

**MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING**

Wednesday, November 16, 2011 – The members of the Board of Regents of the University of Houston System convened at 12:50 p.m. on Wednesday, November 16, 2011, 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
Tilman J. Fertitta, Regent
Jacob M. Monty, Regent
Roger F. Welder, Regent
Welcome W. Wilson, Jr., Regent
Tamecia Glover Harris, Student Regent, nonvoting

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.

AGENDA ITEMS

Chair Blair introduced the first action item on the agenda, the approval of minutes.

1. Approval of Minutes – Item C:

On motion of Regent Hollingsworth, seconded by Regent Mosbacher and by a unanimous vote of the regents in attendance, the following minutes from the meeting listed below were approved:

- August 17, 2011 Board of Regents Meeting

Chair Blair announced that the agenda would be taken out of order and the Chair's Report was addressed. Mr. Justin Baringer, who is currently a freshman at the University of Houston and a cousin of Chair Blair's, was introduced to the board as a great example of the freshman class. He is the first in his family to attend college (FTIC) and exemplifies what the university is teaching today.

Committee Reports:

Chair Blair stated the Academic and Student Success, the Facilities, Construction and Master Planning, and the Endowment Management Committees all met on Tuesday, November 15, 2011. The Audit and Compliance and the Finance and Administration Committees both met prior to the Board meeting on Wednesday, November 16, 2011. Chair Blair stated pursuant to Board Bylaw 6.9, all of the action items approved by these committees and recommended for submission on the Consent Docket would be addressed by the Board for final approval after all of the committee reports were presented. It should be noted that after the Board had heard all of the committee reports, any regent may have requested an item be removed from the Consent Docket and individually considered.

Chair Blair announced the first committee report would be given by the Chair of the Academic and Student Success Committee, Regent Jacob M. Monty.

Academic and Student Success Committee Report – November 15, 2011

Regent Monty stated the Academic and Student Success Committee met on Tuesday, November 15, 2011 and unanimously approved the following items for submission on the Consent Docket for final Board approval:

1. Approval of the conversion of the University of Houston System at Sugar Land into a University of Houston teaching center that offers programs from component universities within the UH System. The new name for the center will be the University of Houston Sugar Land Campus – University of Houston System;
2. Approval of the Bachelor of Arts in Spanish Degree at the University of Houston-Victoria – University of Houston-Victoria;
3. Approval of the Bachelor of Business Administration in Finance Degree at the University of Houston-Victoria – University of Houston-Victoria;
4. Approval of Master of Arts in Sport and Fitness Administration Degree at the University of Houston – University of Houston; and
5. Approval of Master of Science in Global Retailing Degree at the University of Houston – University of Houston.

The next committee report was addressed by the Chair of the Endowment Management Committee, Regent Mica Mosbacher.

Endowment Management Committee Report – November 15, 2011

Regent Mosbacher stated the Endowment Management Committee met on Tuesday, November 15, 2011 and had unanimously approved the following items for submission on the Consent Docket for final Board approval:

University of Houston System

1. Request for approval to liquidate the Les Dames D'Escoffier Endowment and transfer the proceeds to the University of Houston.

Regent Mosbacher reported that two new advisory members had been appointed to the Endowment Management Committee for a one-year term, former Chair of the Board, Carroll Robertson Ray and former Regent Jim P. Wise. Their one-year term was effective September 1, 2011 and will go through August 31, 2012.

There were also three items the committee considered and approved at the meeting which did not require final Board approval but Regent Mosbacher wanted them noted for the record:

1. The endowment's interim target asset allocation was revised as a result of the increase in private equity investments. In recognition of the fact that building a private equity program takes time, an interim target asset allocation was created in order to reflect the temporary underweight to private investments and corresponding overweight to other asset classes. Specifically,
 - (a) Increased interim target to Private Equity from 2% to 5%;
 - (b) Decreased U.S. large-mid cap equity interim target from 20% to 19.5%;
 - (c) Decreased Inflation Hedges from 11% to 10%;
 - (d) Decreased Bonds from 16% to 15%; and
 - (e) Decreased Cash from 3.5% to 3%.
2. The committee approved the withdrawal of \$6.5 million from cash and \$10 million from the Laddered Treasuries Portfolio to meet the \$16.5 million annual distribution to the universities in accordance with the 4% payout rate and 1.5% IA fee rate approved by the board; and
3. The committee approved the transfer of \$67 million (or 25%) of the cash pool from the Prime Portfolio into a second money market fund, the Liquid Assets Portfolio, within the Invesco family of funds.

