UNIVERSITY OF HOUSTON SYSTEM

Board of Regents Meeting
12:00 p.m. – 3:00 p.m.
February 15, 2012

AGENDA

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING

DATE: **Wednesday, February 15, 2012**

TIME: **12:00 p.m.**

PLACE: **University of Houston-Clear Lake**
Garden Room, Room 1510 Bayou Building
2700 Bay Area Blvd.
Houston, Texas 77058

Chair: **Nelda Luce Blair**
Vice Chair: **Mica Mosbacher**
Secretary: **Jarvis V. Hollingsworth**

I. **Board of Regents Meeting**

A. Call to Order

II. Executive Session

1. Section 551.071 – Consultation with System Attorneys

2. Section 551.072 – Deliberations Concerning Purchase, Lease or Value of Real Property

3. Section 551.073 – Deliberations about Negotiated Contracts for Prospective Gifts or Donations

4. Section 551.074 – Personnel Matters, Including Appointment, Evaluation or Dismissal of Personnel

III. Report and Action from Executive Session

B. Approval to ratify the contract for the new University of Houston's Football Coach – University of Houston BOR-B1

Action: Approval

IV. Board of Regents Meeting (continued)

C. Welcoming Remarks from President of the University of Houston-Clear Lake

D. Information on the University of Houston-Clear Lake's Center for Autism and Developmental Disabilities (CADD) – University of Houston-Clear Lake BOR-D5

Action: Information

E. Presentation of Resolutions of Appreciation – University of Houston System BOR-E12

Action: Information

F. Open Forum

G. Approval of Minutes:
- October 27, 2011, Special Called Board of Regents Meeting
- November 15, 2011, Board of Regents Meeting, New Regents Orientation
- November 16, 2011, Board of Regents Meeting, New Regents Orientation
- November 16, 2011, Board of Regents Meeting

Action: Approval

V. Committee Reports Listing Consent Docket Items for Board Approval

All action items considered and unanimously approved by the Academic and Student Success Committee, Item A, the Facilities, Construction and Master Planning Committee, Item B, and the Endowment Management Committee, Item C, held on Tuesday, February 14, 2012; and the Finance and Administration Committee, Item D and the Audit and Compliance Committee, Item E on Wednesday, February 15, 2012 are listed under each Committee Report as Consent Docket Agenda items requiring final board approval.

Pursuant to Board By-Law 6.9, any Regent may request that an individual item be removed from the Consent Docket and be considered by the Board.

Item A – Academic and Student Success Committee Report – February 14, 2012

A. Approval of Master of Science in Nursing with a Major in Family Nurse Practitioner Degree – University of Houston-Victoria A&SS-A1

Action: Approval

B. Approval of Admission Standards for Freshman at the University of Houston-Downtown – University of Houston-Downtown A&SS-B5

Action: Approval

C. Approval of University of Houston Honorary Degrees – University of Houston — A&SS-C11

Action: Approval

Item B – Facilities, Construction and Master Planning Committee Report – February 14, 2012

D. Approval of site and program for the design and construction of a new University of Houston football stadium – University of Houston — FCMP-D12

Action: Approval

E. Approval of site and program for design and construction of a new facility for the University of Houston College of Pharmacy - University of Houston — FCMP-E21

Action: Approval

F. Approval of site and program for expansion of the Cougar Substation – University of Houston — FCMP-F24

Action: Approval

G. Approval is requested to update the University of Houston-Sugar Land master plan to site a new 63,000 square foot partnership facility – University of Houston — FCMP-G27

Action: Approval

H. Approval of site and program for design and construction of the University of Houston-Victoria Academic and Economic Development Building – University of Houston-Victoria — FCM-H30

Action: Approval

Item C – Endowment Management Committee Report – February 14, 2012

I. Approve the FY12 University Advancement Endowment Assessment Rate of 1.5% – University of Houston System — EM-I33

Action: Approval

J. Approval to modify the UH System Endowment Fund Statement of Investment Objectives and Policies – University of Houston System — EM-J34

Action: Approval

K. Annual review and approval of the UH System Investment Policy for Non-Endowed Funds – University of Houston System — EM-K55

Action: Approval

Item D – Finance and Administration Committee Report – February 15, 2012

L. Approval of University of Houston consolidation of tuition and fees rates effective fall semester 2012 – University of Houston — F&A-L74

Action: Approval

M. Approval of changes to the voluntary and optional fees and charges for the University of Houston System universities – University of Houston System — F&A-M94

Action: Approval

N. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract not to exceed $1.5 million for the purchase of ventilated mouse cages for the University of Houston – University of Houston — F&A-N114

Action: Approval

O. Approval is requested to delegate authority up to $5 million to the Chancellor to negotiate and execute insurance contracts for Fiscal Year 2012 – University of Houston System — F&A-O116

Action: Approval

P. Approval is requested to write-off Accounts and Notes Receivable for FY2011 – University of Houston System — F&A-P119

Action: Approval

Q. Approval is requested to delegate authority to the Chancellor to negotiate and execute a multi-year contract (not to exceed two years with a one-year option to renew) for library subscription services for the M.D. Anderson Library – University of Houston — F&A-Q133

Action: Approval

R. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract up to five years to purchase natural gas for the University of Houston – University of Houston — F&A-R135

Action: Approval

S. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts associated with the sale of approximately 22.7 acres of land with improvements located in Ingleside, Texas – University of Houston F&A-S137

Action: Approval

Item E – Audit and Compliance Committee Report – February 15, 2012

T. Report on Audit Report and Financial Statements, University of Houston Charter School, FY2011 – University of Houston System AUDIT-T150

Action: Approval

VI. Committee Report Item(s) not Addressed in the Consent Docket but requiring Final Board Approval

[No items were forwarded from the committee which require further Board action]

VII. Board of Regents Items (continued)

H. Approval of Appointment of Vice Chancellor/Vice President for University Advancement for University of Houston System/University of Houston – University of Houston System/University of Houston BOR-H16

Action: Approval

I. University of Houston Faculty Senate President addresses the role of research in providing quality education from a perspective of someone who has worked in the industry – University of Houston BOR-I19

Action: Information

J. Annual Report on Intercollegiate Athletics – University of Houston BOR-J20

Action: Information

K. Introduction of the new University of Houston-Victoria Provost and Vice President for Academic Affairs – University of Houston-Victoria BOR-K21

Action: Information

VIII. Chancellor's Report: System Profile and Accomplishments

IX. Chair's Report: Board Initiatives

X. Adjourn

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

BOARD ITEMS
TO BE PRESENTED

AT

BOARD OF REGENTS
MEETING

FEBRUARY 15, 2012

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: Approval to ratify the contract for the new University of Houston's Head Football Coach

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to ratify the contract for the newly appointed University of Houston's Head Football Coach, Tony Levine. Mr. Levine's appointment was effective December 21, 2011.

SUPPORTING DOCUMENTATION: Biographical Sketch and Personnel Recommendation

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Approval

COMPONENT: University of Houston

Renu Khator

CHANCELLOR Renu Khator **DATE** 1/30/12

Anthony "Tony" Levine

Mr. Tony Levine was named the University of Houston's 12th head football coach by UH Director of Athletics, Mack Rhoades on December 21, 2011.

Mr. Levine spent the previous four seasons as an assistant coach at UH, including the final two as the assistant head coach and special teams coordinator. He was named the Interim Head Coach on Dec. 10 before taking the reins permanently on December 21.

Named one of the country's Top 10 Fastest Rising Assistant Coaches by CBS Sports, Levine coordinated the special teams and helped mold a football team that has advanced to three bowl games in the last four years and won a school record 12 games in 2012.

He has brought a wide array of experience to Houston, having coached at the high school, collegiate and NFL levels during his 16-year coaching career. Prior to taking over the head coaching reins, he served as assistant head coach, special teams coordinator and inside receivers/tight ends coach.

He earned a Bachelor's degree in kinesiology with an emphasis in sports management from Minnesota, and also holds a Master's degree in physical education from Texas State and an Educational Specialist degree in adult education from Auburn. His playing resume also includes one season as a wide receiver for the Minnesota Fighting Pike of the Arena Football League.

University of Houston System Board of Regents

Personnel Recommendation

Organization: University of Houston

Type of Appointment:	Ratification of Contract
Name:	Anthony "Tony" Levine
To Title:	University of Houston's Head Football Coach
Effective Date:	December 21, 2011

Term Sheet for Head Football Coach Anthony Levine's Proposed Contract

1. **Term** – Five years with option for two additional years upon written agreement of both parties.
2. **Compensation**
   a. Base salary of $250,000 per year
   b. Non-salary compensation of $550,000 per year
   c. Deferred compensation of $100,000 per year, but only payable upon completion of five year term.
   Total Compensation = $900,000 per year for a total of $4,500,000 over five year term.
3. **Benefits** (in addition to standard UH benefits)
   a. One courtesy car and an automobile allowance of $600 per month.
   b. Complimentary tickets for football (20) and men's basketball (12).
4. **Performance Incentives** – based on team performance and coaching awards (amounts to be determined).
5. **Termination Without Cause (i.e., buyout)**
   a. If UH terminates without cause, UH will pay Levine $250,000 per year for remainder of the term of the contract.
   b. If Levine terminates without cause, Levine will pay UH between $400,000 and $800,000 depending on date of termination (i.e., before 1/2/15 = $800,000; between 1/3/15 and 1/2/16 = $600,000; after 1/3/16 = $400,000).

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: Information on the University of Houston-Clear Lake's Center for Autism and Developmental Disabilities (CADD).

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Dr. Dorothea Lerman, Professor of Psychology, and Director of the Center for Autism and Developmental Disabilities will deliver a presentation on the Center for Autism and Developmental Disabilities (CADD). The mission of the center is to support research on autism and developmental disabilities, train current and future professionals, and provide services to children and their families through partnerships with community organizations.

SUPPORTING DOCUMENTATION: Presentation on the UH-Clear Lake Center for Autism and Developmental Disabilities

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Information

COMPONENT: University of Houston-Clear Lake

Renu Khator
CHANCELLOR Renu Khator

1/31/12
DATE

02/15/12
BOR - D-6

University of Houston – Clear Lake Center for Autism and Developmental Disabilities



CADD
CENTER FOR AUTISM AND DEVELOPMENTAL DISABILITIES

http://hsh.uhcl.edu/CADD

The Problem of Autism

- Prevalence: 1 in 110 (Center for Disease Control, 2009)
  - 600% increase in schools over past decade (U.S. Dept of Ed)
  - Estimate of ~62,000 in TX
    - Ranks in bottom quartile for service provision

- 4:1 male to female ratio

- Potential Causes:
  - Biologically-based disorder
    - neurological
    - brain structure
    - genetic component
  - Suspected environmental factors (toxins, viruses, dietary concerns)
    - Currently, no supportive empirical evidence

Treatment

- Services in TX are "scattered, fragmented, and often difficult to access." (Texas Council on Autism and Pervasive Developmental Disorders, 2010, p. 12)

- Behavioral interventions have greatest empirical support

- Intensive intervention (20+hours per week) often needed
  - Cost prohibitive for many ($40,000/yr +)
  - Insurance coverage rare

CADD Fast Facts



- Established March 2008
- Collaboration among faculty and students in the Behavior Analysis, Family Therapy and School Psychology graduate programs
- Goals:
  - To support research on autism and developmental disabilities
  - To train current and future professionals
  - To provide services to children and their families through partnerships with community organizations.
- New 1,350 square foot facility opened last month

Current Research, Training, & Services

- School Consultation
- Autism Early Intervention (ABA-SkIP)
- Severe Behavior Disorders Program
- Verbal Behavior Program
- Autism Assessment Services
- Couples Counseling
- Community Speakers Series
- Lonestar LEND Partner
- New Program: Parent Training for Spanish Speakers

CADD
CENTER FOR AUTISM AND DEVELOPMENTAL DISABILITIES

Outcomes

- Funding to Date: ~$1.4 million in grants and contracts
- Families Served: ~280
- School Districts Served: 4
- Private Schools/Agencies Served: 6
- Research Projects Completed: 28
- Graduate Students Trained: 94
- Undergraduate Students Trained: 31

CADD
CENTER FOR AUTISM AND DEVELOPMENTAL DISABILITIES

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: Presentation of Resolutions of Appreciation

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Chair of the Board, Nelda Luce Blair will present a Resolution of Appreciation to former Regents Carroll Robert Ray, Welcome W. Wilson, Sr., and Jim P. Wise, which had been approved by the Board, for their devoted and distinguished service to the University of Houston System.

SUPPORTING DOCUMENTATION:
Resolution of Appreciation – Carroll Robertson Ray
Resolution of Appreciation – Welcome W. Wilson, Sr.
Resolution of Appreciation – Jim P. Wise

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Information

COMPONENT: University of Houston System

Renu Khator
CHANCELLOR Renu Khator

1/31/12
DATE

RESOLUTION IN APPRECIATION

CARROLL ROBERTSON RAY

WHEREAS, Carroll Robertson Ray was appointed to the University of Houston System Board of Regents on February 5, 2008 by Governor Rick Perry, serving with distinction until her term ended August 31, 2011; and,

WHEREAS, during her tenure Carroll Robertson Ray, with the great passion and sense of duty that flows from her family's exceptional legacy of service to the Board of Regents, fulfilled a wide variety of Board assignments, including:

- Ex Officio Member, Academic and Student Success Committee, 2010 to 2011
- Ex Officio Member, Audit and Compliance Committee, 2010 to 2011
- Ex Officio Member, Finance and Administration Committee, 2010 to 2011
- Ex Officio Member, Facilities, Construction and Master Planning Committee, 2010 to 2011
- Ex Officio Member, Endowment Management Committee, 2010 to 2011
- Member, Academic and Student Success Committee, 2008 to 2009
- Vice Chair, Facilities, Construction and Master Planning Committee, 2008 to 2009
- Vice Chair, Endowment Management Committee, 2009 to 2010
- Vice Chair, Finance and Administration Committee, 2009 to 2010
- Chair, Endowment Management Committee, 2008 to 2009
- Chair, Academic and Student Success Committee, 2009 to 2010
- Chair, Executive Committee, 2010 to 2011

WHEREAS, Carroll Robertson Ray's Board tenure culminated with her election as Chair of the Board of Regents, 2010 to 2011; and,

WHEREAS, during her tenure as Chair the University of Houston attained the coveted Tier One classification from the Carnegie Foundation for the Advancement of Teaching; and,

WHEREAS, Carroll Robertson Ray is a proud alumna of the University of Houston, where she earned her doctor of jurisprudence degree in 2002; and,

WHEREAS, Carroll Robertson Ray applied the knowledge gained at the UH Law Center University of Houston into a successful career as an attorney, most recently in her Of Counsel role with the prestigious firm of Andrews Kurth, LLP; and,

WHEREAS, Carroll Robertson Ray has served civic, philanthropic, and non-profit organizations throughout the community, including Secretary of the Cullen Trust for Performing Arts, Chairman of the Board of Trustees of the Houston Museum of Natural Science – the first woman to hold that post – founding member and President of The Children's Assessment Center, and board member of the Houston Ballet Foundation, among others,

NOW BE IT THEREFORE RESOLVED, that the Board of Regents of the University of Houston System issues this resolution in appreciation of Carroll Robertson Ray for her devoted and distinguished service to the University of Houston System.

Dated this seventeenth day of August, 2011.

Nelda Luce Blair,
Vice Chair, University of Houston System Board of Regents

Renu Khator
Chancellor, University of Houston System

Mica Mosbacher, Secretary

Jarvis V. Hollingsworth, Regent

Nandita V. Berry, Regent

Jacob M. Monty, Regent

Tilman J. Fertitta, Regent

Welcome W. Wilson, Sr., Regent

Jim P. Wise, Regent

Tamecia Glover Harris, Student Regent

RESOLUTION IN APPRECIATION

WELCOME W. WILSON, SR.

WHEREAS, Welcome W. Wilson, Sr. was appointed to the University of Houston System Board of Regents on April 13, 2006 by Governor Rick Perry, serving with distinction until his term ended August 31, 2011; and,

WHEREAS, during his tenure Welcome W. Wilson, Sr. diligently, wholeheartedly and with great passion and enthusiasm fulfilled a wide variety of Board assignments, including:

- Ex Officio Member, Academic and Student Success Committee, 2008 to 2009 and 2009 to 2010
- Ex Officio Member, Audit and Compliance Committee, 2008 to 2009 and 2009 to 2010
- Ex Officio Member, Finance and Administration Committee, 2008 to 2009 and 2009 to 2010
- Ex Officio Member, Facilities, Construction, and Master Planning Committee, 2008 to 2009 and 2009 to 2010
- Ex Officio Member, Endowment Management Committee, 2008 to 2009 and 2009 to 2010
- Member, External Affairs Committee, 2006 to 2007
- Member, Administration and Finance Committee, 2006 to 2007
- Member, Audit and Compliance Committee, 2010 to 2011
- Member, Facilities, Construction and Master Planning Committee, 2010 to 2011
- Member, Executive Committee, 2010 to 2011
- Vice Chair, University Advancement Committee, 2006 to 2007; and,
- Chair, Executive Committee, 2007 to 2008, 2008 to 2009, and 2009 to 2010; and

WHEREAS, Welcome W. Wilson, Sr. provided the institution with wise leadership and extraordinary vision as Chair of the Board of Regents for three consecutive one-year terms, from 2007 to 2010, during which time he played a key leadership role, in among other initiatives benefitting the institution the passage of Proposition 4 creating the National Research University Fund; and

WHEREAS, Welcome W. Wilson, Sr., as Immediate Past Chair, distinguished himself in the last year of his tenure on the Board of Regents, from 2010 to 2011, serving as Chairman of the UH Tier One public campaign and devoting countless hours in support of the institution's legislative priorities during the critical 82nd Texas Legislature; and,

WHEREAS, during the last year of his tenure the University of Houston attained the coveted Tier One classification from the Carnegie Foundation for the Advancement of Teaching; and,

WHEREAS, Welcome W. Wilson, Sr. is a proud alumnus of the University of Houston, where he earned his bachelor of business administration degree in 1949, receiving the C.T. Bauer College of Business "Distinguished Alumnus Award" in 1996, and the University of Houston "Distinguished Alumnus Award" in 1970; and,

WHEREAS, Welcome W. Wilson, Sr., having applied the knowledge gained at the University of Houston into a rewarding career as one of Houston's most successful real estate developers, including his current chairmanship of GSL Welcome Group, LLC., and his past posts as chairman of two Texas banks and major stockholder of the Houston Astros; and,

WHEREAS, Welcome W. Wilson, Sr. has served his community and his nation through the decades in a wide variety of posts at the local, state, and national levels, ranging from his appointment as five-state Director of Civil and Defense Mobilization during the Kennedy and Johnson administrations to serving as Special Ambassador to Nicaragua, earning him the Arthur S. Fleming Award as one of Ten Outstanding Young Men in Federal Service, as well as serving on the Board of the Greater Houston Partnership and Chairman of its Higher Education Committee,

NOW BE IT THEREFORE RESOLVED, that the Board of Regents of the University of Houston System issues this resolution in appreciation of Welcome W. Wilson, Sr. for his devoted and distinguished service to the University of Houston System.

Dated this seventeenth day of August, 2011.

Carroll Robertson Ray
Chair, University of Houston System Board of Regents

Renu Khator
Chancellor, University of Houston System

Nelda Luce Blair, Vice Chair

Jarvis V. Hollingsworth, Regent

Mica Mosbacher, Secretary

Jacob M. Monty, Regent

Nandita V. Berry, Regent

Jim P. Wise, Regent

Tilman J. Fertitta, Regent

Tamecia Glover Harris, Student Regent

RESOLUTION IN APPRECIATION

JIM P. WISE

WHEREAS, Jim P. Wise was appointed to the University of Houston System Board of Regents on April 13, 2006 by Governor Rick Perry, serving with distinction until his term ended August 31, 2011; and,

WHEREAS, during his tenure Jim P. Wise diligently and wholeheartedly fulfilled a wide variety of Board assignments, including:

- Member, Audit Committee, 2006 to 2007 and 2007 to 2008
- Member, Facilities, Construction, and Master Planning Committee, 2008 to 2009, and 2009 to 2010
- Member, Endowment Management Committee, 2009 to 2010
- Vice Chair, Endowment Management Committee, 2006 to 2007, 2007 to 2008, 2008 to 2009, and 2010 to 2011
- Chair, Administration and Strategic Planning Committee, 2006 to 2007 and 2007 to 2008
- Chair, Strategic Planning Committee, 2007 to 2008
- Chair, Academic and Student Success Committee, 2008 to 2009
- Chair, Finance and Administration Committee, 2010 to 2011
- Secretary, Executive Committee, 2007 to 2008 and 2008 to 2009
- Vice Chair, Executive Committee, 2009 to 2010
- Secretary, Board of Regents, 2007 to 2008 and 2008 to 2009; and,

WHEREAS, Jim P. Wise further served the institution as Vice Chair of the Board of Regents from 2009 to 2010, his term was characterized by his personal traits of honesty, integrity, and forthrightness; and,

WHEREAS, during the last year of his tenure the University of Houston attained the coveted Tier One classification from the Carnegie Foundation for the Advancement of Teaching; and,

WHEREAS, Jim P. Wise is a proud alumnus of the University of Houston, where he earned his bachelor of business administration degree with a major in accounting in 1966; and,

WHEREAS, Jim P. Wise serves on the C.T. Bauer College of Business Dean's Executive Advisory Board, and has been honored by his college with the "Distinguished Alumnus Award" in 2001; and,

WHEREAS, Jim P. Wise, having applied the knowledge gained at the University of Houston into a successful career with the city's most prestigious equity funds and energy companies; and,

WHEREAS, Jim P. Wise serves his community as a board member in a variety of civic and professional organizations, including being a life member of the Houston Metropolitan Area Advisory Board,

NOW BE IT THEREFORE RESOLVED, that the Board of Regents of the University of Houston System issues this resolution in appreciation of Jim P. Wise for his devoted and distinguished service to the University of Houston System.

Dated this seventeenth day of August, 2011.

Carroll Robertson Ray
Chair, University of Houston System Board of Regents

Renu Khator
Chancellor, University of Houston System

Nelda Luce Blair, Vice Chair

Jarvis V. Hollingsworth, Regent

Mica Mosbacher, Secretary

Jacob M. Monty, Regent

Nandita V. Berry, Regent

Welcome W. Wilson, Sr., Regent

Tilman J. Fertitta, Regent

Tamecia Glover Harris, Student Regent

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

ACADEMIC & STUDENT SUCCESS COMMITTEE ITEMS

TO BE PRESENTED

AT

FEBRUARY 14, 2012

MEETING

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic & Student Success

ITEM: Approval of Master of Science in Nursing with a Major in Family Nurse Practitioner Degree

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
The Master's of Science in Nursing (MSN) with a focus on Family Nurse Practitioner (FNP) is a program of full-time graduate study for the nurse seeking preparation as an advanced practice registered nurse (APRN). The MSN FNP degree program is designed to prepare nurses to practice as family nurse practitioners, to translate research into practice, to assume leadership roles, and as educators in nursing programs.

SUPPORTING DOCUMENTATION: Program Description and Financial Pro Forma

FISCAL NOTE: See Financial Pro Forma

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston-Victoria

PRESIDENT	Philip Castille	**DATE** 1/24/12
SENIOR VICE CHANCELLOR	John Antel	**DATE** 1/30/12
CHANCELLOR	Renu Khator	**DATE** 1/31/12

Master of Science in Nursing with a Major in Family Nurse Practitioner

University of Houston - Victoria

Congruence with System Goals and University Mission

The proposed Master of Science in Nursing with a Major in Family Nurse Practitioner addresses the system goal of extending access to high-quality educational programs, especially those that meet the health-related workforce needs of the Texas Gulf Coast Region. This program will be part of the University of Houston-Victoria School of Nursing which is fully accredited by the Commission for Collegiate Nursing Education (CCNE).

Program Description

The Master of Science in Nursing (MSN) with a Major in Family Nurse Practitioner (FNP) is a 47 semester credit hour program and 660 clock hours of clinical practicum. The courses include Advanced Pathophysiology, Advanced Diagnostic Physical Examination, Healthcare Informatics, Professional Role – Policy & Ethics, and Nursing Research & Advanced Inquiry. It is a program of fulltime graduate study for the nurse seeking preparation as an advanced practice registered nurse (APRN). The MSN FNP degree program is designed to prepare nurses to practice as family nurse practitioners, to translate research into practice, to assume leadership roles, and as educators in nursing programs.

Student and Job Market Demand

The U.S. Bureau of labor Statistics does not track employment data for advanced practice registered nurses (APRN), but does predict that Registered Nurses will create the second largest number of jobs among all occupations. The Bureau of Health Professions predicts a shortage of over 1 million nurses by the year 2020 (BHPR, 2010). In spring 2010 focus groups for UHV School of Nursing stake holders were held. These groups consisted of School of Nursing Advisory Boards in Victoria and Sugar Land, and Hospital Chief Nurse Forums for the Memorial Hospital System and Richmond State School. Each hospital represented at the forums addressed the need for advanced practice nurses in their facilities with family nurse practitioners (FNP) as the most needed role. No other nursing programs are located in the rural and medically underserved areas serviced by UHV School of Nursing.

Program Duplication

There are 18 MSN-FNP programs in the State of Texas, but none in the Texas Gulf Coast region. According to the Texas Center for Nursing Workforce Studies, 309 qualified applicants were denied admission to a nurse practitioner program in Texas because of statewide lack of capacity.

Faculty Resources

The program will utilize 4 existing doctoral prepared nurse practitioner faculty. It will propose to hire 2 doctoral prepared nurse practitioner faculty, one in FY14 and one in FY15, and a new Clinical Coordinator.

New Masters of Science in Nursing FNP - UHV

Pro Forma

Assumptions			
Faculty/Staff1			prorated
New Faculty	75%	$61,571	$46,178
New Faculty	50%	$61,571	$30,786
New Clinical Coordinator	50%	$45,000	$22,500
Existing TT Faculty-Reeve	100%	$78,000	$78,000
Existing TT Faculty-Barton	75%	$58,655	$43,991
Existing TT Faculty-Nowazek	75%	$70,985	$53,239
Existing TT Faculty-Blomstrom	50%	$61,682	$30,841

Enrollments	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Headcount	15	27	36	43	48
FTSE	15	27	36	43	48

Expenses

Staffing Appointments	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
New TT (tenure track) Faculty			$46,178	$46,178	$46,178
New TT (tenure track) Faculty		$30,786	$30,786	$30,786	$30,786
New Clinical Coordinator	$22,500	$22,500	$22,500	$22,500	$22,500
Existing TT Faculty-Reeve	$78,000	$78,000	$78,000	$78,000	$78,000
Existing TT Faculty-Barton	$43,991	$43,991	$43,991	$43,991	$43,991
Existing TT Faculty-Nowazek	$53,239	$53,239	$53,239	$53,239	$53,239
Existing TT Faculty-Blomstrom	$30,841	$30,841	$30,841	$30,841	$30,841
	$228,571	$259,357	$305,535	$305,535	$305,535
Annual maintenance & operations	5,950	6,800	8,075	8,075	8,075
Recruiting	15,000	13,000	11,000	10,000	9,000
Equipment	9,000	3,000	6,000	3,000	9,000
Total Non-Personal	29,950	22,800	25,075	21,075	26,075
Total Annual Expense	258,521	282,157	330,610	326,610	331,610

Revenue	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
University Tuition	96,524	173,743	231,657	276,701	308,876
University Fees	18,360	33,048	44,064	52,632	58,752
Subtotal	114,884	206,791	275,721	329,333	367,628
Higher Education Assistance Funds (HEAF)	9,000	3,000	6,000	3,000	9,000
Formula Funding	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Generated		29,583	29,583	195,251	195,251
Allocated to university operations (60%)		(17,750)	(17,750)	(117,151)	(117,151)
Net additional formula funding		11,833	11,833	78,100	78,100
Total New Revenue	123,884	221,624	293,554	410,433	454,728
Net Revenue	**(134,637)**	**(60,533)**	**(37,056)**	**83,824**	**123,118**

02/15/2012
CONSENT DOCKET – A&SS-A4

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic & Student Success

ITEM: Approval of Admission Standards for Freshman at the University of Houston - Downtown

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
The University of Houston – Downtown proposes modification of its freshman admission standards, effective for first-time-in-college (FTIC) students entering in the fall of 2013. The new admissions standards are part of a larger student success plan designed to increase retention and graduation rates at the university.

SUPPORTING DOCUMENTATION: Proposed Admissions Standards: A Student Success Plan
Comparison of Admissions Standards at Regional Universities Near UHD

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston-Downtown

William V. Flores

PRESIDENT	William Flores	**DATE** 1/30/12
SENIOR VICE CHANCELLOR	John Antel	**DATE** 1/30/12
CHANCELLOR	Renu Khator	**DATE** 1/31/12

PROPOSED ADMISSION STANDARDS: A STUDENT SUCCESS PLAN

UNIVERSITY OF HOUSTON-DOWNTOWN

Our Goals:

- ✓ Retain more students
  - Raise first-year retention rates
  - Decrease the number of students who leave the University with large debt and with few or no credits.
- ✓ Graduate more students
  - Increase the number of First Generation Students who graduate each year
  - Raise UHD's six-year graduation rate to the level of our peer universities
  - Increase the number of African-American and Hispanic students who graduate each year

Introduction – The Context for the Proposed Automatic Admission Standards

Since its founding, University of Houston-Downtown has been committed to providing open access and opportunity to working and part-time students. We are proud that UHD has one of the most diverse student bodies in the nation and ranks 37th among all colleges and universities in the country in graduating Hispanic and African-American students. UHD, our UH System Board of Regents and our Chancellor remain committed to maintaining our campus diversity and to ensuring that even more students earn their degrees. *UHD has been, and will remain, an opportunity university while retaining student diversity.*

A key element in UHD's Strategic Plan is to increase student retention and graduation rates. UHD is developing individualized pathways to improve student success. Research studies show that students who participate in high-impact experiences graduate at higher rates and are significantly more likely to graduate in six years than those who do not participate in high-impact experiences. *UHD will provide our students with high-impact experiences, strong academic support, supplemental instruction, mandatory advising and other support strategies that improve their opportunities for success.*

UHD's overall persistence rate (59%) and six-year graduation rate (12%) are among the lowest of all Texas four-year universities. To accomplish the goal of increasing persistence and graduation rates, especially among African-American and Hispanic students, UHD is incorporating a wide variety of support strategies, including the adoption of automatic admission standards in 2013.

We will use automatic admission standards to prescribe individualized pathways for our students as a way to increase student success rates. Our doors to access and opportunity will remain open. As we proceed with admission standards we are committed to retaining UHD's diversity, increasing the

number of minority students we graduate, and expanding the support services and intervention strategies we provide for our students.

The University Challenge

There are several reasons that the University must move to admission standards. The relatively open access standards we are proposing stem from our desire to increase graduation rates, particularly for low-income minority students. But, there are other pressing concerns. UHD has seen its funding shrink over the years, requiring us to increase class size and reduce course offerings. While we will continue to offer developmental education courses, we must focus on offering courses for our majors and graduating our students.

In addition, changes to federal financial aid regulations now hold universities liable for students who default on federal loans. Many students currently enroll at UHD with skills that are insufficient for college-level work, and most of these students drop out. As a result, the high student loan default rate leaves UHD with a higher financial liability than our peers.

Despite our best efforts, about half of our freshmen, particularly those with the highest remediation needs, drop out before the end of the first year. Too many of these students leave UHD with few or no academic credits and high debt levels, particularly unpaid federal loan balances. UHD ranks third highest among our peers in loan default rates. We want to decrease the number of students who drop out and reduce the average debt loads for those that do drop out.

Consistent with its goal of increasing student success, UHD proposes that the following admission standards be adopted and implemented to admit the cohort of First Time in College (FTIC) students entering in the Fall of 2013:

Proposed Automatic Admission Standards
UNIVERSITY OF HOUSTON—DOWNTOWN

Request for UHS Board of Regents Approval:	Spring, 2012
Proposed Implementation Date:	Fall, 2013 Entering Class
Top 25% of High School class	Automatic Admission
26% to 50% of HS class	Automatic Admission *if:* SAT I $\geq$ 850 *or* ACT $\geq$ 18 *or* 2.5 GPA
51% and below HS class (Including GED only or no HS rank)	Individual Review*

* NOTE: No student will be automatically rejected from UHD. Rather, students will receive individualized review based on interviews, test scores and other assessments. Individual review consists

of completing the Accuplacer and Non-cognitive Questionnaire assessments to determine college readiness and meeting with an admissions counselor and academic advisor to develop an individualized student success action plan. Students who require excessive remediation needs (which cannot be provided at UHD) will be referred to a local community college under UHD joint admissions and reverse transfer agreements.

Individualized Pathways to Success

In addition to SAT scores and Grade Point Average (GPA), UHD will use diagnostic tests to establish college readiness. Accuplacer, interviews and a non-cognitive qualitative assessment tool will be used to assess leadership and potential. These tools will be used by UHD to develop individualized plans based on student needs, skills and potential.

The new automatic admission standards will signal to middle school and high school students that they need to be better prepared to meet the rigor and requirements of college. The standards also will have a collateral effect of increasing the number of freshmen students who arrive at UHD prepared for college.

Automatic Admission: Students who have proven their ability to succeed academically by graduating in the top 25% of their high school class will be automatically admitted to UHD.

Admission Based on Scores/GPA: Students who have graduated in the second quartile of their high school class and who have scored well on the SAT or ACT and/or achieved above a 2.5 GPA will be automatically admitted to UHD. Students who graduated in the second quartile who did not score well on the standardized exams will meet with an admissions counselor and may be advised to take specialized courses to improve their skills.

Individual Review: Applicants who must undergo an individual review and those who do not meet automatic admission standards, particularly students with less than a 2.0 GPA, will be directed to complete the Accuplacer and Non-Cognitive Questionnaire (NCQ) exams and will meet with an admissions counselor. The scores on the two exams will be used to assess the academic readiness of the applicant. Based on these exams and on the meetings with their counselor, an applicant may be admitted without conditions or may be admitted conditionally. An applicant who is admitted conditionally will be required to successfully complete a student success course and specified developmental courses (reading, math and writing) during the first semester of enrollment. Students who are admitted conditionally may be limited initially to enrolling in 9 or fewer semester credit hours.

Joint Admissions with the Gator Guarantee:

Students who score poorly on the UHD placement test, who are at bottom quartile of their graduating class, who have very low GPAs and who require significant remedial work will be referred to a community college near their homes. They will be jointly admitted to UHD and to the community college with a **Gator Guarantee**, a student success action plan that details the courses that must be

completed with a prescribed GPA to guarantee re-admission to UHD when the prerequisite conditions are met. Students who elect this program will be required to complete all developmental course work with passing scores as well as 24 hours of core courses.

A key element of this program is joint admission and reverse transfer agreements with the community colleges. Students who transfer from community colleges to UHD, particularly those who have completed their lower-division core courses, have the highest graduation rates at UHD. The Gator Guarantee Program is designed to increase student success, lower the cost of college and allow students to develop the necessary academic background to ensure completion of a degree. Returning students who earn a 2.5 GPA or higher at a community college will be offered scholarships upon returning to UHD.

The UHD Commitment to Student Success

The University of Houston-Downtown is committed to maintaining ethnic diversity and enrollment growth. We have developed mentoring and recruiting programs at area high schools and provide scholarship support for top students, especially those from underrepresented ethnic groups. New advising, mentoring, early alert and student engagement programs are being developed to ensure student success after a student enrolls at UHD. These new programs will be in place and operational when the new automatic admission standards are implemented. The UHD advising, mentoring and early alert processes are being modeled after the top advising and mentoring programs in the country.

Based on an analysis of Fall 2010 entering freshmen, 81% of our current freshman class would have been automatically admitted or admitted under the individual review process. The remaining 19% would be jointly admitted to UHD and a community college under the **Gator Guarantee.** Moreover, retention programs and intervention strategies will increase successful retention and graduation of at-risk students, particularly low-income minority students. We are confident that the implementation of automatic admission standards will maintain the current diversity of our campus.

Several new initiatives at UHD are designed to improve student success. The African-American Male Mentoring Program, Early Alert Program, required New Student Orientations, and a College Skills course are some examples of new programs that have been implemented recently. We project that retention strategies will increase retention and graduation rates for all of our students, but particularly for Hispanics and African-Americans.

