |
| d. | Cross listed | 0 | 0 | 0 | 2 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 13 | 16 | 29 | 0 |
| | Subtotal | 28 | 28 | 56 | 27 |
| h. | Voluntarily offered | 0 | 0 | 0 | 0 |
| | Total | 28 | 28 | 56 | 27 |

## U. T. MEDICAL BRANCH - GALVESTON

## GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

| | | |
|---|---|---|
| 1. | Donor Name: | The Sealy & Smith Foundation |
| | College/School/ Department: | School of Medicine |
| | Purpose: | Gift for the acquisition of a Radiosurgical and Radiotherapy Non-invasive Surgical System (Brain Lab) |
| | Asset Type: | Cash |
| | Value: | $2,950,000 |

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SCHOOL OF MEDICINE | | | | | |
| Internal Medicine; Preventive Medicine and Community Health Professor; Robert E. Shope, M.D. Professorship in Infectious Disease Epidemiology, Professor | | | | | |
| 1. Miriam J. Alter (T) | 6/1-8/31 | 100 | 12 | 170,000 | 1374 |
| Microbiology and Immunology; Pathology | | | | | |
| 2. Judith F. Aronson (T) | | | | | 1401 |
| From: Associate Professor | | 100 | 12 | 220,037 | |
| To: L. Clarke Stout, Jr. Professorship in Anatomic Pathology, Associate Professor | 6/1-8/31 | 100 | 12 | 220,037 | |
| Neuroscience and Cell Biology Associate Professor | | | | | |
| 3. Krishna M. Bhat (T) | 7/1-8/31 | 100 | 12 | 103,000 | 1349 |
| Ophthalmology and Visual Sciences; Neuroscience and Cell Biology Professor | | | | | |
| 4. Michael E. Boulton (T) | 4/13-8/31 | 100 | 12 | 170,000 | 1350 |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## APPOINTMENTS AND PROMOTIONS (CONTINUED)

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SCHOOL OF MEDICINE (Continued) | | | | | |
| Psychiatry and Behavioral Sciences | | | | | |
| 5. Robert M. A. Hirschfeld (T) | | | | | 1400 |
| From: The Titus Harris, M.D. Endowed Chair in Psychiatry, Professor | | 100 | 12 | 368,345 | |
| To: The Titus Harris, M.D. Endowed Chair in Psychiatry, Professor; Harry K. Davis, M.D. Professorship for Excellence in Psychiatric Medicine, Professor | 6/1-8/31 | 100 | 12 | 368,345 | |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **School of Allied Health** | | |
| Occupational Therapy | | |
| Loree Primeau | Associate Professor (NT) | Associate Professor (T) |
| Physical Therapy | | |
| Blake Rasmussen | Associate Professor (NT) | Associate Professor (T) |
| **School of Medicine** | | |
| Anesthesiology | | |
| Rinat Esenaliev | Associate Professor (T) | Professor (T) |
| Edward Sherwood | Associate Professor (T) | Professor (T) |
| Biochemistry and Molecular Biology | | |
| Vincent Hilser | Associate Professor (T) | Professor (T) |
| Krishna Rajarathnam | Associate Professor (NT) | Associate Professor (T) |
| Dermatology | | |
| S. David Hudnall | Professor (NT) | Professor (T) |
| Family Medicine | | |
| Victor Sierpina | Associate Professor (T) | Professor (T) |
| Internal Medicine | | |
| Gottumukkala Raju | Associate Professor (NT) | Professor (T) |
| Shu-Yuan Xiao | Associate Professor (T) | Professor (T) |
| Microbiology and Immunology | | |
| Istvan Boldogh | Associate Professor (T) | Professor (T) |
| Nisha Garg | Associate Professor (NT) | Associate Professor (T) |
| Krishna Rajarathnam | Associate Professor (NT) | Associate Professor (T) |
| Edward Sherwood | Associate Professor (T) | Professor (T) |
| Lynn Soong | Associate Professor (T) | Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **School of Medicine (Continued)** | | |
| Neuroscience and Cell Biology | | |
| Thomas Collins | Associate Professor (T) | Professor (T) |
| Rinat Esenaliev | Associate Professor (T) | Professor (T) |
| Lisa Gould | Assistant Professor (NT) | Associate Professor (T) |
| Orthopaedic Surgery and Rehabilitation | | |
| Kelly Carmichael | Assistant Professor (NT) | Associate Professor (T) |
| Pathology | | |
| Nisha Garg | Associate Professor (NT) | Associate Professor (T) |
| Stephen Higgs | Associate Professor (T) | Professor (T) |
| S. David Hudnall | Professor (NT) | Professor (T) |
| M. Firoze Khan | Associate Professor (T) | Professor (T) |
| Roberto Logrono | Associate Professor (NT) | Professor (T) |
| Lynn Soong | Associate Professor (T) | Professor (T) |
| Shu-Yuan Xiao | Associate Professor (T) | Professor (T) |
| Radiology | | |
| Gregory Chaljub | Associate Professor (T) | Professor (T) |
| Surgery | | |
| Dennis Gore | Associate Professor (T) | Professor (T) |
| Lisa Gould | Assistant Professor (NT) | Associate Professor (T) |