The next committee report was presented by the Chair of the Finance and Administration Committee, Regent Jarvis V. Hollingsworth.

Finance and Administration Committee Report – November 16, 2011

Regent Hollingsworth stated the Finance and Administration Committee met on Wednesday, November 16, 2011 and had unanimously approved the following items for submission on the Consent Docket for final Board approval:

1. Re-Approval of the budget and funding sources for the construction of the University of Houston-Clear Lake Student Services Building for a total budget of \$39,694,103 – University of Houston-Clear Lake;
2. Request for Approval of the purchase of Microsoft Site Licenses - University of Houston;

3. Request for Approval of the Interagency Contract for Workers Compensation and Risk Management Services with the State Office of Risk Management – University of Houston; and
4. Request for Approval of the annual purchase of programming from Public Broadcasting Services – University of Houston

The next committee report was presented by the Chair of the Facilities, Construction and Master Planning Committee, Regent Tilman J. Fertitta.

Facilities, Construction and Master Planning Committee Report – November 15, 2011

Regent Fertitta announced that the Facilities, Construction and Master Planning Committee met on Tuesday, November 15, 2011 and there were no items forwarded to the board that would require final Board approval today.

The last committee report was given by the Chair of the Audit and Compliance Committee, Regent Nandita V. Berry.

Audit and Compliance Committee Report – November 16, 2011

Regent Berry noted that the Audit and Compliance Committee met on Wednesday, November 16, 2011, and the committee heard numerous presentations and reports from Mr. Don Guyton, Chief Audit Executive. Although there were no items forwarded to the board which would require final board approval, Regent Berry briefed the board on one particular item, the annual procurement report to the board which is required by the Board of Regents' contract policy. This report lists all professional service and consulting contracts to a single entity greater than \$250,000 and for other types of procurement, the total compensation from system-wide sources to a single entity is expected to exceed \$1,000,000. Regent Berry stated if any member of the board would like to review this report, it was included in the Audit and Compliance Committee agenda as Audit M11.

At the conclusion of the Committee Reports, Chair Blair asked if there were any items from these reports requiring further discussion. There were no items requested from the board for further review.

Chair Blair then called for a motion to approve the Consent Docket agenda items as presented.

On motion of Regent Jarvis V. Hollingsworth, seconded by Regent Mica Mosbacher, and by a unanimous vote of the regents in attendance, all items in the Consent Docket were approved by the Board.

Executive Session Report

Chair Blair announced the agenda would be taken out of order and at 2:05 p.m. the Board recessed to convene in Executive Session pursuant to Subchapter D of Chapter 551 of the Texas Government Code, which allows governing boards to meet in closed session.

Chair Blair reconvened in Open Session at 3:05 p.m. and the following matters were discussed in Executive Session.

A Litigation Status Report and Legal Briefing were given by the General Counsel, Dona Cornell and updates on property issues and personnel were addressed. Per Texas Government Code 2101.011, the Board also met privately with Mr. Don Guyton, Chief Audit Executive, exclusive of management, to give his annual report.

There was no action taken by the Board from Executive Session.

Board Agenda Items:

Chair Blair moved to Item K, Update on the University of Houston and University of Houston-Victoria Housing Profile and Occupancy Report – University of Houston System and asked Dr. Richard Walker, Vice Chancellor for Student Affairs, to present this item.