University of Houston DOWNTOWN

Admissions Comparisons

CONSENT DOCKET – A&SS-B10 02/15/2012

Comparison of Admission Standards at Regional Universities near UHD

	Current UHD	Proposed UHD	UH-V	SHSU	SFA	TAMUCC	TAMU-G	Lamar	PVA&M	TSU
Top 10%	All	All	All	All	All	All	All	All	All	All
Level 2 Admits (11% to 25%)	All	All	One of: 2.0 HS GPA 860/18	850/17	850/17	900/19	920/19	850/18	820/17	820/17
Level 3 admits (26% to 50%)	All	850/18	One of: 2.0 HS GPA 860/18	930/19	950/20	1000/21	1050/23	930/20	820/17	820/17
Level 4 Admits (51% to 75%)	All	Individual Review	Individual Review	1030/22	1100/24	1100/23	1180/26	1090/24	820/17	820/17
Level 5 Admits (≥ 76%)	All	Individual Review	Individual Review	1140/25	Individual Review	1200/27	1180/26	Individual Review	820/17	820/17
No Rank or GED	Individual Review	Individual Review	Individual Review	Individual Review	Individual Review	Individual Review	Individual Review	Individual Review	Individual Review	Individual Review
FTICs Enrolled	1,114	1,114	n/a	3,445	3,085	1,646	634	1,816	2,028	1,679
Top 10% (N)	18	18	n/a	475	431	194	53	163	85	94
% Top 10	1.6	1.6	n/a	13.6	13.8	11.8	8.3	0.9	4.2	5.6
Retention (%)	59	59	n/a	72	64	65	50	65	71	61
Graduation (4 Yr)	3.1	3.1	n/a	29.7	25.6	23.5	26.9	10.6	11.5	3.1
Graduation (6 Yr)	17.2	17.2	n/a	54.1	56.5	53.4	58.9	34.9	35.1	11.8
BACC Degrees	2,359	2,359	515	3,242	1,874	1,335	262	1,239	879	817

University of Houston
DOWNTOWN

UHD Student Success Plan
Proposed Admission Standards
Fall 2013



University of Houston DOWNTOWN

The Context

- UHD is one of the most diverse universities in the country. Our student population is 38%Hispanic and 29% African American

- UHD ranks 37th in the country for all colleges and universities in graduating both Hispanic and African American students

University of Houston DOWNTOWN

Focus on Student Success
Intended Outcomes

1.) Increased Retention of FTIC Students

2.) Increased Graduation Rates

3.) Reducing Student Dropout Rates and Indebtedness

4.) UHD Becomes a "Preferred" University

University of Houston DOWNTOWN

The Challenge

- THECB advised UHD to develop admission standards
- UHD has one of the lowest six-year graduation rates (15%) of all four-year universities in Texas
- 41% of our freshmen drop out by the end of the first year, especially the least prepared
- 80% of UHD freshmen must take developmental courses
- Freshmen drop-outs leave with significant debt

University of Houston DOWNTOWN

Rationale for Automatic Admission Standards

- New Federal "Ability to Benefit" Guidelines are more stringent
- UHD is Liable for Unpaid Federal Loans
- State incentive funding may be based on graduation rates and other success measures in the future

University of Houston DOWNTOWN

Proposed Admission Standards Fall 2013

Level 1:	**Top 25% HS Class**	**Automatic Admit**
Level 2:	**26 to 50% HS Class**	**Automatic Admit *if*** ≥ 850 SAT/ ≥ 18 ACT 2.5 GPA
Level 3:	**51% to 75% HS Class**	**Individual Review**
Others:	**GED or No HS Rank**	**Individual Review**

University of Houston DOWNTOWN

UHD Student Success Initiatives



- A New Focus on High Impact Experiences (Service Learning, Internships, Research with Faculty)
- Peer Tutoring & Supplemental Instruction
- Expanded Freshman Success Programs
- Restructured Advising and Mentoring Programs
- Common Read Program Integrated with Freshman Courses
- Learning Communities
- Scholars' Academy (160 minority STEM students)


ΖΦΒ
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UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic & Student Success

ITEM: Approval of University of Houston Honorary Degrees

DATE PREVIOUSLY SUBMITTED:

SUMMARY: The University of Houston seeks approval to bestow honorary degrees for significant contributions to the community and to the University of Houston.

SUPPORTING DOCUMENTATION: None

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

PRESIDENT	Renu Khator	1/31/12 **DATE**
SENIOR VICE CHANCELLOR	John Antel	1/30/12 **DATE**
CHANCELLOR	Renu Khator	1/31/12 **DATE**

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

FACILITIES, CONS. & MASTER PLANNING COMMITTEE ITEMS

TO BE PRESENTED

AT

FEBRUARY 14, 2012

MEETING

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Facilities, Construction and Master Planning

ITEM: Approval of site and program for the design and construction of a new University of Houston football stadium.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested for 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. The project will include the complete demolition and removal of the existing football complex scheduled to begin immediately following the completion of the 2012 football season.

SUPPORTING DOCUMENTATION: Football Stadium Site Plan

FISCAL NOTE: Financing will be presented to the F&A Committee at a later date.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

Renu Khator **PRESIDENT**	Renu Khator	1/31/12 **DATE**
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	1/27/2012 **DATE**
Renu Khator **CHANCELLOR**	Renu Khator	1/31/12 **DATE**

UNIVERSITY OF HOUSTON
NEW FOOTBALL STADIUM
PROJECT JUSTIFICATION AND PROGRAM ELEMENTS

Justification:

The existing 32,000-seat Robertson Stadium complex was originally constructed in 1941 as a joint project of the Houston Independent School District (HISD) and the Works Progress Administration (WPA) as a high school stadium. In the late 1990's several renovations increased seating capacity and improved the functionality of public spaces.

Recognizing the poor condition of the aging facility and the growing need for modernization, in 2010 a feasibility study was accomplished to evaluate the available options for renovation and/or new construction on the current site as well as two additional sites. In consideration of the study results, the existing site was determined to be the most feasible of the three options. Further, a new stadium complex was determined to be the most desirable option for developing a facility to a standard that is commonplace with other football facilities in the NCAA Football Bowl Subdivision. Critical goals to be considered in the development of a new football facility are as follows:

- Improve both the perception and reality regarding the quality of UH facilities.
- Improve recruiting strength by enhancing the student athlete experience.
- Develop a facility which will drive demand, fit a Houston niche, and improve the fan experience.
- Create a facility and amenities that are attractive and desirable for the UH community and businesses.
- Increase the current level of revenue generating amenities.
- Provide a top tier sports facility for the football program and University of Houston.

Program Elements:

The Project will include the complete demolition and removal of the existing football complex (pavilions, locker rooms, concession buildings, field, seating, etc.), scheduled to begin immediately following the completion of the 2012/13 football season. The existing football complex will be replaced by a new stadium and associated facilities capable of seating 40,000 spectators with an opportunity for phased expansion to a total of 60,000 seats. The new football complex will be delivered for use by the Owner before the start of the 2014/15 season (

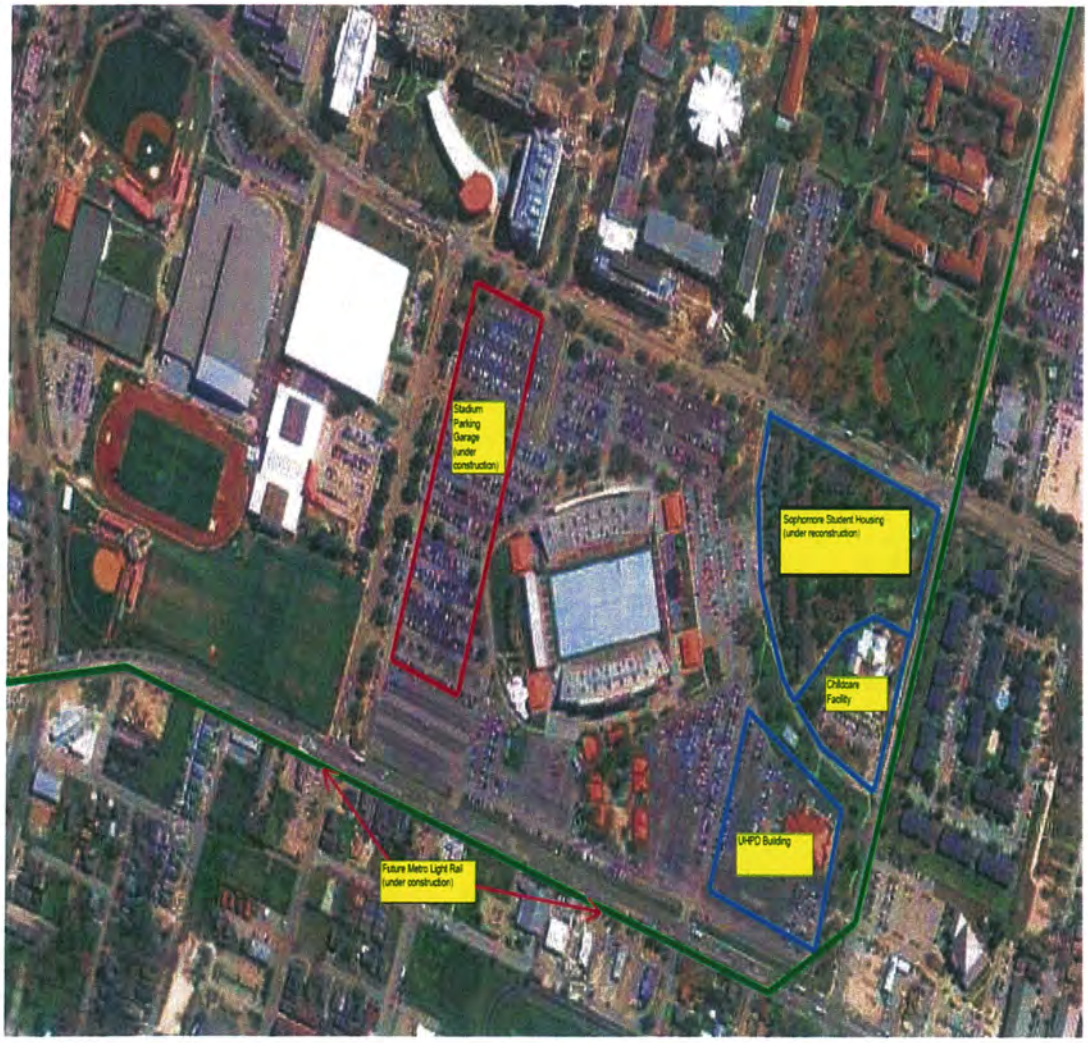
The new football complex will incorporate reserved donor seating options for season ticket holders as well as club facilities, suites and complete press box facilities incorporated into a west tower, new locker room facilities, meeting rooms, concessions, central commissary, restrooms, ticketing facilities and an approximate 20,000 GSF, one-story academic services building. Additionally, the Project should also include new scoreboards and sports lighting package. The Project design will continue to preserve the unique downtown Houston skyline views. Other assumptions include the following:

- Total approximate GSF is 450,000 (including field, seating bowl and concourses)
- 32,000 seat base program (Phase 1)
    - ✓ Optional Seating expandable to 40,000 as an alternate or future phase (Phase 2)
    - ✓ Optional Seating expandable from 40,000 to 50,000 in future phase (Phase 3)

- ✓ Options for premium seating may include: enhanced donor seating , club seats suites and loge box seats
- Vertical transportation including passenger elevators and service elevator
- Central commissary and concession
- Locker facilities for teams, visitors and officials
- Ticket sales facility
- Artificial turf playing field
- HVAC facilities shall be supplied from air cooled chillers to be located within the site perimeter as part of this project.

Schedule assumes start of demo immediately following 2012/2013 football season and Owner Occupancy prior to the 2014/2015 season (approx. 20 month construction schedule including commissioning and contract required 10% schedule float).

Site Plan



UNIVERSITY of HOUSTON

YOU ARE THE PRIDE

New Football Stadium Site Plan
February 2012



02/15/2012
CONSENT DOCKET – FCMP-D15

UNIVERSITY of HOUSTON

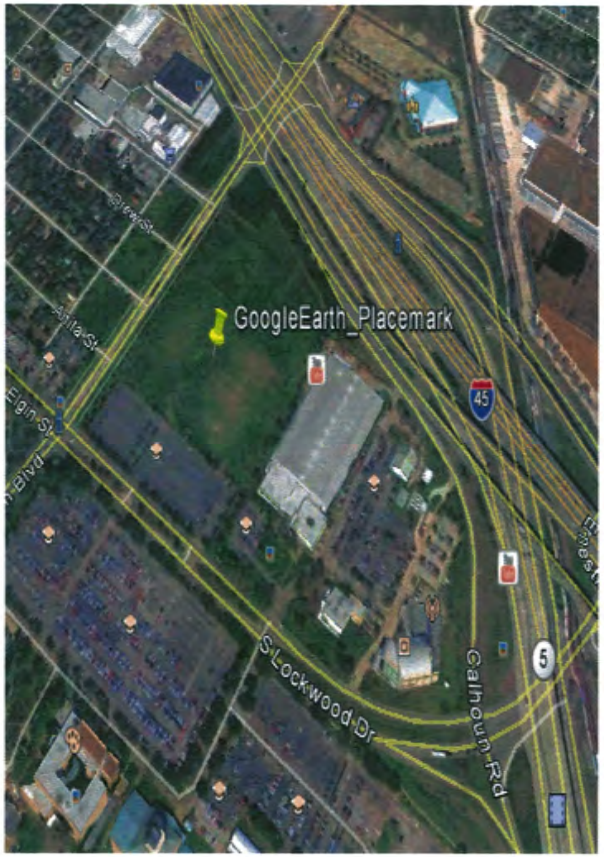
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Site Proposal

Existing Site



Intramural Site



MacGregor Site



CONSENT DOCKET – FCMP-D16 02/15/2012

UNIVERSITY of HOUSTON

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Comparison Analysis

	Existing Site	Intramural Site	MacGregor Park Site
Site - Cost, Size and Orientation:			
1. Premium (above Existing site)	$ -	$ 42,000,000.00	$ 51,000,000.00
2. Size	Adequate	Limited - Very Constricted	Adequate
3. Field Orientation	Very Good - unobstructed view of Downtown Houston	Difficult - meets sun requirement with shift of stadium - unobstructed view of Downtown Houston	Good
Traffic and Parking:			
1. Traffic - Access and Flow	Good Access and Flow	Limited Access and Flow on Game Day - very constricted and must re-route traffic due to proximity of I-45 exit ramp	Limited Access and Flow
2. Parking	Good - 5,900 (with new garage)	Limited - could move new garage location; must purchase (land) surface lots	None - must purchase surface and garage
Construction:			
1. Demolition	Demolition of Existing Stadium	Demolition of GSB; Emergency Facilities; and Intramural Fields	Demolition of Forest (must add storm retention as well)
2. Construction Phasing	May require one season off campus	Must relocate GSB and Intramural Fields immediately	None
3. Utilities			
a. Availability	Good	Limited	None - must also add CUP
b. Premium (above Existing Site)	$ -	$ 3,000,000.00	$ 12,000,000.00
Campus Location:			
1. Game Day Experience	Very Good - adjacent to Cougar Walk and large tailgate areas	Potential for Very Good - must close Cullen St. on game day and develop tailgating on inner campus	None - must be developed
2. Athletic Facilities Proximity	Very Good - near A/A Center and current practice fields	Good - near A/A Center	Poor - remote from current Athletic Operations
3. Campus/Residence Hall Proximity	Very Good	Adequate	Poor
4. Stadium Academic Space Proximity	Very Good	Very Good	Poor
Other:			
1. Mass Transit Access	Very Good - Bus and SE Lines	Good - Bus Line	Good - SE Line Station
2. Security	Very Good - adjacent to police station	Good - near police	Poor - perception issues

02/15/2012
CONSENT DOCKET – FCMP-D17

Program

To meet NCAA Football Bowl Subdivision expectations, UH recruitment needs and amenities to improve the fan experience:

- Total approximate GSF is 450,000 (including field, seating bowl and concourses)
- 32,000 seat base program (Phase 1)
  - Optional Seating expandable to 40,000 as an alternate or future phase (Phase 2)
  - Optional Seating expandable from 40,000 to 50,000 in future phase (Phase 3)
  - Options for premium seating may include: enhanced donor seating , club seats suites and loge box seats
- Vertical transportation including passenger elevators and service elevator
- Central commissary and concession
- Locker facilities for teams, visitors and officials
- Ticket sales facility
- Artificial turf playing field
- HVAC facilities shall be supplied from air cooled chillers to be located within the site perimeter as part of this project.

02/15/2012
CONSENT DOCKET – FCMP-D18

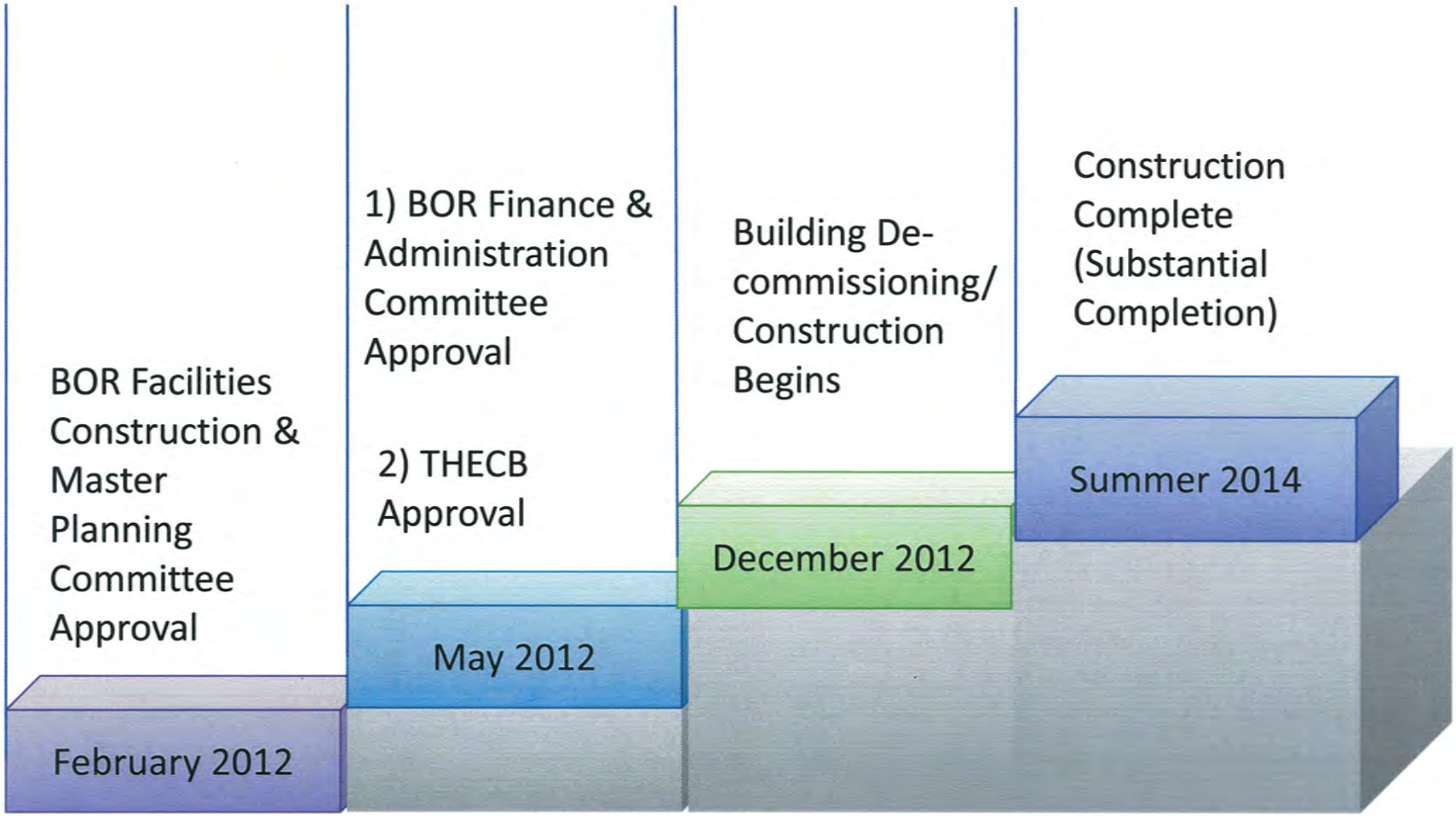
Procurement Method

- Construction Manager at Risk
  - Contractor and a/e independent but collaborate
  - Independent a/e input, validated by contractor.
  - Who uses this method?
    - Texas Christian University, University of North Texas, Texas Tech University, University of Texas, Texas A&M University
- Requirements for a HUB plan and a preference for vendors with a significant local presence;
- A tight timeline for both design and construction;
- And selection criteria heavily weighting college stadium experience.
- Diverse selection committee composed of UH faculty and staff.

UNIVERSITY of HOUSTON

YOU ARE THE PRIDE

New Stadium Proposed Construction Schedule



UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Facilities, Construction and Master Planning

ITEM: Approval of site and program for design and construction of a new facility for the University of Houston College of Pharmacy

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested for the site and program for construction of a new facility for the College of Pharmacy. Located in the health sciences district, the proposed multi-story building will have a base square footage of approximately 130,000 gross square feet (approximately 87,000 assignable square feet) and a potential add-on for two additional floors at approximately 33,000 square feet per floor.

SUPPORTING DOCUMENTATION: New Facility Program and Site Plan

FISCAL NOTE:

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

PRESIDENT	Renu Khator	**DATE** 1/31/12
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	**DATE** 1/27/2012
CHANCELLOR	Renu Khator	**DATE** 1/31/12

University of Houston
New Facility for College of Pharmacy

The University of Houston plans to design and construct a new facility for the College of Pharmacy to support its academic and research programs. The new facility will provide a state-of-the art infrastructure needed to increase Pharmacy student enrollment, faculty numbers, and research funding. The construction of a new building on the University of Houston's campus will allow the college to unify faculty and students currently housed in the Texas Medical Center and Science and Research 2 under one roof, enhancing the ability to graduate highly trained pharmacy professionals, and conduct pharmacological research.

Site:

The new College of Pharmacy building will be located in the southeast quadrant of the main campus. This health sciences district includes the College of Optometry and the new Health & Biomedical Science Building. Site development in this area will strengthen the connection between the buildings, as well as enhance pedestrian circulation throughout the Precinct. The new building will be located to the east of the existing Optometry Building.

Program Elements:

The proposed multi-story building will have a base of approximately 130,000 gross square feet (approximately 87,000 assignable square feet) and will be developed in several phases with the potential for an add-on of two floors at approximately 33,000 square feet per floor. Major program elements include approximately 32,000 square feet of research labs, 18,000 square feet of classrooms, 5,000 square feet of teaching labs, and 22,000 square feet office and administrative space. The lower floors will contain the classrooms, teaching labs, student ancillary spaces (computer labs, etc.) and administrative spaces while the upper floors will house primarily research labs and faculty offices.

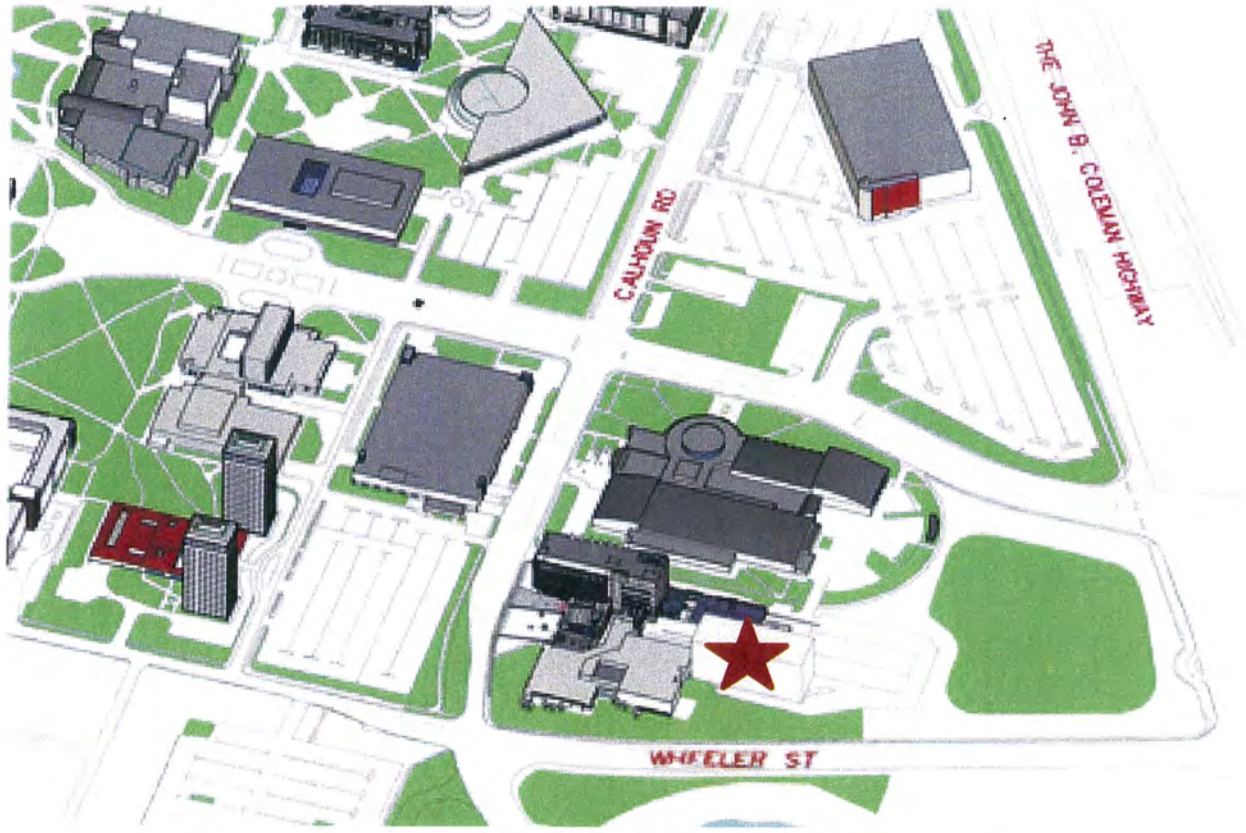
Base Building Square Footages:

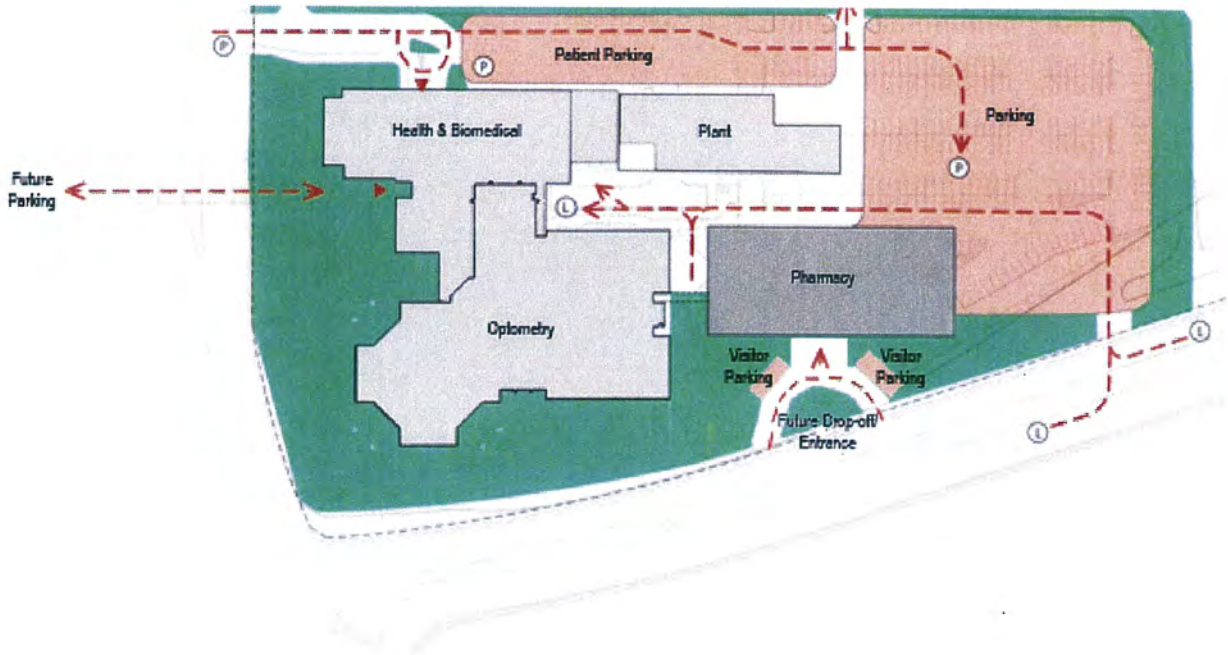
Total Assignable SF	87,286
Building Support/Circulation (based on 1.5 factor)	44,714
Total Base Building Gross SF	**132,000**
Two Additional Floors	**66,000**
Total Base Building with Add-on	**198,000**

Base Building Space Percentages (gross sq ft) :

- 3% Building Common
- 5% Student Ancillary
- 13% Classroom Space
- 4% Classroom Lab Space
- 24% Research Lab Space
- 17% Office Space (including grad and post doc student offices)
- 34% Building Support/Circulation

PROPOSED SITE PLAN





UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Facilities, Construction and Master Planning

ITEM: Approval of site and program for expansion of the Cougar Substation

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested for the site and program for expansion of the Cougar substation to provide additional electrical capacity to the campus as well as a new underground distribution of electrical feeders from substation to each building on ERP campus. This will mitigate the current vulnerability of overhead electrical service which is prone to weather related damages which is critical to the research conducted at ERP.

This project will also include the addition of 4th feeder from the Cougar substation to the Central Plant to serve growing electrical loads on the main UH campus while reducing loads on the three current electrical feeders.

The Project will include the study of expansion and associated design and construction. Completion scheduled for fall 2015.

SUPPORTING DOCUMENTATION: Cougar Substation Supporting Information

FISCAL NOTE:

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

Renu Khator **PRESIDENT**	Renu Khator	1/31/12 **DATE**
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	1/27/2012 **DATE**
Renu Khator **CHANCELLOR**	Renu Khator	1/31/12 **DATE**

UNIVERSITY OF HOUSTON
COUGAR SUBSTATION EXPANSION
SUPPORTING DOCUMENTATION



The UH Energy Research Park (ERP) campus was originally built as Schlumberger Houston headquarters in 1953. This campus was purchased by UH in 2009 and designated as ERP with the intent to develop public/private research partnerships with the primary focus on research in energy.

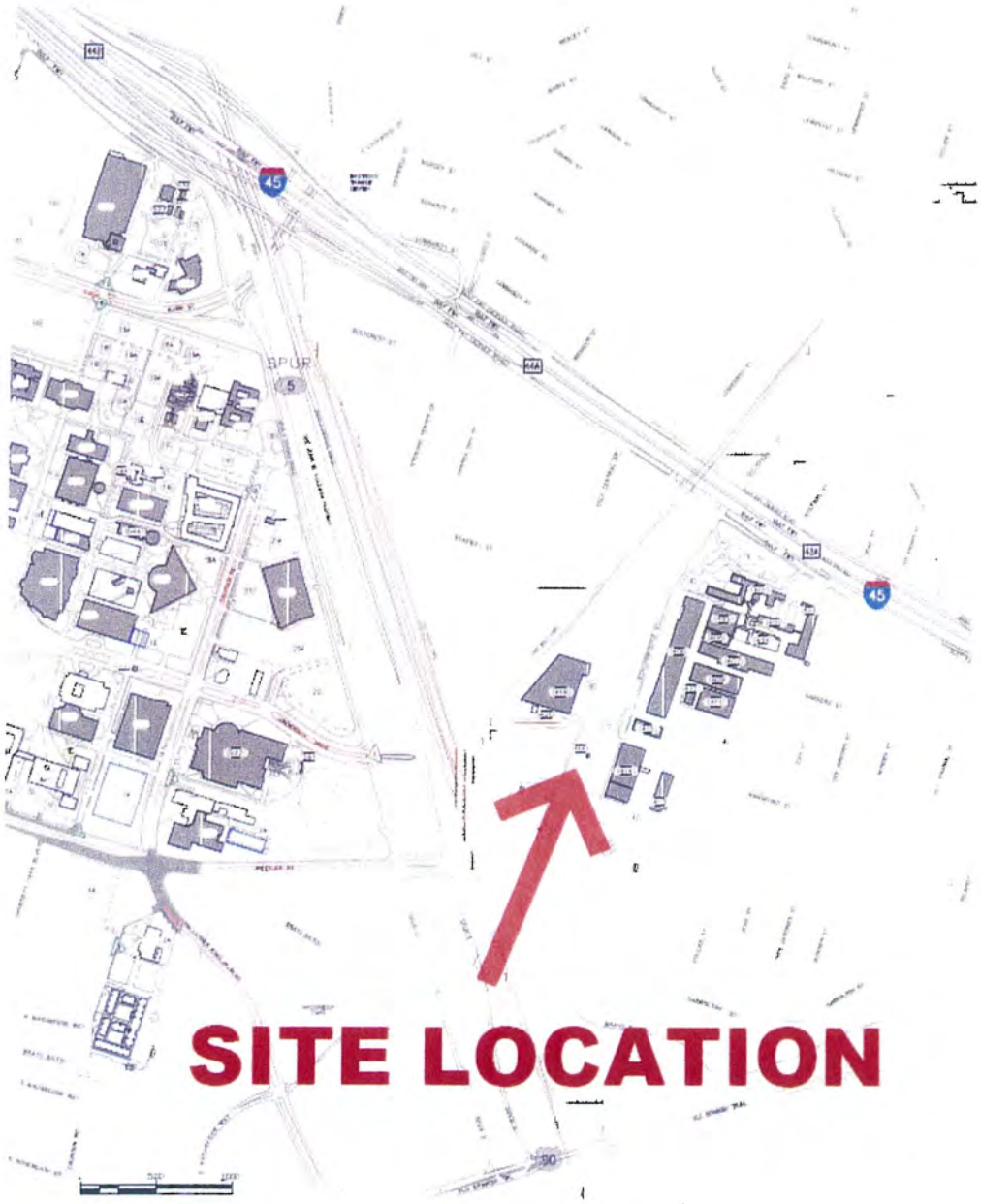
Electrical service to ERP comes from an overhead residential distribution line, which is prone to outages. Present activities within ERP depend on reliable power so that valuable research is not adversely affected.

Currently there are two 33 MW transformers at Cougar substation with the campus peak load of almost 33MW leaving 33MW of redundancy in transformer. The project proposes to add one more 33 MW transformer thereby doubling the availability of redundant transformer capacity of 66MW. The known needs of ERP reflect 15MW capacity (with the exclusion of SuperPower tenant representing 15MW load in itself - to be accounted for via separate dedicated transformers).



The Cougar substation expansion also needs to include provision of a new underground distribution of electrical feeders from substation to each building on ERP campus. This will mitigate the current vulnerability of overhead electrical service which is prone to weather related damages.

LOCATION MAP



02/15/2012
CONSENT DOCKET – FCMP-F26

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Facilities, Construction and Master Planning

ITEM: Approval is requested to update the University of Houston – Sugar Land master plan to site a new 63,000 square foot partnership facility.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested to update the University of Houston – Sugar Land master plan to incorporate a new 63,000-square foot university-industry partnership building. Under a ground lease from UH the facility will be privately developed, financed and constructed by TimeGate, Incorporated, an industry leader in digital gaming. This facility will be home to academic programs in digital gaming at the University of Houston and University of Houston-Victoria, including a Bachelor of Science in Digital Gaming and Simulation (UHV) and a Bachelor of Science in Digital Media (UH).The proposed relocation of existing academic programs to this building will enhance opportunities for student internships and advanced curriculum development.

SUPPORTING DOCUMENTATION: Updated UH-Sugar Land Master Plan

FISCAL NOTE: Lease documents will be presented to the F&A Committee at a later date.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

PRESIDENT Renu Khator	Renu Khator	**DATE** 1/31/12
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	**DATE** 1/27/2012
CHANCELLOR Renu Khator	Renu Khator	**DATE** 1/31/12

UH Sugar Land Campus

Update to the Campus Master Plan

Introduction/Program:

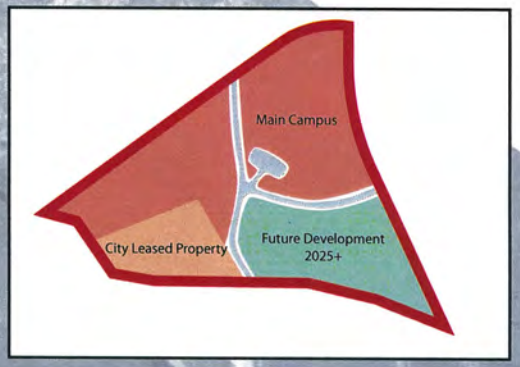
Located in Sugar Land at the intersection of U.S. Highway 59 South and University Boulevard, the 200-acre campus hosts degree certification programs, as well as programs from UH, UH-Clear Lake, UH Victoria and Wharton County Junior College. Classes are delivered in the 57,000-square-foot Albert and Mamie George Building and the 145,000-square-foot Brazos Hall. Among the academic resources available to students is the University Branch Library, which is part of Fort Bend County Libraries.