## OTHER MATTERS

## APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Lemon with The University of Texas Medical Branch at Galveston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

1.

| | |
|---|---|
| Name: | Stanley M. Lemon, M.D. |
| Title: | Director, Institute for Human Infections and Immunity |
| Position: | Appointment as Chair of the Board of Scientific Counselors, National Center for Infectious Diseases of the Centers for Disease Control and Prevention |
| Period: | January 22, 2004 through September 30, 2007 |
| Compensation: | None |
| Description: | The Board of Scientific Counselors, National Center for Infectious Diseases of the Centers for Disease Control and Prevention provides advice and guidance to federal departments and agencies on program goals and objectives; strategies, program organization and resources for infectious disease prevention and control. |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Sections 51.403 of the *Texas Education Code* and Section 5.26 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Health Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 8 | 9 | 17 | 42 |
| b. | To keep proper sequence | 7 | 4 | 11 | 10 |
| c. | New program | 0 | 0 | 0 | 11 |
| d. | Cross listed | 1 | 1 | 2 | 6 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 0 | 0 | 0 | 0 |
| | Subtotal | 16 | 14 | 30 | 69 |
| h. | Voluntarily offered | 1 | 1 | 2 | 0 |
| | *Internet based-courses | 14 | 16 | 30 | 0 |
| | Total | 31 | 31 | 62 | 69 |

*These courses are offered simultaneously as on-campus and internet courses. More than ten students comprise the total enrollment in each class. This separation is necessary to assess fees for distance students. These courses do not require additional faculty effort for the various sections.

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 22 | 28 | 50 | 53 |
| b. | To keep proper sequence | 8 | 11 | 19 | 6 |
| c. | New program | 0 | 0 | 0 | 0 |
| d. | Cross listed | 1 | 0 | 1 | 11 |
| e. | First time offered | 3 | 3 | 6 | 3 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 2 |
| g. | Limited facilities | 1 | 0 | 1 | 31 |
| | Subtotal | 35 | 42 | 77 | 106 |
| h. | Voluntarily offered | 2 | 9 | 11 | 24 |
| | Total | 37 | 51 | 88 | 130 |

## U. T. HEALTH SCIENCE CENTER - HOUSTON

## GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

| | | |
|---|---|---|
| 1. | Donor Name: | The Brown Foundation |
| | College/School/ Department: | Institution |
| | Purpose: | Support the New Frontiers Campaign for capital use in the construction of the Institute of Molecular Medicine for the Prevention of Human Diseases |
| | Asset Type: | 18,500 shares, JP Morgan Chase & Co., common stock; 35,700 shares, Coca Cola Co., common stock; 20,000 shares, Altria Groups Inc., common stock; and 2,300 shares, Pfizer Inc., common stock |
| | Value: | $3,852,436 |