Dr. Walker presented a brief update on residential life and housing at the University of Houston. Below is a summary of Dr. Walker’s remarks:

- One strategic initiative for the University of Houston campus is to become a more residential campus.
- In 2008, UH had 4,000 bed spaces available; in 2011 there were 6,000 beds and by the fall of 2013 there will be 8,000 beds. The ultimate goal that has been set by Chancellor Khator is to eventually reach 25% of the student housing population on campus which would allow us to achieve Carnegie status to become a residential campus.
- Over the past eight months, a major transformation has taken place in the Housing and Residential Life Departments. New software has been implemented that allows us to track our applications better, to room assignments, and this fall having a better system to allow our students to do roommate matching.
- Three essential new staff members have been hired.
- Occupancy Highlights were addressed and the comparison and percentage change from the 2011 Revenue Occupancy Rate vs. 2010 Revenue Occupancy Rate were addressed.
- There are two types of housing: UH Housing and Partnership Property.
- A resident profile was addressed and is summarized below for reference.

<u>Classification</u>	<u>UH Housing</u>	<u>Partnership Properties</u>	<u>Overall Total</u>	<u>Percentage</u>
Freshman	1,869	342	2,211	40.8
Sophomores	680	563	1,243	22.9
Juniors	418	420	838	15.5
Seniors	352	238	590	10.9
Post-Baccalaureate	25	23	48	0.9
Grad/Professional	359	126	485	9.0
Total Residents	3,703	1,712	5,415	
• Gender was broken down as follows:				
Female	1,776	914	2,690	49.7
Male	1,927	798	2,725	50.3
Total Residents	3,703	1,712	5,415	100.0

- Future Construction projects were discussed such as:
 - Cougar Village II
 - Groundbreaking: March 2012
 - Completion date: June 2013
 - Projected bed spaces: 1,144
 - Cougar Place (Replacement)
 - Demolition of Cougar Place: December 2011
 - Groundbreaking: February 2012
 - Completion date: June 2013
 - Projected bed spaces: 799
- Student housing at UH-Victoria was addressed. Current occupancy at Jaguar Hall – Fall 2011 totaled 179 of 251 available; a total occupancy rate of 71%.
- Proposed future housing at UH-Victoria totals 676.

A complete copy of Dr. Walker's presentation has been filed in the Board office. This item was for information and required no board action.

Chair Blair introduced the next item on the agenda, Item L, University of Houston Faculty Senate President, Dr. Monica McHenry, who updated the board on statewide educational and governance issues affecting faculty members. Below is a summary of Dr. McHenry's remarks:

- On behalf of the faculty, Dr. McHenry welcomed the newest board members, Regent Armour, Regent Welder and Regent Wilson, Jr. and stated they appreciate their service and look forward to working with them as we all strive to advance the mission of the university.
- There were some issues of faculty concerns that were addressed that emerged during a meeting of the Texas faculty senates. A wide variety of Texas institutions agree that three big concerns right now were (1) online learning; (2) workload policy and post-tenure review; and (3) shared governance. Dr. McHenry addressed each of these concerns as follows:
 1. Online learning can be a powerful solution to specific problems of access and scheduling for students. However, it is important not to oversell its advantages, or promote it simply as a method to provide unlimited enrollments, stated Dr. McHenry. This is because, along with its obvious benefits, a strategically developed online learning program requires careful accounting of its hidden costs, including increased demands on students, faculty, and IT infrastructures. In the absence of investments in these key areas, expanding online course offerings could create a gigantic holding-pen for students, one that would drive down our retention and graduation rates, diminish our undergraduate reputation, and decrease student engagement across the board. To prevent such an outcome, the Provost and the Undergraduate Committee are working together to devise a coherent strategy for developing new programs of high quality online instruction to provide quality assurance for the courses being created under this new rubric.
 2. This example of developing online programs leads to a more general consideration of workload and how it is accounted for. Though there are smaller, undergraduate-oriented universities, such as Texas Women's University, where teaching is the only component of faculty workload acknowledged by their policy, the research and graduate missions of UH demand much broader understanding of workload and productivity. Some of these seem easy to measure, like scholarly productivity in a field where the expectation is two peer-

reviewed articles per year, or where productivity is measured by the successful pursuit of research grants.