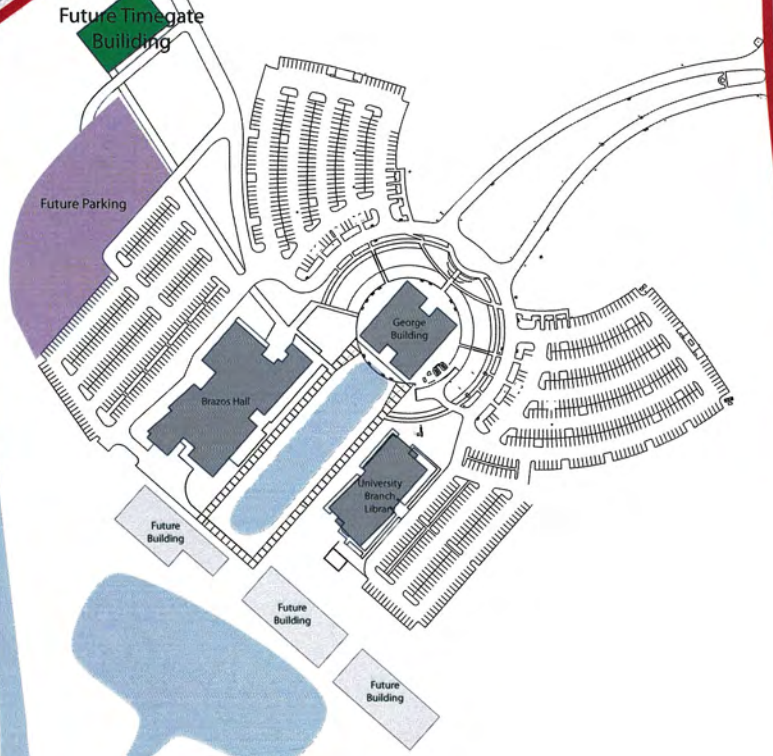
TimeGate Studios, Incorporated, is seeking to construct an approximately 60,000 square foot building on the UH-Sugar Land Campus. The proposed building would house their motion-capture studio facility and staff associated with developing interactive games. TimeGate would occupy 14,000 square feet in the proposed building for both academic and business purposes with the balance devoted solely to academic use. Wharton County Junior College, University of Houston, and University of Houston-Victoria would move academic programs that align with the needs of the digital gaming industry into the building under a lease agreement.

Proposed Academic Use by UHS: The proposed TimeGate building at the UH-Sugar Land Campus would directly support the educational objectives of UHS. At present, UHV students are working in internship positions at TimeGate's current location on the Southwest Freeway. Opportunities for student internships, from both UHV and UH, would expand and be enhanced with the relocation of the motion-capture studio to the Campus. The additional space would provide opportunities to accommodate the following activities:

University/Community/Industry Partnership: The TimeGate project is indicative of how the UH System, the Sugar Land community and one of its corporations are forming partnerships to develop the UH-Sugar Land Campus – aligning academic programs to meet community/industry needs, with community support playing a significant role in funding these ventures. In this respect it is similar to the recently completed campus library, which was developed in partnership with Fort Bend County. Given that state resources for higher education are extremely limited, partnerships such as these are critical for program and facilities development at Sugar Land.

University of Houston Master Plan
-Sugarland Campus-





02/15/12
CONSENT DOCKET-FCMP-G-29

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Facilities, Construction and Master Planning

ITEM: Approval of site and program for the design and construction of the University of Houston-Victoria Academic and Economic Development Building

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested for site and program for a multi-use, three-story facility of approximately 63,000 GSF immediately northeast of the Center Building. The facility will house new classrooms to accommodate the increased number of freshmen and sophomores, allow for expansion of the nursing and biology at both the bachelor's and master's levels, and serve as a center for regional economic development programs.

SUPPORTING DOCUMENTATION: University of Houston-Victoria Conceptual Description and Site Plan

FISCAL NOTE: Financing will be presented to the F&A Committee at a later date.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston-Victoria

PRESIDENT	Philip Castille	**DATE** 1/27/12
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	**DATE** 1/27/2012
CHANCELLOR	Renu Khator	**DATE** 1/30/12

UNIVERSITY OF HOUSTON-VICTORIA

Proposed Academic and Economic Development Building Program

Overview of the Building

The planned UH-Victoria Academic and Economic Development Building will be a three-story, multi-use facility of approximately 63,000 sq. ft. The location, as shown on the current master plan, is northeast of the Center Building (see attached site plan). The facility will house classrooms, student and academic support services, allied health programs, the School of Business Administration, and the Regional Center for Economic Development.

Academic Programs and Facilities

According to enrollment projections in the campus master plan, by 2014 UH-Victoria will not have sufficient academic space to meet the needs of students. The Academic and Economic Development Building will help bridge this gap:

- Classrooms

  Additional classrooms in the new building will accommodate the increased number of freshmen and sophomores taking face-to-face classes due to the success of downward expansion, which began in fall 2010. To meet immediate needs, UHV has been required to take existing classrooms offline to provide additional academic support space for computers, additional faculty, student tutoring, and supplemental instruction – all academic services required for student success at the freshman and sophomore levels. With the new building, the Coordinating Board's space utilization efficiency (SUE) score will be within the acceptable standard by fall 2014.

- Allied Health Programs

  Allied health facilities in the new building will allow for the expansion of nursing and biology at both the bachelor's and master's levels. Plans for additional health and science programs that respond to public needs will be also developed. This expansion in allied health will increase research capabilities while further meeting the educational and workforce needs of the region.

- School of Business Administration

  In addition to classrooms and allied health programs, UHV will relocate its School of Business Administration to the new building. Doing so will not only provide much needed space for this high demand program, it will facilitate valuable collaborations with participants in the Regional Center for Economic Development (described below).

Regional Center for Economic Development

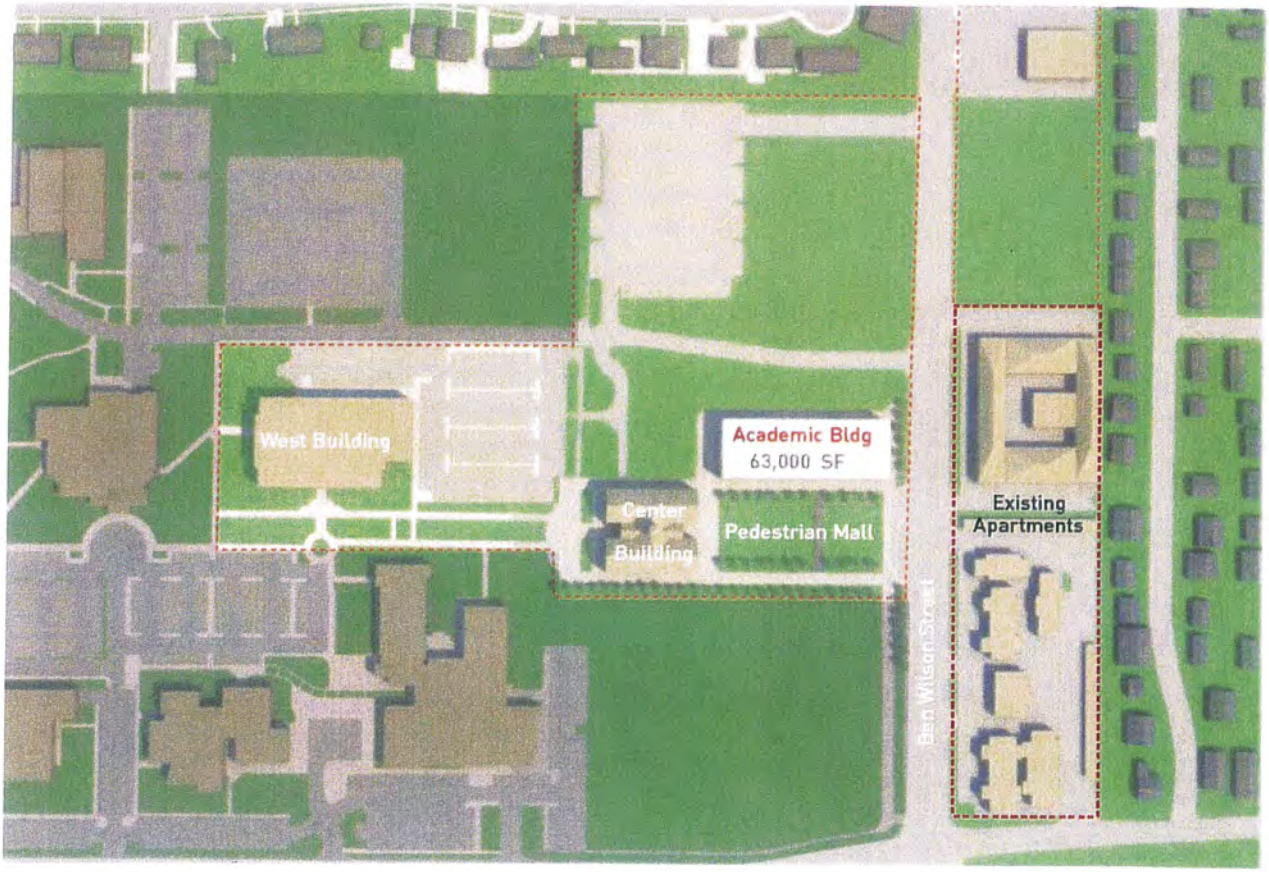
In addition to providing much needed facilities for academic activities on campus, the new building will serve as a center for regional economic development programs, which, in partnership with UHV's academic programs (particularly the School of Business Administration), will address the educational and workforce needs of the region. Located in the new building will be the Regional Center for Economic Development, a consortium of economic development entities and UHV programs whose focus will be job creation and retention. Some of these entities will be housed in the new building, along with UHV's Small Business Development Center, Regional Outreach Center, School of Business Administration, and Marketing Department. Locating consortium members in a common facility will create valuable synergies. For example, through the career-preparation services of the School of Business Administration, the Regional Center for Economic Development will establish business internships for

bachelor's and master's students with local and regional employers. Applied learning opportunities such as this will extend UHV's outreach into the community and provide academic support for businesses and entrepreneurs.

Other Shared Resources

In addition to space dedicated to classrooms, academic programs, and the economic development center, the new building will contain many shared resources, including a multipurpose room, an auditorium, conference rooms, training rooms, a business library, a computer lab, and office space. Also, UHV will be able to address any unexpected overflow of student demand for classroom space through the shared use of training rooms. Finally, some space will be shelled to help meet future needs.

SITE PLAN



UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

ENDOWMENT MANAGEMENT COMMITTEE ITEMS

TO BE PRESENTED

AT

FEBRUARY 14, 2012

MEETING

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Endowment Management

ITEM: Approve the FY12 University Advancement Endowment Assessment Rate of 1.5%

DATE PREVIOUSLY SUBMITTED: February 15, 2011

SUMMARY:
Approval is requested to continue assessing the UH System Endowment at a rate of 1.5% for FY12 (FY13 spending). This represents the annual approval by the Board of this assessment. The Endowment Statement of Investment Objectives and Policies permits the system to annually assess a reasonable fee against the earnings of specified endowment funds to offset expenses associated with gift acquisition and fundraising at the component universities. The investment policy also states that the Board shall annually review and approve the fee. The fee is based as a percentage of the fiscal year end market value averaged over rolling three-year periods for eligible endowments. If an endowment has been in existence less than three years, the average will be based on the number of years in existence.

SUPPORTING DOCUMENTATION: None

FISCAL NOTE: Estimated assessment for FY13 spending is $4.3 million, which is approximately $100k higher than the previous year.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item.

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/27/2012

CHANCELLOR Renu Khator **DATE** 1/31/12

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Endowment Management

ITEM: Approval to modify the UH System Endowment Fund Statement of Investment Objectives and Policies

DATE PREVIOUSLY SUBMITTED: February 15, 2011

SUMMARY:
Approval is requested to modify the UH System Endowment Fund Statement of Investment Objectives and Policies to change the long-term target asset allocation and allowable ranges within asset classes of the endowment fund. The intent of the recommended long-term target changes is to reduce the expected long-term volatility of the total portfolio thereby providing a better risk-adjusted return for the endowment. The table below summarizes the recommended changes. Cambridge Associates will discuss this recommendation in more detail with the Committee.

Asset Class	Current LT Target	Proposed LT Target	Target Change	Current Range	Proposed Range
Domestic Mid to Large Cap Equities	22.5%	17.5%	-5%	15 – 35%	12.5 – 30%
Domestic Small Cap Equities	2.5%	2.5%	0%	0 – 10%	0 – 10%
Non U.S. Equities	20%	15%	-5%	15 – 35%	10 – 30%
Emerging Market Equities	5%	5%	0%	2.5 – 7.5%	2.5 – 7.5%
Hedged Equity	7.5%	12.5%	+5%	5 – 15%	7.5 – 17.5%
Absolute Return	7.5%	12.5%	+5%	5 – 15%	7.5 – 17.5%
Private Equity	10%	10%	0%	0 – 12%	0 – 12%
Real Assets	10%	10%	0%	5 – 15%	5 – 15%
High Quality Bonds	15%	15%	0%	10 – 30%	10 – 30%
Cash	0%	0%	0%	0 %	0 – 10%

SUPPORTING DOCUMENTATION:
- Redlined and clean copy of the policy
- Additional information is included in the Cambridge Associates discussion materials book (pages 41-56).

FISCAL NOTE:

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item.

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/27/2012

CHANCELLOR Renu Khator **DATE** 1/31/12

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT FUND
STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES
Approved by the Board of Regents February ~~16~~15, ~~2011~~2012

PREFACE

The University of Houston System Board of Regents is charged with the fiduciary responsibility for preserving and augmenting the value of the endowment, thereby sustaining its ability to generate support for both current and future generations of students. As part of a commitment to long-range financial equilibrium, the Regents have adopted the broad objective of investing endowment assets so as to preserve both their real value and the long-range purchasing power of endowment income so as to keep pace with inflation and evolving university needs, while generally performing above the average of the markets in which the assets are invested. Pursuant to Board Bylaw, the Endowment Management Committee has been established as a standing committee to assist the Board in fulfilling its fiduciary responsibilities.

To achieve its investment objectives the University of Houston System retains independent investment managers each of whom plays a part in meeting the System's goals over a variety of capital market cycles. The Endowment Management Committee shall:

a) Review and recommend to the Board changes to investment policies;

b) Review and recommend to the Board the university advancement assessment rate;

c) Review and recommend to the Board asset allocation long-term targets and ranges;

d) Review and recommend to the Board external investment consultants;

e) Monitor, evaluate, hire or terminate external investment managers;

f) Establish investment manager guidelines;

g) Monitor and adjust the actual allocation of assets through additions and withdrawals of funds among managers and investment media to conform to the long-term targets insofar as practical; and

h) Oversee the results of the independent managers and report periodically to the Board and the university community.

FORWARD

This policy is intended to be ongoing until the next review is completed. Comprehensive reviews are to be completed every five years.

It is the general practice of the University of Houston System to pool endowment resources. For investment purposes however, the assets are managed in separate endowment fund accounts. The following statement sets out explicit policies for the

pooled endowment but would apply to non-pooled holdings as well. The Regents seek superior investment returns through professional management but not by assuming imprudent risks.

FINANCIAL OBJECTIVES

The primary long-term financial objective for the University endowment is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of portfolio management. Performance of the overall endowment against this objective is measured over rolling periods of at least ten years, which should encompass several market cycles.

INVESTMENT OBJECTIVES

In order to meet the financial objective stated above, the primary long-term investment objective of the endowment is to earn a total rate of return that exceeds the spending rate plus the costs of managing the investment fund, and expressed in real (or inflation adjusted) terms. Given the current System spending rate of 6% (which includes 4% payout, 1.5% university advancement assessment, and 0.5% costs of managing the investment fund), the objective of this fund will be to earn a real (inflation adjusted) return of 6.0% when measured over rolling periods of at least five years. It is also understood that due to market conditions there may be five-year periods where this objective is exceeded and purchasing power is enhanced, as well as five-year periods where the objective is not met and purchasing power is diminished. The medium-term objective for the endowment is to outperform each of the capital markets in which assets are invested, measured over rolling periods of three to five years or complete market cycles, with emphasis on whichever measure is longer. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the university's peer group, as measured by the NACUBO-Commonfund Study of Endowments over rolling five-year time periods, as well as comparison annually to a peer group provided by an outside advisor. Thus, the Endowment Management Committee is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both managers of other educational endowments and with capital markets generally.

Finally, the total return of the University's investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to the Endowment Management Committee's asset allocation targets.

INVESTMENT MANAGERS

In accordance with Board policy, hiring of investment consultants requires approval of the Board. Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and

immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

Managers of marketable securities are expected to produce a cumulative annualized total return net of fees and commissions that exceeds an appropriate benchmark index over moving three to five-year periods, and should be above a median for active investment managers using similar investment philosophies over the same time periods. At their discretion, managers may hold cash reserves and fixed income securities up to 25% of portfolio market value with the understanding that their benchmark will not be adjusted to reflect cash holdings. Managers who wish to exceed these limits should secure prior approval from the Treasurer. The Treasurer, in turn, shall seek approval from the Executive Vice Chancellor or designee.

ENDOWMENT PAYOUT POLICY

The Regents of the University of Houston System have established an endowment payout policy which attempts to balance the long-term objective of maintaining the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. Payout is derived from interest, dividends and realized gains, net of portfolio management fees. The historical rate of payout has been 4 to 5 percent. Going forward, the endowment will maintain a payout rate of approximately 4% to 5%, with any change to this range to be approved by the Board. The payout rate will be based as a percentage of the fiscal year end market value average over rolling three year periods. If an endowment has been in existence less than three years, the average will be based on the number of years in existence.

UNIVERSITY ADVANCEMENT ASSESSMENT

The System will annually assess a reasonable fee against the earnings of specified endowment funds to offset expenses associated with gift acquisition and fundraising at the component universities. The Board shall annually review and approve the fee. The fee will be based as a percentage of the fiscal year end market value averaged over rolling three year periods. If an endowment has been in existence less than three years, the average will be based on the number of years in existence.

ASSET SELECTION AND ALLOCATION

It is understood that ownership assets (or equities) are to be the dominant asset class in the Endowment due to the superior long-term return offered by such assets. As such, equity assets may be thought of as the drivers of long-term Endowment return.

Although the long-term return from equity assets is superior, they have three primary drawbacks that must be addressed. The first is that periods of prolonged economic contraction (deflation) can be catastrophic. Although such periods are rare, the results of

such periods are severe enough to warrant holding a portion of the Endowment in assets (primarily intermediate to long-term high quality, non-callable fixed income securities), which are likely to appreciate in value during such periods. In this context, high quality shall mean a portfolio with an average credit quality of AA or better, although active managers may choose to hold select investment grade securities with lower ratings. The goal of such holdings would be to provide sufficient liquidity to the Endowment to meet payout needs over a three to five-year period without having to sell a significant portion of the equities at "fire-sale" prices. Adherence to this policy will keep equity holdings intact and allow the Endowment to reap the rewards of a return to a more normal economic environment.

The second drawback to a reliance on equity ownership is the effects of an unexpected rise in the rate of inflation. Such rises have traditionally been problematic for most types of equity assets, and given the System's stated goal of preserving purchasing power by achieving an attractive inflation adjusted return, some portion of the Endowment should be invested in assets that will appreciate in value during periods of unexpected inflation.

Lastly, equity assets are subject to greater degrees of risk. Risk takes many forms and is usually thought of in terms of volatility of investment returns. Volatile investment returns translate into a level of support for the System's programs that (even with the smoothing effect of the rolling three-year average market value payout rule) is variable over time. In order to control this variability to a tolerable level, some allocation is warranted to assets that produce attractive returns, but in a more absolute (or less variable) pattern. It is understood that such absolute return assets will invariably return less than equity assets, given rational markets.

After providing for the three broad categories noted above, the remainder of the Endowment should be invested in equity assets, broadly defined and broadly diversified. Broad diversification is required not only to further smooth the pattern of returns, but to protect the endowment from the risks associated with undue concentration in any one type of equity asset. Although other forms of diversification may be considered, it is understood that the Endowment's equity assets will be diversified by style (growth versus value), geography (domestic versus foreign), and market capitalization (large-cap versus small).

Current policy targets and ranges for the Endowment are as follows:

	Long-Term Target	Range
Risk Controlling Assets	~~32~~37.5%	30 to 50%
Deflation Protection (high quality bonds)	15%	10 to 30%
Inflation Protection (real assets)	10%	5 to15%

Assets to be considered for inclusion in this category include: Real Estate/REITs, TIPS (Treasury Inflation Protected Securities), and Energy or Commodities.

Absolute Return	~~7.5~~12.5%	~~5~~ 7.5 to ~~15~~17.5%

Assets to be considered for inclusion in this category would primarily include defensive arbitrage or absolute return funds. Bonds may also be held in some circumstances as absolute return vehicles, and in some circumstances a particular real estate manager may be viewed to qualify as such a holding as well.

Cash	0%	0 to 10%
Drivers of Return	~~67~~62.5%	50 to 70%
Domestic Mid to Large Cap Equities	~~22.5~~17.5%	~~15~~ 12.5 to ~~35~~30%
Domestic Small-cap Equities	2.5%	0 to 10%

Large and mid-cap equities are defined as the 1000 largest companies traded in the United States, while small cap equities are considered to be the next 2000 stocks in terms of size. This characterization is compatible with the constitution of the Russell 1000, Russell 2000 and Russell 3000 Indexes.

Non U.S. Equities (international equity)	~~20~~15%	~~15~~ 10 to ~~35~~30%
Emerging Market Equities	5%	2.5 to 7.5%
Long/Short Equity ~~Managers~~(hedged equity)	~~7.5~~12.5%	~~5~~ 7.5 ~~to15~~to 17.5%
Non Marketable Equity ~~Managers~~ (private equity)	10%	0 to12%

Managers to be considered for inclusion in this category include private equity or venture capital managers, as well as real estate funds with comparable expected returns, and other funds subject to multi-year lock-ups.

Alternative Investment Risks

For the purposes of this section, "alternative investments" refers to investments in long/short equity, absolute return, private equity, private real estate and venture capital, as well as other investments employing leverage, short sales, or illiquid investment vehicles. The investments are made in the Endowment in order to improve diversification, reduce overall volatility, and enhance return, However, the Endowment Management Committee recognizes that these investments also present additional risks beyond those posed by investments in traditional marketable securities such as stocks and bonds. Among these risks are:

1. *Liquidity Risk:* most alternative investments impose restrictions on redemptions or require multi-year locks.

    a. This risk is mitigated by imposing restrictions on the amount of the Endowment that may be allocated to alternative investments as detailed above. In addition, the Endowment Management Committee will review at least annually the level of portfolio liquidity across all asset classes in order to ensure that there is sufficient liquidity to meet all obligations.

2. *Non-regulation risk:* Historically, alternative managers have been exempt from registration with the SEC, which has allowed them to employ strategies (such as short sales and use of leverage) forbidden by most traditional investment managers, as well as to avoid disclosing specific details of their investment practices or portfolio holdings.

    a. With the passage of the Dodd-Frank Act of 2010, almost all alternative investment managers will be required to register with the SEC under the Investment Advisers Act of 1940. This Act will require registered managers to file documents with the SEC and for public record describing the nature of the business, fees charged, types of clients, and details on compliance policies. It will also provide to investors a greater level of detail into portfolio strategy and investment.

    b. Venture capital managers will, however, remain exempt from the Investment Advisers Act and will therefore remain unregistered with the SEC.

        i. This risk will be mitigated by performing detailed due diligence on these managers and monitoring them regularly as described below, as well as by diversifying manager risk through multiple direct and fund-of-fund investments.

3. *Transparency Risk:* alternative managers are not required to disclose portfolio holding details to the same extent that traditional marketable managers are, and are often reluctant to do so in order to preserve their perceived advantage over other investors.

    a. This risk will be mitigated somewhat by the Dodd-Frank Act and the increased transparency provided by the requirement to file Form ADV with the SEC. Beyond that, however, the Endowment Management Committee, staff, and any outside advisors shall emphasize those managers who will provide at least the following level of detail into their investment portfolios:

        i. Number of short and long positions

        ii. The use of leverage

iii. Net market exposure

4. *Investment Strategy Risk:* alternatives often employ sophisticated and potentially riskier strategies, and may use leverage.

    a. This risk will be mitigated by intensive due diligence and monitoring of potential alternative managers described below. An emphasis will be placed on those managers who have extensive experience in employing these strategies, a demonstrated ability to consistently employ them effectively, and an established track record of superior performance.

5. *Foreign Currency Risk:* changes in exchange rates could adversely affect fair value of the Endowment Fund.

    a. The Endowment Management Committee recognizes that exposure to foreign currency acts as a hedge against a declining or collapsing dollar. In this way, such investments help to reduce risk in the portfolio. However, the Committee will review the level of exposure to foreign currencies periodically in order to ensure that there are no unintended risks in the portfolio.

The following principles shall guide the selection of alternative investment managers:

- Diversify across managers to mitigate systematic and organizational risk, but avoid over-diversification.
- Diversify by strategy and geography to decrease correlations within the program.
- Emphasize qualitative evaluation of managers, as a manager's quantitative characteristics may change over time and in different market conditions.
- Discourage the use of significant leverage, and emphasize managers with a demonstrated skill in generating returns on assets as opposed to returns on equity.
- Avoid strategies that are trading oriented, highly complex, or quantitatively driven.

In addition, the investment manager due diligence process shall include the following functions, to be performed by some combination of outside consultants/advisors and internal staff:

- Background checks
    - Reference checks
    - News searches
    - Industry consultation
- Review of vendor relationships
    - Prime brokers
    - Auditors
    - Fund administrators
    - Legal counsel
- Operational review
    - On site visits
    - Procedural

- Organizational

Monitoring of the overall program-level and manager-level exposures and investment results shall be administered in accordance with the following schedule by some combination of outside consultants/advisors and internal staff:

Monthly (For Long/Short Equity and Absolute Return Managers)
- Reports of performance and asset allocation.
- Proactive contact with investment managers whose performance falls outside of the expected range.

Quarterly or Semi-Annually
- Calls with investment managers.
- For long/short equity and absolute return managers, detailed performance reports and analysis providing information such as top long positions, net and gross exposures, exposure by strategy and geography, and organizational changes.

Annually
- On site meetings with managers and attendance at annual meetings.

The Endowment Management Committee reviews and recommends to the Board the above asset allocation long-term targets and ranges, and the actual allocation of assets will be adjusted through additions and withdrawals of funds among managers and investment media to conform to these targets insofar as practical.

REBALANCING

The Committee recognizes the importance of periodically rebalancing the Endowment's asset allocation, namely to ensure that variation in returns among assets do not create outsized deviations from target allocations that cause Endowment performance to diverge from expected policy performance. To the extent possible, the Endowment will utilize naturally occurring cash movement opportunities to rebalance the Endowment portfolio. Such naturally occurring opportunities include:

- The sourcing of cash for spending needs (withdrawals)
- The infusion of cash (contributions) into the existing portfolio
- Manager changes (partial or complete subscriptions or redemptions)
- Other cash transactions (i.e., dividends, interest income, return on capital, etc.)

The Treasurer and Investment Consultant (if any) will monitor asset allocation and propose investment rebalancing recommendations (including a recommendation of no action if no rebalancing is needed) no less frequently than twice a year.

In addition to the rebalancing process described above, the Endowment should be rebalanced whenever an exposure is meaningfully overweight or underweight its target range (typically when extreme market circumstances may create significant dislocations

in actual allocation from target ranges). Between meetings of the Committee, should the exposure for any asset class reach a level of 5% or greater beyond the upper or lower limit of the specified range as measured at the end of the month, the Treasurer shall consult with the System's Investment Consultant (if any) and develop a plan to rebalance asset allocation back within target ranges. Such an allocation plan's timing will depend to some extent on the asset classes involved (for instance, rebalancing hedge funds would inherently take more time than rebalancing U.S. equities given vehicle/liquidity constraints). In such instances, the Treasurer and Investment Consultant will then communicate the rebalancing plan to the chair of the Endowment Management Committee and the Executive Vice Chancellor. Subsequent to this communication, the rebalancing plan will be executed as expeditiously as possible relative to market conditions and liquidity considerations. Any rebalancing actions taken by the Treasurer and Investment Consultant shall be communicated to the entire Committee by the Executive Vice Chancellor in a timely matter but in any case, no later than the next Committee meeting.

INVESTMENT MANAGEMENT

The endowment of the System will be managed primarily by external investment management organizations. Investment managers have discretion to manage the assets in each portfolio to best achieve the investment objectives, within the policies and requirements set forth in this statement, the investment manager agreement with the System including the guidelines for each investment manager, and subject to the usual standards of fiduciary prudence.

Each active investment manager with whom the System has a separate account will be provided with written statements of investment objectives and guidelines as part of the investment management contract that will govern his or her portfolio. These objectives shall describe the role the investment manager is expected to play within the manager structure, the objectives and comparative benchmarks that will be used to evaluate performance, and the allowable securities that can be used to achieve these objectives. Each manager will report performance quarterly, and if applicable monthly, consistent with these objectives and also indicate current annualized income and yield. These statements will be consistent with the Statement of Investment Objectives and Policies for the overall endowment as set forth herein. Investment managers will be provided with a copy of the Statement of Investment Objectives and Policies.

Additionally, each manager will be expected to use best efforts to realize the best execution price when trading securities and the settlement of all transactions (except investment pool funds and mutual funds) shall be done on a delivery versus payment basis.

SECURITIES LENDING

Securities owned by the endowment but held in custody by the endowment custodian may be lent to other parties through a contract between the University of Houston System and the custodian pursuant to a written agreement approved by the Board of Regents. Managers may not enter into securities lending agreements without the consent of the

Board of Regents. The System recognizes, however, that, for those investments placed in commingled vehicles, the Board cannot dictate whether or not the manager will engage in securities lending. Therefore, System and its investment consultant (if any) shall make every effort either to avoid commingled investments, or to otherwise limit investment to those managers who will not engage in securities lending. The limited partnerships of marketable and non-marketable alternative investments are excluded from this limitation.

PROXY VOTING

The University of Houston System has delegated proxy voting responsibility for separately managed accounts to its investment managers. Such separate account managers are to vote proxies in such a way as to maximize the value of related shares and in a manner consistent with the best interests of the University. It is noted in the case of commingled vehicles, voting rights on underlying company shares do not flow through to the System.

ADVISORY COMMITTEES

The Endowment Management Committee may establish advisory groups to provide general investment advice, as well as advice on special investments, to the Endowment Management Committee and the staff of the Executive Vice Chancellor for Administration and Finance.

REVIEW PROCEDURES

A. Performance Measurement

The Endowment Management Committee intends to review quarterly the performance of the endowment and each investment manager's portfolio relative to the objectives and guidelines described herein. The investment performance review will include comparisons with unmanaged market indices and the Consumer Price Index. A time-weighted return formula (that minimizes the effect of contributions and withdrawals) will be utilized for the overall endowment, although it is understood that individual managers may be evaluated using a dollar-weighted methodology, where appropriate.

B. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT FUND
STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES
Approved by the Board of Regents February 15, 2012

PREFACE

The University of Houston System Board of Regents is charged with the fiduciary responsibility for preserving and augmenting the value of the endowment, thereby sustaining its ability to generate support for both current and future generations of students. As part of a commitment to long-range financial equilibrium, the Regents have adopted the broad objective of investing endowment assets so as to preserve both their real value and the long-range purchasing power of endowment income so as to keep pace with inflation and evolving university needs, while generally performing above the average of the markets in which the assets are invested. Pursuant to Board Bylaw, the Endowment Management Committee has been established as a standing committee to assist the Board in fulfilling its fiduciary responsibilities.

To achieve its investment objectives the University of Houston System retains independent investment managers each of whom plays a part in meeting the System's goals over a variety of capital market cycles. The Endowment Management Committee shall:

a) Review and recommend to the Board changes to investment policies;

b) Review and recommend to the Board the university advancement assessment rate;

c) Review and recommend to the Board asset allocation long-term targets and ranges;

d) Review and recommend to the Board external investment consultants;

e) Monitor, evaluate, hire or terminate external investment managers;

f) Establish investment manager guidelines;

g) Monitor and adjust the actual allocation of assets through additions and withdrawals of funds among managers and investment media to conform to the long-term targets insofar as practical; and

h) Oversee the results of the independent managers and report periodically to the Board and the university community.

FORWARD

This policy is intended to be ongoing until the next review is completed. Comprehensive reviews are to be completed every five years.

It is the general practice of the University of Houston System to pool endowment resources. For investment purposes however, the assets are managed in separate endowment fund accounts. The following statement sets out explicit policies for the

pooled endowment but would apply to non-pooled holdings as well. The Regents seek superior investment returns through professional management but not by assuming imprudent risks.

FINANCIAL OBJECTIVES

The primary long-term financial objective for the University endowment is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of portfolio management. Performance of the overall endowment against this objective is measured over rolling periods of at least ten years, which should encompass several market cycles.

INVESTMENT OBJECTIVES

In order to meet the financial objective stated above, the primary long-term investment objective of the endowment is to earn a total rate of return that exceeds the spending rate plus the costs of managing the investment fund, and expressed in real (or inflation adjusted) terms. Given the current System spending rate of 6% (which includes 4% payout, 1.5% university advancement assessment, and 0.5% costs of managing the investment fund), the objective of this fund will be to earn a real (inflation adjusted) return of 6.0% when measured over rolling periods of at least five years. It is also understood that due to market conditions there may be five-year periods where this objective is exceeded and purchasing power is enhanced, as well as five-year periods where the objective is not met and purchasing power is diminished. The medium-term objective for the endowment is to outperform each of the capital markets in which assets are invested, measured over rolling periods of three to five years or complete market cycles, with emphasis on whichever measure is longer. In addition, the performance of the overall endowment is expected to be consistently in at least the second quartile of the university's peer group, as measured by the NACUBO-Commonfund Study of Endowments over rolling five-year time periods, as well as comparison annually to a peer group provided by an outside advisor. Thus, the Endowment Management Committee is responsible for allocating assets to segments of the market and to managers who will provide superior performance when compared with both managers of other educational endowments and with capital markets generally.

Finally, the total return of the University's investment portfolio should be evaluated against the return of a composite index consisting of appropriate benchmarks weighted according to the Endowment Management Committee's asset allocation targets.

INVESTMENT MANAGERS

In accordance with Board policy, hiring of investment consultants requires approval of the Board. Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and

immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

Managers of marketable securities are expected to produce a cumulative annualized total return net of fees and commissions that exceeds an appropriate benchmark index over moving three to five-year periods, and should be above a median for active investment managers using similar investment philosophies over the same time periods. At their discretion, managers may hold cash reserves and fixed income securities up to 25% of portfolio market value with the understanding that their benchmark will not be adjusted to reflect cash holdings. Managers who wish to exceed these limits should secure prior approval from the Treasurer. The Treasurer, in turn, shall seek approval from the Executive Vice Chancellor or designee.

ENDOWMENT PAYOUT POLICY

The Regents of the University of Houston System have established an endowment payout policy which attempts to balance the long-term objective of maintaining the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. Payout is derived from interest, dividends and realized gains, net of portfolio management fees. The historical rate of payout has been 4 to 5 percent. Going forward, the endowment will maintain a payout rate of approximately 4% to 5%, with any change to this range to be approved by the Board. The payout rate will be based as a percentage of the fiscal year end market value average over rolling three year periods. If an endowment has been in existence less than three years, the average will be based on the number of years in existence.

UNIVERSITY ADVANCEMENT ASSESSMENT

The System will annually assess a reasonable fee against the earnings of specified endowment funds to offset expenses associated with gift acquisition and fundraising at the component universities. The Board shall annually review and approve the fee. The fee will be based as a percentage of the fiscal year end market value averaged over rolling three year periods. If an endowment has been in existence less than three years, the average will be based on the number of years in existence.

ASSET SELECTION AND ALLOCATION

It is understood that ownership assets (or equities) are to be the dominant asset class in the Endowment due to the superior long-term return offered by such assets. As such, equity assets may be thought of as the drivers of long-term Endowment return.

Although the long-term return from equity assets is superior, they have three primary drawbacks that must be addressed. The first is that periods of prolonged economic contraction (deflation) can be catastrophic. Although such periods are rare, the results of

such periods are severe enough to warrant holding a portion of the Endowment in assets (primarily intermediate to long-term high quality, non-callable fixed income securities), which are likely to appreciate in value during such periods. In this context, high quality shall mean a portfolio with an average credit quality of AA or better, although active managers may choose to hold select investment grade securities with lower ratings. The goal of such holdings would be to provide sufficient liquidity to the Endowment to meet payout needs over a three to five-year period without having to sell a significant portion of the equities at "fire-sale" prices. Adherence to this policy will keep equity holdings intact and allow the Endowment to reap the rewards of a return to a more normal economic environment.

The second drawback to a reliance on equity ownership is the effects of an unexpected rise in the rate of inflation. Such rises have traditionally been problematic for most types of equity assets, and given the System's stated goal of preserving purchasing power by achieving an attractive inflation adjusted return, some portion of the Endowment should be invested in assets that will appreciate in value during periods of unexpected inflation.

Lastly, equity assets are subject to greater degrees of risk. Risk takes many forms and is usually thought of in terms of volatility of investment returns. Volatile investment returns translate into a level of support for the System's programs that (even with the smoothing effect of the rolling three-year average market value payout rule) is variable over time. In order to control this variability to a tolerable level, some allocation is warranted to assets that produce attractive returns, but in a more absolute (or less variable) pattern. It is understood that such absolute return assets will invariably return less than equity assets, given rational markets.