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| MEDICAL SCHOOL | | | | | |
| Integrative Biology and Pharmacology | | | | | |
| 1. Ferid Murad (T) | | | | | 1346 |
| From: Regental Professor, Chair and John S. Dunn Distinguished Chair in Integrative Biology and | | 100 | 12 | 290,150 | |
| Pharmacology | | SUPLT | 12 | 180,120 | |
| To: Regental Professor, Institute of Molecular Medicine | 9/1-8/31 | 100 | 12 | 298,855 | |
| Scientific Director | 9/1-8/31 | SUPLT | 12 | 340,120 | |
| Neurosurgery | | | | | |
| 2. Guy L. Clifton | | | | | 1316 |
| From: Professor Nancy, Cline and Pierce Runnells Chair/ Chair Neurosurgery (T) | SUPLT | 100 12 | 12 | 101,700 548,300 | |
| To: Clinical Professor (NT) | 3/16-8/31 | 43 | 12 | 43,000 | |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## APPOINTMENTS AND PROMOTIONS (CONTINUED)

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SCHOOL OF NURSING | | | | | |
| Acute and Continuing Care Department | | | | | |
| 3. Joanne V. Hickey (T) | | | | | 1288 |
| From: Professor | | 100 | 12 | 106,815 | |
| | | SUPLT | 12 | 5,000 | |
| To: Professor and Interim Department Chair | 3/1-8/31 | 100 | 12 | 106,815 | |
| | 3/1-8/31 | SUPLT | 12 | 10,000 | |
| Nursing Systems and Technology | | | | | |
| 4. Sandra L. Upchurch (T) | | | | | 1289 |
| From: Associate Professor and Interim Department Chair | | 100 | 12 | 81,200 | |
| | | SUPLT | 12 | 5,000 | |
| To: Associate Professor and Assistant Dean | 3/16-8/31 | 100 | 12 | 81,200 | |
| | 3/16-8/31 | SUPLT | 12 | 5,000 | |
| Nursing for Target Populations | | | | | |
| 5. Marlene Z. Cohen (T) | | | | | 1290 |
| From: Professor and John S. Dunn Sr., Distinguished Professor in Oncology Nursing and Interim Department Chair | | 100 | 12 | 101,200 | |
| | | SUPLT | 12 | 28,750 | |
| To: Professor and John S. Dunn Sr., Distinguished Professor in Oncology Nursing and Assistant Professor | 3/16-8/31 | 100 | 12 | 101,200 | |
| | 3/16-8/31 | SUPLT | 12 | 28,750 | |

## NEW TENURE APPOINTMENT AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations*, Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **Medical School** | | |
| Biochemistry and Molecular Biology | | |
| Michael R. Blackburn | Associate Professor (T) | Professor (T) |
| Integrative Biology and Pharmacology | | |
| Vasanthi Jayaraman | Assistant Professor (NT) | Associate Professor (T) |
| Obstetrics and Gynecology Administration | | |
| Manju Monga | Associate Professor (T) | Professor (T) |
| Pediatrics - Administration | | |
| Giuseppe N. Colasurdo | Associate Professor (T) | Professor (T) |
| Pediatrics - Neonatology | | |
| Joseph L. Alcorn | Assistant Professor (NT) | Associate Professor (T) |
| Cardiothoracic Vascular Surgery | | |
| Charles C. Miller | Professor (NT) | Professor (T) |
| **Dental Branch** | | |
| Diagnostic Sciences | | |
| Yahuan Lou | Associate Professor (T) | Professor (T) |
| Restorative Dentistry and Biomaterials | | |
| Peter Triolo, Jr. | Associate Professor (NT) | Associate Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **School of Health Information Sciences** | | |
| Elmer V. Bernstam | Assistant Professor (NT) | Associate Professor (T) |
| Hualou Liang | Assistant Professor (NT) | Associate Professor (T) |
| Hongbin Wang | Assistant Professor (NT) | Associate Professor (T) |
| Willy Wriggers | Assistant Professor (NT) | Associate Professor (T) |
| **School of Nursing** | | |
| Nursing Systems and Technology | | |
| Deanna E. Grimes | Associate Professor (T) | Professor (T) |
| Acute and Continuing Care | | |
| Sandra K. Hanneman | Associate Professor (T) | Professor (T) |
| **School of Public Health** | | |
| Health Promotion and Behavioral Science | | |
| Mark L. Williams | Professor (NT) | Professor (T) |
| Epidemiology | | |
| Ann L. Coker | Associate Professor (NT) | Professor (T) |
| Steven H. Kelder | Associate Professor (NT) | Professor (T) |
| Management, Policy and Community Health | | |
| Beth E. Quill | Associate Professor (NT) | Associate Professor (T) |

