

MINUTES
UNIVERSITY OF HOUSTON SYSTEM
SPECIAL CALLED BOARD OF REGENTS MEETING

Tuesday, March 27, 2012 – The members of the Board of Regents of the University of Houston System convened at 9:05 a.m. on Tuesday, March 27, 2012, at the Hilton University of Houston Hotel, Waldorf Astoria Ballroom E, Second Floor, 4800 Calhoun, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Nelda Luce Blair, Chairman
Mica Mosbacher, Vice Chair
Jarvis V. Hollingsworth, Secretary
Spencer D. Armour III, Regent
Nandita V. Berry, Regent
Roger F. Welder, Regent
Welcome W. Wilson, Jr., Regent
Tamecia Glover Harris, Student Regent, nonvoting

Member(s) Absent

Tilman J. Fertitta, Regent
Jacob M. Monty, Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, Chair Blair called the meeting to order and noted that there would not be participation by video as planned and that the Executive Session would not be held and immediately moved to Item B listed on the Board agenda.

AGENDA ITEMS

Action Items

1. Approval of site and program for the design and construction of a new University of Houston football stadium – University of Houston, Item B, BOR-B1

Chair Blair asked Chancellor Renu Khator to present this item which was for the approval of the site and program for a new football stadium and associated facilities capable of seating approximately 40,000 spectators with an opportunity for phased expansion to a total of 60,000 seats.

There were two questions when this item was tabled at the previous meeting and Chancellor Khator addressed both of those issues. Per the Board's request, additional analysis had been completed to address the questions raised:

1. How is the fund raising; and
2. How much additional will it cost to build at I-45?

Chancellor Khator addressed each of these issues and presented a powerpoint presentation. Below is a summary of her remarks:

- Over the past three weeks, we have reached out to faculty, staff, alumni, donors, and corporate sponsors.
- Additional explanations have been received by contacting outside experts that we have used, as well as the committee that was formed to review the process.
- Former Regent Leroy Hermes, a well-known architect who chaired the committee, was contacted to discuss further the design issues.
- A donor-related chart was outlined and discussed.
- At the current site, the UH stadium funding model equates to a \$105 million project.

Below is the breakdown:

- Student Fee Bonds - \$24,000,000 or 25%;
- Annual Stadium Revenue Bonds - \$15,000,000 or 14% (Includes potential management agreement and Big East Conference Revenue);
- HEAF - \$5,000,000 or 5%; and
- Private Donations - \$61,000,000 or 58%.
- UH Stadium Project – Philanthropic Goal of \$61,000,000 was summarized as shown below:
 - Gifts/Pledges Received - \$25,000,000 or 42%;
 - Gifts to be Acquired - \$30,150,000 or 49%;
 - Gift Agreements in Process - \$3,350,000 or 6%; and
 - Gifts Close to Agreement - \$2,000,000 or 3%.
- To build on the current site, there are three challenges yet to be acquired: \$30,150,000, naming gift, and corporate sponsorships.
- Location for the stadium was addressed - Existing Site vs. I-45 Site. A summary of the analysis is outlined below and discussions followed:

Current Site

I-45 Site

- | | |
|-------------------------------------|--|
| - Parking – Next Door | - Parking – Short Walk |
| - Metro – Next Door | - Metro – Short Walk |
| - Tailgate – Next Door | - Tailgate – Multiple Sites |
| - Visibility – Somewhat | - Visibility – Greatly Enhanced |
| - Cost -- \$105M | - Cost -- \$105M + Unknowns |
| - Expandability –Yes | - Expandability – Questionable |
| - Difference to Athletes – No | - Difference to Athletes – No |
| - Difference to Alumni – No | - Difference to Alumni – No |
| - Difference to Students – No | - Difference to Students – No |
| - Difference to Faculty – Preferred | - Difference to Faculty – Less Preferred |
| - Difference to Donors – No | - Difference to Donors – No |
| - Time of Completion – 2014 | - Time of Completion – 2015 |

- The Unknowns and What we know today were addressed and are noted below:
 - General Services Building (for 60,000 capacity) would definitely need to be replaced at approximately \$32,000,000;
 - Replacement of Intramural field would be \$1.7 million;
 - Detention could be \$4 million or higher;
 - Relocation/Addition of new utilities would cost \$1.9 million;
 - Relocation of Cullen Boulevard - \$2.3 million;

- Cost of rental for one-year of another facility is unknown (this would have to be negotiated).

Following Chancellor Khator's remarks, Chair Blair commented that the presentation given by Dr. Khator was a good, high level overview of what has been a very in-depth look at this I-45 Site. At our last meeting as this was discussed, Chair Blair stated it was herself and Regent Tilman Fertitta who were most adamant that the I-45 site be revisited because it had been discussed for the last couple of years. Chair Blair emphasized that she had been briefed and briefed, had asked numerous questions, and was satisfied that the current site was the site to be. She also mentioned that she had spoken to Regent Fertitta and he asked that she express that he was also satisfied with this location. Comments and discussion followed.