After providing for the three broad categories noted above, the remainder of the Endowment should be invested in equity assets, broadly defined and broadly diversified. Broad diversification is required not only to further smooth the pattern of returns, but to protect the endowment from the risks associated with undue concentration in any one type of equity asset. Although other forms of diversification may be considered, it is understood that the Endowment's equity assets will be diversified by style (growth versus value), geography (domestic versus foreign), and market capitalization (large-cap versus small).

Current policy targets and ranges for the Endowment are as follows:

	Long-Term Target	Range
Risk Controlling Assets	37.5%	30 to 50%
Deflation Protection (high quality bonds)	15%	10 to 30%
Inflation Protection (real assets)	10%	5 to15%

Assets to be considered for inclusion in this category include: Real Estate/REITs, TIPS (Treasury Inflation Protected Securities), and Energy or Commodities.

Absolute Return	12.5%	7.5 to 17.5%

Assets to be considered for inclusion in this category would primarily include defensive arbitrage or absolute return funds. Bonds may also be held in some circumstances as absolute return vehicles, and in some circumstances a particular real estate manager may be viewed to qualify as such a holding as well.

Cash	0%	0 to 10%
Drivers of Return	62.5%	50 to 70%
Domestic Mid to Large Cap Equities	17.5%	12.5 to 30%
Domestic Small-cap Equities	2.5%	0 to 10%

Large and mid-cap equities are defined as the 1000 largest companies traded in the United States, while small cap equities are considered to be the next 2000 stocks in terms of size. This characterization is compatible with the constitution of the Russell 1000, Russell 2000 and Russell 3000 Indexes.

Non U.S. Equities (international equity)	15%	10 to 30%
Emerging Market Equities	5%	2.5 to 7.5%
Long/Short Equity (hedged equity)	12.5%	7.5 to 17.5%
Non Marketable Equity (private equity)	10%	0 to12%

Managers to be considered for inclusion in this category include private equity or venture capital managers, as well as real estate funds with comparable expected returns, and other funds subject to multi-year lock-ups.

Alternative Investment Risks

For the purposes of this section, "alternative investments" refers to investments in long/short equity, absolute return, private equity, private real estate and venture capital, as well as other investments employing leverage, short sales, or illiquid investment vehicles. The investments are made in the Endowment in order to improve diversification, reduce overall volatility, and enhance return, However, the Endowment Management Committee recognizes that these investments also present additional risks beyond those posed by investments in traditional marketable securities such as stocks and bonds. Among these risks are:

1. *Liquidity Risk:* most alternative investments impose restrictions on redemptions or require multi-year locks.

    a. This risk is mitigated by imposing restrictions on the amount of the Endowment that may be allocated to alternative investments as detailed

above. In addition, the Endowment Management Committee will review at least annually the level of portfolio liquidity across all asset classes in order to ensure that there is sufficient liquidity to meet all obligations.

2. *Non-regulation risk:* Historically, alternative managers have been exempt from registration with the SEC, which has allowed them to employ strategies (such as short sales and use of leverage) forbidden by most traditional investment managers, as well as to avoid disclosing specific details of their investment practices or portfolio holdings.

    a. With the passage of the Dodd-Frank Act of 2010, almost all alternative investment managers will be required to register with the SEC under the Investment Advisers Act of 1940. This Act will require registered managers to file documents with the SEC and for public record describing the nature of the business, fees charged, types of clients, and details on compliance policies. It will also provide to investors a greater level of detail into portfolio strategy and investment.

    b. Venture capital managers will, however, remain exempt from the Investment Advisers Act and will therefore remain unregistered with the SEC.

        i. This risk will be mitigated by performing detailed due diligence on these managers and monitoring them regularly as described below, as well as by diversifying manager risk through multiple direct and fund-of-fund investments.

3. *Transparency Risk:* alternative managers are not required to disclose portfolio holding details to the same extent that traditional marketable managers are, and are often reluctant to do so in order to preserve their perceived advantage over other investors.

    a. This risk will be mitigated somewhat by the Dodd-Frank Act and the increased transparency provided by the requirement to file Form ADV with the SEC. Beyond that, however, the Endowment Management Committee, staff, and any outside advisors shall emphasize those managers who will provide at least the following level of detail into their investment portfolios:

        i. Number of short and long positions

        ii. The use of leverage

        iii. Net market exposure

4. *Investment Strategy Risk:* alternatives often employ sophisticated and potentially riskier strategies, and may use leverage.

a. This risk will be mitigated by intensive due diligence and monitoring of potential alternative managers described below. An emphasis will be placed on those managers who have extensive experience in employing these strategies, a demonstrated ability to consistently employ them effectively, and an established track record of superior performance.

5. *Foreign Currency Risk:* changes in exchange rates could adversely affect fair value of the Endowment Fund.

    a. The Endowment Management Committee recognizes that exposure to foreign currency acts as a hedge against a declining or collapsing dollar. In this way, such investments help to reduce risk in the portfolio. However, the Committee will review the level of exposure to foreign currencies periodically in order to ensure that there are no unintended risks in the portfolio.

The following principles shall guide the selection of alternative investment managers:

- Diversify across managers to mitigate systematic and organizational risk, but avoid over-diversification.
- Diversify by strategy and geography to decrease correlations within the program.
- Emphasize qualitative evaluation of managers, as a manager's quantitative characteristics may change over time and in different market conditions.
- Discourage the use of significant leverage, and emphasize managers with a demonstrated skill in generating returns on assets as opposed to returns on equity.
- Avoid strategies that are trading oriented, highly complex, or quantitatively driven.

In addition, the investment manager due diligence process shall include the following functions, to be performed by some combination of outside consultants/advisors and internal staff:

- Background checks
    - Reference checks
    - News searches
    - Industry consultation
- Review of vendor relationships
    - Prime brokers
    - Auditors
    - Fund administrators
    - Legal counsel
- Operational review
    - On site visits
    - Procedural
    - Organizational

Monitoring of the overall program-level and manager-level exposures and investment results shall be administered in accordance with the following schedule by some combination of outside consultants/advisors and internal staff:

Monthly (For Long/Short Equity and Absolute Return Managers)

- Reports of performance and asset allocation.
- Proactive contact with investment managers whose performance falls outside of the expected range.

Quarterly or Semi-Annually

- Calls with investment managers.
- For long/short equity and absolute return managers, detailed performance reports and analysis providing information such as top long positions, net and gross exposures, exposure by strategy and geography, and organizational changes.

Annually

- On site meetings with managers and attendance at annual meetings.

The Endowment Management Committee reviews and recommends to the Board the above asset allocation long-term targets and ranges, and the actual allocation of assets will be adjusted through additions and withdrawals of funds among managers and investment media to conform to these targets insofar as practical.

REBALANCING

The Committee recognizes the importance of periodically rebalancing the Endowment's asset allocation, namely to ensure that variation in returns among assets do not create outsized deviations from target allocations that cause Endowment performance to diverge from expected policy performance. To the extent possible, the Endowment will utilize naturally occurring cash movement opportunities to rebalance the Endowment portfolio. Such naturally occurring opportunities include:

- The sourcing of cash for spending needs (withdrawals)
- The infusion of cash (contributions) into the existing portfolio
- Manager changes (partial or complete subscriptions or redemptions)
- Other cash transactions (i.e., dividends, interest income, return on capital, etc.)

The Treasurer and Investment Consultant (if any) will monitor asset allocation and propose investment rebalancing recommendations (including a recommendation of no action if no rebalancing is needed) no less frequently than twice a year.

In addition to the rebalancing process described above, the Endowment should be rebalanced whenever an exposure is meaningfully overweight or underweight its target range (typically when extreme market circumstances may create significant dislocations in actual allocation from target ranges). Between meetings of the Committee, should the exposure for any asset class reach a level of 5% or greater beyond the upper or lower limit of the specified range as measured at the end of the month, the Treasurer shall consult with the System's Investment Consultant (if any) and develop a plan to rebalance asset allocation back within target ranges. Such an allocation plan's timing will depend to some extent on the

asset classes involved (for instance, rebalancing hedge funds would inherently take more time than rebalancing U.S. equities given vehicle/liquidity constraints). In such instances, the Treasurer and Investment Consultant will then communicate the rebalancing plan to the chair of the Endowment Management Committee and the Executive Vice Chancellor. Subsequent to this communication, the rebalancing plan will be executed as expeditiously as possible relative to market conditions and liquidity considerations. Any rebalancing actions taken by the Treasurer and Investment Consultant shall be communicated to the entire Committee by the Executive Vice Chancellor in a timely matter but in any case, no later than the next Committee meeting.

INVESTMENT MANAGEMENT

The endowment of the System will be managed primarily by external investment management organizations. Investment managers have discretion to manage the assets in each portfolio to best achieve the investment objectives, within the policies and requirements set forth in this statement, the investment manager agreement with the System including the guidelines for each investment manager, and subject to the usual standards of fiduciary prudence.

Each active investment manager with whom the System has a separate account will be provided with written statements of investment objectives and guidelines as part of the investment management contract that will govern his or her portfolio. These objectives shall describe the role the investment manager is expected to play within the manager structure, the objectives and comparative benchmarks that will be used to evaluate performance, and the allowable securities that can be used to achieve these objectives. Each manager will report performance quarterly, and if applicable monthly, consistent with these objectives and also indicate current annualized income and yield. These statements will be consistent with the Statement of Investment Objectives and Policies for the overall endowment as set forth herein. Investment managers will be provided with a copy of the Statement of Investment Objectives and Policies.

Additionally, each manager will be expected to use best efforts to realize the best execution price when trading securities and the settlement of all transactions (except investment pool funds and mutual funds) shall be done on a delivery versus payment basis.

SECURITIES LENDING

Securities owned by the endowment but held in custody by the endowment custodian may be lent to other parties through a contract between the University of Houston System and the custodian pursuant to a written agreement approved by the Board of Regents. Managers may not enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in commingled vehicles, the Board cannot dictate whether or not the manager will engage in securities lending. Therefore, System and its investment consultant (if any) shall make every effort either to avoid commingled investments, or to otherwise limit investment to

those managers who will not engage in securities lending. The limited partnerships of marketable and non-marketable alternative investments are excluded from this limitation.

PROXY VOTING

The University of Houston System has delegated proxy voting responsibility for separately managed accounts to its investment managers. Such separate account managers are to vote proxies in such a way as to maximize the value of related shares and in a manner consistent with the best interests of the University. It is noted in the case of commingled vehicles, voting rights on underlying company shares do not flow through to the System.

ADVISORY COMMITTEES

The Endowment Management Committee may establish advisory groups to provide general investment advice, as well as advice on special investments, to the Endowment Management Committee and the staff of the Executive Vice Chancellor for Administration and Finance.

REVIEW PROCEDURES

A. Performance Measurement

The Endowment Management Committee intends to review quarterly the performance of the endowment and each investment manager's portfolio relative to the objectives and guidelines described herein. The investment performance review will include comparisons with unmanaged market indices and the Consumer Price Index. A time-weighted return formula (that minimizes the effect of contributions and withdrawals) will be utilized for the overall endowment, although it is understood that individual managers may be evaluated using a dollar-weighted methodology, where appropriate.

B. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Endowment Management

ITEM: Annual review and approval of the UH System Investment Policy for Non-Endowed Funds

DATE PREVIOUSLY SUBMITTED: Last reviewed and approved on February 15, 2011

SUMMARY:
In accordance with section IX of the UH System Investment Policy for Non-Endowed Funds, the Endowment Management Committee shall review this policy at least once a year. There are no recommended changes to the policy.

SUPPORTING DOCUMENTATION: Redlined and clean copy of UH System Investment Policy for Non-Endowed Funds

FISCAL NOTE:

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item.

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/27/2012

CHANCELLOR Renu Khator **DATE** 1/31/12

02/15/2012
CONSENT DOCKET – EM-K55

UNIVERSITY OF HOUSTON SYSTEM
INVESTMENT POLICY FOR NON-ENDOWED FUNDS
Approved by the Board of Regents February 16, 2011
Reaffirmed by the Endowment Management Committee – February 14, 2012

I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

A. General Statement

All non-endowed financial assets of the University of Houston System are to be invested in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the System and conforming to all state statutes governing investment of such funds. This investment policy applies to all non-endowed financial assets of all funds of the UH System at the present time and any funds to be created in the future.

B. Investment Officer

The System Treasurer may invest funds that are not immediately required to pay obligations of the System. The Board shall designate by resolution one or more additional officers or employees as investment officers. The Endowment Management Committee may also appoint one or more investment managers to invest the System's funds under the terms of this policy.

If an investment officer has a personal business relationship with an entity or is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the System, the investment officer must file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission.

II. INVESTMENT OBJECTIVES

A. Safety and Maintenance of Adequate Liquidity

Safety of principal is a primary objective in any investment transaction involving non-endowed financial assets. The System's investment portfolio must be structured in conformance with an asset/liability management plan that provides for liquidity necessary to pay obligations as they become due.

B. Diversification

The System will diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investments.

C. Yield

The System seeks to earn the maximum rate of return allowed on its investments within constraints imposed by its safety and liquidity objectives, and state and federal law governing investment of public funds.

D. Maturity

Portfolio maturities will be structured to meet the obligations of the System first and then to achieve the highest return of interest. When the System has funds that will not be needed to meet current-year obligations, maturity restraints will be imposed based upon investment strategy.

E. Investment Managers

Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

F. Asset Allocation

The non-endowed funds will be allocated into two tiers of liquidity to better reflect the actual liquidity requirements of these assets. The approved liquidity tiers and target allocation to each tier is as follows:

1. 50% allocated to a cash pool with a one-year time horizon; designed to meet the annual operating needs of the system. This cash pool will be invested in money market funds in conformity with section III. The benchmark for this pool will be the Merrill Lynch 91-Day T-Bill Index.

2. 50% allocated to a liquidity pool with a horizon of one to five years, designed to serve as a margin of safety in the unlikely event that the cash pool is insufficient to meet spending needs. The liquidity pool will be invested in intermediate-term bonds in conformity with section III. The benchmark for this pool will be the BofA ML 1-5 Yr Govt/Corp Index and the BofA ML 1-5 Yr Govt/Corp Index AA and above.

A customized Total Portfolio Benchmark will be employed to measure the overall performance of the portfolio. This benchmark will blend the returns of the two benchmarks specified above, weighted according to the target allocation for each respective tier.

Policy targets and allowable ranges for the Non-Endowed Funds are as follows:

	Target Allocation	Allowable Range
Cash Pool	50%	40% to 100%
Liquidity Pool	50%	0% to 60%

G. Rebalancing

Given the substantial difference in expected return among these two pools, and the regular use of funds from the cash pool for operational purposes, these pools may need to be rebalanced occasionally. The Endowment Management Committee should consider rebalancing a pool when it exceeds a five percent over-or-underweight relative to its allowable ranges.

Between meetings of the Committee, should the exposure for any pool reach a level of 5% or more beyond the uppermost limit or 5% below the lower end of the specified range as measured at the end of the month, the Treasurer shall consult with the System's Investment Consultant (if any) and make a recommendation to the Executive Vice Chancellor or designee as to the appropriate rebalancing actions to take. By mutual agreement, those parties may then proceed to take what rebalancing actions they deem to be reasonable and practical. Any rebalancing actions taken shall be communicated to the entire Committee by the Executive Vice Chancellor in a timely matter but in any case, no later than the next Committee meeting.

H. Quality and Capability of Investment Management

The System will provide periodic training in investments for the System Investment Officers through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and currency of the System Investment Officers in making investment decisions.

III. AUTHORIZED INVESTMENT TYPES

The System Investment Officer shall use any of the following authorized investment instruments consistent with this policy and governing law. The following are authorized investments:

A. Obligations of the United States or its agencies and instrumentalities;

B. Direct obligations of this state or its agencies or instrumentalities;

C. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

D. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; and

E. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

F. Certificates of deposit if issued by a state or national bank domiciled in this state or a savings and loan association domiciled in this state that are:

1. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor;

2. Secured by obligations that are described by Section 2256.009(a) of the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed

securities of the nature described as Prohibited Investment Instruments in this policy; or

3. Secured in any other manner and amount provided by law for deposits of the System.

G. A fully collateralized repurchase agreement or reverse repurchase agreement, as defined in the Public Funds Investment Act, if it:

1. Has a defined termination date;
2. Is secured by obligations described by Section 2256.009(a)(1) of the Public Funds Investment Act;
3. Requires the securities being purchased by the System to be pledged to the System, held in the System's name, and deposited at the time the investment is made with the System or with a third party selected and approved by the System; and
4. Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

Notwithstanding any law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by the System under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

H. A banker's acceptance if it:

1. has a stated maturity of 270 days or fewer from the date of its issuance;
2. will be, in accordance with its terms, liquidated in full at maturity;
3. is eligible for collateral for borrowing from a Federal Reserve Bank; and
4. is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

I. Commercial paper if it:

1. has a stated maturity of 270 days or fewer from the date of its issuance; and
2. is rated not less than A-1 or P-1 or an equivalent rating by at least:
   a. two nationally recognized credit rating agencies; or
   b. one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

J. Mutual Funds and money market mutual funds with limitations described below:

1. A no-load money market mutual fund is authorized if it:

   a. is registered with and regulated by the Securities and Exchange Commission;

   b. has a dollar-weighted average stated maturity of 90 days or fewer; and

   c. includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

2. A no-load mutual fund is authorized if it:

   a. is registered with the Securities and Exchange Commission;

   b. is Securities and Exchange Commission 2a-7 compliant;

   c. has an average weighted maturity of less than two years;

   d. is invested exclusively in obligations approved by this policy; and

   e. is continuously rated as to investment quality by the two nationally recognized statistical rating organizations that rate our debt of not less than AAA or its equivalent.

The System may not invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund or money market mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund or money market mutual fund.

K. Eligible investment pools approved by the Board. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. The System by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

L. Cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501 (f), Internal Revenue Code of 1986.

M. Negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency .

N. Corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradation within those categories.

O. Any other investment types, other than prohibited investment instruments, not listed above as approved by the Endowment Management Committee.

IV. RISK CONTROL AND INVESTMENT LIMITS

In the interest of risk control and diversification, the following limits will be placed on allocation among allowable investments within the liquidity pool:

A. Types of issues permitted	Restrictions
(1) U.S. Government	No Limit
(2) Federal Agencies	20% per Agency (GNMA collateralized mortgages issued by FNMA or FHLMC count under U.S. Government limit)
(3) Municipal Obligations	5 % per issuer 30 % aggregate limit Rated A/A and above by S & P and Moody's (There is a 50% aggregate limit for corporate bonds and taxable municipal obligations.)
(4) Corporate Bonds	5% per issuer Rated AA and above by S&P or Moody's 25% per economic sector (There is a 50% aggregate limit for corporate bonds and taxable municipal obligations.)
(5) Mortgage Securities	30% aggregate limit Final maturity 10 years or less Average life less than 5 years
(6) SEC Registered Money Market Funds	
(7) Commercial Paper (under 270 day maturities)	5 % per issuer Rated A-1 / P-1 25 % limit per economic sector

B. Maturity Restrictions

Final Maturity	Percentage of Portfolio
Less than 1 year	0% to 100%
1 to 2 years	0% to 100%
2 to 5 years	0% to 75%

V. Prohibited Investment Instruments

The System Investment Officer or appointed investment management company has no authority to use any of the following investment instruments:

A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal

B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

C. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years;

D. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index; and

E. Any other security prohibited by the laws of the State of Texas. The Treasurer will inform investment managers of any such prohibitions on an ongoing basis.

VI. INVESTMENT RESPONSIBILITY AND CONTROL

A. Investment Institutions Defined

The System Investment Officer shall invest System funds with any or all of the following institutions or groups consistent with federal and state law and the current Depository Bank contract:

1. Depository bank;
2. Other state or national banks, or their subsidiaries, domiciled in Texas that are insured by the FDIC;
3. Public funds investment pools;
4. Government securities brokers and dealers; or
5. Investment management firms registered under the Investment Advisers Act of 1940.

B. Standards of Operation

The System Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy.

C. Delivery vs. Payment

All Treasury Bills, Notes and Bonds and Government Agencies' securities shall be purchased using the "Delivery vs. Payment" (DVP) method through the Federal Reserve System. By doing so, System funds are not released until the System has received, through the Federal Reserve wire, the securities purchased.

D. Standard of Care

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal; liquidity; and yield. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1. The investment of all funds, or funds under the System's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Whether the investment decision was consistent with the written investment policy of the System.

VII. INVESTMENT REPORTING AND PERFORMANCE EVALUATION

Not less than quarterly, the System shall submit to the Endowment Management Committee a written report of the System's investment transactions for the preceding reporting period. The report shall contain:

A. A summary statement of each pooled fund group that states the beginning market value for the reporting period, additions and changes to the market value during the period, and the ending market value for the period.

B. The book value and market value for each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested.

For purpose of this section, "pooled fund group" means an internally created fund in which one or more institutional accounts are invested, and "separately invested asset" means an account that is not invested in a pooled fund group.

VIII. INVESTMENT COLLATERAL AND SAFEKEEPING

A. Collateral or Insurance

The System Investment Officer shall ensure that all System funds are fully collateralized or insured consistent with federal and state law and the current Bank Depository Contract in one or more of the following manners:

1. FDIC insurance coverage; or
2. Obligations of the United States or its agencies and instrumentalities.

B. Safekeeping

All purchased securities shall be held in safekeeping by the System, or a System account in a third party financial institution, or with the Federal Reserve Bank. All pledged securities by

the Depository Bank shall be held in safekeeping by the System, or a System account in a third party financial institution, or with a Federal Reserve Bank.

C. Securities Lending

Securities owned by the System and held in custody by the System's custodian may only be lent to other parties through a contract between the System and the custodian pursuant to a written agreement approved by the Board of Regents. Neither custodians nor investment managers may enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in mutual funds, the Board cannot dictate whether or not the fund will engage in securities lending. Therefore, the System and its investment consultant (if any) shall make every effort either to avoid mutual funds that participate in securities lending, or to otherwise limit investment to those managers who will not engage in securities lending.

IX. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

UNIVERSITY OF HOUSTON SYSTEM
INVESTMENT POLICY FOR NON-ENDOWED FUNDS
Approved by the Board of Regents February 16, 2011
Reaffirmed by the Endowment Management Committee – February 14, 2012

I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

A. General Statement

All non-endowed financial assets of the University of Houston System are to be invested in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the System and conforming to all state statutes governing investment of such funds. This investment policy applies to all non-endowed financial assets of all funds of the UH System at the present time and any funds to be created in the future.

B. Investment Officer

The System Treasurer may invest funds that are not immediately required to pay obligations of the System. The Board shall designate by resolution one or more additional officers or employees as investment officers. The Endowment Management Committee may also appoint one or more investment managers to invest the System's funds under the terms of this policy.

If an investment officer has a personal business relationship with an entity or is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the System, the investment officer must file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission.

II. INVESTMENT OBJECTIVES

A. Safety and Maintenance of Adequate Liquidity

Safety of principal is a primary objective in any investment transaction involving non-endowed financial assets. The System's investment portfolio must be structured in conformance with an asset/liability management plan that provides for liquidity necessary to pay obligations as they become due.

B. Diversification

The System will diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investments.

C. Yield

The System seeks to earn the maximum rate of return allowed on its investments within constraints imposed by its safety and liquidity objectives, and state and federal law governing investment of public funds.

D. Maturity

Portfolio maturities will be structured to meet the obligations of the System first and then to achieve the highest return of interest. When the System has funds that will not be needed to meet current-year obligations, maturity restraints will be imposed based upon investment strategy.

E. Investment Managers

Hiring of investment managers requires Endowment Management Committee approval except, when on the recommendation of the committee staff and the investment consultant, the chair of the Endowment Management Committee and the chair of the Finance and Administration Committee jointly determine that time is of the essence and immediate action in lieu of a called committee meeting is necessary to hire or terminate an investment manager, the recommended change can then be made. The chair of the Endowment Management Committee will have the staff immediately report any such action taken to the members of the Endowment Management Committee and the Chairman of the Board of Regents after such action is taken.

F. Asset Allocation

The non-endowed funds will be allocated into two tiers of liquidity to better reflect the actual liquidity requirements of these assets. The approved liquidity tiers and target allocation to each tier is as follows:

1. 50% allocated to a cash pool with a one-year time horizon; designed to meet the annual operating needs of the system. This cash pool will be invested in money market funds in conformity with section III. The benchmark for this pool will be the Merrill Lynch 91-Day T-Bill Index.

2. 50% allocated to a liquidity pool with a horizon of one to five years, designed to serve as a margin of safety in the unlikely event that the cash pool is insufficient to meet spending needs. The liquidity pool will be invested in intermediate-term bonds in conformity with section III. The benchmark for this pool will be the BofA ML 1-5 Yr Govt/Corp Index and the BofA ML 1-5 Yr Govt/Corp Index AA and above.

A customized Total Portfolio Benchmark will be employed to measure the overall performance of the portfolio. This benchmark will blend the returns of the two benchmarks specified above, weighted according to the target allocation for each respective tier.

Policy targets and allowable ranges for the Non-Endowed Funds are as follows:

	Target Allocation	Allowable Range
Cash Pool	50%	40% to 100%
Liquidity Pool	50%	0% to 60%

G. Rebalancing

Given the substantial difference in expected return among these two pools, and the regular use of funds from the cash pool for operational purposes, these pools may need to be rebalanced occasionally. The Endowment Management Committee should consider rebalancing a pool when it exceeds a five percent over-or-underweight relative to its allowable ranges.

Between meetings of the Committee, should the exposure for any pool reach a level of 5% or more beyond the uppermost limit or 5% below the lower end of the specified range as measured at the end of the month, the Treasurer shall consult with the System's Investment Consultant (if any) and make a recommendation to the Executive Vice Chancellor or designee as to the appropriate rebalancing actions to take. By mutual agreement, those parties may then proceed to take what rebalancing actions they deem to be reasonable and practical. Any rebalancing actions taken shall be communicated to the entire Committee by the Executive Vice Chancellor in a timely matter but in any case, no later than the next Committee meeting.

H. Quality and Capability of Investment Management

The System will provide periodic training in investments for the System Investment Officers through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and currency of the System Investment Officers in making investment decisions.

III. AUTHORIZED INVESTMENT TYPES

The System Investment Officer shall use any of the following authorized investment instruments consistent with this policy and governing law. The following are authorized investments:

A. Obligations of the United States or its agencies and instrumentalities;

B. Direct obligations of this state or its agencies or instrumentalities;

C. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

D. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; and

E. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

F. Certificates of deposit if issued by a state or national bank domiciled in this state or a savings and loan association domiciled in this state that are:

1. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor;

2. Secured by obligations that are described by Section 2256.009(a) of the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the

principal amount of the certificates, but excluding those mortgage backed securities of the nature described as Prohibited Investment Instruments in this policy; or

3. Secured in any other manner and amount provided by law for deposits of the System.

G. A fully collateralized repurchase agreement or reverse repurchase agreement, as defined in the Public Funds Investment Act, if it:

1. Has a defined termination date;
2. Is secured by obligations described by Section 2256.009(a)(1) of the Public Funds Investment Act;
3. Requires the securities being purchased by the System to be pledged to the System, held in the System's name, and deposited at the time the investment is made with the System or with a third party selected and approved by the System; and
4. Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

Notwithstanding any law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by the System under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

H. A banker's acceptance if it:

1. has a stated maturity of 270 days or fewer from the date of its issuance;
2. will be, in accordance with its terms, liquidated in full at maturity;
3. is eligible for collateral for borrowing from a Federal Reserve Bank; and
4. is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

I. Commercial paper if it:

1. has a stated maturity of 270 days or fewer from the date of its issuance; and
2. is rated not less than A-1 or P-1 or an equivalent rating by at least:
   a. two nationally recognized credit rating agencies; or
   b. one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

J. Mutual Funds and money market mutual funds with limitations described below:

1. A no-load money market mutual fund is authorized if it:

   a. is registered with and regulated by the Securities and Exchange Commission;

   b. has a dollar-weighted average stated maturity of 90 days or fewer; and

   c. includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

2. A no-load mutual fund is authorized if it:

   a. is registered with the Securities and Exchange Commission;

   b. is Securities and Exchange Commission 2a-7 compliant;

   c. has an average weighted maturity of less than two years;

   d. is invested exclusively in obligations approved by this policy; and

   e. is continuously rated as to investment quality by the two nationally recognized statistical rating organizations that rate our debt of not less than AAA or its equivalent.

The System may not invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund or money market mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund or money market mutual fund.

K. Eligible investment pools approved by the Board. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. The System by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

L. Cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501 (f), Internal Revenue Code of 1986.

M. Negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency .

N. Corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradation within those categories.

O. Any other investment types, other than prohibited investment instruments, not listed above as approved by the Endowment Management Committee.

IV. RISK CONTROL AND INVESTMENT LIMITS

In the interest of risk control and diversification, the following limits will be placed on allocation among allowable investments within the liquidity pool:

A. Types of issues permitted	Restrictions
(1) U.S. Government	No Limit
(2) Federal Agencies	20% per Agency (GNMA collateralized mortgages issued by FNMA or FHLMC count under U.S. Government limit)
(3) Municipal Obligations	5 % per issuer 30 % aggregate limit Rated A/A and above by S & P and Moody's (There is a 50% aggregate limit for corporate bonds and taxable municipal obligations.)
(4) Corporate Bonds	5% per issuer Rated AA and above by S&P or Moody's 25% per economic sector (There is a 50% aggregate limit for corporate bonds and taxable municipal obligations.)
(5) Mortgage Securities	30% aggregate limit Final maturity 10 years or less Average life less than 5 years
(6) SEC Registered Money Market Funds	
(7) Commercial Paper (under 270 day maturities)	5 % per issuer Rated A-1 / P-1 25 % limit per economic sector

B. Maturity Restrictions

Final Maturity	Percentage of Portfolio
Less than 1 year	0% to 100%
1 to 2 years	0% to 100%
2 to 5 years	0% to 75%

V. Prohibited Investment Instruments

The System Investment Officer or appointed investment management company has no authority to use any of the following investment instruments:

A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal

B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

C. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years;

D. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index; and

E. Any other security prohibited by the laws of the State of Texas. The Treasurer will inform investment managers of any such prohibitions on an ongoing basis.

VI. INVESTMENT RESPONSIBILITY AND CONTROL

A. Investment Institutions Defined

The System Investment Officer shall invest System funds with any or all of the following institutions or groups consistent with federal and state law and the current Depository Bank contract:

1. Depository bank;
2. Other state or national banks, or their subsidiaries, domiciled in Texas that are insured by the FDIC;
3. Public funds investment pools;
4. Government securities brokers and dealers; or
5. Investment management firms registered under the Investment Advisers Act of 1940.

B. Standards of Operation

The System Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy.

C. Delivery vs. Payment

All Treasury Bills, Notes and Bonds and Government Agencies' securities shall be purchased using the "Delivery vs. Payment" (DVP) method through the Federal Reserve System. By doing so, System funds are not released until the System has received, through the Federal Reserve wire, the securities purchased.

D. **Standard of Care**

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal; liquidity; and yield. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1. The investment of all funds, or funds under the System's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Whether the investment decision was consistent with the written investment policy of the System.

VII. INVESTMENT REPORTING AND PERFORMANCE EVALUATION

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A. A summary statement of each pooled fund group that states the beginning market value for the reporting period, additions and changes to the market value during the period, and the ending market value for the period.

B. The book value and market value for each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested.

For purpose of this section, "pooled fund group" means an internally created fund in which one or more institutional accounts are invested, and "separately invested asset" means an account that is not invested in a pooled fund group.

VIII. INVESTMENT COLLATERAL AND SAFEKEEPING

A. **Collateral or Insurance**

The System Investment Officer shall ensure that all System funds are fully collateralized or insured consistent with federal and state law and the current Bank Depository Contract in one or more of the following manners:

1. FDIC insurance coverage; or
2. Obligations of the United States or its agencies and instrumentalities.

B. **Safekeeping**

All purchased securities shall be held in safekeeping by the System, or a System account in a third party financial institution, or with the Federal Reserve Bank. All pledged securities by the Depository Bank shall be held in safekeeping by the System, or a System account in a third party financial institution, or with a Federal Reserve Bank.

C. Securities Lending

Securities owned by the System and held in custody by the System's custodian may only be lent to other parties through a contract between the System and the custodian pursuant to a written agreement approved by the Board of Regents. Neither custodians nor investment managers may enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that, for those investments placed in mutual funds, the Board cannot dictate whether or not the fund will engage in securities lending. Therefore, the System and its investment consultant (if any) shall make every effort either to avoid mutual funds that participate in securities lending, or to otherwise limit investment to those managers who will not engage in securities lending.

IX. Review and Modification of Policy

The Endowment Management Committee shall review this Policy at least once a year to determine if modifications are necessary or desirable. If substantive modifications are made, they shall be promptly communicated to responsible parties.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

FINANCE & ADMINISTRATION
COMMITTEE ITEMS

TO BE PRESENTED

AT

FEBRUARY 15, 2012

MEETING

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval of University of Houston consolidation of tuition and fee rates effective fall semester 2012

DATE PREVIOUSLY SUBMITTED:

SUMMARY: The current University of Houston mandatory tuition and fee structure is based on billing for individual courses. This results in very long tuition and fee bills, and makes it difficult for students and their parents to determine the amount they will owe and plan accordingly. Over the past several months the University of Houston has developed a plan for consolidating and simplifying tuition and fees base on a student's major. Undergraduates will pay one of three rates per credit hour based on student classification and major. Graduate student rates will continue to be set by college.

SUPPORTING DOCUMENTATION: Consolidated mandatory tuition and fee schedules

FISCAL NOTE: The tuition and fee consolidation is revenue-neutral

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

PRESIDENT	Renu Khator	**DATE** 1/31/12
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	**DATE** 1/30/2012
CHANCELLOR	Renu Khator	**DATE** 1/31/12

CONSENT DOCKET – F&A-L75
02/15/12

University of Houston

Tuition & Fee Simplification

February 15, 2012

University of Houston

Current Tuition and Fee Structure

- Based on course enrollment and student major
- Every course can have a different tuition and fee rate
- A student's cost will vary semester-to-semester even if taking the same number of credit hours

Simplified Structure

- Based on a student's major (one of three rates for an undergraduate or a college based rate for graduates)
- Students entering college for the first time will pay the same rate regardless of major for twelve months

Simplification will be Revenue-Neutral

CONSENT DOCKET – F&A-L76
02/15/12

University of Houston Peer Institutions
Undergraduate Tuition and Fee Schedules

	Flat Rate	Tiers Based on Student Major or Classification	Number of Tiers	Flat Rate Includes Course Based Fees	Fees Vary by Course
University of Houston Consolidate	**Yes**	**Yes**	**3**	**Yes**	**No**
Research Universities					
UT Austin	Yes	Yes	12	Yes	No
A&M College Station	No	n/a	n/a	n/a	Yes
Emerging Research Universities					
Texas Tech	No	n/a	n/a	n/a	Yes
UT Dallas	Yes	Yes	5	Yes	No
UT Arlington	Yes	Yes	10	Yes	No
Univ of North Texas	Yes	No	1	No	Yes
UT El Paso	Yes	No	1	No	Yes
UT San Antonio	No	n/a	n/a	n/a	Yes
University of Houston Current	*No*	*n/a*	*n/a*	*n/a*	*Yes*

CONSENT DOCKET – F&A-L77
02/15/12

The University of Texas at Austin

Fall 2011 Resident Undergraduate Tution and Fee Rates

Hours	Arch	Business	Communic	Education	Engineering	Fine Arts	Geosci	Liberal Arts	Nat Sci	Nursing	Social Work	UG Studies
1	1,485	1,615	1,454	1,456	1,536	1,506	1,516	1,406	1,458	1,558	1,472	1,476
2	1,830	1,990	1,791	1,794	1,893	1,855	1,868	1,732	1,797	1,920	1,814	1,819
3	2,176	2,366	2,129	2,132	2,250	2,205	2,220	2,059	2,136	2,283	2,157	2,163
4	2,521	2,740	2,467	2,470	2,607	2,555	2,572	2,386	2,475	2,645	2,498	2,505
5	2,866	3,116	2,805	2,809	2,964	2,905	2,925	2,713	2,814	3,007	2,841	2,849
6	3,211	3,491	3,142	3,147	3,321	3,255	3,277	3,039	3,153	3,369	3,183	3,192
7	3,557	3,867	3,481	3,486	3,679	3,605	3,630	3,366	3,492	3,732	3,525	3,535
8	3,951	4,296	3,867	3,872	4,087	4,005	4,032	3,739	3,879	4,146	3,916	3,927
9	3,951	4,296	3,867	3,872	4,087	4,005	4,032	3,739	3,879	4,146	3,916	3,927
10	3,951	4,296	3,867	3,872	4,087	4,005	4,032	3,739	3,879	4,146	3,916	3,927
11	3,951	4,296	3,867	3,872	4,087	4,005	4,032	3,739	3,879	4,146	3,916	3,927
12	4,938	5,369	4,832	4,839	5,107	5,005	5,039	4,673	4,848	5,181	4,894	4,908
13	4,938	5,369	4,832	4,839	5,107	5,005	5,039	4,673	4,848	5,181	4,894	4,908
14	4,938	5,369	4,832	4,839	5,107	5,005	5,039	4,673	4,848	5,181	4,894	4,908
15	4,938	5,369	4,832	4,839	5,107	5,005	5,039	4,673	4,848	5,181	4,894	4,908

Source: http://www.utexas.edu/tuition/costs.html

CONSENT DOCKET – F&A-L78 02/15/12

Texas A&M University

Fall 2011 Resident Undergraduate Tuition and Fees

Credit Hours	1	2	3	4	5	6	7	8	9
Tuition	$ 176.55	$ 353.10	$ 529.65	$ 706.20	$ 882.75	$ 1,059.30	$ 1,235.85	$ 1,412.40	$ 1,588.95
Student Services Fee	14.97	29.94	44.91	59.88	74.85	89.82	104.79	119.76	134.73
Advising Services Fee	9.10	18.20	27.30	36.40	45.50	54.60	63.70	72.80	81.90
Bursar Services Fee	0.55	1.10	1.65	2.20	2.75	3.30	3.85	4.40	4.95
Health Center Fee	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50
Library Access Fee	26.45	52.90	79.35	105.80	132.25	158.70	185.15	211.60	238.05
Rec Sports Center Fee	101.92	101.92	101.92	101.92	101.92	101.92	101.92	101.92	101.92
Software Licensing Fee	1.25	2.50	3.75	5.00	6.25	7.50	8.75	10.00	11.25
Student Center Complex Fee	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Computer Access Fee	26.13	52.26	78.39	104.52	130.65	156.78	182.91	209.04	235.17
Transportation Fee	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
Writing Center Fee	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
International Education Fee	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
ID Card Fee	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Energy Fee	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Career Center Fee	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Environmental Services Fee	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	$ 684.17	$ 939.17	$ 1,194.17	$ 1,449.17	$ 1,704.17	$ 1,959.17	$ 2,214.17	$ 2,469.17	$ 2,724.17

Credit Hours	10	11	12	13	14	15	16	17	18
Tuition	$ 1,765.50	$ 1,942.05	$ 2,648.25	$ 2,648.25	$ 2,648.25	$ 2,648.25	$ 2,648.25	$ 2,648.25	$ 2,648.25
Student Services Fee	149.70	164.67	179.64	179.64	179.64	179.64	179.64	179.64	179.64
Advising Services Fee	91.00	100.10	136.50	136.50	136.50	136.50	136.50	136.50	136.50
Bursar Services Fee	5.50	6.05	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Health Center Fee	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50
Library Access Fee	264.50	290.95	396.75	396.75	396.75	396.75	396.75	396.75	396.75
Rec Sports Center Fee	101.92	101.92	101.92	101.92	101.92	101.92	101.92	101.92	101.92
Software Licensing Fee	12.50	13.75	18.75	18.75	18.75	18.75	18.75	18.75	18.75
Student Center Complex Fee	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Computer Access Fee	261.30	287.43	391.95	391.95	391.95	391.95	391.95	391.95	391.95
Transportation Fee	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
Writing Center Fee	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
International Education Fee	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
ID Card Fee	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Energy Fee	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Career Center Fee	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Environmental Services Fee	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	$ 2,979.17	$ 3,234.17	$ 4,209.26	$ 4,209.26	$ 4,209.26	$ 4,209.26	$ 4,209.26	$ 4,209.26	$ 4,209.26

This list does NOT include the following fees:

Course related Educational Enhancement, Equipment Access, Lab and/or Field Trip Fees.
Distance Education Differential Tuition and Fees.