## OTHER MATTERS

## APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. McNeese with The University of Texas Health Science Center at Houston. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

| | | |
|---|---|---|
| 1. | Name: | Margaret McNeese, M.D. |
| | Title: | Associate Dean for Student Affairs at the Medical School |
| | Position: | Appointment to the Texas Medical Board |
| | Period: | May 26, 2006 through April 13, 2007 |
| | Compensation: | $30.00 each day (per policy), when representing the Board on official business, and all travel expenses are paid |
| | Description: | Governor Rick Perry appointed Dr. McNeese to serve on the Texas Medical Board, which is charged with protecting and enhancing the public's health, safety, and welfare. The Board establishes and maintains standards of excellence used in regulating the practice of medicine and ensures quality health care for the citizens of Texas. |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Health Affairs and is summarized as follows:

**Organized Undergraduate Classes with Fewer than 10 Enrolled Students**

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 1 | 1 | 2 | 0 |
| b. | To keep proper sequence | 1 | 0 | 1 | 5 |
| c. | New program | 0 | 0 | 0 | 0 |
| d. | Cross listed | 0 | 0 | 0 | 5 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 5 | 3 | 8 | 0 |
| | Subtotal | 7 | 4 | 11 | 10 |
| h. | Voluntarily offered | 9 | 0 | 9 | 0 |
| | Total | 16 | 4 | 20 | 10 |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 19 | 18 | 37 | 34 |
| b. | To keep proper sequence | 31 | 36 | 67 | 135 |
| c. | New program | 2 | 1 | 3 | 8 |
| d. | Cross listed | 8 | 22 | 30 | 22 |
| e. | First time offered | 4 | 4 | 8 | 12 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 1 | 0 | 1 | 0 |
| | Subtotal | 65 | 81 | 146 | 211 |
| h. | Voluntarily offered | 6 | 14 | 20 | 38 |
| | Total | 71 | 95 | 166 | 249 |

## U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| SCHOOL OF MEDICINE | | | | | |
| Medicine | | | | | |
| Professor and Dean of the Medical School | | | | | |
| 1. William L. Henrich (T) | 3/6-8/31 | 100 | 12 | 299,000 | 1283 |
| Ophthalmology | | | | | |
| 2. Wichard Van Heuven (T) | | | | | 1333 |
| From: Professor and Chair Herbert F. Mueller Chair | | 100 | 12 | 270,000 | |
| To: Professor Herbert F. Mueller Chair | 4/17-8/31 | 100 | 12 | 270,000 | |
| Pediatrics | | | | | |
| 3. Thomas C. Mayes (T) | | | | | 1386 |
| From: Interim Dean Medical School | | 100 | 12 | 329,600 | |
| To: Professor and Chair | 3/6-8/31 | 100 | 12 | 329,600 | |

## OTHER FISCAL ITEMS

## PURCHASE ORDERS – MORE THAN $1,000,000

The following purchase order has been administratively approved by the President and is recommended for approval by the U. T. System Board of Regents:

### FUNDS GOING OUT

1. Agency: Siemens Medical Solutions USA Inc.
   Funds: $1,659,471
   Title/Description: Cyclotron and all related attachments and accessories to be utilized by the Research Imaging Center in the Robert F. McDermott Clinical Science Building at the U. T. Health Science Center - San Antonio to afford an increase in $^{18}$F-FDG distribution capabilities and allow future expansion of research capabilities. The University received private funding for construction of approximately 3,000 square foot addition to the Robert F. McDermott Clinical Science Building to facilitate housing of the new cyclotron and additional laboratory space.