Other fields have more elastic definitions, as in measuring the accomplishments of those in the performing arts, or tracking the progress of humanities scholars whose books may take several years to be researched, written, and published. Because of this complexity of academic work in all its forms, we are working with the Provost to develop a fair and equitable workload policy that credits faculty for their broad-based contributions to their disciplines, the university, and the community at large.

Consideration of workload often leads to the more controversial topic of post-tenure review. The Provost prefers to call this a career-point review, implying a less punitive approach to ensuring faculty productivity after tenure is attained. Because faculty can contribute to the university in three distinct areas, teaching, scholarly work, and service, some flexibility is inherent in the evaluation of productivity. The key here might be regarding the teaching- or service-oriented roles of mid- or late-career academics as crucial for the continued improvement of the university, with reasonable expectations for performance and careful assessment of their contributions in these areas. It is incumbent on the departmental chairs, with the support of their deans and the provost, to define these expectations, and guide these individuals onto more productive paths.

3. The final area of concern is shared governance. At the Texas faculty senate meeting, I heard many horror stories regarding administrators making unilateral decisions, faculty being refused the opportunity to speak to their Board of Regents, and a generally adversarial relationship pitting administration against faculty members. At UH, at least since the arrival of President Khator, we have managed things differently. One key aspect of shared governance here is the principle that administrative policy changes be vetted by all potentially affected groups on campus. At UH, the Faculty Senate developed the University Coordinating Commission to ensure that no major changes happen under the radar. Faculty senates at other schools are now working to establish a similar process on their own campuses.

Dr. McHenry stated as she listened to the concerns of the senate leadership across Texas, she again was struck by how well our current approach to shared governance is working. We are fortunate to have a strong President who respects and values faculty input. We have a dedicated Board who listen to faculty on a regular basis. This ongoing interaction with key administrators means that we are able to anticipate and solve certain problems, rather than simply react to crises. Sharing information and engaging in such cooperative problem-solving will help to ensure our continued progress towards becoming a Tier One University in every sense of the term.

- Dr. McHenry's tenure as Faculty Senate President ends in January. At the February Board meeting, the new President of the Faculty Senate, Dr. Dmitri Litvinov will address the board.
- Dr. McHenry was honored to represent the faculty before the Board and thanked the board for their service.

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

Next on the board agenda was Item M, the Presentation on Translational Research – From Laboratory to Marketplace: University of Houston’s Strategy. Dr. Rathindra Bose, Vice Chancellor for Research and Technology Transfer briefed the board on the current status of technology commercialization and strategies to further enhance commercialization of technology created at the University of Houston. Below is a summary of Dr. Bose’s remarks:

- The Division of Research Functions were addressed as follows:
 - Strategic investment and fostering multidisciplinary research;
 - Securing and managing external grants and contracts; and
 - Economic development through translational research.
- The Division of Research Structures were outlined as follows:
 - Pre-Award
 - Post-Award
 - Compliance
 - Animal Care
 - Technology Commercialization
 - Centers and Institutes
- 1,386 proposals were submitted; 478 awards managed; 482 IRB protocol reviewed; and 49 IACUC protocol reviewed.
- There were 47 inventions disclosed; 29 provisional patents filed; 24 utility patents filed; 141 active U.S. patents issued; 42 active licenses; 15 active startups; and 16 revenue sources.
- There were five inventors over \$100,000: Harold Kohn, Diana Chow, Alexandre Freundlich, Paul Chu, and Venkat Selvamanickam.
- Major functions: Technology Transfer and Economic Development were outlined as follows: Manage patent portfolio; license intellectual property; start-up companies; and liaison with regional economic planning and development organization.
- Re-engineering Tech Transfer Operations were addressed, such as:
 - Invest to create prototypes
 - Expedite transfer of laboratory research to market place (support faculty entrepreneurs, develop partnership with industries, create advisory board, explore IP assignment to Research Park);
 - Pursue aggressive licensing agenda (adopt sound marketing strategies)
 - Expand IP portfolios;
 - Attract venture capitals for new spin-off companies; and
 - Enhance public-private partnership in pursuing marketable research projects.
- Conflicting views: Differences in Motives, Processes and Working Practices were given:
 - Industry reasons for participating in partnerships:
 - (a) Access to new research
 - (b) Development of new products
 - (c) Maintaining a relationship with the university
 - (d) Obtaining new patents
 - (e) Solving technical problems
 - (f) Viewed as less important: improving products and recruiting students
 - University reasons:
 - (a) Obtaining funding for research assistants, lab equipment and research