Source: http://finance.tamu.edu/sbs/tuition/cost_attendance.asp

Texas Tech University

Fall 2011 Resident Undergraduate Tuition and Fees

Credits	ESTIMATED TOTAL*	State Tuition	Desig Tuition	Student Services	IT Fee	ID Card Fee	Int'l Ed Fee	Library Fee	Advising & Retention	Athletics Fee	Cultural Activities	Medical Svc Fee	Rec Center Fee	Student Union Fee	Transport Fee	Energy Fee	Records Fee
1	669.45	50.00	145.80	72.50	22.00	5.00	4.00	169.75	4.00		9.40	37.50	37.50	49.00	24.00	30.00	9.00
2	900.25	100.00	291.60	72.50	44.00	5.00	4.00	169.75	8.00		9.40	37.50	37.50	49.00	24.00	30.00	18.00
3	1,131.05	150.00	437.40	72.50	66.00	5.00	4.00	169.75	12.00		9.40	37.50	37.50	49.00	24.00	30.00	27.00
4	1,761.60	200.00	583.20	72.50	88.00	5.00	4.00	339.50	16.00	52.00	9.40	75.00	75.00	98.00	48.00	60.00	36.00
5	1,992.40	250.00	729.00	72.50	110.00	5.00	4.00	339.50	20.00	52.00	9.40	75.00	75.00	98.00	48.00	60.00	45.00
6	2,223.20	300.00	874.80	72.50	132.00	5.00	4.00	339.50	24.00	52.00	9.40	75.00	75.00	98.00	48.00	60.00	54.00
7	2,535.90	350.00	1,020.60	145.00	154.00	5.00	4.00	339.50	28.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	63.00
8	2,766.70	400.00	1,166.40	145.00	176.00	5.00	4.00	339.50	32.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	72.00
9	2,997.50	450.00	1,312.20	145.00	198.00	5.00	4.00	339.50	36.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	81.00
10	3,228.30	500.00	1,458.00	145.00	220.00	5.00	4.00	339.50	40.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	90.00
11	3,459.10	550.00	1,603.80	145.00	242.00	5.00	4.00	339.50	44.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	99.00
12	3,689.90	600.00	1,749.60	145.00	264.00	5.00	4.00	339.50	48.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	108.00
13	3,920.70	650.00	1,895.40	145.00	286.00	5.00	4.00	339.50	52.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	117.00
14	4,151.50	700.00	2,041.20	145.00	308.00	5.00	4.00	339.50	56.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	126.00
15	4,382.30	750.00	2,187.00	145.00	330.00	5.00	4.00	339.50	60.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	135.00
16	4,613.10	800.00	2,332.80	145.00	352.00	5.00	4.00	339.50	64.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	144.00
17	4,843.90	850.00	2,478.60	145.00	374.00	5.00	4.00	339.50	68.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	153.00
18	5,074.70	900.00	2,624.40	145.00	396.00	5.00	4.00	339.50	72.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	162.00
19	5,305.50	950.00	2,770.20	145.00	418.00	5.00	4.00	339.50	76.00	52.00	18.80	75.00	75.00	98.00	48.00	60.00	171.00

* This estimation DOES NOT include the Course/Special Instruction/Lab, Off-campus Travel, Field Trip, International Student, or Residence Hall IT Support Fee

- CourseFees: Determined by department based on instructional costs associated with specific course section. $3 per hour min and $45 per hour max per course.
- Lab/Special Instruction/Field Trip/Off-Campus Travel Fees: Fees set by a department to cover expenses associated with a specific class section.

Source: http://www.depts.ttu.edu/studentbusinessservices/tuitionandfees/tuitiongrids.php

CONSENT DOCKET – F&A-L80 02/15/12

University of North Texas

Tuition and Fees - Undergraduate - Texas Resident
Fall 2011

Hours	Total *	Tuition	Mandatory Fees *	Hours	Total *	Tuition	Mandatory Fees *
1.0	487.23	206.13	281.10	11.0	3,121.03	2,267.43	853.60
1.5	618.92	309.20	309.73	11.5	3,252.72	2,370.50	882.23
2.0	750.61	412.26	338.35	12.0	3,994.55	2,941.95	1,052.60
2.5	882.30	515.33	366.98	12.5	4,024.55	2,966.95	1,057.60
3.0	1,013.99	618.39	395.60	13.0	4,054.55	2,991.95	1,062.60
3.5	1,145.68	721.46	424.23	13.5	4,084.55	3,016.95	1,067.60
4.0	1,277.37	824.52	452.85	14.0	4,114.55	3,041.95	1,072.60
4.5	1,409.06	927.59	481.48	14.5	4,144.55	3,066.95	1,077.60
5.0	1,540.75	1,030.65	510.10	15.0	4,174.55	3,091.95	1,082.60
5.5	1,672.44	1,133.72	538.73	15.5	4,199.55	3,116.95	1,082.60
6.0	1,804.13	1,236.78	567.35	16.0	4,224.55	3,141.95	1,082.60
6.5	1,935.82	1,339.85	595.98	16.5	4,249.55	3,166.95	1,082.60
7.0	2,067.51	1,442.91	624.60	17.0	4,274.55	3,191.95	1,082.60
7.5	2,199.20	1,545.98	653.23	17.5	4,299.55	3,216.95	1,082.60
8.0	2,330.89	1,649.04	681.85	18.0	4,324.55	3,241.95	1,082.60
8.5	2,462.58	1,752.11	710.48	18.5	4,349.55	3,266.95	1,082.60
9.0	2,594.27	1,855.17	739.10	19.0	4,374.55	3,291.95	1,082.60
9.5	2,725.96	1,958.24	767.73	19.5	4,399.55	3,316.95	1,082.60
10.0	2,857.65	2,061.30	796.35	20.0	4,424.55	3,341.95	1,082.60
10.5	2,989.34	2,164.37	824.98				

*Instructional Fees vary by course and are not included in the total.

Source: http://essc.unt.edu/saucs/tuition-and-fees-fall.html#otherfee

The University of Texas at El Paso

Tuition and Mandatory Fees - Fall 2011 Undergraduate

Hours	Tuition and Fees	Hours	Tuition and Fees
1	349.93	11	2,585.23
2	573.46	12	2,808.76
3	796.99	13	3,017.29
4	1,020.52	14	3,225.82
5	1,244.05	15	3,434.35
6	1,467.58	16	3,625.63
7	1,691.11	17	3,816.91
8	1,914.64	18	4,008.19
9	2,138.17	19	4,199.47
10	2,361.70	20	4,390.75
		21	4,582.03

This table of Tuition and Mandatory Fees does not include incidental fees, course related fees, individual major fees, and program fees. It is recommended that you contact your program coordinator for further disclosure of additional fees, or you can also refer to the current University Catalog.

Source: http://finsvcs.utep.edu/StudentBusinessServices/Current/Undergraduate.aspx

University of Houston

Sample Tuition and Fee Bill – 15 Hour Undergraduate

With Current Tuition and Fee Structure

Course and Class Incidental Fees	Amount
Class Student Support	$ 17.77
Engineer Tech Instr Res.	177.00
Engineer Tech Instr Res.	177.00
Technology Student Svcs	100.00
Tech Inst. Technology	90.00
Tech Inst. Technology	90.00
Subtotal	651.77
Mandatory Fees	
Fee - Student Services-Ugrd	190.00
Fee - University Center-Ugrd	85.00
Fee - Rec & Well Ct-Ugrd	84.00
Fee -Consld Univ Srvcs - Ugrd	614.25
Subtotal	973.25
Tuition	
Tuit-UG-Class-Resident	595.53
Tuit-UG-NSM-Resident	595.53
Tuit-UG-NSM-Resident	595.53
Tuit-UG-Tech-Resident	595.53
Tuit-UG-Tech-Resident	595.53
DDT-UG-NSM-Resident	132.00
DDT-UG-NSM-Resident	132.00
DDT-UG-NSM/Bio-Resident	36.00
DDT-UG-NSM/Bio-Resident	36.00
DDT-UG-Tech-Resident	30.00
DDT-UG-Tech-Resident	30.00
Subtotal	3,373.65
Total Tuition and Fees	$ 4,998.67

CONSENT DOCKET – F&A-L83 02/15/12

Sample Bill for 5 courses @ 3 sch =15 sch Total

Current

PAYMENTS

- **Student**
- **Financial Aid**

CHARGES

- **Tuition** (max variety example)
  5 courses x 3 tuition rates =15 lines
- **Course & class fees** (max variety example)
  5 courses x 3 rates =15 lines
- **Mandatory fees**
  3 student set flat fees = 3 lines
  1 university consolidated fee = 1 line
- **Total** = =34 lines

Proposed

PAYMENTS

- **Student**
- **Financial Aid**

CHARGES

- **Tuition, course & class fees, mandatory university fee**
  5 courses x rate =1 line
- **Mandatory fees**
  3 student set flat fees, total =1 line
- **Total** = 2 lines

CONSENT DOCKET – F&A-L84 02/15/12

University of Houston

Sample Tuition and Fee Bill – 15 Hour Resident Undergraduate With Consolidated Tuition and Fee Structure

Tuition, Class and Incidental Fees	
($280 x 15 Credit Hours)	$ 4,200.00
Mandatory Fees	
Student Service, UC and Wellness Fees	354.00
Total Tuition and Fees	$ 4,554.00

University of Houston

Consolidation of Undergraduate Tuition and Fees *

At the undergraduate level, three consolidated rates will be charged. First-time in college (FTIC) freshmen will pay one rate regardless of major. Upperclassmen will pay one of three rates based on their majors. Rates for resident students are included in the table below:

Student	Tuition & Fees Rate/Credit Hour	Percent of Credit Hours	Percent of Headcount
Group 1 University FTIC Education Liberal Arts and Social Sciences - Liberal Arts	**$280**	41%	47%
Group 2 University Scholars Liberal Arts and Social Sciences - Fine & Performing Arts Hotel & Restaurant Management Natural Sciences & Mathematics Pharmacy	**300**	31%	27%
Group 3 Architecture Business Engineering Technology	**325**	28%	26%

* Additional detail provided in tables that follow these slides.

CONSENT DOCKET – F&A-L86 02/15/12

University of Houston

Consolidation of Undergraduate Tuition and Fees *

The table below shows the consolidated rates for resident undergraduate students based on the number of semester credit hours they pursue:

Credit Hours	Group 1	Group 2	Group 3
1	$280	$300	$325
2	560	600	650
3	840	900	975
4	1,120	1,200	1,300
5	1,400	1,500	1,625
6	1,680	1,800	1,950
7	1,960	2,100	2,275
8	2,240	2,400	2,600
9	2,520	2,700	2,925
10	2,800	3,000	3,250
11	3,080	3,300	3,575
12	3,360	3,600	3,900
13	3,640	3,900	4,225
14	3,920	4,200	4,550
15	4,200	4,500	4,875
16	4,480	4,800	5,200

* Additional detail provided in tables that follow these slides.

University of Houston

Consolidation of Undergraduate Tuition and Fees *

The following table adds in **Student Service Fee, University Center Fee and the Recreation and Wellness Center Fee** to the table on the prior page. This table is for comparative purposes to peer institutions.

Credit Hours	Group 1	Group 2	Group 3
1	$559	$579	$604
2	$855	$895	$945
3	$1,151	$1,211	$1,286
4	$1,447	$1,527	$1,627
5	$1,743	$1,843	$1,968
6	$2,039	$2,159	$2,309
7	$2,319	$2,459	$2,634
8	$2,599	$2,759	$2,959
9	$2,879	$3,059	$3,284
10	$3,159	$3,359	$3,609
11	$3,439	$3,659	$3,934
12	$3,719	$3,959	$4,259
13	$3,999	$4,259	$4,584
14	$4,279	$4,559	$4,909
15	$4,559	$4,859	$5,234
16	$4,839	$5,159	$5,559

* Additional detail provided in tables that follow these slides.

University of Houston

Consolidation of Graduate Tuition and Fees *

The table below shows the consolidated rate per hour for resident graduate students exclusive of the Student Service Fee, University Center Fee and Recreation & Wellness Center Fee:

	Consolidated Tuition and Fees - Rate per Hour
Architecture	$425
Business	
Masters	630
Doctoral	320
Education	370
Engineering	410
Hotel & Restaurant Management	500
Law	
Professional (J.D.)	930
Graduate (L.L.M)	1,095
Liberal Arts & Social Sciences	
Fine & Performing Arts	365
Liberal Arts	320
Natural Sciences & Mathematics	320
Optometry	
Professional (O.D.)	545
Graduate (Ph.D.)	410
Pharmacy	
Professional (Pharm.D)	530
Graduate (Ph.D.)	405
Technology	475

* Additional detail provided in tables that follow these slides.

Supplemental Materials

CONSENT DOCKET – F&A-L.90
02/15/12

University of Houston

Undergraduate Consolidated Tuition and Fee Charges Per Semester Credit Hour *

	Statutory Tuition	University Designated Tuition	College Designated Tuition	Tuition Total	Consolidated University Services Fee	College/ University Incidental Fees	Total Mandatory Fees	Total Tuition and Fees	Non-Resident Tuition	Total Non-Resident Tuition and Fees
Group 1										
University FTIC**	$ 50.00	$ 148.51	$ 35.54	$ 234.05	$ 40.95	$ 5.00	$ 45.95	**$ 280.00**	$ 313.00	**$ 593.00**
Education	$ 50.00	$ 148.51	$ 8.65	$ 207.16	$ 40.95	$ 31.89	$ 72.84	**$ 280.00**	$ 313.00	**$ 593.00**
Liberal Arts and Social Sciences - Liberal Arts										
Group 2	$ 50.00	$ 148.51	$ 43.13	$ 241.64	$ 40.95	$ 17.41	$ 58.36	**$ 300.00**	$ 313.00	**$ 613.00**
University Scholars										
Liberal Arts and Social Sciences - Fine & Performing Arts										
Hotel & Restaurant Management										
Natural Sciences & Mathematics										
Pharmacy										
Group 3	$ 50.00	$ 148.51	$ 26.09	$ 224.60	$ 40.95	$ 59.45	$ 100.40	**$ 325.00**	$ 313.00	**$ 638.00**
Architecture										
Business										
Engineering										
Technology										

* Excludes Student Service Fee, University Center Fee and Recreation & Wellness Center Fee

** University FTIC (First Time In College) applies to all coursework, regardless of major, attempted in the 12 month period following initial enrollment by students who have not previously attended a college or university.

CONSENT DOCKET – F&A-I.91
02/15/12

University of Houston

Graduate Consolidated Tuition and Fee Charges Per Semester Credit Hour *

	Statutory Tuition	Graduate/ Premium	University Designated Tuition	College Designated Tuition	Tuition Total	Consolidated University Services Fee	College Incidental Fees	Total Mandatory Fees	Total Tuition and Fees	Non-Resident Tuition	Total Non-Resident Tuition and Fees
Architecture	$ 50.00	$ 50.00	$ 167.70	$ 73.61	$ 341.31	$ 41.87	$ 41.82	$ 83.69	$ 425.00	$ 313.00	$ 738.00
Business											
Masters	$ 50.00	$ 50.00	$ 163.90	$ 193.22	$ 457.12	$ 41.87	$ 131.01	$ 172.88	$ 630.00	$ 313.00	$ 943.00
Doctoral	$ 50.00	$ 50.00	$ 163.90	$ 14.23	$ 278.13	$ 41.87	$ -	$ 41.87	$ 320.00	$ 313.00	$ 633.00
Education	$ 50.00	$ 50.00	$ 164.42	$ 8.24	$ 272.66	$ 41.87	$ 55.47	$ 97.34	$ 370.00	$ 313.00	$ 683.00
Engineering	$ 50.00	$ 50.00	$ 168.15	$ 62.75	$ 330.90	$ 41.87	$ 37.23	$ 79.10	$ 410.00	$ 313.00	$ 723.00
Hotel & Restaurant Management	$ 50.00	$ 50.00	$ 166.67	$ 141.12	$ 407.79	$ 41.87	$ 50.34	$ 92.21	$ 500.00	$ 313.00	$ 813.00
Law											
Professional (J.D.)	$ 80.00	$ 160.00	$ 163.90	$ 385.35	$ 789.25	$ 41.87	$ 98.88	$ 140.75	$ 930.00	$ 283.00	$ 1,213.00
Graduate (L.L.M)	$ 80.00	$ 160.00	$ 163.90	$ 512.37	$ 916.27	$ 41.87	$ 136.86	$ 178.73	$ 1,095.00	$ 283.00	$ 1,378.00
Liberal Arts & Social Sciences											
Fine & Performing Arts	$ 50.00	$ 50.00	$ 163.90	$ 32.57	$ 296.47	$ 41.87	$ 26.66	$ 68.53	$ 365.00	$ 313.00	$ 678.00
Liberal Arts	$ 50.00	$ 50.00	$ 163.90	$ 13.45	$ 277.35	$ 41.87	$ 0.78	$ 42.65	$ 320.00	$ 313.00	$ 633.00
Natural Sciences & Mathematics	$ 50.00	$ 50.00	$ 165.74	$ 12.39	$ 278.13	$ 41.87	$ -	$ 41.87	$ 320.00	$ 313.00	$ 633.00
Optometry											
Professional (O.D.)	$ 50.00	$ 150.00	$ 163.90	$ 115.22	$ 479.12	$ 41.87	$ 24.01	$ 65.88	$ 545.00	$ 313.00	$ 858.00
Graduate (Ph.D.)	$ 50.00	$ 150.00	$ 163.90	$ 4.19	$ 368.09	$ 41.87	$ 0.04	$ 41.91	$ 410.00	$ 313.00	$ 723.00
Pharmacy											
Professional (Pharm.D)	$ 50.00	$ 100.00	$ 163.90	$ 133.65	$ 447.55	$ 41.87	$ 40.58	$ 82.45	$ 530.00	$ 313.00	$ 843.00
Graduate (Ph.D.)	$ 50.00	$ 50.00	$ 163.90	$ 99.23	$ 363.13	$ 41.87	$ -	$ 41.87	$ 405.00	$ 313.00	$ 718.00
Technology	$ 50.00	$ 50.00	$ 168.38	$ 120.24	$ 388.62	$ 41.87	$ 44.51	$ 86.38	$ 475.00	$ 313.00	$ 788.00

* Excludes Student Service Fee, University Center Fee and Recreation & Wellness Center Fee

CONSENT DOCKET – F&A-L92
02/15/12

University of Houston
Consolidated Tuition and Fee Charges

The University of Houston requests approval of a consolidated tuition and fee rate as displayed in the attachment. Statutory authority for the amounts charged is as follows:

Charge	Section	Text
Statutory Tuition	54.051 (3) (c)	Unless a different rate is specified by this section, tuition for a resident student at a general academic teaching institution is $50 per semester credit hour.
	54.051 (3) (i)	Tuition for a resident student registered at a law school is $80 per semester credit hour. Tuition for a nonresident student registered at a law school is the amount that can be charged a nonresident graduate student under Subsection (d) and Section 54.008.
Premium Tuition	54.005 (a)	The governing board of each institution of higher education shall set tuition for graduate programs for that institution at a rate that is at least equal to that prescribed by Subchapter B, but that is not more than twice the rate prescribed by Subchapter B.
	54.008 (e)	The governing board of an institution of higher education shall set tuition for an optometry program at the institution at a rate that is at least equal to the rate prescribed by Subchapter B of this chapter but not more than four times the rate prescribed by Subchapter B of this chapter.
	54.008 (f)	The governing board of an institution of higher education shall set tuition for an undergraduate pharmacy program at the institution at a rate that is at least equal to the rate prescribed by Subchapter B but not more than twice the rate prescribed by Subchapter B. The governing board of an institution of higher education shall set tuition for a graduate or professional pharmacy program at the institution at a rate that is at least equal to the rate prescribed by Subchapter B but not more than three times the rate prescribed by Subchapter B.
	54.008 (g)	The governing board of an institution of higher education shall set tuition for a law school at the institution at a rate that is at least equal to the rate prescribed by Subchapter B but not more than three times the rate prescribed by Subchapter B.
University and College Designated Tuition	54.0513 (a)	In addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board, under the terms the governing board considers appropriate, may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution.
	54.0513 (b)	A governing board may set a different tuition rate for each program and course level offered by each institution of higher education.
Incidental Fees	54.504 (a)	The governing board of an institution of higher education may fix the rate of incidental fees to be paid to an institution under its governance by students and prospective students and may make rules for the collection of the fees and for the distribution of the funds, such funds to be accounted for as other designated funds. The rate of an incidental fee must reasonably reflect the actual cost to the university of the materials or services for which the fee is collected.
Supplemental Fees	54.021 (l)	Resident students or nonresident students registered for a course or courses in art, architecture, drama, speech, or music, where individual coaching or instruction is the usual method of instruction, shall pay a fee, in addition to the regular tuition, set by the governing board of the institution.

Mandatory laboratory fees will remain as separate charges, as required by the following:

Lab Fees	54.501 (a)	An institution of higher education shall set and collect a laboratory fee in an amount sufficient to cover the general cost of laboratory materials and supplies used by a student. An institution other than a public junior college may charge a laboratory fee in an amount that is not less than $2 nor more than $30 for any one semester or summer term for a student in any one laboratory course, except that the amount of the laboratory fee may not exceed the cost of actual materials and supplies used by the student.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval of changes to the voluntary and optional fees and charges for the University of Houston System universities.

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested for changes to the voluntary and optional fees and charges for the University of Houston System campuses. The proposed increases include:

- UH Academic voluntary and optional fees, housing, meal plans
- UHD parking
- UHV housing

SUPPORTING DOCUMENTATION: Schedule of rate changes

FISCAL NOTE: Approved rates will be used in the FY2013 budget to be presented in May 2012

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/30/2012

CHANCELLOR Renu Khator **DATE** 1/31/12

02/15/12
CONSENT DOCKET – F&A-M94

02/15/12
CONSENT DOCKET – F&A-M95

BOARD OF REGENTS

Briefing for the UHS Board of Regents
Finance and Administration Committee

F&A 2 – Voluntary & Optional Fees

February 15, 2012

University of Houston System
FY2013 Voluntary and Optional Fee Changes

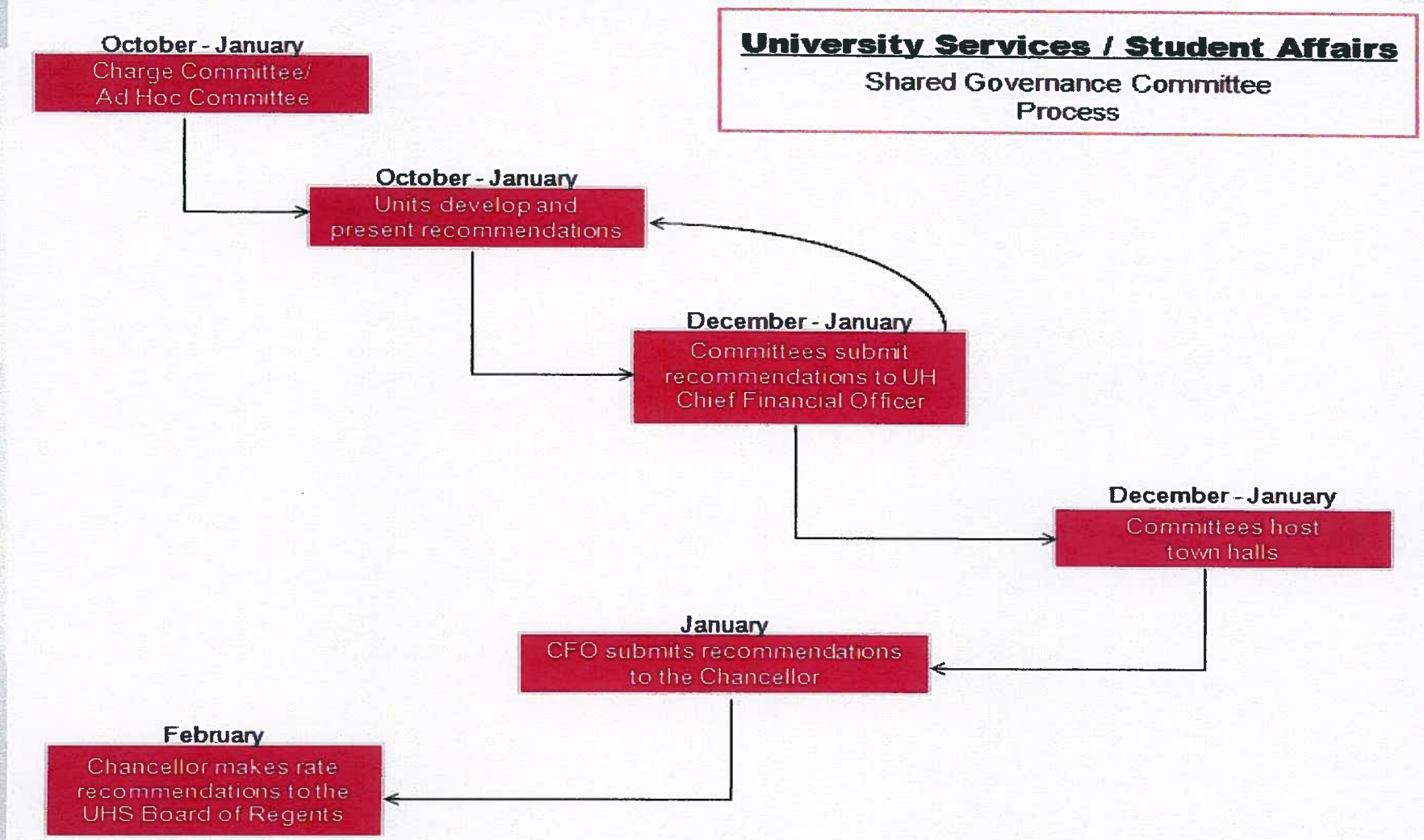
02/15/12
CONSENT DOCKET – F&A-M96

University of Houston
- Housing
- Meal Plans
- Academic Voluntary/Optional Fees

UH-Downtown
- Parking

UH-Victoria
- Housing

University of Houston
VOLUNTARY FEES TIMELIME



University of Houston Housing

Student Housing

The student housing rate increases of an average 5% will include free use of laundry facilities for residents and offset deferred maintenance and operating costs at all facilities.

Rentable Options	FY2012	$ Change	% Change	FY2013
9 Month Lease Option (per academic year)				
Quadrangle Double	$ 4,612	$ 231	5%	$ 4,843
Quadrangle Private	6,106	305	5%	6,411
Moody Towers Double	4,164	208	5%	4,372
Moody Towers Single	5,196	260	5%	5,456
Moody Towers Private	5,698	285	5%	5,983
Cougar Village Double	5,098	255	5%	5,353
Cougar Village Single	6,630	332	5%	6,962
Monthly Lease Option				
Calhoun Lofts Efficiency (Furnished)	881	44	5%	925
Calhoun Lofts Efficiency (Unfurnished)	859	43	5%	902
Calhoun Lofts 1-Bed/1-Bath (Furnished)	1,088	54	5%	1,142
Calhoun Lofts 1-Bed/1-Bath (Unfurnished)	1,056	53	5%	1,109
Calhoun Lofts 2-Bed/1-Bath (Furnished)	788	39	5%	827
Calhoun Lofts 2-Bed/1-Bath (Unfurnished)	767	38	5%	805
Average Percentage Increase			5%	

3% of the 5% increase is for use of laundry facilities provided

University Partnership Housing

Bayou Oaks, Cullen Oaks, and Cambridge Oaks - average 5.0% Increase

University of Houston Meal Plans

Meal Plans (per Academic Year)

The meal plan prices are recommended to increase an average of 5.3% to keep up with the CPI projections for next calendar year for food. These prices were recommended by the Food Service Advisory Committee.

	FY2012 Meal Plan w/Cougar Cash	$ Change	% Change	FY2013 Meal Plan w/Cougar Cash
Residential Meal Plans (per semester)				
Lifestyle 21 (21 all-you-care-to-eat meals per week plus $100 Cougar Cash)	$ 1,610	$ 90	5.6%	$ 1,700
Lifestyle 15 (15 all-you-care-to-eat meals per week plus $200 Cougar Cash)	1,610	90	5.6%	1,700
Lifestyle 160(160 all-you-care-to-eat meals per semester plus $400 Cougar Cash)	1,610	90	5.6%	1,700
New Residential Meal Plans (per semester)				
All Access 5 (unlimited all-you-care-to-eat meals Monday thru Friday, $200 Cougar Cash, plus 10 guest passes)				1,800
All Access 7 (unlimited all-you-care-to-eat meals 7 days a week, $100 Cougar Cash, plus 15 guest passes)				1,800
Commuter Meal Plans (per semester)				
Block 20 (20 all-you-care-to-eat meals per semester plus $50 Cougar Cash)	200	10	5.0%	210
Block 40 (40 all-you-care-to-eat meals per semester plus $100 Cougar Cash)	370	20	5.4%	390
Block 80 (80 all-you-care-to-eat meals per semester plus $150 Cougar Cash)	610	30	4.9%	640
New Commuter Meal Plan (per semester)				
Block 120 (120 all-you-care-to-eat meals per semester plus $200 Cougar Cash)				850
Average Percentage Increase			5.3%	

University of Houston
Voluntary/Optional Fees – Academic Affairs

Voluntary/Optional Fees fund programs or services that are not required of a student to enroll in classes, declare a major or graduate.

- Study Abroad programs
  - •Best estimate of actual costs
- Executive and Certificate programs
  - •Support and training above that of degree program
  - •Best estimate of costs of materials and services provided
  - •Cost of administering the program
  - •May be market-driven
  - •In addition to mandatory university tuition and fees

University of Houston
Academic Voluntary/Optional Fees*

Fee Description	FY2012	FY2013
Study Abroad/Field Camp		
Liberal Arts/ Social Sciences		
Study Abroad Programs	$ -	$ varies up to 5,000 /Program
Natural Science and Mathematics		
Field Camp Fees	-	varies up to 1,500 /Program
Executive/ Certificate		
Architecture		
Certificate Fee	-	varies up to 20,000 /Program
Bauer College		
Certificate Fee	2,250 /Student	Varies by program
Engineering		
Certificate Fee	-	varies up to 5,000 /Course
Hotel/ Restaurant Mgt		
Certificate Fee	-	varies up to 600 /SCH
Executive Masters Program Fee	-	varies up to 600 /SCH
Technology		
Certificate Fee	-	up to 35,000 /Program
Executive MS Degrees program	25,000 /Program	up to 35,000 /Program
Application/Seat		
Pharmacy		
Pharmacy Seat Fee (Professional Program)	200 /Applicant	400 /Applicant
Other		
Language Culture Center Tuition/Fees-14 week program	2,545 /Term	3,000 /Term
Language Culture Center Tuition/Fees -7 week program	1,250 /Term	1,500 /Term
Modern Classical Languages- Foreign Language Credit by Exam	25 /SCH	25 /SCH

* Additional detail provided in tables that follow these slides.

UH-Downtown Parking Rate Review Process – FY2013

VOLUNTARY FEES TIMELINE

September

- UHD establishes a broadly representative Parking & Transportation (P&T) Advisory Committee to review all matters relating to parking and transportation services, including current parking rate structure.

October-December

- P&T Committee meets on numerous occasions to discuss long-range parking needs of the university and how current rates must change to fund needed new construction.

December-January

- P&T Committee meets to examine parking rates in place at other area urban universities and overall market pricing for parking in the downtown vicinity. Committee finalizes recommendations and submits to UHD Executive Group.

January

- UHD Executive Group reviews recommendations and offers comment. President approves proposed new rates at the campus level.
- UHD CFO submits recommendations to UH System CFO.

February

- Chancellor submits rate recommendations to the UHS Board of Regents.

UH-Downtown Parking

	Parking Fee Type	FY2012 *	FY2013	FY2014
Students	Surface - Semester (Fall or Spring)	$ 50	$ 75	$ 90
	Surface - Fall & Spring	100	140	165
	Surface - Summer (1)	25	50	60
	Garage - Semester (Fall or Spring)	75	115	135
	Garage - Fall & Spring	150	200	240
	Garage - Summer	50	75	90
	Garage - Evening (Faculty/Staff Garage)	60	85	100
	Garage - Evening (Faculty/Staff Garage) - Summer	35	55	65
	Motorcycle - Semester	12	20	25
	Motorcycle - Fall & Spring	24	35	40
	Motorcycle - Summer	N/A	15	20
Faculty/Staff	Reserved/Covered - Full Year	190	320	350
	Reserved - Full Year	135	250	275
	General - Unreserved	85	200	200
	General - Semester - Adjunct	10	25	30
	Motorcycle - Annual	24	50	60
All	Disabled - Full Year (2)	50	125	140
	Visitor	5	7	8
Average Percentage Increase			53%	18%

* Last increase was Fall 2004

UH-Victoria Housing

VOLUNTARY FEES TIMELINE

December

- UHV CFO requests recommendations from contracted Food and Housing services.
- UHV researches recommendations by comparing costs with area universities.

January

- Food Services Committee and Housing Committee reviews recommendations and forwards them to UHV Budget Committee.
- UHV Budget Committee (President, Provost, Vice President for Administration and Finance) reviews recommendations.
- UHV CFO submits recommendations to UH System CFO.

February

- Chancellor makes rate recommendations to the UHS Board of Regents.

UH-Victoria Housing

Student Housing (Per Academic Year)

The student housing rate increase of 4.0% will offset increased operating and maintenance costs.