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| School, Department, and Name | From | To |
|---|---|---|
| **Medical School** | | |
| Medicine | | |
| Carlayne E. Jackson | Associate Professor (T) | Professor (T) |
| Otolaryngology-Head and Neck Surgery | | |
| Charles Blakely Simpson | Associate Professor (T) | Professor (T) |
| Pediatrics | | |
| Jorge E. Gomez | Associate Professor (T) | Professor (T) |
| Alice K. Gong | Associate Professor (T) | Professor (T) |
| Psychiatry | | |
| Michael A. Escamilla | Associate Professor and Mary Weir Professorship (T) | Professor and Mary Weir Professorship (T) |
| David C. Glahn | Assistant Professor (NT) | Associate Professor (T) |
| Jair C. Soares | Associate Professor<br>Chair (NT) | Professor<br>Chair (T) |
| Surgery | | |
| Morton S. Kahlenberg | Associate Professor (NT) | Associate Professor (T) |
| Paula Kay Shireman | Assistant Professor (NT) | Associate Professor (T) |
| Boulos Toursarkissian | Associate Professor (NT) | Associate Professor (T) |
| William Kenneth Washburn | Associate Professor (NT) | Professor (T) |
| **Dental School** | | |
| General Dentistry | | |
| Jeffery L. Hicks | Associate Professor (T) | Professor (T) |
| Ivy S. Schwartz | Associate Professor (T) | Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| School, Department, and Name | From | To |
|---|---|---|
| **Dental School (Continued)** | | |
| Prosthodontics | | |
| Richard R. Seals, Jr. | Associate Professor (T) | Professor (T) |
| Ronald G. Verrett | Assistant Professor (NT) | Associate Professor (T) |
| **Graduate School of Biomedical Sciences** | | |
| Biochemistry | | |
| Peter John Hart | Associate Professor (T) | Professor (T) |
| Molecular Medicine | | |
| Edward Paul Hasty | Associate Professor (NT) | Associate Professor (T) |
| Patricia Renee Yew | Assistant Professor (NT) | Associate Professor (T) |
| Pathology | | |
| Larry J. Fowler | Associate Professor (T) | Professor (T) |
| Howard Stanley McGuff | Associate Professor (T) | Professor (T) |
| Michael Naski | Assistant Professor (NT) | Associate Professor (T) |
| Sherry L. Werner | Associate Professor (T) | Professor (T) |
| Pharmacology | | |
| John Randolph Strong | Associate Professor (T) | Professor (T) |
| Physiology | | |
| Lynette C. Daws | Assistant Professor (NT) | Associate Professor (T) |
| Walter F. Ward | Associate Professor (T) | Professor (T) |
| **School of Allied Health** | | |
| Physical Therapy | | |
| Patricia Anne Brewer | Assistant Professor and Deputy Chair (NT) | Associate Professor and Deputy Chair (T) |
| **Nursing School** | | |
| Acute Nursing Care | | |
| Carol A. Reineck | Assistant Professor (NT) | Associate Professor (T) |

## OTHER MATTERS

## APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. Gordon with The University of Texas Health Science Center at San Antonio. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between this position and the University appointments.

