

MINUTES
UNIVERSITY OF HOUSTON SYSTEM
SPECIAL CALLED BOARD OF REGENTS MEETING

Monday, June 17, 2013 – The members of the Board of Regents of the University of Houston System convened at 3:40 p.m. on Monday, June 17, 2013, at the Hilton University of Houston Hotel, Waldorf Astoria Ballroom, Second Floor, 4800 Calhoun, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Nelda Luce Blair, Chairman
Jarvis V. Hollingsworth, Vice Chair
Nandita V. Berry, Regent
Roger F. Welder, Regent
Welcome W. Wilson, Jr., Regent
Benjamin P. Wells, Student Regent, nonvoting

Member(s) Absent

Tilman J. Fertitta, Secretary
Spencer D. Armour III, Regent
Jacob M. Monty, Regent
Mica Mosbacher, 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 moved to the first item on the board's agenda, Item B., the Swearing-in of our new Student Regent, Benjamin P. Wells.

AGENDA ITEMS

1. Swearing-in of new Student Regent, Benjamin P. Wells.

Chair Blair introduced and welcomed Mr. Benjamin P. Wells, our new Student Regent, who had been appointed by Governor Rick Perry effective June 1, 2013. Present at the meeting to witness this very special occasion was Mr. Wells' mother, Pam Wells; his father, Jim Wells, and his girlfriend, Arlene Truong. Both Mr. Wells' father and his girlfriend are UH alums.

Mr. Benjamin P. Wells hails from Houston, Texas and attended Cy-Fair High School in Cypress, Texas. He earned his Bachelors of Science degree in Anthropology with distinction and honors in the liberal arts from Southern Methodist University in 2008, and is currently pursuing a Doctor of Jurisprudence degree from the University of Houston Law Center and plans to graduate in May 2014.

Mr. Wells is currently involved in several law school organizations, including the UHLC Moot Court Team, where he won best appellant brief in the Giles Rich Competition, and as a member of the Student Bar Association and Intellectual Property Student Organization. He also serves as an Online Editor for the *Houston Journal of International Law*. During his law school career, he has served as a judicial intern for The Honorable Eva Guzman of the

Supreme Court of Texas and as a law clerk for the Texas Attorney General's Antitrust Section.

Mr. Wells' past memberships at SMU include: Student Senator and Diversity Committee Chair, SMU *Hilltopics* Managing Editor, and SMU Central University Libraries Strategic Task Force member.

Mr. Wells is the eighth student regent appointed to the University of Houston System Board of Regents and will serve a one-year term from June 1, 2013 through May 31, 2014.

At the conclusion of the swearing-in ceremony, Mr. Wells thanked the Regents and Chancellor Khator for the honor, kind words, and for allowing his family and his girlfriend to witness the ceremony. He stated that two of them were proud UH alums, so not only does he love UH because of that, but being a native Houstonian he has seen the growth of the main campus and the other system institutions. He stated that it was amazing to see a Tier One Research powerhouse and other system schools that serve diversity of needs. If a commentator states that Houston is the city of the future then he believes that through their work, the University of Houston was the University of the future as well as all of the system institutions. He was truly honored to sit amongst such distinguished regents and administrators and looks forward to representing all students of the System in the next year.

Chair Blair welcomed Mr. Wells to the Board and asked him to please join the board meeting as a new member.

This item was for information only and required no board action.

Action Items:

2. Approval of the Senior Vice Chancellor for Academic Affairs, University of Houston System and Senior Vice President for Academic Affairs and Provost, University of Houston – University of Houston System/University of Houston, Item C – BOR-C.

Chancellor Renu Khator introduced this item to the board and announced the appointment of Dr. Paula Myrick Short as Senior Vice Chancellor for Academic Affairs, UH System and Senior Vice President for Academic Affairs and Provost, University of Houston, effective June 1, 2013. Dr. Khator stated that Dr. Short came to the University of Houston from the University of Tennessee System as a faculty member last year. Dr. Khator had asked Dr. Short to fill the role as Interim SVC/SVP while a national search was underway for a new provost. Some very good candidates were considered and interviewed on the campus for the new position but while any one of them could be a very good provost, it was a matter of the fit for us, said Dr. Khator. The campus rallied behind Dr. Short and she had the right skills that were needed at this time. Dr. Khator stated she was thrilled to have Dr. Short accept this position and was looking forward to her work in Academic Affairs.

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On motion of Regent Hollingsworth, seconded by both Regent Berry and Regent Wilson, Jr., and by a unanimous vote of the regents in attendance, the approval of Dr. Paula Myrick Short as the Senior Vice Chancellor for Academic Affairs, UH System and Senior Vice President for Academic Affairs and Provost, University of Houston was approved by the board.

Dr. Short stated it was an incredible honor and privilege to be able to work directly with Chancellor Khator. She is an extraordinary leader and the opportunity to help move the University of Houston and the System forward in advancement and achievement of the very ambitious goals that have been set is truly a privilege and she is looking forward to it. Dr. Short reiterated that she was also looking forward to working with the regents. She congratulated the new student regent and the presidents of the System campuses, the faculty, the deans, students, and the cabinets for their support. She assured everyone that they had her total dedication to be diligent and making our academic enterprise the best in the country, maybe the best in the world! With the stars aligning, it can only get better. Dr. Short thanked the Board and Chancellor Khator for their support and vote of confidence at the meeting.