Student Housing (Per Academic Year)	FY2012	$ Change	% Change	FY2013
Student Housing - Jaguar Hall (per academic year)				
Single	$ 6,000	$ 240	4.0%	$ 6,240
Double	4,250	170	4.0%	4,420
Average Percentage Increase			4.0%	
Student Housing - Jaguar Court (per academic year)				
Single	-	6,000	NA	6,000
Double	-	4,250	NA	4,250
Triple	-	3,950	NA	3,950

Detailed Information for UH Academic Voluntary and Optional Fee Changes

University of Houston
FY2013 Voluntary and Optional Fee Changes

Fee Description		FY2012	FY2013 Proposed	Justification/Proposed Fund Use
Study Abroad/Field Camp				
Architecture	Study Abroad Administrative Fee; previously Saintes Deposit Fee	$ 500 /Program	$ 650 /Program	Change title and rate. Use: Processing and administrative costs, faculty travel in Italy, Pan-American, Pan-Asian, Barcelona and currency exchange fluctuation.
	Study Abroad Program Fee; Previously Mexico City Prog. Fee	5,000 /Program	5,000 /Program	Change title. Use: Processing and administrative costs, student travel in Italy, Pan-American, Pan-Asian, Barcelona and currency exchange fluctuation. Includes meals and lodging.
Liberal Arts/ Social Sciences	African American Studies - Study Abroad	-	500 /Program	Add fee for new program. Use: Program expenses, ie. travel expenses, lodging, meals, excursions, insurance, application fees, books and classroom materials, administration support, etc.
	France Study Abroad	4,800 /Incident	4,800 /Program	Change in basis to per program.
	Hispanic Studies Study Abroad Programs	-	4,500 /Program	Add fee for new program. Study Abroad Program expenses ie. travel expenses, lodging, meals, excursions, insurance, application fees, books and classroom materials, administration support, etc.
	Liberal Studies - Study Abroad	-	varies up to 5,000 /Program	Add fee for new program. Program expenses: ie. travel expenses, lodging, meals, excursions, insurance, application fees, books and classroom materials, administration support, etc.
	Turkish Study Abroad	-	4,000 /Program	Add fee for new program. Program expenses, airfare, lodging, meals, excursions, insurance, application fees, books, and classroom material, orientation and planning sessions
Natural Science and Mathematics	Geology Field Camp Fee	-	1,500 /Program	Add fee for new program. To recover expenses for students' room & board, transportation and other related expenses
	Geophysics Field Camp Fee	-	1,000 /Program	Add fee for new program. To recover expenses for students' room & board, transportation and other related expenses
Executive/ Certificate				
Architecture	Certificate Program Fee	-	varies up to 20,000 /Program	Add fee for new program. Administrative and program costs. Support graduate initiatives.
Bauer College	Executive Certificate Program Fee	2,250 /Student	Varies based on program	Change rate to cover additional costs for level of program. Fee will cover cost of all tuition and fees; cost of instruction and participant meals, books etc. including all necessary expenses to operate the program.

University of Houston
FY2013 Voluntary and Optional Fee Changes

Fee Description		FY2012	FY2013 Proposed	Justification/Proposed Fund Use
Executive/ Certificate (continued)				
Education	Executive Degree Program	$ -	$ Varies up to 1,000 /SCH	Add fees for new program. Support salary for teaching faculty, classroom support, supplies and technology equipment, video conferencing, curriculum development, administrative costs, recruitment, application and document processing, national and international travel and meals.
	Certificate Program Fee	-	Varies up to 1,000 /SCH	Add fees for new program. Support salary for teaching faculty, classroom support, supplies and technology equipment, video conferencing, curriculum development, administrative costs, recruitment, application and document processing, national and international travel and meals.
Engineering	Certificate Program Fee	-	varies up to 5,000 /Course	Add fee for new program. Supports salaries for teaching faculty, classroom support, supplies, video conferencing & curriculum development
Hotel/ Restaurant Mgt	Certificate Program Fee	-	varies up to 600 /SCH	Add fee for new program. Student texts, technology support, staff support, faculty support, supplies
	Executive Masters Program Fee	-	varies up to 600 /SCH	Add fee for new program. Student texts, technology support, staff support, faculty support, supplies
Technology	Certificate Program Fee	-	up to 35,000 /Program	Add fee for new program. The fee will support students enrolled in the Executive MS program and center programs, an accelerated program that includes international travel, a speaker series involving leading academics and professionals, books, etc. The fee will pay all student expenses, student travel, executive faculty for selected course delivery, speaker/specialist cost, program administration and provide GA support for the program.
	Executive MS Degrees program	25,000	up to 35,000 /Program	Change title and rate to incorporate future programs. The fee will support students enrolled in the Executive MS program and center programs, an accelerated program that includes international travel, a speaker series involving leading academics and professionals, books, etc. The fee will pay all student expenses, student travel, executive faculty for selected course delivery, speaker/specialist cost, program administration and provide GA support for the program.
Application/Seat				
Liberal Arts/ Social Sciences	Communication Disorders Graduate Application Fee	25	75 /Applicant	Change rate to provide support for applicant recruiting; support for program promotional material and events and administrative support.

University of Houston
FY2013 Voluntary and Optional Fee Changes

Fee Description		FY2012	FY2013 Proposed	Justification/Proposed Fund Use
Application/Seat (continued)				
Liberal Arts/ Social Sciences	School of Communications Graduate Application (International)	$ -	$ 100 /Applicant	Add fee for new program. Increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	School of Communication Graduate Application (Resident)	-	50 /Applicant	Add fee for new program. Increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	English Application Fee	50 /Applicant	75 /Applicant	Change rate to provide support for applicant recruiting; support for program promotional material and events and administrative support.
	English Creative Writing Program Application Fee	50 /Applicant	75 /Applicant	Change rate to provide support for applicant recruiting; support for program promotional material and events and administrative support.
	Hispanic Studies Graduate Application fee	40 /Applicant	75 /Student	Change basis and rate to provide support for applicant recruiting; support for program promotional material and events and administrative support.
	History Graduate Application Fee	-	25 /Applicant	Add fee for new program. Increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	Language Culture Center - Lang & Culture Application Fee	100 /Term	100 /Application	Change basis to provides support for applicant recruiting; support for program promotional material and events and administrative support.
	Masters in Arts Leadership Application Fee	-	25 /Applicant	Add fee for new program. Increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	Art Graduate Application Fee	-	25 /Applicant	Add fee for new program. Increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	Music Graduate Application Fee	-	100 /Applicant	Add fee for new program. Increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	Communication Disorders Post Bachelor's Program Application Fee	25 /Applicant	50 /Applicant	Change rate to provide support for applicant recruiting; support for program promotional material and events and administrative support.

University of Houston
FY2013 Voluntary and Optional Fee Changes

Fee Description		FY2012	FY2013 Proposed	Justification/Proposed Fund Use
Application/Seat (continued)				
Liberal Arts/ Social Sciences	Sociology Graduate Application fee	$ -	$ 40 /Applicant	Add fee for new program. Increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	Speech Language Pathologist Assistant (SLPA) Program Application Fee (Sugar Land)	-	50 /Applicant	Add fee for new program to cover increased cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
	Theatre Graduate Application Fee	25 /Applicant	50 /Applicant	Change rate to support cost of processing applications; provides support for applicant recruiting; support for program promotional material and events and administrative support.
Pharmacy	Application Fee (Professional Program)	150 /Applicant	100 /Applicant	Fee reduction to comply to Texas App costs.
	Seat Fee (Professional Program)	200 /Applicant	400 /Applicant	Change rate to improve enrollment percentages. Applied to tuition when student enrolls.
Social Work	Masters of Social Work Application Fee	40 /Applicant	60 /Applicant	Change rate to provide support for applicant recruiting; support for program promotional material and events and administrative support.
Other				
Academic Affairs	Office of International Student Program (OISP) - Expanded Service Fee	-	50 /Program	Add fee for new services being offered. Cost of services rendered to students for faculty-led study abroad programs and other study abroad programs. Processing their ISIC card for emergency health insurance, notarization of documents, taking photographs applications for passport and processing other documents etc. Fees will be used to support the operations of a resource center within OISP who will provide these services.
Liberal Arts/ Social Sciences	Hispanic Studies - Foreign Language Credit by Exam (currently Modern Classical Languages Graduate Language Placement Exam)	25 /SCH	update fee to /SCH 45 per credit; 15 Admin Fee	Change rate and basis to cover costs of providing exam materials and administering exam including test administration, copy costs, supplies, long distance charges and staff support.
	Language Culture Center - Lang & Culture-Airport Pick-Up	50 /Term	50 /Incident	Change in basis.
	Language Culture Center - Lang & Culture-Express Mail charge	75 /Term	75 /Incident	Change in basis.
	Language Culture Center - Lang & Culture-Medical Insurance	171 /Term	171 /Incident	Change in basis.

University of Houston
FY2013 Voluntary and Optional Fee Changes

Fee Description		FY2012	FY2013 Proposed	Justification/Proposed Fund Use
Other (continued)				
Liberal Arts/ Social Sciences	Language Culture Center - Lang & Culture-Late Fee	$ 50 /Program	$ 50 /Term	Change in basis.
	Language Culture Center Tuition and Fees - 14 week program	2,545 /Term	3,000 /Term	Change rate to cover administrative cost of providing the intensive English program, I.e. staff salaries, wages, and benefits, and maintenance/operation expenses including the cost of providing video and audio materials for program language laboratory, software, upgrades for computers, textbooks and the cost extracurricular activities to students including the cost of travel and food.
	Language Culture Center Tuition and Fees -7 week program	1,250 /Term	1,500 /Term	Change rate to cover administrative cost of providing the intensive English program, I.e. staff salaries, wages, and benefits, and maintenance/operation expenses including the cost of providing video and audio materials for program language laboratory, software, upgrades for computers, textbooks and the cost extracurricular activities to students including the cost of travel and food.
	Modern Classical Languages-Foreign Language Credit by Exam	25 /SCH	25 /SCH	Extend fee authority after reorganization of departments.
Natural Science and Mathematics	Thesis & Binding	25 /Incident	varies /Thesis	Change rate and basis to cover actual costs of binding.
Deleted Fees				
Study Abroad/Field Camp				
Architecture	Italy Program	varies /Program	-	
	Italy Program Deposit	varies /Student	-	
	Saintes, France Program Fee	5,000 /Program	-	
Liberal Arts/ Social Sciences	Bourges, France Study Abroad	varies /Program	-	
Application/Seat				
Bauer College	MBA Tuition Deposit	500 /Applicant	-	
Honors	Application Fee	25 /Applicant	-	
Liberal Arts/ Social Sciences	Graduate Application Fee - Philosophy	25 /Applicant	-	

University of Houston
FY2013 Voluntary and Optional Fee Changes

Fee Description		FY2012	FY2013 Proposed	Justification/Proposed Fund Use
Deleted Fees (continued)				
Liberal Arts/ Social Sciences	Modern Classical Languages Graduate Application Fee	$ 40 /Applicant	$ -	
Executive/ Certificate				
Engineering	Engineering SubSea Certificate Program Fee	3,000 /Course	-	
Technology	Executive Degree - Human Resource Development	25,000 /Program	-	(see Technology Executive MS Degrees Program)
Education	Executive Education Doctoral Program	150 /SCH	-	
Other				
Liberal Arts/ Social Sciences	Language Culture Center 1034 - Cross Cultural Communication	310 /Term	-	
	Intensive English - Language Culture Center 1031	150 /Term	-	
	Language Culture Center - Lang & Culture-Contract Fee	varies /Term	-	
	Language Culture Center - Lang & Culture-Prog Act Fee	100 /Term	-	
	Language Culture Center 1032 - Pronunciation/Non-Native Speaker	220 /Term	-	
	Language Culture Center 1033 - GRE Verbal Preparation	165 /Term	-	
	Language Culture Center 6031 - English, International Law Students	220 /Term	-	
	Language Culture Center 6033 - English for Foreign Students	220 /Term	-	
	Language Culture Center 6034 - English for Graduate TA's	360 /Term	-	
	Language Culture Center Int Eng Prog-Course Materials	50 /Term	-	
	Modern Classical Languages - Tape Fine Foreign Language Lab 309ah	varies /Incident	-	
	Modern Classical Languages/Graduate Placement Exam	25 /Exam	-	

University of Houston
FY2013 Voluntary and Optional Fee Changes

Charge	Section	Text
Incidental Fees	54.504 (a)	The governing board of an institution of higher education may fix the rate of incidental fees to be paid to an institution under its governance by students and prospective students and may make rules for the collection of the fees and for the distribution of the funds, such funds to be accounted for as other designated funds. The rate of an incidental fee must reasonably reflect the actual cost to the university of the materials or services for which the fee is collected.
Supplemental Fees	54.021 (l)	Resident students or nonresident students registered for a course or courses in art, architecture, drama, speech, or music, where individual coaching or instruction is the usual method of instruction, shall pay a fee, in addition to the regular tuition, set by the governing board of the institution.
Student Services	54.5061 (a) (1)	"Student services" includes textbook rentals; recreational activities; health, hospital, and other medical services; group hospitalization; intramural and intercollegiate athletics; artists and lecture series and other cultural entertainment; debating and oratorical activities; student publications; student government; student fees advisory committees; student transportation services; and any other student activities and services specifically authorized and approved by the board; provided, however, that nothing herein shall affect the setting and collection of any other fee which may be charged under the specific authority of any other section of this code.
Voluntary Fees	54.5061 (a) (3)	"Voluntary fee" means a fee that is charged only to those students who make use of the student service for which the fee is established.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract not to exceed $1.5 million for the purchase of ventilated mouse cages for the University of Houston.

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested to delegate authority to the Chancellor to negotiate a contract to purchase a ventilated mouse caging system using a competitive purchasing process. Currently, both ventilated and non-ventilated mouse caging systems are used in the Science and Research 2 Building. Increasing the number of ventilated mouse cages will allow for greater capacity of mouse boxes to be utilized in this renovated facility. UH currently needs to increase the capacity of the mouse facility by 3,500 mouse boxes in the Science and Research 2 Building to meet the increasing needs of principal investigators.

SUPPORTING DOCUMENTATION: Reasons to Convert to a Ventilated Mouse Caging System

FISCAL NOTE: $1.5 million

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item.

COMPONENT: University of Houston

Renu Khator
PRESIDENT Renu Khator **DATE** 1/31/12

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/30/2012

Renu Khator
CHANCELLOR Renu Khator **DATE** 1/31/12

Reasons to Convert to a Ventilated Mouse Caging System

Approval is requested to delegate authority to the Chancellor to negotiate a contract to purchase through a Request for Proposal a ventilate mouse caging system. Currently, both ventilated and non-ventilated mouse caging systems are used in the Science and Research II building on the University of Houston campus. Increasing the number of ventilated mouse cages will allow for greater capacity of mouse boxes to be utilized in this renovated facility. UH currently needs to increase the capacity of the mouse facility in S&R II by 3,500 mouse boxes to meet the increasing needs of principal investigators.

A mouse's living environment is a primary consideration in eliminating experimental variability in research involving mice. The control of temperature, humidity and ammonia are the three greatest concerns for the mouse environment. In non-ventilated cages, these variables are controlled with twice-a-week changing of the cages. In some situations, three times a week change out schedules may be needed. The ventilated mouse caging systems control the three variables very well and can extend change out intervals to once a week and with individual house mice this interval can be change to once every two weeks. This greatly saves the cost of labor and materials.

The number of standard size mouse boxes per square foot needs to be efficiently managed. Non-ventilated systems require more space. Ventilated systems standardize and reduce the overall foot print within the floor plan of the animal rooms. The limited floor space in the Science and Research II building demands a higher density system. Ventilated racks offer this solution without the need to build more rodent housing space in another building.

The ventilated caging system also provides protection to the mice and the workers in the animal rooms. The filtered air intake component of the ventilated system is very effective for preventing virus and bacteria from entering the mouse cages and creating a rodent barrier facility. The air filtration system in the exhaust system prevents animal antigens from leaving the caging systems. Allergic reactions to animals are among the most common conditions that adversely affect the health of the animal workers.

Improved protection for the mice, improved protection for the workers in the rodent rooms from rodent antigens, a reduction of cage change out frequencies and an increased number of mice that can be housed in the basement of Science and Research II are four benefits that the ventilated system will provide for the University of Houston. The ventilated caging system has become the standard mouse housing system in both the pharmaceutical industry and academic research facilities. The conversion of the University of Houston's entire rodent housing system to ventilated caging systems will raise the standard of care for rodents in research and establish a rodent barrier system that is expected for a Tier One research facility.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority up to $5 million to the Chancellor to negotiate and execute insurance contracts for Fiscal Year 2012

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policy renewals for Fiscal Year 2012.

Most of UHS insurance policies renew March 1 2012. The current annualized insurance expense is approximately $3.9 million. The expense is increasing due to various aspects of the University's growth and premium increases in the overall insurance market. Not all policy quotations have been received thus the exact insurance premium is unknown at this time. Therefore we are asking for a Delegation of Authority to the Chancellor to negotiate insurance coverage terms and purchase insurance policies in an amount not to exceed $5 million for FY12.

SUPPORTING DOCUMENTATION: Insurance Renewal Status Report

FISCAL NOTE: Estimated annual premiums not to exceed $5,000,000.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/30/2012

CHANCELLOR Renu Khator **DATE** 1/31/12

02/15/12
CONSENT DOCKET – F&A-O116

Approval Items

Property & Casualty Policies

Current and Projected Insurance Premiums:
The University of Houston System's insurance program for Fiscal Year 2011 consisted of 20 policies with an aggregate annual cost of $3.9 million. Below, please find a summary of current and projected premiums by policy type and component campus.

Marketing Projections:
Most insurance policies are expected to renew with premium increases. The changes are expected due to the addition of new buildings, an increasing trend of premiums in the insurance industry, recent claims and the University's overall growth.

Renewal Process:
The State Office of Risk Management (SORM) administers the Property, Directors & Officers/Employment Practices/Educators Legal Liability and Automobile insurance programs. Willis of Texas Inc. brokers the other insurance policies. We have received quotes for most of the policies with renewals March 1, 2012 and the property quotes will be received in early April with a renewal of April 30, 2012.

Policy Type:

Policy Type	Premium FY10	Premium FY11	Estimated Annual Premium FY12
Property including Boiler/Machinery	$2,872,222	$2,662,647	$3,000,000
NCAA Medical Accident	$561,460	$610,330	$585,330
Directors & Officers / Employment Practices Liability	$203,870	$181,073	$180,818
Medical Malpractice	$115,401	$106,253	$100,564
Automobile	$72,248	$83,705	$92,100
All Others (15-17 Policies) and Broker Fees	$388,139	$215,882	$238,000
Total	$4,213,340	$3,859,890	$4,196,812

Component Campus:

Component	Premium FY10	Premium FY11	Estimated Annual Premium FY12
UH System	$80,573	$69,830	$76,812
UH	$3,433,536	$3,093,269	$3,353,531
UH – Downtown	$285,036	$332,572	$365,828
UH – Clear Lake	$316,708	$274,378	$301,816
UH Victoria	$97,487	$89,841	$98,825
Total	$4,213,340	$3,859,890	$4,196,812

Information Items

Workers Compensation/SORM Assessment:
In addition to the above-referenced insurance coverage, the university system is required to insure its workers compensation exposure through a self-insurance program administered by the State Office of Risk Management (SORM). In addition to workers compensation coverage the expenses below include the allocation of SORM's administrative expenses. These expenses are not included in the delegation authority for this agenda item because participation in this program is mandated by state law.

Component	WC/SORM Assessment FY10	WC/SORM Assessment FY11	WC/SORM Assessment FY12
UH System	$11,286	$12,759	$14,498
UH	$994,075	$975,761	$969,778
UH – Downtown	$142,477	$151,224	$150,710
UH – Clear Lake	$156,380	$143,736	$126,250
UH Victoria	$38,113	$34,675	$35,905
Total	$1,342,331	$1,318,155	$1,297,141

Student Health Insurance:
In addition to insurance purchased for the university system, the University negotiates a group health insurance for the benefit of students and the expense is borne by the students. This insurance is optional for most students but mandatory international students. The expense was $3.3 million in FY10, $3.6 million in FY11 and is projected to be approximately $4 million in FY12. This insurance program is not included in the delegation of authority for this agenda item but is provided for information purposes because it is a student expense.

Associated/Non UH Insurance Policies:
In addition to insurance purchased for the university system and its students, the university assists associated non-institutional organizations in the acquisition of insurance coverage. Those insurance policies are not included in the delegation of authority for this agenda item but are provided below for information purposes:

Department/Policy	Premium FY10	Premium FY11	Estimated Annual Premium FY12
UH-College of Business Foundation-Commercial Crime, Primary & Excess Directors & Officers/Employment Practices	$13,191	$5,730	$6,300
UH-Optometry-Rockwood Foundation Homeowners Insurance	$1,057	$1,020	$1,100
UH – Frontier Fiesta Special Event General Liability	$6,030	$6,030	$7,000
Total	$20,278	$12,780	$14,400

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance & Administration

ITEM: Approval is requested to write-off Accounts and Notes Receivable for FY2011.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested to write-off Accounts and Notes Receivable totaling $5,846,960 (in 14,697 accounts) for Fiscal Year 2011 for the University of Houston, University of Houston-Clear Lake, University of Houston-Downtown, and University of Houston-Victoria. The FY 2010 write-off for all universities was $11,513,099 (in 15,876 accounts). Please see attachment for additional information on the FY 2011 write-off for the University of Houston System. State universities are required by law to extend credit to students without consideration of credit history or ability to repay.

	FY 2011
University of Houston	5,237,745
University of Houston – System	0
University of Houston – Clear Lake	198,340
University of Houston – Downtown	95,669
University of Houston – Victoria	315,206
	$5,846,960

SUPPORTING DOCUMENTATION: Schedule of Accounts and Notes Receivable Write-Offs for FY2011. Student account billing, collection, and write off timetable. Detailed schedules are on file in the UH Division of Finance Offices.

FISCAL NOTE: Requested write off total $5,846,960.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item.

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/30/2012

CHANCELLOR Renu Khator **DATE** 1/31/12

UNIVERSITY OF HOUSTON SYSTEM
SCHEDULE OF ACCOUNTS AND LOANS RECEIVABLE WRITE OFFS

	Delinquent Accounts and Notes Receivable Written Off in 2011					
Proposed Write-Off:	Total Delinquent Accounts from 2009 and earlier	UHS	UH	UHCL	UHD	UHV
Federal						
Loans	$ -	$	$ -	$	$	$
Grants & Contracts	80,195.00		80,195			
Non-Federal						
Loans	2,539,308.00		2,283,414	86,923	4,885	164,086
Tuition & Fees	2,853,162.42		2,504,028	107,230	90,784	151,120
Sales & Services	36,818.00		32,631	4,187		
Grants & Contracts	337,437.00		337,437			
Payroll	-		-			
Court Ordered Restitution	40.00		40			
Total Write Off	$ 5,846,960	$ -	$ 5,237,745	$ 198,340	$ 95,669	$ 315,206
Write Offs against Allowance for Bad Debt	$ 5,542,912		$ 5,205,114	$ 111,417	$ 90,239	$ 136,142
Write Offs against Fund Balance	$ 304,048		$ 32,631	$ 86,923	$ 5,430	$ 179,064
Largest Single Write Off	$ 22,470		$ 22,470	$ 7,508	$ 5,741	$ 5,756
# of Student Accounts Written Off	14,697		12,193	441	1,029	1,034

All UHS components, accounts and notes receivables, other than federal loan programs, are written off if more than two years past due and collection efforts have been exhausted.

Federal regulations do not permit the write-off of federal loans. Each campus has established a reserve for uncollectible federal loans to report receivables at a realistic asset value.

UNIVERSITY OF HOUSTON SYSTEM

CONSENT DOCKET – F&A-P121
02/15/12

Uncollectible Receivables

Write-off Process

FY 2011

UNIVERSITY OF HOUSTON SYSTEM

UH System Policy: SAM 03.A.24

All accounts receivable to be written off are approved by the Board of Regents (BOR) of the University of Houston System.

- General Accounting will compile a list of all such accounts receivable for submission to the BOR.
- Accounts receivable are eligible for write-off once they have been outstanding for 720 days (two years).
- To be considered for write off, the department must demonstrate that adequate steps were taken to collect the amount due.

The write-off of an uncollected account is a bookkeeping entry only and does not relieve the debtor from financial responsibility to the university.

- Although the uncollected account has been removed from the books and records, the university may still have a claim against the debtor and may still seek legal remedy (e.g., sue for collection in a court of law).

- Therefore, it is the responsibility of each department to maintain adequate records regarding legal financial obligations (i.e., debts) owed to the university.

UNIVERSITY OF HOUSTON SYSTEM

Types of Funds Written Off

Tuition, Fees, and Loans

- Student charges, UHS average bad debt is about 1%

Sales and Services

- Auxiliaries, UHS bad debt varies from year to year

Grants and Contracts

- Sponsored projects, UH average bad debt is about 0.5%

Note: Federal regulations do not permit the write-off of federal loans. Each campus has established a reserve for uncollectible federal loans to report receivables at a realistic asset value.

UNIVERSITY OF HOUSTON SYSTEM

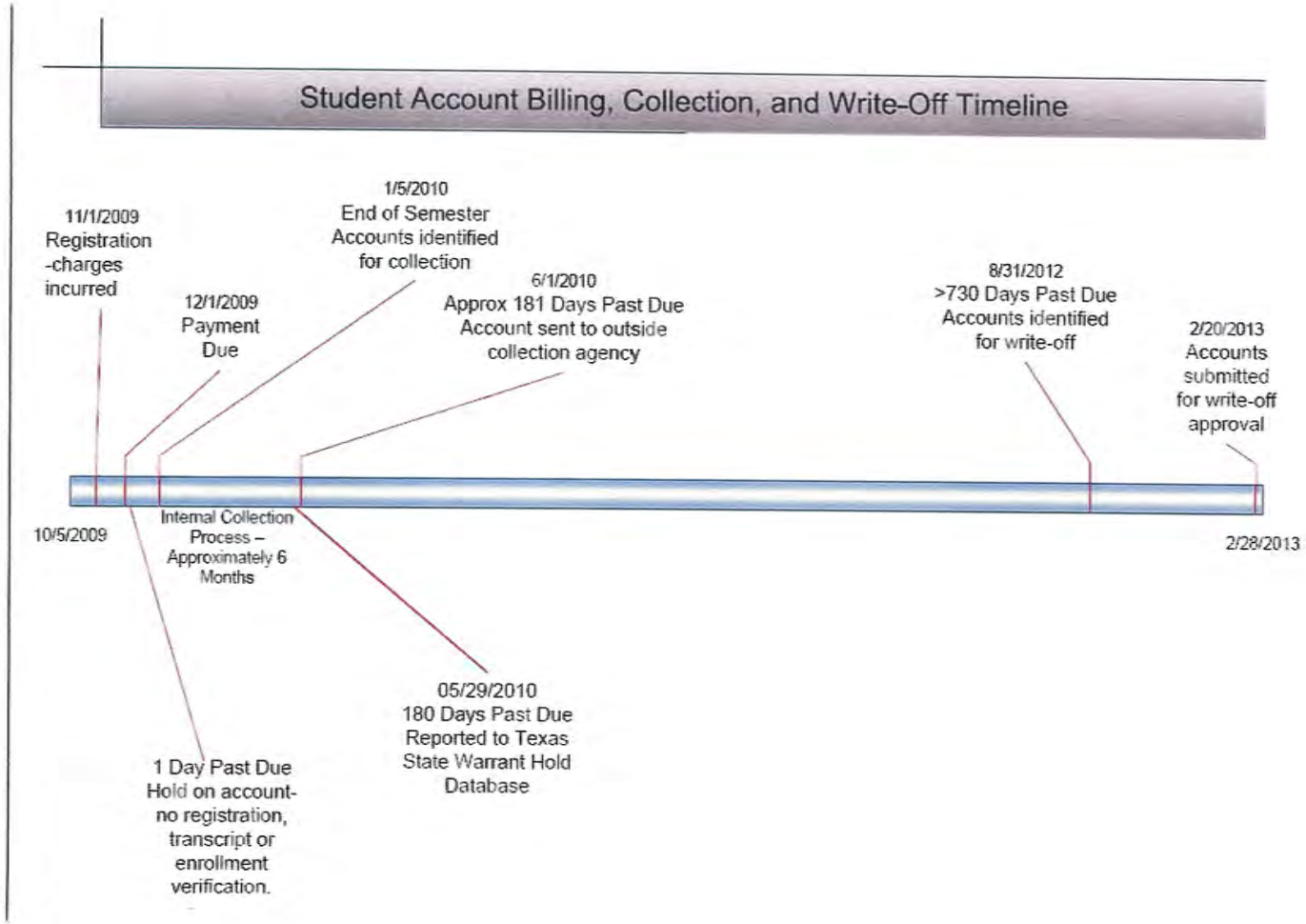
Two Year Write-Off Comparison

Fiscal Year		FY2010		FY2011
TOTAL	$	11,513,099	$	5,846,960
Tuition, Fees, and Loans	$	5,900,271	$	5,392,510
Sales and Services	$	5,546	$	36,818
Contracts and Grants	$	5,607,282	$	417,632

Note: FY2010 Contracts and Grants write-off included bad debts from FY1994 to FY2007.

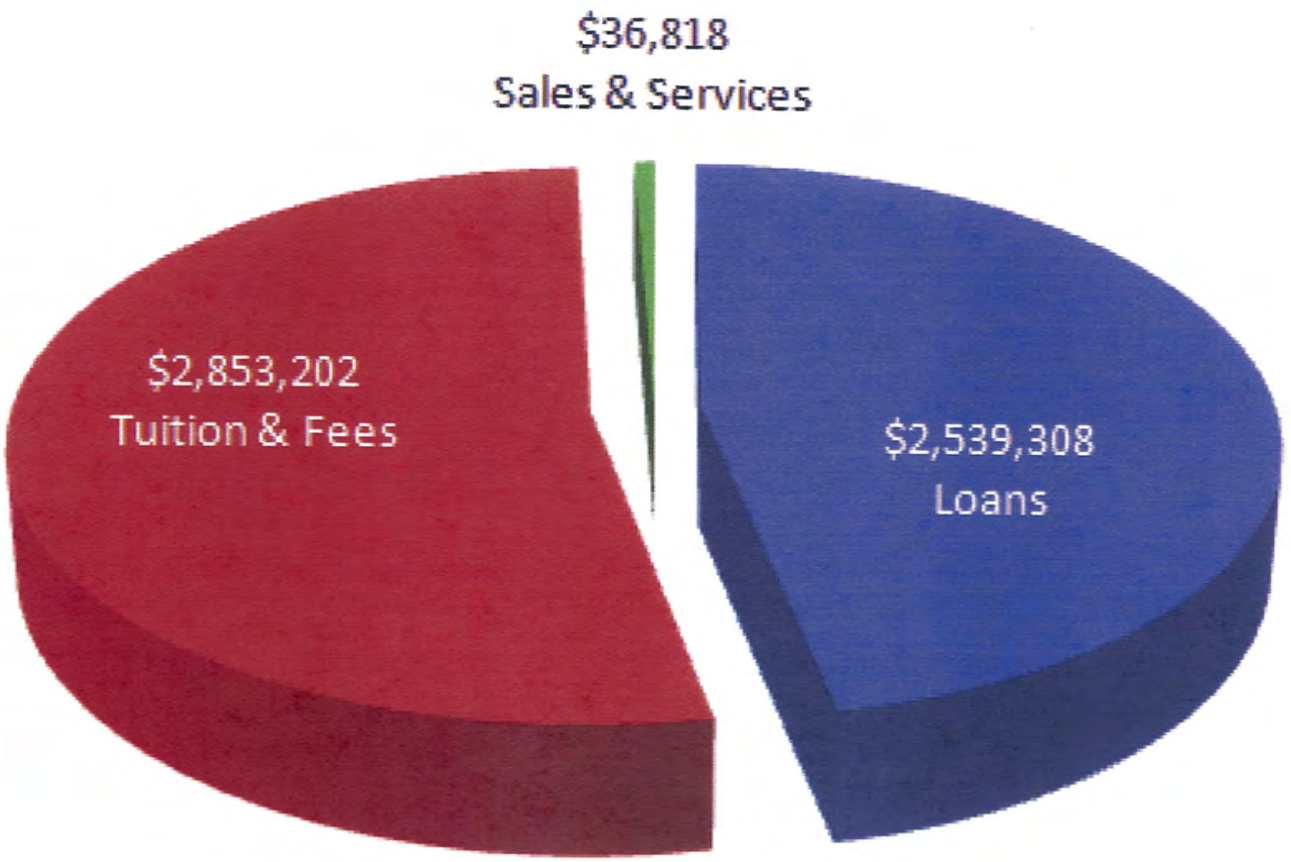
UNIVERSITY OF HOUSTON SYSTEM

Student Account Billing, Collection and Write-Off Timeline

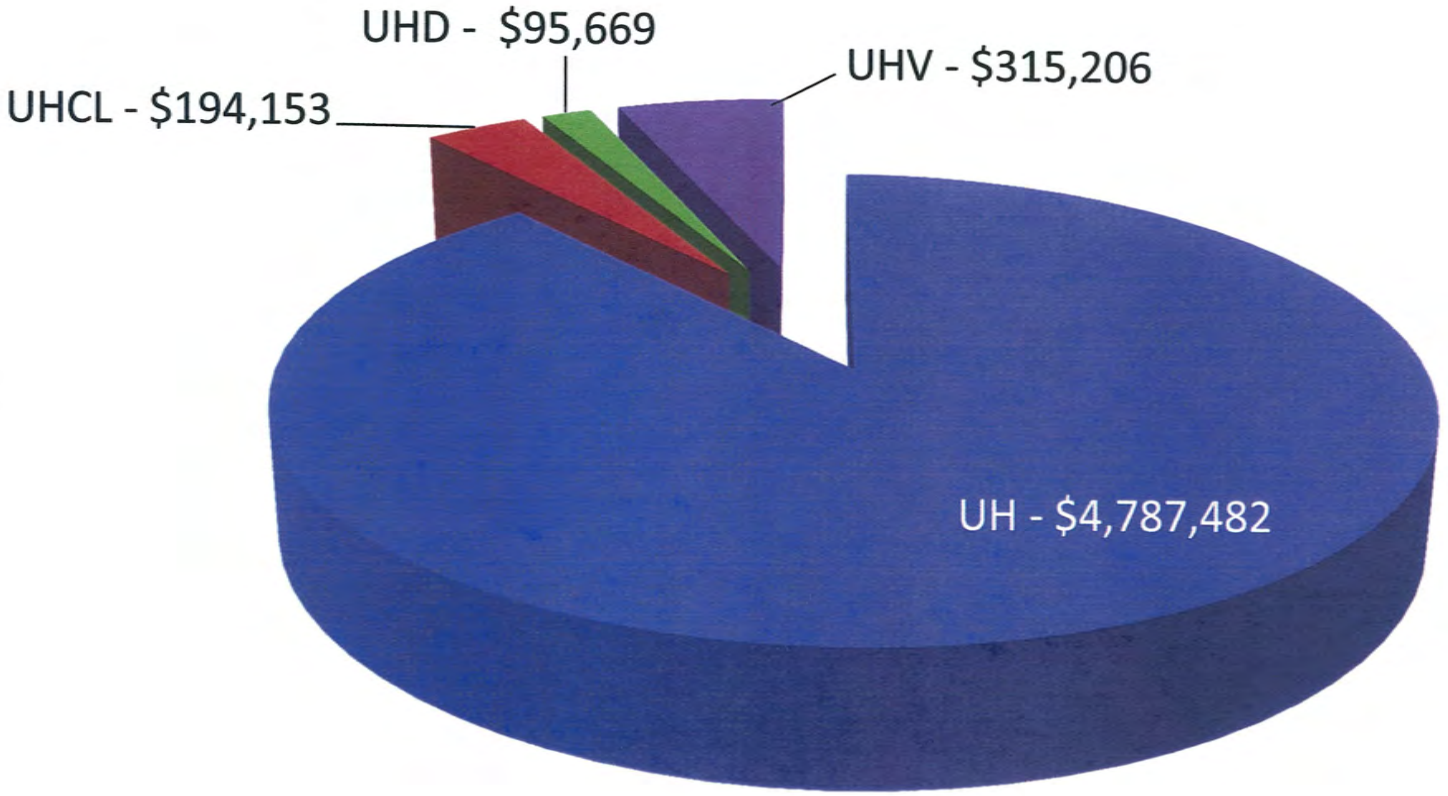


UNIVERSITY OF HOUSTON SYSTEM

FY2011 Student Write-Off by Type



FY2011 Write-Off of Tuition, Fees and Non-Federal Loans



UNIVERSITY OF HOUSTON SYSTEM

Uncollectable Receivables from Sponsored Research Awards

We bill sponsors for:

the DIRECT COSTS (DC) associated with doing sponsored research,

and

the INDIRECT COSTS (IDC), the overhead we receive on sponsored research awards

UNIVERSITY OF HOUSTON SYSTEM

UH Research Annual Totals

Fiscal Year	Research Expenditures
2007	$71,188,359
2008	$79,774,630
2009	$82,844,190
2010	$90,008,348
2011	$92,099,942

UNIVERSITY OF HOUSTON SYSTEM

Why can't we collect?