1.

| | |
|---|---|
| Name: | Donald J. Gordon, M.D., Ph.D. |
| Title: | Professor, Department of Emergency Health Sciences, School of Allied Health Sciences |
| Position: | Appointment to the Preparedness Coordinating Council |
| Period: | July 2005 to June 2011 |
| Compensation: | State mileage reimbursement at rate of 44.5 cents per mile |
| Description: | In March 2005, Andrew Eisenberg, M.D., M.H.A., Chair of the Council on Public Health, Texas Medical Association, advised Eduardo Sanchez, M.D., M.P.H., Commissioner, Department of State Health Services, that Dr. Gordon would replace David Morgon, M.D., on the Department of State Health Services Preparedness Coordinating Council. Dr. Gordon will serve a six-year term and recently has been reelected chair of the Council. |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Health Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 5 | 3 | 8 | 5 |
| b. | To keep proper sequence | 15 | 15 | 30 | 62 |
| c. | New program | 2 | 0 | 2 | 2 |
| d. | Cross listed | 6 | 0 | 6 | 1 |
| e. | First time offered | 0 | 0 | 0 | 3 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 9 |
| g. | Limited facilities | 9 | 12 | 21 | 33 |
| | Subtotal | 37 | 30 | 67 | 115 |
| h. | Voluntarily offered | 4 | 6 | 10 | 29 |
| | Total | 41 | 36 | 77 | 144 |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006 (CONTINUED)

### Organized Graduate Classes with Fewer than 5 Enrolled Students

| Primary Reasons for Teaching | | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|---|
| a. | Required for graduation | 10 | 11 | 21 | 20 |
| b. | To keep proper sequence | 16 | 10 | 26 | 22 |
| c. | New program | 2 | 3 | 5 | 1 |
| d. | Cross listed | 3 | 2 | 5 | 1 |
| e. | First time offered | 0 | 0 | 0 | 0 |
| f. | Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. | Limited facilities | 4 | 13 | 17 | 8 |
| | Subtotal | 35 | 39 | 74 | 52 |
| h. | Voluntarily offered | 3 | 11 | 14 | 49 |
| | Total | 38 | 50 | 88 | 101 |

## U. T. M. D. ANDERSON CANCER CENTER

## GIFTS

The following gift has been received, has been administratively approved by the President or his delegate, and is recommended for approval by the U. T. System Board of Regents:

1. Donor Name: The Commonwealth Foundation for Cancer Research
   College/School/ Department: Institution
   Purpose: To support Cancer Research in Translational Research
   Asset Type: Cash
   Value: $1,666,666

## CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

## GENERAL CONTRACTS

### FUNDS COMING IN

| | | |
|---|---|---|
| 1. | Agency: | State of Louisiana, Division of Administration, Office of Group Benefits (OGB) |
| | Funds: | Provider's reimbursement for covered services shall be paid by OGB at 210% of the current year Resource-Based Relative Value Scale. Unlisted Current Procedural Terminology codes will be reimbursed at 70% of provider's billed charges. Anesthesia will be paid at $50 per American Society of Anesthesiologistic Unit. |
| | Period: | July 1, 2006 through June 30, 2009 |
| | Description: | Preferred Provider Physician Contract |
| 2. | Agency: | State of Louisiana, Division of Administration, Office of Group Benefits (OGB) |
| | Funds: | Hospital's reimbursement for covered hospital services paid by OGB at 80% and bone marrow transplant services reimbursed as stipulated in contract. |
| | Period: | July 1, 2006 through June 30, 2009 |
| | Description: | Preferred Provider Hospital Contract |

## AMENDMENTS TO THE 2005-06 BUDGET

## APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved as required by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| MEDICAL STAFF | | | | | |
| Executive Vice President/Chief Academic Officer Office | | | | | |
| 1. Maurie Markman (T) | | | | | 1298 |
| From: Vice President in Clinical Research and Professor | | 100 | 12 | 344,800 | |
| To: Vice President in Clinical Research, Chair ad interim of Gynecologic Medical Oncology, Professor | 3/14-8/31 | 100 | 12 | 344,800 | |
| | | SUPLT | 12 | 12,000 | |
| Gynecologic Medical Oncology | | | | | |
| 2. John Kavanagh (T) | | | | | 1297 |
| From: Chair ad interim, Professor | | 100 | 12 | 250,609 | |
| | | SUPLT | 12 | 12,000 | |
| To: Professor | 3/14-8/31 | 100 | 12 | 262,609 | |
| Endocrine Neoplasia and Hormonal Disorders | | | | | |
| Professor | | | | | |
| 3. Victor Lavis (T) | 7/1-8/31 | 60 | 12 | 114,000 | 1392 |
| General Internal Medicine, Ambulatory Treatment and Emergency Care | | | | | |
| Professor | | | | | |
| 4. Maria Suarez-Almazor (T) | 7/1-8/31 | 100 | 12 | 200,000 | 1393 |

## AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

## APPOINTMENTS AND PROMOTIONS (CONTINUED)

| Description | Effective Date | % Time | Full-time Salary No. Mos. | Full-time Salary Rate $ | RBC # |
|---|---|---|---|---|---|
| MEDICAL STAFF (Continued) | | | | | |
| General Internal Medicine, Ambulatory Treatment and Emergency Care | | | | | |
| Professor | | | | | |
| 5. Abdulla Salahudeen (T) | 7/1-8/31 | 100 | 12 | 220,000 | 1394 |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS

The following personnel actions involving new tenure appointments and promotion within tenure ranks have been administratively approved by the Executive Vice Chancellor for Health Affairs. The personnel actions have been included in the 2007 Annual Operating Budget of each institution and are consistent with the Regents' *Rules and Regulations,* Series 31007.

| College, Department, and Name | From | To |
|---|---|---|
| **Anesthesiology and Pain Medicine** | | |
| Zhizhong Z. Pan | Assistant Professor (NT) | Associate Professor (T) |
| **Biochemistry and Molecular Biology** | | |
| Andreas Bergman | Assistant Professor (NT) | Associate Professor (T) |
| Yasuhide Furata | Assistant Professor (NT) | Associate Professor (T) |
| Georg Halder | Assistant Professor (NT) | Associate Professor (T) |
| Pierre D. McCrea | Associate Professor (T) | Professor (T) |
| **Biostatistics and Applied Mathematics** | | |
| Yu Shen | Associate Professor (T) | Professor (T) |
| Ya-Chen Shih | Associate Professor (NT) | Associate Professor (T) |
| **Blood and Marrow Transplantation** | | |
| Krishna V. Komanduri | Assistant Professor (NT) | Associate Professor (T) |
| **Carcinogenesis** | | |
| Mark T. Bedford | Assistant Professor (NT) | Associate Professor (T) |
| David G. Johnson | Associate Professor (T) | Professor (T) |
| Karen M. Vasquez | Assistant Professor (NT) | Associate Professor (T) |
| **Clinical Cancer Prevention** | | |
| Imad Shureiqi | Assistant Professor (NT) | Associate Professor (T) |
| **Diagnostic Radiology** | | |
| Reginald F. Munden | Associate Professor (T) | Professor (T) |
| **Epidemiology** | | |
| Sanjay Shete | Associate Professor (NT) | Associate Professor (T) |
| **Experimental Diagnostic Imaging** | | |
| Chun Li | Associate Professor (T) | Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **Gynecologic Oncology** | | |
| Robert Coleman | Associate Professor (NT) | Professor (T) |
| Pedro Tomas Ramirez | Assistant Professor (NT) | Associate Professor (T) |
| Anil K. Sood | Associate Professor (T) | Professor (T) |
| **Head and Neck Surgery** | | |
| Jeffrey N. Myers | Associate Professor (T) | Professor (T) |
| **Hematopathology** | | |
| Pei Lin | Assistant Professor (NT) | Associate Professor (T) |
| **Imaging Physics** | | |
| Dianna Cody | Associate Professor (NT) | Associate Professor (T) |
| **Immunology** | | |
| Bing Su | Associate Professor (T) | Professor (T) |
| **Infectious Diseases** | | |
| Dimitrios P. Kontoyiannis | Associate Professor (T) | Professor (T) |
| **Lymphoma** | | |
| Felipe Samaniego | Assistant Professor (NT) | Associate Professor (T) |
| **Molecular and Cellular Oncology** | | |
| Xin Lin | Associate Professor (NT) | Associate Professor (T) |
| **Molecular Genetics** | | |
| Sadhan Majumder | Associate Professor (T) | Professor (T) |
| **Neuro-Oncology** | | |
| Juan Fueyo-Margareto | Associate Professor (NT) | Associate Professor (T) |
| Maria-Magdalena Georgescu | Assistant Professor (NT) | Associate Professor (T) |
| Mark Gilbert | Associate Professor (T) | Professor (T) |
| Vinaykumar K. Puduvalli | Assistant Professor (NT) | Associate Professor (T) |