Chair Blair stated that both action items listed under the Board's Consent Docket Agenda would be removed and addressed by the full board per Board Bylaw 6.9. The first item addressed would be as follows:

2. Approval is requested of the Twenty-fourth Supplemental Resolution, the Preliminary Official Statement, and the Notices of Sale authorizing the issuance of Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2013A and Series 2013B (Taxable) – University of Houston System, Item A – F&A-A

Regent Hollingsworth, Chair of the Finance and Administration Committee reported that the committee had met earlier in a special meeting and two items were heard and approved by the committee to be considered by the full board for final approval at this meeting.

Regent Hollingsworth stated the committee approved the Twenty-fourth Supplemental Resolution, basically authorizing the sale of consolidated and refunding bonds 2013A (tax exempt) and 2013B (taxable) UH System. The committee also received a report from our financial advisor, Drew Masterson, First Southwest, who gave his endorsement and recommendation for this sale. Regent Hollingsworth requested Dr. Carlucci brief the board on this item.

Dr. Carlucci stated that included in the board package was a schedule of the projects to be financed under new money which included the Football Stadium and Arena financing; the Health & Biomedical Sciences 2 Building; the Multidisciplinary Research and Engineering Building; the Arlington and Casa del Rio Apartments which will not be operating as apartments (we are buying them for the land); Jaguar Court at UH-Victoria which will operate as an apartment; and Girard Street Parking Garage at UH-Downtown. We also have refunding for a series of bonds worth \$28 million and commercial paper worth \$12 million for a total of \$40 million.

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Approval is requested to move forward with these bonds as they are both taxable and tax exempt; and in addition the schedule shows our calculation of debt service. Dr. Carlucci stated this was very important because when we present these to the bond raters, we do not present our issues as only general obligation, we present general obligation, we present our issues as revenue and self-sufficient so that we have both our university coverage but a revenue coverage for the individual projects. Dr. Carlucci pointed out that the rates are still low. This past week, Rice University issued \$113 million worth of bonds as did Rutgers University at \$827 million; and their issue was fully subscribed. The rate that was used for the 30-year issue of AA bonds was 3.82% for the tax exempt; therefore, we are still getting a good rate.

On motion of Regent Hollingsworth, seconded by Regent Welder, and by a unanimous vote of the regents in attendance, the request of the Twenty-fourth Supplemental Resolution, the Preliminary Official Statement, and the Notices of Sale authorizing the issuance of Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2013A and Series 2013B (Taxable) – University of Houston System was approved.

3. Approval is requested of changes for the FY2014 undergraduate and graduate tuition and fee rates for the University of Houston System campuses – University of Houston System, Item B – F&A-B.

Regent Hollingsworth stated that the second item approved by the Finance and Administration Committee at the special called meeting held earlier in the day was the request of changes for the FY2014 undergraduate and graduate tuition and fee rates for the University of Houston System campuses. The committee was given a very lengthy presentation and discussion. The committee received a report from Chris Stanich on an overview of the recommendation. The university has undergone quite an extensive process to get buy-in from all of the various constituencies from SGA President, Cedric Bandoh and each System campus President, all of whom gave presentations to the committee. On each of their recommendations and support for those recommendations, Dr. Flores, Dr. Castille and Dr. Staples and upon conclusion of the reports including Dr. Carlucci's, the committee approved the recommended tuition and fee changes for FY2014.

Regent Hollingsworth asked Dr. Carlucci for any additional comments. Dr. Carlucci pointed out that the schedule presented was based on the latest appropriations data received from the Legislature that the campuses have all conducted the appropriate consultation with their students and faculty and that the recommendations that have been made are within the statement of intent that was received from the Legislature in 2009 capped by 3.95% or \$280 a year. The process and the rules have been presented and the recommended rates that fall within those guidelines all of which were designed to contribute to student success as defined by our students and faculty.

Chair Blair called for a motion to approve the changes for the FY2014 undergraduate and graduate tuition and fee rates for the University of Houston System campuses.

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On motion of Regent Hollingsworth, seconded by Regent Wilson, Jr., and by a unanimous vote of the regents in attendance, the request of changes for the FY2014 undergraduate and graduate tuition and fee rates for the University of Houston System campuses was approved.

At 4:08 p.m., pursuant to Subchapter D of Chapter 551 of the Texas Government Code, which allows governing boards to meet in closed session, Chair Blair stated the Board would convene in Executive Session.

Executive Session Report

Chair Blair reconvened in open session at 4:49 p.m. and the following matter was addressed in Executive Session.

A discussion with the General Counsel, Dona Cornell concerning Conference USA was held. There was no action taken from Executive Session.

There being no further action to come before the Board the meeting adjourned at 4:49 p.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
Paula Myrick Short
Dona Cornell
Eloise Dunn Stuhr
Elywn Lee
Philip Castille
William Flores
William Staples
Chris Stanich
Troy Golden
Ed Jones
Gerry Mathisen

Pam Wells
Arlene Truong
Steve Wallace
David Bradley
Cedric Bando
Mike Emery
David Benz
Wayne Beran`
Maria Soliña
Nam-My Le
Jon Aldrich
Marquette Hobbs

Jim Wells
Oscar Gutierrez
Don Guyton
Raymond Bartlett
Craig Ness
Dan Maxwell
Michelle Dotter
Mark Clarke
Jeffrey Cass
Drew Masterson
Jeff Heflin
Brenda Robles