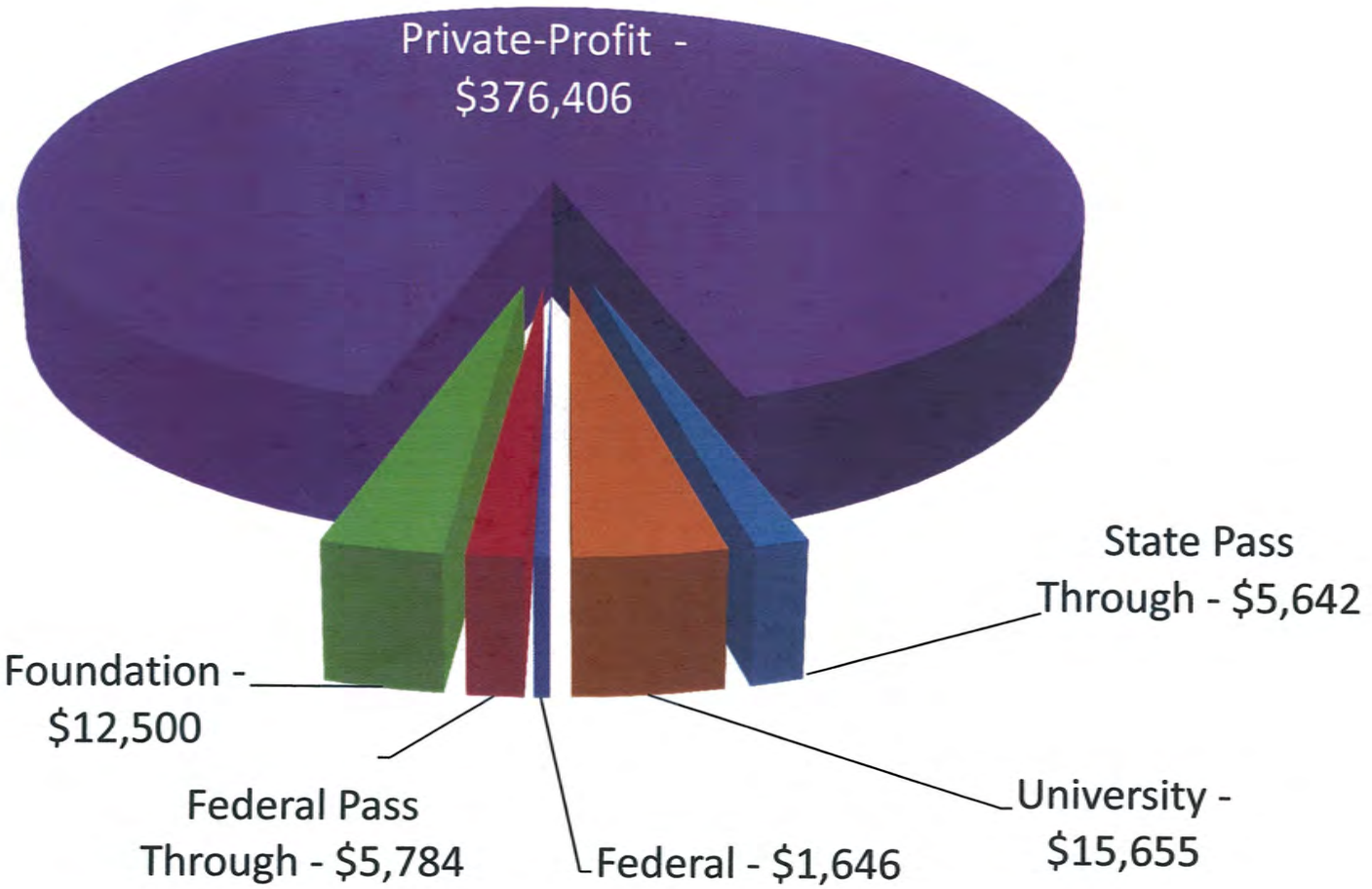
Reasons for Nonpayment of Research Invoices

- Expenses posted to award after final invoice or expiration of letter of credit
- Sponsor not invoiced or not invoiced correctly due to bad setup
- Sponsor invoiced but claims to not receive it
- Sponsor receives invoice after funds
- Sponsor receives invoice but fails to mistakes or misrouting
- Sponsor does not have funds to pay or ceasing operations or bankruptcy
- Sponsor rejects work or deliverables
- Sponsor funds withdrawn due to leg cuts
- Sponsor not responsive



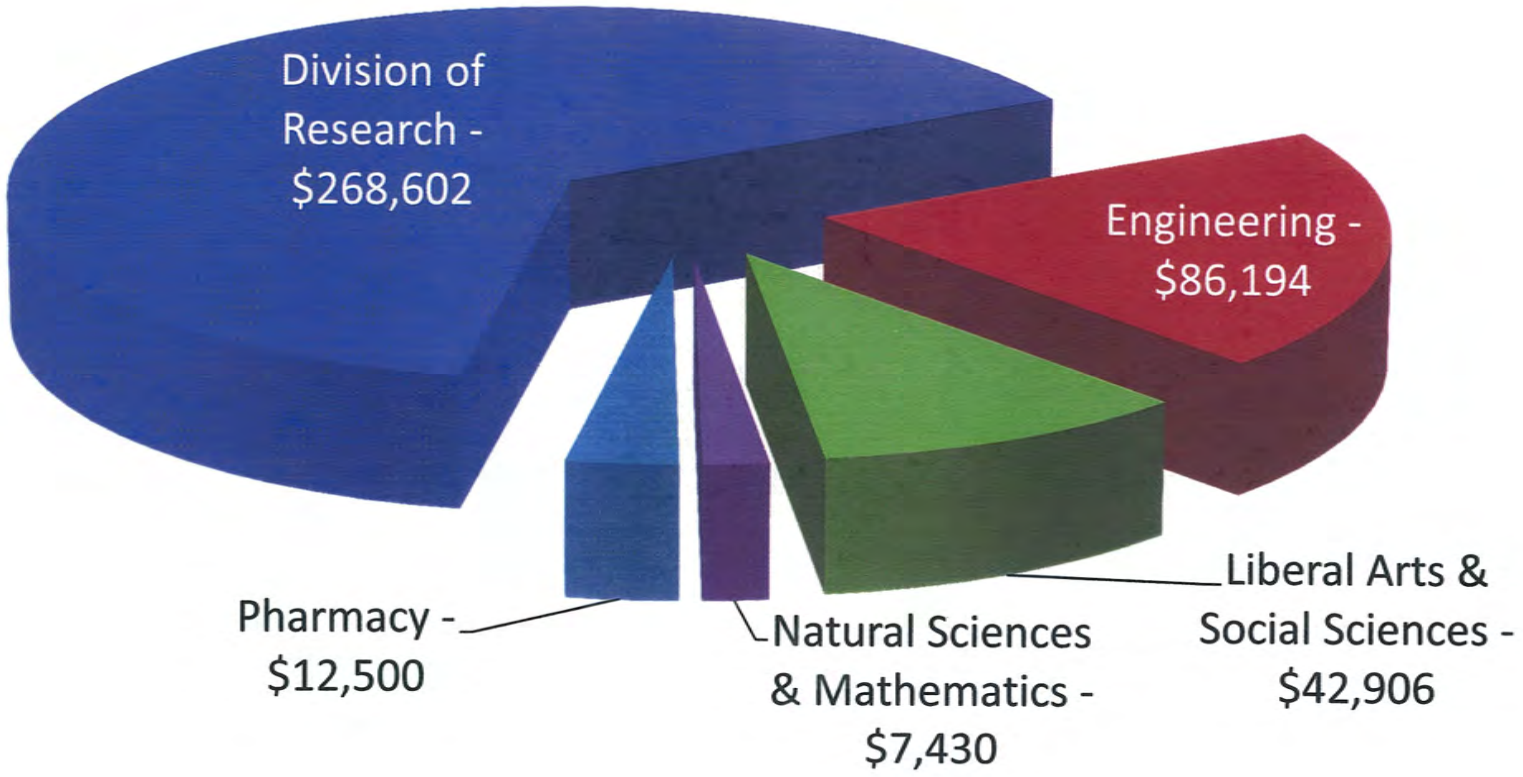
UNIVERSITY OF HOUSTON SYSTEM

UH Research Bad Debt by Sponsor Type



UNIVERSITY OF HOUSTON SYSTEM

UH Research Bad Debt by College/Unit



UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute a multi-year contract (not to exceed two years with a one-year option to renew) for library subscription services for the MD Anderson Library.

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested to delegate authority to the Chancellor to negotiate and execute a multi-year contract (not to exceed two years with a one-year option to renew) for library subscription services for the MD Anderson Library following a competitive procurement process.

SUPPORTING DOCUMENTATION: Explanation for Library Subscription Service

FISCAL NOTE: The estimated annual cost for approximately 4,000 subscriptions is $4,500,000.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

PRESIDENT Renu Khator	Renu Khator	**DATE** 1/31/12
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	**DATE** 1/30/2012
CHANCELLOR Renu Khator	Renu Khator	**DATE** 1/31/12

Explanation for Library Subscription Service

The University of Houston seeks approval to delegate authority to the Chancellor to negotiate and execute a multi-year contract (not to exceed three years) for library subscription services for the MD Anderson Library following a competitive procurement process. The contract would begin September 1, 2012.

The selected vendor would assist the library with the management of approximately 4,000 annual subscriptions, including various journal and periodical titles as well as titles published as monographic series (i.e., books). The subscribed publications include both print and online resources. The vendor would act as an authorized agent of the library and interact with individual publishers on the library's behalf. In this capacity, the vendor would:

- provide a secure online interface for the verification and revision of the title list,
- submit orders and payments to publishers based upon the approved title list,
- provide invoices (print and electronic) to the library for the subscriptions placed,
- process electronically submitted claims and replacement requests for missing issues, and
- provide reports of service to the library.

Orders could be placed, payments made, and issues resolved through a single company, which is a much more efficient method for the library to manage its subscriptions than trying to interact with many publishers separately.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for up to five years to purchase natural gas for the University of Houston.

DATE PREVIOUSLY SUBMITTED:

SUMMARY: The University of Houston seeks approval to delegate authority to the Chancellor to purchase natural gas for the University of Houston. The current natural gas contract expires August 31, 2012.

SUPPORTING DOCUMENTATION: Explanation of the Natural Gas Purchase.

FISCAL NOTE: Natural gas prices are at historic lows and the University expects to negotiate lower rates for a savings over the current contract.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

Renu Khator
PRESIDENT Renu Khator **DATE** 1/31/12

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/30/2012

Renu Khator
CHANCELLOR Renu Khator **DATE** 1/31/12

Explanation for Natural Gas Purchase

The University of Houston seeks approval to delegate authority to the Chancellor to purchase natural gas for the University of Houston campus.

The University of Houston spent about $2 million per year on natural gas in the first two years under the existing three year contract, which ends August 31, 2012. Based on the current low price of natural gas, the University expects to save an additional 30% on the next contract beginning September 1, 2012.

The University's primary use of natural gas is fuel to feed low-pressure boilers in the University's Power Plant. The natural gas fired boilers provide steam heat to many campus buildings including classroom buildings, research laboratories, student housing, student health center and animal care facilities. All University facilities that serve student housing, student health center and animal care facilities with steam heating require an uninterruptible natural gas supply.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate the authority to the Chancellor to negotiate and execute contracts associated with the sale of approximately 22.7 acres of land with improvements located in Ingleside, Texas.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY: Approval is requested to delegate the authority to the Chancellor to negotiate and execute contracts associated with the sale of approximately 22.7 acres of land, including improvements, located in Ingleside, Texas. This land includes two tracts. The largest tract of 12.88 acres is on the west side of FM 1069 with a 1,670 linear foot bulkhead fronting on the Jewell Fulton Canal.

This property was a gift to University of Houston System from BP America made in April 2009. Sale will be subject to receiving bids exceeding appraised value.

FISCAL NOTE: Property will be professionally marketed for sale at current market value.

SUPPORTING DOCUMENTATION: Gift Deeds and May 2009 Appraisal by Dugger, Cannady, Grafe, Inc. and Site Maps

ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR Carl Carlucci **DATE** 1/30/2012

CHANCELLOR Renu Khator **DATE** 1/31/12

ORIGINAL

Doc# 2009016281

8

GIFT DEED

This Gift Deed ("Deed") is executed effective April 1st, 2009 ("Effective Date"), by and between **BP AMERICA PRODUCTION COMPANY** ("Grantor"), a Delaware corporation, whose mailing address is P. O. Box 3092, Houston, Texas 77253, and the University of Houston System ("Grantee"), whose mailing address is 4800 Calhoun Road, Houston, Texas 77204.

Grantor hereby gifts, grants and conveys to Grantee all of Grantor's right, title and interest in and to the real property described in the attached Exhibit A ("Property") situated in San Patricio County, Texas, and Nueces County, Texas, to have and to hold the Property, together with all and singular the rights and appurtenances thereto in any wise belonging unto Grantee, its successors and assigns, forever, and the Grantor hereby binds itself, its successors and assigns, to warrant and forever defend all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever, lawfully claiming or to claim the same, or any part thereof by, through, or under Grantor, but not otherwise.

Grantor represents that as of the Effective Date of this Deed, all applicable taxes that are owed and due on the Property have been paid by Grantor to the applicable taxing agency/entity. Upon the Effective Date of this Deed, Grantee agrees that, if required by law to do so, Grantee will timely advise the applicable taxing agency/entity of the change in ownership of the Property to Grantee. This conveyance is made as a gift as a charitable contribution under applicable income tax laws and regulations without any consideration by Grantee to Grantor and is made and accepted SUBJECT TO any and all easements, rights of way, and prescriptive rights, whether of record or not; all restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other encumbrances, if any, shown of record; rights of adjoining owners in any walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements but only to the extent that the foregoing are still in effect.

This donation is subject to the following restrictions and/or conditions, and to no others:

Description of restrictions/conditions:
The Property shall only be used for activities related to renewable energy, such activities to be conducted either by Grantee individually or conducted by Grantee in collaboration with public, private, non-profit or other entity(ies) ("Intended Use"). Grantor and Grantee agree that the Property shall only be required to be used for the Intended Use for the shorter of the following periods: three (3) years from the Effective Date of this Deed, or the time that the Property is owned by Grantee. This restriction does not prohibit the Property from being sold by the Grantee to any entity, public, non-profit, or private, for any and all purposes.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, AND SUBJECT TO THE ABOVE EXPRESSED PROVISIONS OF THIS DEED, GRANTEE IS ACCEPTING THE PROPERTY IN AN "AS IS, WHERE IS," CONDITION "WITH ALL FAULTS" AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, OF ANY KIND, ORAL OR WRITTEN, EXPRESS, IMPLIED, OR STATUTORY, FROM OR

ON BEHALF OF THE GRANTOR, CONCERNING THE PROPERTY OR THIS DEED. WITHOUT LIMITING THE FOREGOING, GRANTOR HAS NOT, DOES NOT, AND WILL NOT MAKE ANY REPRESENTATIONS OR WARRANTIES WITH REGARD TO COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS (COLLECTIVELY REFERRED TO AS "ENVIRONMENTAL REQUIREMENTS"). "ENVIRONMENTAL REQUIREMENTS" ARE FURTHER IDENTIFIED TO INCLUDE, BUT ARE NOT LIMITED TO: 1) COMPLIANCE WITH ALL FEDERAL, STATE, AND LOCAL STATUTES, LAWS, RULES, ORDERS, AND REGULATIONS PERTAINING TO A) THE PROTECTION, MAINTENANCE AND USE OF THE AIR, SOIL, SURFACE WATER, GROUNDWATER, AND VEGETATION, INCLUDING, WITHOUT LIMITATION, THE CLEAN WATER ACT (33 U.S.C. SECTION 466 *ET SEQ.*), THE SAFE DRINKING WATER ACT (14 U.S.C. SECTIONS 1401-1450), THE HAZARDOUS MATERIALS TRANSPORTATION ACT (49 U.S.C. SECTION 1801 *ET SEQ.*), AND THE TOXIC SUBSTANCE CONTROL ACT (15 U.S.C. SECTIONS 2601-2629), AND B) THE HANDLING, GENERATING, TREATING, STORING OR DISPOSING OF ANY HAZARDOUS WASTES OR SUBSTANCES, INCLUDING, WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (42 U.S.C. SECTION 9601, *ET SEQ.*) AND THE RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. SECTION 6901, *ET SEQ.*), AND 2) THE AVOIDANCE OF TORTIOUS ACTS APPLICABLE TO THE DEGRADATION OR ALTERATION OF THE AIR, SOIL, SURFACE WATER, GROUNDWATER AND VEGETATION. ACCORDINGLY, GRANTOR HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTEE, OR REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, OR CONCERNING: 1) THE NATURE AND CONDITION OF THE PROPERTY AND SURROUNDING AREA, INCLUDING, WITHOUT LIMITATION, THE SOIL, SURFACE WATER, AND GROUNDWATER AND THE SUITABILITY THEREOF FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY ELECT TO CONDUCT ON THE PROPERTY, 2) EXISTENCE OR NON-EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS ON THE PROPERTY OR SURROUNDING AREA, AND 3) COMPLIANCE OF THE PROPERTY OR SURROUNDING AREA OR OPERATIONS THEREON WITH ALL APPLICABLE LAWS, ORDINANCES, RULES, AND REQUIREMENTS OF ANY GOVERNMENT OR OTHER BODY, INCLUDING ALL "ENVIRONMENTAL REQUIREMENTS." SUBJECT TO THE ABOVE EXPRESSED PROVISIONS OF THIS DEED, AND WITHOUT WAIVING ANY RIGHTS THAT IT MAY POSSESS PURSUANT TO FEDERAL AND STATE LAW, GRANTEE EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THE AGREEMENTS OF THE GRANTOR HEREIN, GRANTOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR COMPLIANCE WITH "ENVIRONMENTAL REQUIREMENTS", WITH RESPECT TO THE PROPERTY OR SURROUNDING AREA.

GRANTEE WARRANTS THAT IT HAS INSPECTED THE PROPERTY AND SURROUNDING AREA AND IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY TO DETERMINE THE CONDITION OF THE PROPERTY AND

SURROUNDING AREA, AND NOT ON ANY INFORMATION PROVIDED BY GRANTOR. GRANTEE ACKNOWLEDGES THAT ALL INFORMATION PROVIDED BY GRANTOR WITH RESPECT TO THE PROPERTY AND SURROUNDING AREA HAS BEEN FURNISHED AS A CONVENIENCE ONLY TO GRANTEE AND THAT GRANTOR MAKES NO WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. GRANTEE FURTHER ACKNOWLEDGES THAT THE PROPERTY AND SURROUNDING AREA MAY HAVE BEEN USED FOR THE PURPOSE OF EXPLORATION, DEVELOPMENT, PRODUCTION, AND TRANSPORTATION OF HYDROCARBONS AND/OR PRODUCED WATER. THIS USE MAY HAVE INCLUDED, WITHOUT LIMITATION, THE INSTALLATION OF UNDERGROUND PIPELINES AND THE EXCAVATION AND USE OF RESERVE AND WORKOVER PITS. HISTORICAL FILE INFORMATION AND RECORDS OF THE TEXAS RAILROAD COMMISSION ARE, TO THE BEST OF GRANTOR'S KNOWLEDGE, AVAILABLE TO GRANTEE REGARDING EXPLORATION AND PRODUCTION ACTIVITIES ON THE PROPERTY AND SURROUNDING AREA.

Executed on the date(s) shown in the acknowledgments below, but effective as of the date first above written.

Grantor:

BP AMERICA PRODUCTION COMPANY

By: Melanie B. Bell

Name: Melanie B. Bell
Its Attorney-in-Fact

Grantee:

UNIVERSITY OF HOUSTON SYSTEM

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENTS

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of April, 2009, by Melanie B. Bell, as Attorney-in-Fact for BP AMERICA PRODUCTION COMPANY, a Delaware corporation, on behalf of said corporation.

Valerie Vescio Holeman
Notary Public, State of Texas

My Commission Expires:
August 01, 2010

VALERIE VESCIO HOLEMAN
Notary Public, State of Texas
My Commission Expires
August 01, 2010

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me this _____ day of _____, 2009, by _____, _____ for the University of Houston System, on behalf of said _____.

_____
Notary Public, State of Texas

My Commission Expires:

SURROUNDING AREA, AND NOT ON ANY INFORMATION PROVIDED BY GRANTOR. GRANTEE ACKNOWLEDGES THAT ALL INFORMATION PROVIDED BY GRANTOR WITH RESPECT TO THE PROPERTY AND SURROUNDING AREA HAS BEEN FURNISHED AS A CONVENIENCE ONLY TO GRANTEE AND THAT GRANTOR MAKES NO WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. GRANTEE FURTHER ACKNOWLEDGES THAT THE PROPERTY AND SURROUNDING AREA MAY HAVE BEEN USED FOR THE PURPOSE OF EXPLORATION, DEVELOPMENT, PRODUCTION, AND TRANSPORTATION OF HYDROCARBONS AND/OR PRODUCED WATER. THIS USE MAY HAVE INCLUDED, WITHOUT LIMITATION, THE INSTALLATION OF UNDERGROUND PIPELINES AND THE EXCAVATION AND USE OF RESERVE AND WORKOVER PITS. HISTORICAL FILE INFORMATION AND RECORDS OF THE TEXAS RAILROAD COMMISSION ARE, TO THE BEST OF GRANTOR'S KNOWLEDGE, AVAILABLE TO GRANTEE REGARDING EXPLORATION AND PRODUCTION ACTIVITIES ON THE PROPERTY AND SURROUNDING AREA.

Executed on the date(s) shown in the acknowledgments below, but effective as of the date first above written.

Grantor:

BP AMERICA PRODUCTION COMPANY

By: _____

Name: _____

Its Attorney-in-Fact

Grantee:

UNIVERSITY OF HOUSTON SYSTEM

By: Renu Khator

Name: Renu Khator

Title: Chancellor, University of Houston System

APPROVED AS TO FORM BY:

OFFICE OF THE GENERAL COUNSEL
UNIVERSITY OF HOUSTON SYSTEM

ACKNOWLEDGEMENTS

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me this _____ day of _____, 2009, by _____, as Attorney-in-Fact for BP AMERICA PRODUCTION COMPANY, a Delaware corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

My Commission Expires:

_____

STATE OF TEXAS §
§
COUNTY OF Harris §

This instrument was acknowledged before me this 24th day of April, 2009, by Renu Khator, Chancellor for the University of Houston System, on behalf of the University of Houston System.

Leslie Jane Pruski
Notary Public, State of Texas

My Commission Expires:
July 26, 2010

LESLIE JANE PRUSKI
Notary Public, State of Texas
My Commission Expires
July 26, 2010
Notary Without Bond

EXHIBIT A

TRACT ONE: 12.88 acres of land, more or less, and being out of the T. T. WILLIAMSON Survey, A-295, San Patricio County, Texas, and being parts of that certain submerged lands patented to the Nueces County Navigation District No. 1 dated 31 July 1951 and being of record in Volume 522, Page 201 of the Deed Records of Nueces County, Texas; and same 12.88 acres being all or parts of Lots 1 through and including 6, Block 1; all of Lots 1 and 2, Block 2; and, part of Block 3 MARINA HEIGHTS ADDITION, San Patricio County, Texas; Lots Seven and Eight (7 & 8), Block One (1) MARINA HEIGHTS ADDITION, San Patricio County, Texas; and the most northerly 50.0 feet of Tract 10, Block "A" of CARUTHERS COVE as shown on map or plat of same of record in Volume 4, Page 31 of the Map Records of San Patricio County, Texas; and described by metes and bounds as follows, to-wit:

BEGINNING at a 3/4 inch iron rod (replaced with a 2 inch iron pipe, lead capped, and marked "Prop. Cor.") found at the northeast corner of a 9.841 acre tract (said tract described in deed Volume 599, Page 416 et seq Deed Records of San Patricio County, Texas), same being the southeast corner of a 1.859 acre tract described in Deed dated 16 December 1978 to Lamar Fuller (North Shore Boat Works) from Vida Lee Conner Little and Dolores Brown recorded in Volume 600, Page 99 et seq Deed Records of San Patricio County, Texas, in the western right-of-way line of Farm-to-Market Highway #1069:

THENCE, with the eastern line of the tract herein described and the western right-of-way line of said Farm-to-Market Highway #1069, S 15° 30' 27" W, at 652.27 feet pass a 3/4 inch iron rod (found in place) at the southeast corner of said 9.841 acre tract, being the southeast corner of said Marina Heights Addition and the northeast corner of Tract #10, Block "A" Caruthers Cove Subdivision; in all a total distance of 702.27 feet to a point for the southeast corner of this tract, same being the northeast corner of that certain 5.782 acre tract conveyed by Ingleside Marine, Inc. to Milchem Incorporated by Deed dated 28 December 1978 and being of record in Volume 600, Page 424 of the Deed Records of San Patricio County, Texas;

THENCE, with the north line of said Milchem Incorporated tract, S 87° 30' 27" W, 711.76 feet to an angle point in said north line;

THENCE, continuing with the north line of said Milchem Incorporated tract, N 58° 34' 56" W, 320.66 feet to a point in the west line of the Nueces County Navigation District No. 1 southeast bulkhead line along the east side of the Jewel Fulton Channel, for the southwest corner of this tract;

THENCE, N 50° 41' 10" E, with said southeast bulkhead line, 1034.61 feet to a point for the northwest corner of this tract, same being the southwest corner of that certain tract in the name of North Shore Boat Works and the northwest corner of the hereinabove referred to 9.841 acre tract;

THENCE, with the common line between said 9.841 acre tract and North Shore Boat Works tract, S 43° 05' 56" E, 169.66 feet to an "X" chisled in the top of existing bulkhead, found in place;

THENCE, N 88° 01' 12" E, continuing with said common line, 256.27 feet to the PLACE OF BEGINNING, containing 12.88 acres, more or less.

TRACT TWO: A 10.00 acre, more or less, tract of land being a portion of Blocks C, D and E, CARUTHERS COVE, as shown by plats of same of record in Volume 4, Page 31 and Volume 4, Page 84 of the Map Records of San Patricio County, Texas, together with a portion of a 50.0 foot roadway shown as Coleman Road thereon and all of the 25.0 foot access road bordering the northerly and easterly sides of this 10.0 acre tract, and being more particularly described as follows, to-wit:

EXHIBIT A (Continued)

BEGINNING at a concrete monument found at the intersection of the northerly boundary line of said subdivision with the easterly right-of-way line of Farm-to-Market Road #1069, for the northwest corner and POINT OF BEGINNING of this tract:

THENCE, S 47° 00' 00" E, along said northerly boundary line, 1,356.44 feet to a concrete monument found at the northeast corner of said subdivision for the northeast corner of this tract;

THENCE, S 58° 57' 07" W, along the easterly boundary line of said subdivision, 371.95 feet to a point for the southeast corner of this tract;

THENCE, 47° 00' 00" W, 1,079.59 feet to a point on said easterly right-of-way line of Farm-to-Market Road #1069 for the southwest corner of this tract;

THENCE, N 16° 58' 29" E, along said right-of-way line of Farm-to-Market Road #1069, 397.99 feet to the POINT OF BEGINING.

Fed Ex

Francis Rodriguez
Atlantic Richfield Co.
1701 Summit
Suite 2
Plano, TX 75074

STATE OF TEXAS
COUNTY OF NUECES
I hereby certify that this instrument was FILED in file number sequence on the date and at the time stamped herein by me, and was duly RECORDED in the Official Public Records of
Nueces County, Texas

Diana T. Barrera
NUECES COUNTY, TEXAS

Any provision herein which restricts the Sale, Rental or use
of the described REAL PROPERTY because of Race, Color,
Religion, Sex, Handicap, Familial Status, or National Origin
is invalid and unenforceable under FEDERAL LAW, 3/12/89.

Doc# 2009016281
Pages 8
04/30/2009 10:01AM
Official Records of
NUECES COUNTY
DIANA T. BARRERA
COUNTY CLERK
Fees $43.00

ORIGINAL

MARKET VALUE APPRAISAL
BRITISH PETROLEUM COMPANY
INGLESIDE SHORE BASE SITE
F.M. 1069 AT JEWELL FULTON CANAL
INGLESIDE, SAN PATRICIO COUNTY, TEXAS

DATE OF APPRAISAL: APRIL 23, 2009
APPRAISAL FILE NO.: 0904065

Prepared For:

MS. DURONDA SMITH, PORTFOLIO MANAGER
DISCONTINUED OPERATIONS
BRITISH PETROLEUM COMPANY
1701 SUMMIT AVENUE, SUITE 2
PLANO, TEXAS 74074-8415

Prepared By:

DUGGER, CANADAY, GRAFE, INC.
Real Estate Consultants and Appraisers
111 Soledad, Suite 800
San Antonio, Texas 78205

02/15/12
CONSENT DOCKET – F&A-S146

Richard L. Dugger, MAI, CRE
R. Don Canaday, MAI, SRA
Paul P. Grafe, MAI, CCIM
Merrill E. Swanson, ARA

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May 6, 2009

Ms. Duronda Smith, Portfolio Manager
Discontinued Operations
British Petroleum Company
1701 Summit Avenue, Suite 2
Plano, Texas 74074-8415

Re: British Petroleum Ingleside Shore Base Site, FM 1069 at Jewell Fulton Canal, Ingleside, San Patricio County, Texas.

Dear Ms. Smith:

As requested, Dugger, Canaday, Grafe, Inc. (hereafter referred to as Dugger/Canaday) has prepared a market value appraisal of the above-referenced property. The property is developed as a shore base site and is owned by British Petroleum. The property includes 12.88 acres of land along the west side of FM 1069 also fronting the east side of the Jewell Fulton Canal as well as 9.817 acres of land located along the east side of FM 1069 across the road from the main shore base site.

The shore base site has approximately 1,670 feet of bulkhead frontage along the east side of the Jewell Fulton Canal and is improved with a vacant 17,520 square foot metal office warehouse building developed circa 1980. The building exterior and basic structure is in average condition. Approximately 53% of the building is office finish; the office finish is in "worn" condition that would likely require complete renovation for office utilization. Additional site improvements include asphalt and concrete paving, older metal bulkheading and two dredged boat docking slips. The site is chain link fenced plus there is an electric gate and a metal radio tower. The vacant 9.817 acres located across FM 1069 features chain link fencing and approximately one and one-half acres of caliche/gravel base.

The purpose of the appraisal is to conclude an opinion of the market value of the appraised property as of our most recent date of inspection, April 23, 2009. The property is valued primarily utilizing the Cost and Income Capitalization Approaches. The Sales Comparison Approach is incorporated into the Cost Approach. An extensive search for sales and rentals of similar shore base facilities along the Texas Gulf Coast has been conducted.

The concluded "as is" market value of the appraised British Petroleum Company Ingleside shore base property located along FM 1069 at the Jewell Fulton Canal including the 12.88 acre site fronting the Jewell Fulton Canal and the 9.817 acre site located across FM 1069 from the main shore base site, as of April 23, 2009, is:

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
($2,500,000)

The attached report highlights the appraisers' findings and market value conclusion. Thank you for consideration of our firm in this important valuation assignment.

Respectfully submitted,
Dugger, Canaday, Grafe, Inc.

Richard L. Dugger, MAI, CRE
State Certified General
Real Estate Appraiser
TX-1321050-G

Franklin L. Flato, MAI
State Certified General
Real Estate Appraiser
TX-1321148-G

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02/15/12
CONSENT DOCKET – F&A-S148

UNIVERSITY OF HOUSTON SYSTEM

Ingleside, Texas

Location and Site Maps







02/15/12

CONSENT DOCKET – F&A-S149

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

AUDIT AND COMPLIANCE COMMITTEE ITEMS

TO BE PRESENTED

AT

FEBRUARY 15, 2012

MEETING

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Audit and Compliance

ITEM: Report on Audit Report and Financial Statements, University of Houston Charter School, FY 2011

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested for the Audit Report and Financial Statements of the University of Houston Charter School for Fiscal Year 2011. Certification of the audit and financial information by the Board is required by the Texas Education Code, Title 2, Chapter 44, Section 44.008(d).

The key points of the report include the following:

- Report on Internal Control over Financial Reporting (page 1)
- Annual Financial Report (page 3)
- Letter of Transmittal (page 9)
- Financial Section (page 13)
- Management's Discussion and Analysis (page 16)
- Basic Financial Statements (page 27)
- Notes to Basic Financial Statements (page 32)
- Supplementary Information (page 39)

SUPPORTING DOCUMENTATION: Audit Report and Financial Statements of the UH Charter School for FY 2011

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston System

Don Guyton 1/25/12

CHIEF AUDIT EXECUTIVE Don Guyton **DATE**

Renu Khator 1/31/12

CHANCELLOR Renu Khator **DATE**

KPMG LLP
811 Main Street
Houston, TX 77002

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance *With Government Auditing Standards*

The Board of Regents
University of Houston Charter School:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the University of Houston Charter School (Charter School) as of and for the year ended August 31, 2011, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated January 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Charter School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain

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provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the board of regents, others within the entity, and the Texas Education Agency and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 17, 2012

KPMG

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Annual Financial Report

August 31, 2011

(With Independent Auditors' Report Thereon)

UNIVERSITY OF HOUSTON CHARTER SCHOOL

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UNIVERSITY OF HOUSTON CHARTER SCHOOL

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INTRODUCTORY SECTION

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Certificate of Board

Pending approval from the University of Houston Board of Regents

UNIVERSITY OF HOUSTON CHARTER SCHOOL

University of Houston System Board of Regents – Board Members

Chairman: Carroll Robertson Ray
Vice Chairman: Nelda Luce Blair
Secretary: Mica Mosbacher
Welcome W. Wilson, Sr.
Jim P. Wise
Jacob M. Monty
Nandita V. Berry
Tilman J. Fertitta
Jarvis V. Hollingsworth
Andrew Cobos

Member(s) with terms set to expire August 31, 2011
- Carroll Robertson Ray
- Welcome W. Wilson, Sr.
- Jim P. Wise
- Andrew Cobos

Member(s) with terms set to expire August 31, 2013
- Mica Mosbacher
- Nelda Luce Blair
- Jacob M. Monty

Member(s) with terms set to expire August 31, 2015
- Nandita V. Berry
- Tilman J. Fertitta
- Jarvis V. Hollingsworth

Introduction

The discussion and analysis of the financial position of the University of Houston Charter School (the Charter School or UHCS) provides an overview of the activities for the fiscal years ended August 31, 2011 and 2010. The Management's Discussion and Analysis (MD&A) is intended to offer a summary of significant current year activities, resulting changes, and currently known economic conditions and facts. The MD&A analysis should be read in conjunction with the transmittal letter, the basic financial statements, and the notes to the basic financial statements, which follow this section.

Charter School Profile

In 1996, the Texas State Board of Education (SBOE) granted a five-year charter to operate a public school to the University of Houston, one of the nineteen first generation Texas charter schools. The SBOE then granted a ten-year charter under which UHCS is currently operating. The University of Houston System (UH) Board of Regents is the governing body of UHCS. The school initially enrolled students on a first-come, first-served basis. In 1999, the Texas Education Agency (TEA) required UHCS to begin enrolling students using a lottery system since the school was oversubscribed. The Charter School serves students and families from the greater Houston area. The Charter School opened on January 27, 1997 with one kindergarten/first grade class and three employees. Today, 136 students are enrolled in six classes from kindergarten through fifth grade. Parents of 31% of the currently enrolled children are either UH employees or students. The school is housed in 14,000 square feet of the first floor of Melcher Gymnasium.

All Charter School faculty are UH employees. All teachers meet the highly qualified standards for the "No Child Left Behind" (NCLB) program. The Charter School provides English as a Second Language (ESL), Special Education, and, for qualifying students, breakfast and hot lunches are provided through the National School Breakfast/Lunch Program. After-school and summer tutoring are provided with Title I funds. Teacher literacy, math, and science coaching is provided from Title II and ARRA federal grant.

The setting of a university campus provides a rich experience and base for a school. An intellectual experience, grounds the school. The University of Houston (the University) supports the school with a physical location, including a playground, utilities, and custodial care. UHCS supports the university in research collaborations, University students develop, and practice in a model educational program with programs ranging from athletics to public relations. The school curriculum includes specific classes in art, music, and physical education. Discovery Camp is held each Friday and third, fourth, and fifth graders choose from a variety of classes: Middle Eastern Dance, Gardening, Cooking, Science Club, Scrap Booking, Art Club, Guitar, and Archery. The school participates in the Texas Archery in the Schools Program. For the sixth year, a UHCS archery team has competed in the State Archery in the Schools event.

For the fourth year, the Charter School managed Camp Construct, the before- and after-school care program. The UHCS has filed for a license with the Texas Department of Children and Families to become a licensed child care facility. For the first year, UHCS held a summer Camp Construct program serving current UHCS students and newly enrolling students during the months of June and July.

Planning Panel meetings three times a year provide opportunities for faculty and parents to make decisions and work to improve the program. Parents participate on all of the 15 school committees. Parent Surveys are collected and analyzed.

The Charter School was again assigned the TEA "Exemplary Rating" for the 2010 – 2011 school year, which reflects the students' performance on the Texas Assessment of Knowledge and Skills (TAKS). 100% of UHCS fourth graders passed the Writing TAKS.