- (b) Obtaining insights into their research by field testing theory and empirical research
- (c) Viewed as less important: acquiring practical knowledge useful for teaching, student internships and job placement, and obtaining patentable inventions and business opportunities.

This item was presented for information only. A complete copy of Dr. Bose's powerpoint presentation has been filed in the Board office.

Chancellor's Report

Chancellor Renu Khator presented a UH System-wide report to the Board and below is a brief summary of Dr. Khator's remarks:

University of Houston System-wide Achievements:

- A total of 6,781 UH System students have qualified to earn their degrees after completing their studies at the end of the summer and fall 2011 sessions. A breakdown by university is as follows:
 - University of Houston – 3,314
 - University of Houston-Clear Lake – 1,320
 - University of Houston-Downtown – 1,427
 - University of Houston-Victoria – 720

University of Houston Achievements:

- ESPN's "College GameDay" is coming to campus and the University of Houston will be showcased before millions of television viewers. Only 12 universities are selected as GameDay sites each season, and this is a "first" for UH and our No. 11-ranked football team.
- Mat Johnson, associate professor in the Creative Writing Program, has been named the 2011 Dos Passos Prize recipient. This prestigious prize honors American authors whose mid-career works focus on American themes and the human experience, while embracing an experimental approach to literary form.
- South Texas area students will soon have access to College of Technology courses in high-demand areas such as retailing and consumer science, organization leadership and supervision, supply chain and logistics, human resource development, and technology project. These courses will be offered at a new multi-institution teaching center in Harlingen.
- With a \$3.1 million grant from the U.S. Department of Energy, Venkat "Selva" Selvamanickam, M.D. Anderson Chair Professor of Mechanical Engineering and Director of the Applied Research Hub of the Texas Center for Superconductivity at the University of Houston (TcSUH), will lead a public-private research team to develop an efficient, low-cost superconducting wire to use in advanced wind turbine generators.
- Hillary K. Valderrama and Jennifer L. Hopgood, students at the UH Law Center, were co-authors of "American Justice in the Age of Innocence," a book that explores the circumstances surrounding wrongful convictions. The book was co-edited by Professor Sandra Guerra Thompson, one of the nation's leading criminal justice academicians.
- Aaron Casey, a sophomore, recently received lessons from Grammy Award winner Bobby McFerrin as part of a HBO documentary series "Masterclass." Casey was selected by McFerrin to participate in the program following his performance during 2011 Young Arts Week in Miami.

University of Houston-Clear Lake Achievements:

- UHCL has received approval for downward expansion from the Texas Legislature. This measure will allow the university to move forward with plans to add freshman- and sophomore-level courses to its roster of academic offerings.
- Mary Femi Ayadi, Associate Professor of Healthcare Administration, has been named a Fulbright Scholar. Ayadi will be lecturing at Covenant University in Sango-Ota, Nigeria, from January through August 2012 and her research will focus on the interdependencies that exist between healthcare expenditures and economic growth in Nigeria.
- Alumnus Michael Fincke ('01 MS), was one of the six-member crew on the 25th and final mission for the Space Shuttle Endeavour. He holds the record for the most time in space by a U.S. astronaut.