## NEW TENURE APPOINTMENTS AND PROMOTIONS WITHIN TENURE RANKS (CONTINUED)

| College, Department, and Name | From | To |
|---|---|---|
| **Neurosurgery** | | |
| Frederick F. Lang Jr. | Associate Professor (T) | Professor (T) |
| Laurence D. Rhines | Assistant Professor (NT) | Associate Professor (T) |
| **Pathology** | | |
| Anais Malpica | Associate Professor (NT) | Professor (T) |
| Pheroze Tamboli | Assistant Professor (NT) | Associate Professor (T) |
| **Pathology – Research** | | |
| Wei Zhang | Associate Professor (T) | Professor (T) |
| **Urology** | | |
| Curtis A. Pettaway | Associate Professor (T) | Professor (T) |
| Louis L. Pisters | Associate Professor (T) | Professor (T) |
| **Veterinary Medicine and Surgery** | | |
| Peggy T. Tinkey | Associate Professor (NT) | Associate Professor (T) |

## OTHER MATTERS

## APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of F. Diane Barber with The University of Texas M. D. Anderson Cancer Center. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University.

1.

| | |
|---|---|
| Name: | Fedricker Diane Barber, RN, ANP |
| Title: | Advanced Practice Nurse, Lymphoma |
| Position: | Reappointment to the Texas Cancer Council |
| Period: | February 1, 2006 through February 1, 2012 |
| Compensation: | Travel expense reimbursements only |
| Description: | Governor Rick Perry has reappointed Diane Barber to the Texas Cancer Council. The Council's mission is to focus on reducing the impact of cancer on Texans through collaborative, innovative, and effective programs and policies for cancer prevention and control. |

## SMALL CLASS REPORT, FALL 2005 AND SPRING 2006

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the Texas Higher Education Coordinating Board *Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in The University of Texas System Office of Health Affairs and is summarized as follows:

### Organized Undergraduate Classes with Fewer than 10 Enrolled Students

| Primary Reasons for Teaching | Fall | Spring | Total | Prior Year Total |
|---|---|---|---|---|
| a. Required for graduation | 21 | 20 | 41 | 29 |
| b. To keep proper sequence | 26 | 25 | 51 | 42 |
| c. New program | 0 | 0 | 0 | 13 |
| d. Cross listed | 0 | 0 | 0 | 0 |
| e. First time offered | 0 | 0 | 0 | 0 |
| f. Accreditation or licensing standard | 0 | 0 | 0 | 0 |
| g. Limited facilities | 0 | 0 | 0 | 0 |
| Subtotal | 47 | 45 | 92 | 84 |
| h. Voluntarily offered | 0 | 0 | 0 | 0 |
| Total | 47 | 45 | 92 | 84 |
| Semester Credit Hours generated in small classes | 752 | 720 | 1472 | 1376 |
| Percentage of total Semester Credit Hours Offered in small classes | 53% | 54% | 54% | 59% |

## U. T. HEALTH CENTER - TYLER

## CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

## GENERAL CONTRACTS

## FUNDS GOING OUT

| | | |
|---|---|---|
| 1. | Agency: | Morrison Health Care Inc. |
| | Funds: | $1,110, 580 annual average |
| | Period: | September 1, 2006 through August 31, 2009 |
| | Description: | Morrison will operate and manage the food services program and Food and Nutrition Services Department for University. Morrison Health Care Inc. was selected following a competitive bid process. |