Chair Blair called for a motion to approve the site and program for the design and construction of a new University of Houston football stadium.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the regents in attendance, the approval of the site and program for the design and construction of a new University of Houston football stadium was approved.

Chair Blair moved to Item C, Approval is requested for the FY2013 undergraduate and graduate tuition and fee rates for the University of Houston System campuses – University of Houston System – BOR-C12.

Chancellor Khator announced that the University of Houston was now qualified as a Hispanic-serving institution, so with this addition, all four institutions within the University of Houston System were now Hispanic-serving institutions. There were only two other Tier One universities with this designation: University of New Mexico and University of California-Riverside. The University of Houston was also the first Tier One University designated as a Hispanic-serving institution in the State of Texas. To achieve this designation, the threshold of 25% of the students in each of the institutions is Hispanic.

Chancellor Khator called on Dr. John Antel, Senior Vice Chancellor for Academic Affairs and Provost, to present the Item C.

Dr. Antel requested approval for the FY2013 undergraduate and graduate tuition and fee rates for the University of Houston System. The requested changes were in the form of rates by campus and program to be charged starting in the Fall 2012 semester. The policies governing tuition, fees, and other charges are approved by the Board of Regents of the University of Houston System and comply with applicable state statutes.

Dr. Antel presented an outline of the proposed tuition and fee changes. The cost we place on the students is always a factor. One cost that most disturbed Dr. Antel was the accumulation of debt incurred by students over many years of their lives trying to obtain a degree, but never achieving their goal. This was something that has been addressed at the national level. Dr. Antel has been working with the other UH institutions to develop a program called "Intrusive Advising" which would help these students. This would be a more affirmative approach to assisting these students and would be crucial to their success.

University of Houston System

Dr. Antel outlined the University of Houston System 15-Hour undergraduate tuition increases mentioned below:

<u>University</u>	<u>FY2012</u>	<u>Tuition Increase</u>		<u>FY2013</u>
		<u>Dollars</u>	<u>Percent</u>	
University of Houston	\$4,844	\$ -0-	0.0%	\$4,844
UH-Clear Lake	\$3,222	\$ -0-	0.0%	\$3,222
UH-Downtown*	\$2,878	\$ 114	3.9%	\$2,992
UH-Victoria*	\$2,914	\$ 57	1.9%	\$2,971

*UH-Downtown and UH-Victoria increases were intended to elevate these institutions above the 4th quartile of the average undergraduate tuition and fees at Texas public universities.

Dr. Antel addressed the University of Houston System 15-Hour fee increases which are outlined below for reference:

<u>University</u>	<u>FY2012</u>	<u>Fees Increase</u>		<u>FY2013</u>
		<u>Dollars</u>	<u>Percent</u>	
University of Houston	\$4,844	\$ 100	2.1%	\$4,944
UH-Clear Lake	\$3,222	\$ 36	1.1%	\$3,258
UH-Downtown*	\$2,878	\$ 28	1.0%	\$2,906
UH-Victoria*	\$2,914	\$ 87	3.0%	\$3,001

*UH-Downtown and UH-Victoria increases were intended to elevate these institutions above the 4th quartile of the average undergraduate tuition and fees at Texas public universities.

A comparison of FY2012 undergraduate tuition and fees (15 Hours) of Texas Public Universities* was addressed and below is a brief summary for reference.

*As compiled by the Texas Higher Education Coordinating Board.

First Quartile

The University of Texas at Dallas	\$5,584
The University of Texas at Austin	\$4,897
University of Houston	\$4,844
The University of Texas at Arlington	\$4,576
Texas Tech University	\$4,532
The University of Texas at San Antonio	\$4,395
University of North Texas	\$4,368
Texas A&M University	\$4,240
Texas State University-San Marcos	\$4,115

Second Quartile

No UH System institution was listed in this quartile.

Third Quartile

Prairie View A&M University	\$3,332
Texas A&M University-Kingsville	\$3,320
University of North Texas at Dallas	\$3,300

University of Houston System

Third Quartile (cont'd)

The University of Texas at Tyler	\$3,296
Texas A&M International University	\$3,279
The Univ. of Texas of the Permian Basin	\$3,254
University of Houston-Clear Lake	\$3,222
Texas A&M University-Commerce	\$3,142
Tarleton State University	\$3,124
Texas A&M University-Central Texas	\$3,124

Fourth Quartile

West Texas A&M University	\$3,104
Texas A&M University-San Antonio	\$3,072
The University of Texas at Brownsville	\$2,997
The University of Texas-Pan American	\$2,989
University of Houston-Victoria	\$2,914
Sul Ross State University	\$2,880
Sul Ross State Univ. Rio Grande College	\$2,880
University of Houston-Downtown	\$2,878
Texas A&M University-Texarkana	\$2,473