University of Houston-Downtown Achievements

- The National Science Foundation's Robert Noyce Teacher Scholarship Program has awarded \$1.08 million to fund the UHD-Noyce Mathematics Teacher Scholarship Program for five years. UHD's Department of Computer and Mathematical Sciences and Urban Education are preparing future secondary school math teachers for Houston-area classrooms.
- The Texas Higher Education Coordinating Board (THECB) has awarded a \$260,000 grant to initiate a student success program, "Freshman Achievement Communities to Enhance Student Persistence and Success." UHD was one of the five schools out of 37 schools to receive the funding. The Coordinating Board has also designated UHD as one of eight universities statewide helping adults return to college to finish their bachelor's degrees through a new program called Grad TX.
- G.I. Jobs Magazine named UHD a "Military Friendly School" for the second year, placing it among the top 20 percent of colleges and universities nationwide who are doing the most to embrace U.S. military service members and veterans as students.

University of Houston-Victoria Achievements

- For the sixth consecutive year, the School of Business Administration was named one of the best business schools in the nation by the *Princeton Review*. The school was featured in the 2012 edition of the company's book, "The Best 294 Business Schools." Three members of the school's faculty were recently honored by *Bloomberg Business Week*. Jie Yang was recognized for outstanding performance in research,, and Jeffrey Radighieri and Stephanie Solansky were presented with awards for outstanding teaching.
- UHV has begun offering a Bachelor's Degree in Communication, leading to careers in multimedia, design and publishing. And the university will begin offering a dual-degree program in the spring 2012 semester to train nurses with top-level skills and solid-business know-how. The new Master of Science in Nursing/Master of Business Administration dual degree will feature 51 semester credit hours of graduate-level business and nursing classes and will offer students a faster option of completing the two degrees simultaneously.
- GetEducated.com, a national consumer group that rates online college programs, ranked UHV's Bachelor of Applied Arts and Sciences in computer information systems No. 4 in affordability and the Bachelor of Business Administration No. 6 in affordability.

A complete copy of the Chancellor's Report has been filed in the Board office. This item was for information only and required no Board action.

Information Only

Chair Blair stated four (4) individuals had signed up for Open Forum.

1. Mr. Steven Rutherford, Executive Director, Education Partnerships Pearson Learning Solutions. Mr. Rutherford, who had signed up for Open Forum, did not attend the meeting.
2. Mr. Daniel Arp, a graduate from UH-Downtown, topic addressed UH for having three month-long programs for the month of October: one for gays, and two for women, but nothing for men in the previous month, despite his year-long request for the college to do something for September being Prostate Cancer Awareness Month;
3. Mr. Don Perry, former UH employee with Information Technology, thanked Dr. Carlucci for purchasing Skill-Port for the university's use; and
4. Ms. Elsie Myers, President, UH Staff Council, addressed the board on staff morale and was joined at the podium by two additional Staff Council members, Ron Gonyea and Pam Muscarello, who also gave brief remarks.

There being no further action to come before the Board the meeting adjourned at 3:40 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	Monica McHenry	Emily Messa
Carl Carlucci	Brian Chapman	Mike Emery
John Antel	Don Perry	Dan Wells
Dona Cornell	Dick Phillips	Mike Dressman
Rathindra Bose	Marshall Schott	Karen Clarke
J. Richard Walker	Don Guyton	Richard Bonnin
Philip Castille	Carl Stockton	Ed Hugetz
Don Smith	Wayne Beran	Michelle Dotter
Bill Staples	Lisa Holdeman	David Bradley
Spencer Yantis	Craig Ness	Tom Ehardt
Barbara Stanley	Michael Harding	Chris Premjee
Justin Baringer	Chris Stanich	Alan Brogard
Ray Gutierrez	Ed Jones	Jon Aldrich
Lisa Remney	Elsie Myers	Pam Muscarello
Chris Muscarello	Daniel Arp	Don Perry

University of Houston System

Others Present (cont'd)

James A. Thomspn
Roger Ramirez
Mary Helen Menza
Andy Moon
Marquette Hobbs

Ann McFarland
Rowena Castro
Rebecca Szwarc
Cynthia Romero
Gerry Mathisen

Bill Ashley
B. Renae Milton
Samson Shatleh
Carrie Miller