State Average	\$3,583
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Dr. Antel addressed the University of Houston-System 9-Hour resident graduate tuition increases and below is a brief summary of his remarks:

University of Houston

- These increases were very targeted increases in graduate tuition.
- There were many factors considered in the decision of graduate tuition increases. Below were some of the factors mentioned:
 - (a) Performance of the individual programs;
 - (b) Any increases in tuition would be well spent;
 - (c) Progress cards were reviewed to see how the programs were performing;
 - (d) How the different areas distributed and allocated their resources; and
 - (e) Work force
- The main targeted areas were in Professional Masters Degrees Programs: Architecture, Business, Education, Engineering, Hotel & Restaurant Management, Law, Liberal Arts & Social Sciences, Natural Sciences & Mathematics, and Technology.
- There were no tuition increases for doctoral students in the following areas: Business, Engineering, Law, Liberal Arts & Social Sciences, Natural Sciences & Mathematics, Optometry, Pharmacy, and Graduate School of Social Work.

University of Houston-Clear Lake

College	FY2012	Tuition Increase		FY2013
		Dollars	Percent	
Business	\$3,592	\$126	3.5%	\$3,718
Education	\$3,250	\$126	3.9%	\$3,376
Human Sciences & Humanities	\$3,250	\$126	3.9%	\$3,376
Science & Computer Engineering	\$3,367	\$126	3.7%	\$3,493

University of Houston System

University of Houston-Downtown

College	FY2012	Tuition Increase		FY2013
		Dollars	Percent	
Business	NA	NA	NA	\$3,755
Humanities & Social Sciences	\$2,226	\$68	3.1%	\$2,294
Public Service	\$2,226	\$68	3.1%	\$2,294

University of Houston-Victoria

College	FY2012	Tuition Increase		FY2013
		Dollars	Percent	
Business	\$3,225	\$51	1.6%	\$3,276
Education	\$2,550	\$51	2.0%	\$2,601
Arts & Science	\$2,550	\$51	2.0%	\$2,601
Nursing	\$2,685	\$51	1.9%	\$2,736

Dr. Antel presented the University of Houston-System 9-Hour resident graduate fee increases and below is a brief summary of his remarks:

University of Houston

- There was a \$100 across the board fee increase for all colleges at the University of Houston. The graduate students voted to impose upon themselves the same increase in the student fees in order to support athletics and the construction of the University Center.

University of Houston-Clear Lake

College	FY2012	Fee Increase		FY2013
		Dollars	Percent	
Business	\$3,592	\$21	0.6%	\$3,718
Education	\$3,250	\$21	0.6%	\$3,376
Human Sciences & Humanities	\$3,250	\$21	0.6%	\$3,376
Science & Computer Engineering	\$3,367	\$21	3.7%	\$3,493

University of Houston-Downtown

College	FY2012	Tuition Increase		FY2013
		Dollars	Percent	
Business	NA	NA	NA	\$3,755
Humanities & Social Sciences	\$2,226	\$28	1.3%	\$2,254
Public Service	\$2,226	\$28	1.3%	\$2,254

University of Houston-Victoria

College	FY2012	Tuition Increase		FY2013
		Dollars	Percent	
Business	\$3,225	\$57	1.8%	\$3,276
Education	\$2,550	\$57	2.2%	\$2,607
Arts & Science	\$2,550	\$57	2.2%	\$2,607
Nursing	\$2,685	\$57	2.8%	\$2,760

University of Houston System

At the conclusion of this item, Chair Blair thanked Chancellor Khator and her staff for all of their hard work on the presentations given before the Board for their consideration at the meeting.

Chair Blair called for a motion for the approval of the FY2013 undergraduate and graduate tuition and fee rates for the University of Houston System campuses.

On motion from Regent Mosbacher, seconded by Regent Hollingsworth, and unanimously approved by the regents in attendance, the request for the FY2013 undergraduate and graduate tuition and fee rates for the University of Houston System campuses was approved.

There being no further action to come before the Board the meeting adjourned at 10:24 a.m.

All documentation submitted to the Board in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Board, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

Others Present:

Renu Khator
Carl Carlucci
John Antel
Dona Cornell
Rathindra Bose
Grover Campbell
Eloise Dunn Stuhr
J. Richard Walker
Philip Castille
Don Smith
Bill Staples
Karen Clarke
Marshall Schott
Lanier James
Marquette Hobbs

Chris Stanich
Malcolm Davis
Craig Ness
Alex Highland
Sam Khan
Johanna Wolff
Wayne Beran
Michael Harding
Carl Stockton
Don Guyton
Rebecca Trejo
Mike Emery
Raymond Bartlett
Elaine Charlson
Gerry Mathisen

Margie Hattenbach
Tom Ehardt
Brian Chapman
Mark Berman
Mark Smith
Steve Wallace
David Bradley
Dan Maxwell
Ed Hugetz
Theresa Singletary
Mack Rhoades
Jon Aldrich
Lisa Montgomery
Ed Jones