91% of all third through fifth graders met passing standards for reading. 87% of all third through fifth graders met passing standards for mathematics and 83% met passing science standards.

Organization Philosophy

Vision Statement The Charter School is a recognized model constructivist school that empowers children, parents, and faculty in the global community to fulfill their potential through autonomy, wonder, and discovery.

Motto Challenging children to construct knowledge and community.

The ideology of the Charter School outlines the ideals and beliefs held by their employees. The Charter School strives to strengthen the social and economic foundation of Houston by offering its youth the highest quality of elementary education.

Thirteen teachers (seven lead and six assistant) lead classes using constructivist practices with an emphasis on technology and lesson plans designed to support children's natural curiosity. Teachers tailor classroom experiences to the needs and interest of each year's students. Reasoning, autonomy, and community are promoted throughout each child's day and life at the Charter School.

The management and staff of the Charter School endorse and support the Charter School's Mission Statement – to provide a student-centered curriculum that enhances the intellectual development, technological fluency, and leadership ability of students. The knowledge gained by the students will allow them to transfer into the sixth grade at other schools and will give them strategic advantages. The positive results that have been achieved have resulted in a continuing high demand for admission into the program, as reflected by a consistent number of applications for enrollment.

Economic Outreach

The Charter School maintains a healthy current ratio (proportion of current assets to current liabilities) of 1.36 and 1.98 for 2011 and 2010 fiscal years, respectively. The Total Resources per Student Ratio (Current Fund balance divided by the Total number of Fulltime students) is $288, $940, and $2,448 for 2011, 2010, and 2009 fiscal years, respectively.

The job growth in the Houston area during the 2010 – 2011 fiscal years has declined slightly in relation to prior years, but there is projected growth in the energy and professional services sectors. The Charter School wants to become more proactive in blending their elementary program with their after school program and activities in this diverse community.

As a result of the strength and commitment of its faculty, students and parents, the Charter School has positioned itself well to respond to future opportunities and challenges of leadership in constructivist professional development and research.

Accounting Systems and Annual Budgets

The necessity of legal compliance with applicable laws and regulations related to the state and federal grants requires developing and improving the accounting system and consideration is given to the adequacy of the internal control structure.

The Charter School Planning Panel provides need assessments and prioritizes efforts for the upcoming year. An annual budget is developed for its general fund and each of its separate governmental funds. University policy requires budgeted expenditures to be no more than budgeted revenue. During the course of the fiscal year, the actual to budget amounts are reviewed and modified or adjusted as needed.

Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

The General Fund budget is adopted annually on a basis consistent with the budgetary basis of accounting. Budgetary requests are submitted so that a budget may be prepared. The budget is presented to the TEA and a final budget must be prepared and adopted no later than January of the following year.

Major Initiatives and Accomplishments

The facility renovation project was completed during 2009-10 and 2010-11 school year with exception of the wall murals and classroom rugs, which will be completed during the 2011-12 school year. The entry was to be completed with the original renovation but funds were not available to begin this phase of the project. The entry project will continue into the 2011-12 school year.

As stated earlier the Camp Construct program has applied for a Licensed Child Care facility. The process began in June 2011 and the School is awaiting the final inspection prior to the issuing of a license. UHCS continues to look at ways to improve the Child Care program that is provided to its students and their families.

The RSCCC student accounting system was purchased and implemented during the 2010-11 school year has been revised and renamed TxEIS. This is the second year UHCS will be utilizing this student accounting system.

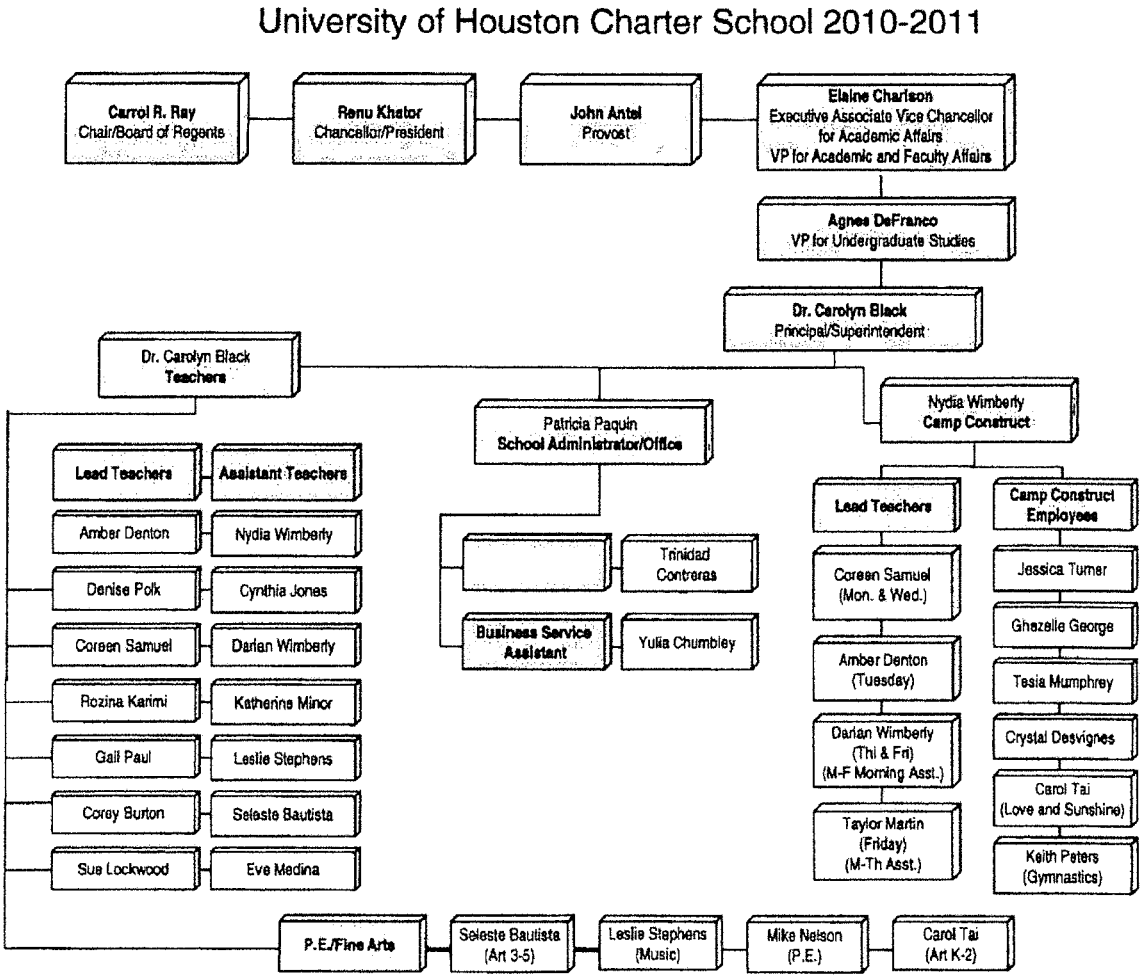
Dr. Carolyn Black continues to serve on the Board of Association for Constructionist Teaching (ACT). The ACT annual conference takes place in the Woodlands, Texas, October 20-23, 2011. Several UHCS staff have been selected to present sessions during the conference and UHCS is the site of the preconference school visit. All UHCS staff will attend the conference.

The technological focus of the school continued with the purchase of 35 laptop computers and 3 iPads for student use.

Contacting the Charter School's Financial Management

This financial report is designed to provide a general overview of the Charter School's financial position and to demonstrate the Charter School's accountability for the funds it receives. Any questions regarding this report or requests for additional financial information should be directed to the Office of the Office of the Executive Vice Chancellor/Vice President for Administration and Finance, University of Houston, Houston, Texas 77204-2016.

UNIVERSITY OF HOUSTON CHARTER SCHOOL ADMINISTRATIVE ORGANIZATION



FINANCIAL SECTION

KPMG LLP
811 Main Street
Houston, TX 77002

Independent Auditors' Report

The Board of Regents
University of Houston Charter School:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the University of Houston Charter School (Charter School), a department of the University of Houston System, as of and for the year ended August 31, 2011, which collectively comprise the Charter School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in note 1, the financial statements of the Charter School are intended to present the financial position, and the changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the University of Houston System that is attributable to the transactions of the Charter School. They do not purport to, and do not, present fairly the financial position of the University of Houston System as of August 31, 2011 and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the University of Houston Charter School as of August 31, 2011, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2012, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Schedule – General Fund listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit the required supplementary information, and accordingly, we express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The Introductory Section, Other Supplementary Information Section and Statistical Section are presented for purposes of additional analysis and are not required as part of the financial statements. The Budgetary Comparison Schedule required by the Texas Education Agency – Child Nutrition and Schedule of Expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

As discussed in note 7 to the basic financial statements, the Charter School changed its presentation of fund balances in fiscal year 2011 due to the adoption of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

KPMG LLP

January 17, 2012

Introduction

The discussion and analysis of the financial position of the University of Houston Charter School (the Charter School) provides an overview of the activities for the fiscal years ended August 31, 2011 and 2010. This Management's Discussion and Analysis is unaudited and is intended to offer a summary of significant current year activities, resulting changes, and currently known economic conditions and facts.

Overview of the Financial Statements

The Charter School herewith presents its basic financial statements for FY 2011. The basic financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board, which establishes generally accepted accounting principles for state and local governments. The Charter School's basic financial statements comprise three components: 1) governmentwide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The governmentwide financial statements presented are the statement of net assets and the statement of activities. The notes to the basic financial statements provide additional information and disclosures that are essential to a complete understanding of the data provided in the governmentwide and fund financial statements. The information contained in the basic financial statements of the Charter School is incorporated within the University of Houston System's Annual Financial Report.

Statement of Net Assets

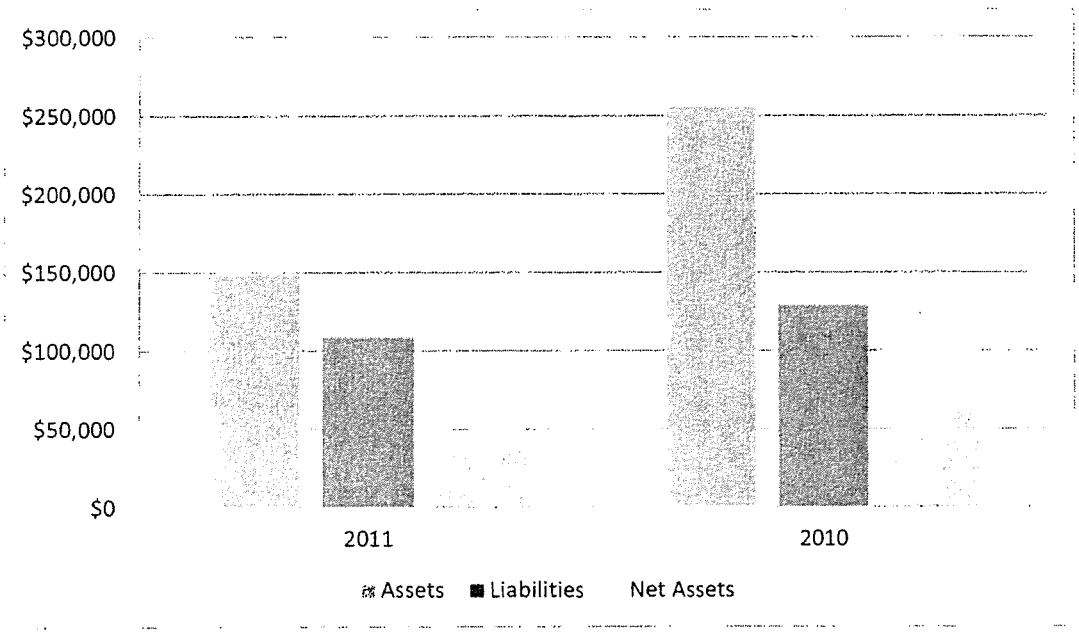
The statement of net assets reflects all the Charter School's assets and liabilities using the full accrual basis of accounting and represents the financial position as of the conclusion of the fiscal year. Governmentwide financial statements use the economic resources measurement focus and the accrual basis of accounting. Net assets are equal to assets minus liabilities. Unrestricted net assets are available to the Charter School for any lawful purpose. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified. Restricted net assets represent net assets that can be utilized only in accordance with third-party-imposed restrictions.

		2011	2010	Change
Statement of net assets information:				
Assets:				
Current assets	$	145,248	256,136	(110,888)
Total assets	$	145,248	256,136	
Liabilities:				
Current liabilities	$	108,993	129,224	(20,231)
		108,993	129,224	
Net assets:				
Restricted for various programs		31,539	127,628	(96,089)
Unrestricted		4,716	(716)	5,432
Total net assets		36,255	126,912	
Total liabilities and net assets	$	145,248	256,136	

(Continued)

Net Assets 2011 – 2010

Statement of Net Assets Information



Fiscal Year 2011 Compared to 2010

Cash represents almost 99% of the current assets held by the Charter School. Current assets decreased by $110,888 or 43%. Liabilities increased $20,231 or 16%. The ending net assets for restricted state and federal programs were decreased by $96,089. Unrestricted net assets increase by $5,432.

Statement of Activities

The statement of activities identifies all of the Charter School's revenues and expenses and measures the results of the Charter School's operations during the fiscal year. All revenues and expenses are included, regardless of when cash is received or paid. Revenues are separated into those provided by external entities, which share the costs of certain programs, and those revenues provided as general revenues. Any revenues or expenses resulting from other than operations would also be displayed on this statement.

	2011	2010	Change
Statements of activities information:			
Revenues:			
Program revenues:			
Charges for services	$ 131,662	124,496	7,166
Operating grants and contributions	74,355	42,426	31,929
General revenue	1,142,000	1,101,747	40,253
Total revenues	1,348,017	1,268,669	
Program expenses:			
Instruction	798,646	764,564	34,082
Instructional resources and media services	88	790	(702)
Curriculum/instructional staff development	11,320	17,039	(5,719)
School leadership	149,634	159,985	(10,351)
Guidance/counseling and evaluation	3,975	19,889	(15,914)
Student (pupil) transportation	—	610	(610)
Food services	42,849	30,491	12,358
General administration	196,026	155,750	40,276
Plant maintenance and operations	38,655	206,658	(168,003)
Community services	192,003	113,968	78,035
Fundraising	5,478	182	5,296
Total program expenses	1,438,674	1,469,926	
Change in net assets	(90,657)	(201,257)	
Net assets, beginning of year	126,912	328,169	
Net assets, end of year	$ 36,255	126,912	

(Continued)

Fiscal Year 2011 Compared to 2010

The increase in general administration expenses was due to an increase in administrative salaries resulting from the hiring of a school administrator in January 2011. This position was necessary to the organization in order to maintain the business operations and state reporting requirements for the Charter School.

The increase in community services was due to an increase in enrollment in Camp Construct and the establishment of a summer Camp Construct Program during the 2011 school year, as well as the hiring of a business assistant for UHCS. UH Charter School did not provide a summer Camp Construct program during the 2009-10 school year due to facility renovations during the summer of 2010. It was determined in the spring of 2011 that there was a need for a business assistant in the school administrator's office to assist with the business operations of the school. This position was filled in May 2011. The salary for this position was funded through community services.

The increase in food services is attributed to the increased participation in the food service program by the UHCS students. It was a goal of the school to increase participation of students being served by the school breakfast and lunch program. The Charter School had an average of 40 students participate in breakfast and 66 students participate in the lunch program compared to an average of 20 students participating in breakfast and 60 students participating in the lunch program the previous year. The cost of the catered breakfast and lunch meals also increased during the 2010-2011 school year from $1.09 to $1.30 for breakfast and $2.00 to $2.30 for lunch.

The increase in expenses in fund-raising was due to the increase in fund-raising activities and the increase in field trip activities during the 2010-11 school year.

The decrease in curriculum/instructional staff development expenses is due to UH Charter School staff not attending any out of state conferences during the 2010-11 school year as compared the 2009-10 school year when UH Charter School staff members attended a conference in Illinois.

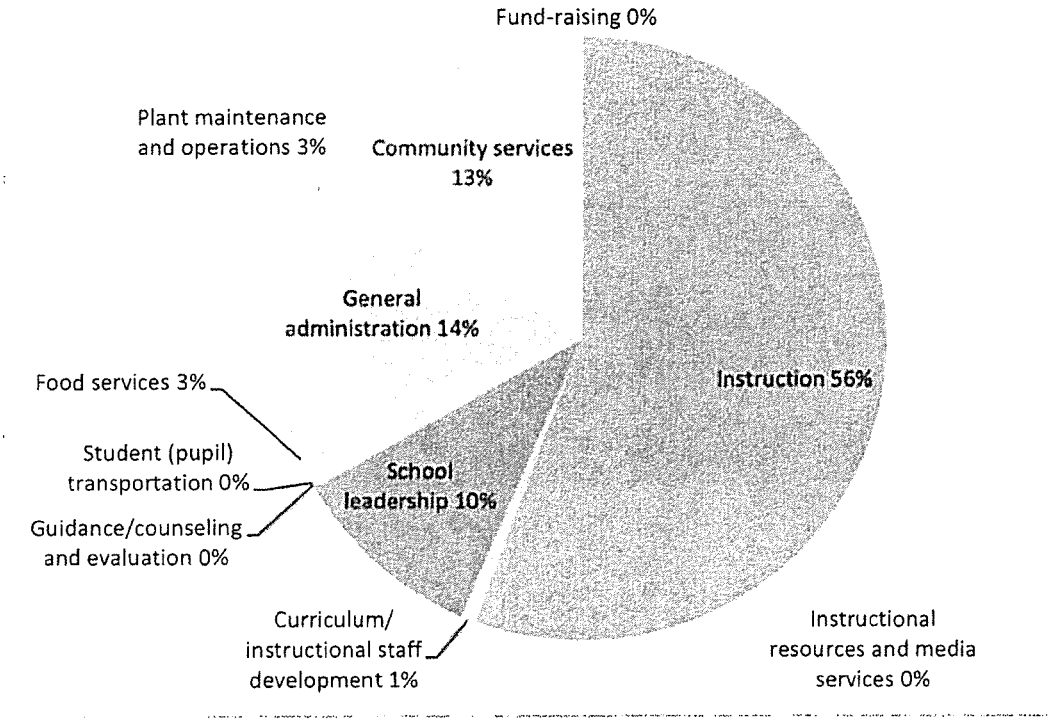
The decrease in plant maintenance and operations expenses was due to the major renovation and painting of the Charter School facilities during FY10. The completion of this renovation significantly reduced expenditures in this area for FY11.

The decrease in guidance/counseling and evaluation expenses is due to UHCS not having the financial responsibility for salaries for counseling and evaluation services provided during FY11 as compared to FY10. UHCS receives counseling and evaluation services through a Special Education Cooperative. The Cooperative is responsible for the salaries of the individuals providing counseling/evaluation services.

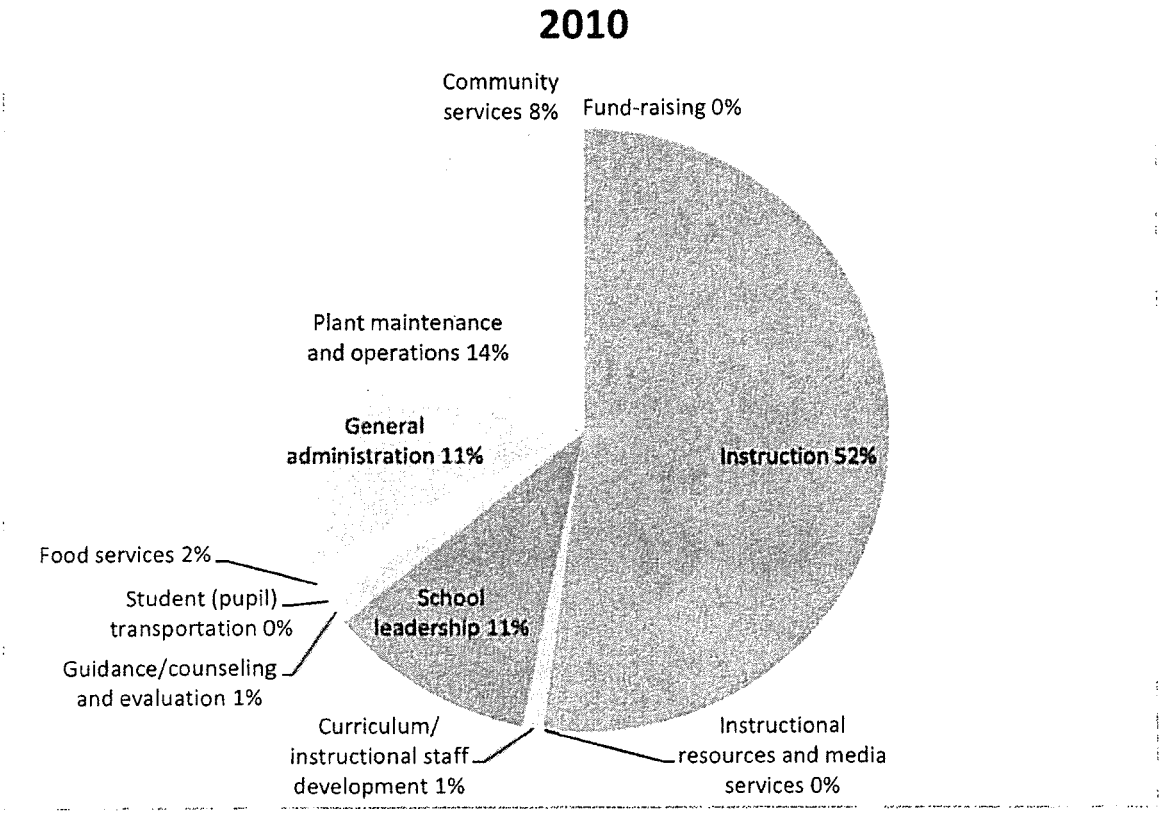
The increase in instruction is attributed to the utilization of previous year balance on the St. Thomas Garden ($4,000) and Math Grants ($6,500). Also, the Academic Support grant ($20,843) was a new award in FY11. The Academic Support grant was used to purchase instructional technology in FY11.

The decrease in expenses in school leadership is attributed to decrease in expenditures from the ACE cost center ($9,385) associated with the leadership expenses during FY11 as compared to FY10.

2011 Expenses



2010 Expenses



The 2011 revenues include sources that are primarily used to provide services to the Charter School's students and are as follows:

		2011	2010	Change
Revenues:				
Program revenues:				
Charges for services	$	131,662	124,496	7,166
Operating grants and contributions		74,355	42,426	31,929
Total program revenues		206,017	166,922	39,095
General revenues		1,142,000	1,101,747	40,253
Total general revenues		1,142,000	1,101,747	40,253
Total revenues	$	1,348,017	1,268,669	79,348

Fiscal Year 2011 Compared to 2010

Program revenue for 2011 increased by $39,095 and is attributed to the increase participation in the food service program by the UHCS students ($8,931), the increase in enrollment in Camp Construct and the establishment of a summer Camp Construct Program during the 2011 school year on ($11,734), and the attainment of the Title XIV, State Fiscal Stabilization Fund federal program ($20,843).

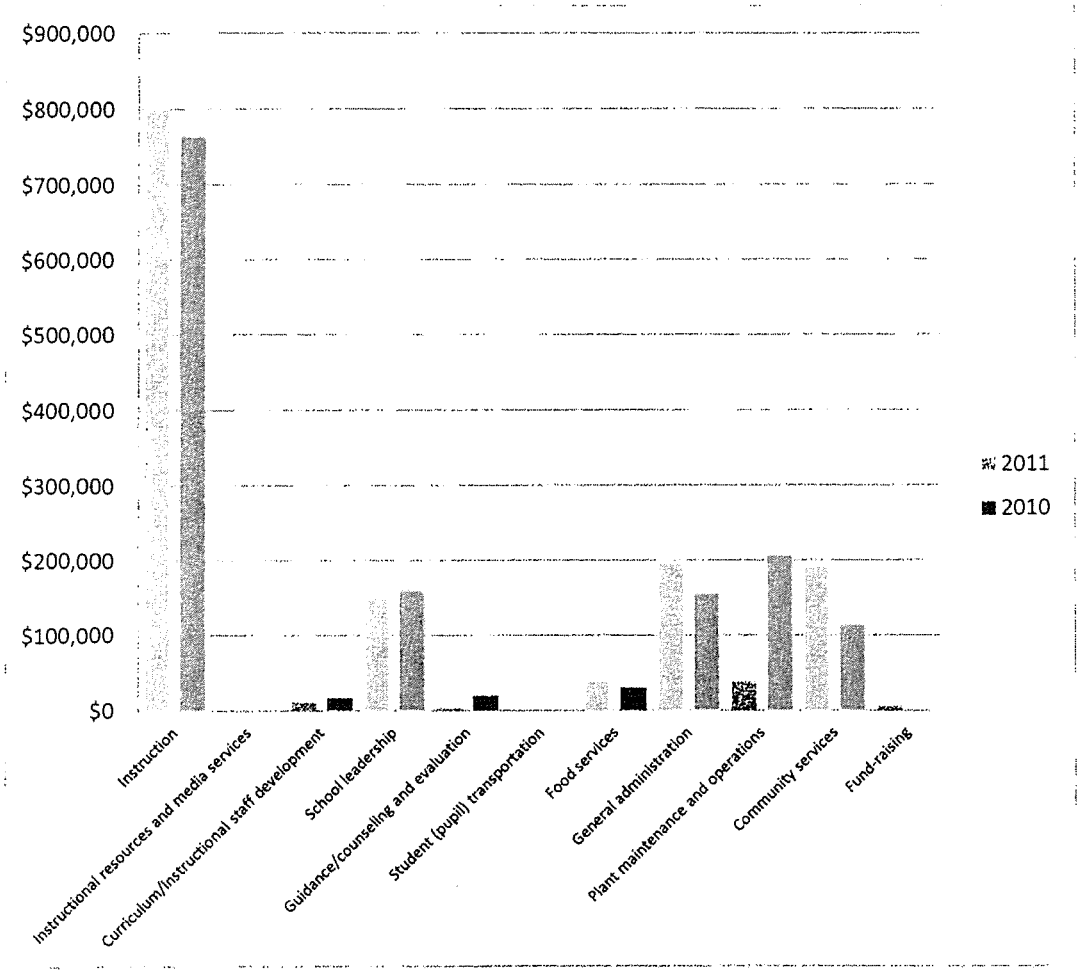
Nonrestricted grants and contributions, mostly comprising state charter school funding, increased by $40,253 or 4% and are primarily the result of an increase in the Foundation State Program by $42,882, offset by the decrease in local sources grants and contributions of $2,377.

Program expenses are the costs necessary to provide services and to fulfill the mission of the Charter School. Program expenses are displayed in the statement using the functional method of classification and are as follows:

	2011	2010	Change
Program expenses:			
Instruction	$ 798,646	764,564	34,082
Instructional resources and media services	88	790	(702)
Curriculum/instructional staff development	11,320	17,039	(5,719)
School leadership	149,634	159,985	(10,351)
Guidance/counseling and evaluation	3,975	19,889	(15,914)
Student (pupil) transportation	—	610	(610)
Food services	42,849	30,491	12,358
General administration	196,026	155,750	40,276
Plant maintenance and operations	38,655	206,658	(168,003)
Community services	192,003	113,968	78,035
Fund-raising	5,478	182	5,296
Total program expenses	$ 1,438,674	1,469,926	

The majority of the Charter School's revenue is expended for instructional purposes, which includes teacher and support personnel salaries.

Operating Expenses 2011 – 2010



Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives or programs. Contracts and state law require the establishment of some funds. Other funds are created by the Charter School's management to control and manage expenditures for particular purposes. The only category of funds used by the Charter School is governmental funds.

The governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as displaying balances of spendable resources available at the end of the fiscal year. These financial statements use the current financial resources measurement focus and the modified accrual basis of accounting.

Because these statements provide a detailed short-term perspective of the Charter School's general operations, they may be useful in evaluating a school's near-term financing requirements. Any differences between the broader long-term focus of the governmentwide financial statements (as reported in the statement of net assets and the statement of activities) and the fund financial statements will be displayed in a reconciliation following the end of the governmental fund financial statements.

General Fund – This is the Charter School's primary operating fund. It accounts for all financial resources of the Charter School except those required to be accounted for in another fund. The major revenue source for the General Fund is the state funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the Charter School except for specific programs funded by the federal or state government, which are required to be accounted for in another fund. The General Fund revenues were $1,019,804 and $976,922 for the years ended August 31, 2011 and 2010, respectively.

The General Fund has a budget that is approved by the University of Houston System Board of Regents. The actual General Fund revenue was less than budgeted by $19,946 and incurred expenses exceeded budget by $2,760.

UH Allocation – The source of this revenue is an allocation from the University of Houston System Administration General Funds to provide support to the Charter School. These funds are used at the discretion of the Charter School to supplement operating needs. The UH Allocation was $106,153 for each of the years ended August 31, 2011 and 2010.

Summer Camp/Camp Construct Programs – The source of this revenue is from tuition payments. Funds originated in the Summer Camp and Camp Construct programs are restricted to these programs. The Summer Camp/Camp Construct revenues were $116,169 and $104,435 for the years ended August 31, 2011 and 2010, respectively.

Accounting Systems and Annual Budgets

The necessity of legal compliance with applicable laws and regulations related to the state and federal grants requires developing and improving the accounting system and consideration is given to the adequacy of the internal control structure.

The Charter School Planning Panel provides need assessments and prioritizes efforts for the upcoming year. An annual budget is developed for its general fund and each of its separate governmental funds. University policy requires budgeted expenditures to be no more than budgeted revenue. During the course of the fiscal year, the actual to budget amounts are reviewed and modified or adjusted as needed.

Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Capital Assets

As of the end of the FY 2011, the Charter School did not possess any reportable capital assets. Such assets would include property, buildings, furniture, and equipment. The University provides building space, a playground area, and parking facilities for use by the Charter School.

Title to capital assets resides with the University, which allocates custody of such assets to the Charter School for its operational needs. Therefore, such assets can be transferred to or from the Charter School at the discretion of

the University. Accountability for capital assets is consistent with policies established by the State of Texas. Assets are recorded at cost and are depreciated over the estimated useful life of the asset. Useful life is established by a uniform classification system maintained by the State of Texas and is measured from the date of acquisition. The Charter School capitalizes assets when the acquisition cost exceeds certain threshold values. Funds for the acquisition of any capital assets would be provided from the Charter School's operating revenues.

Noncapital furniture and equipment, including computing equipment, are maintained by the Charter School for its operational needs. Title to these items also resides with the University, which allocates custody to the Charter School. Expenditures for these items are charged to current operating expenses as incurred as they are below the Charter School's capitalization threshold. Funds for the acquisition of such equipment are provided from the Charter School's operating revenues. Additional information regarding the capitalization of assets is in the notes to the financial statements.

Economic Condition and Outlook

Through the use of effective and judicious financial budgeting and management, and the University of Houston's contribution of facilities and other indirect services, the Charter School has been able to satisfy current year expenses with available resources. As previously discussed, the Charter School has no liability obligations other than typical business associated payables, primarily payroll related.

Since the financial operations of the Charter School are considered a governmental organization, the potential for unilateral dissolution by the University of Houston is one of the factors that need to be considered. The two primary financial supporters of the Charter School's operations, the Texas Education Agency and the University of Houston, have demonstrated endorsement of the Charter School's financial and management policies through their continued financial support and commitments in the prior years.

During FY11 the Charter School started pursuing state recognition as a certified child care provider. This certificate can make the Charter School to become eligible for additional funding grant opportunities and Texas Education Agency support. Another measure that the School is considering is the evaluation of its current pricing structure. These two measures will ensure to counteract the increase on the payroll expenses that has occurred during this current year.

Management of neither the Charter School nor the University are aware of any other known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the 2011 – 2012 fiscal years. Although it is not possible to predict ultimate results, management believes the Charter School's financial condition and position are strong.

Debt Administration

The Charter School does not separately issue long-term debt. The Charter School is not currently engaged in any long-term financing transactions. The operating budget for the Charter School is currently structured such that annual financial obligations are satisfied through operating revenues that are received during each current fiscal year.

Contacting the Charter School's Financial Management

This financial report is designed to provide a general overview of the Charter School's financial position and to demonstrate the Charter School's accountability for the funds it receives. Any questions regarding this report or requests for additional financial information should be directed to the Office of the Executive Vice Chancellor/Vice President for Administration and Finance, University of Houston, Houston, Texas 77204-2016.

BASIC FINANCIAL STATEMENTS

Exhibit A-1

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Statement of Net Assets

August 31, 2011

Data control codes		
	Assets:	
1110	Cash	$ 144,435
1240	Due from other governments	263
1290	Other receivables	550
1000	Total assets	145,248
	Liabilities:	
2110	Accounts payable	—
2150	Payroll deductions and withholdings	36,385
2160	Accrued wages payable	42,712
2210	Employees' compensable leave (other accrued expenses)	29,896
2000	Total liabilities	108,993
	Net assets:	
3800	Restricted for various programs:	
	Summer camp construct programs	15,141
	Other nonmajor funds	16,398
3900	Unrestricted	4,716
3000	Total net assets	$ 36,255

See accompanying notes to basic financial statements.

Exhibit B-1

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Statement of Activities

Year ended August 31, 2011

Data control codes	Functions/programs	Expenses	Program revenues: Operating grants and contributions	Program revenues: Charges for services	Net revenue (expense) and changes in net assets: Governmental activities
	Governmental activities:				
11	Instruction	$ 798,646	(45,001)	—	753,645
12	Instructional resources and media services	88	—	—	88
13	Curriculum and instructional staff development	11,320	—	—	11,320
23	School leadership	149,634	—	—	149,634
31	Guidance counseling, and evaluation services	3,975	(3,633)	—	342
34	Student (pupil) transportation	—	—	—	—
35	Food services	42,849	(25,721)	(15,493)	1,635
41	General administration	196,026	—	—	196,026
51	Plant maintenance and operation	38,655	—	—	38,655
61	Community services	192,003	—	(116,169)	75,834
81	Fund raising	5,478	—	—	5,478
TG	Total governmental activities	$ 1,438,674	(74,355)	(131,662)	1,232,657
	General revenues:				
GC	Grants and contribution not restricted to specific function				1,142,000
CN	Change in net assets				(90,657)
NB	Net assets, beginning of year				126,912
NE	Net assets, end of year				$ 36,255

See accompanying notes to basic financial statements.

Exhibit C-1

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Balance Sheet – Governmental Funds

Year ended August 31, 2011

Data control codes		Major funds: General fund	Major funds: UH allocation	Major funds: Summer camp/ camp construct	Nonmajor funds	Total governmental funds
	Assets:					
1110	Cash	$ 69,272	28,708	26,227	20,228	144,435
1240	Due from other governments	—	—	—	263	263
1290	Other receivable	—	—	440	110	550
1000	Total assets	$ 69,272	28,708	26,667	20,601	145,248
	Liabilities:					
2110	Accounts payable	$ —	—	—	—	—
2150	Payroll deductions and withholdings	32,117	—	3,218	1,050	36,385
2160	Accrued wages payable	35,671	—	5,823	1,218	42,712
2000	Total liabilities	67,788	—	9,041	2,268	79,097
	Fund balances:					
3450	Restricted for Child Nutrition	—	—	—	5,942	5,942
	Restricted for fund balances:					
3490	Summer camp/camp construct	—	—	17,626	—	17,626
3450/3490	Restricted for various programs	—	—	—	10,456	10,456
3590	Assigned	—	28,708	—	1,935	30,643
3600	Unassigned	1,484	—	—	—	1,484
3000	Total fund balances	1,484	28,708	17,626	18,333	66,151
4000	Total liabilities and fund balance	$ 69,272	28,708	26,667	20,601	
	Employee compensable leave is not due and payable in the current period and, therefore, not reported in the funds					(29,896)
	Net assets of Charter School					$ 36,255
2210	Employees' compensable leave (other accrued expenses)	$ —	27,411	2,485	—	29,896

See accompanying notes to basic financial statements.

Exhibit C-2

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year ended August 31, 2011

Data control codes		Major funds: General fund	Major funds: UH allocation	Major funds: Summer camp/ camp construct	Nonmajor funds	Total governmental funds
	Revenues:					
5700	Local and intermediate sources	$ —	106,153	116,169	31,536	253,858
5800	State program revenues	1,019,804	—	—	6,850	1,026,654
5900	Federal program revenues	—	—	—	67,505	67,505
5000	Total revenues	1,019,804	106,153	116,169	105,891	1,348,017
	Expenditures:					
	Current:					
0011	Instruction	733,073	40	—	65,147	798,260
0012	Instructional resources and media services	88	—	—	—	88
0013	Curriculum and instructional staff development	7,746	1,445	—	2,119	11,310
0023	School leadership	136,190	7,505	—	7,077	150,772
0031	Guidance, counseling, and evaluation services	520	—	—	3,698	4,218
0035	Food services	—	—	—	42,849	42,849
0041	General administration	162,741	32,956	—	1,176	196,873
0051	Plant maintenance and operation	2,152	36,504	—	—	38,656
0061	Community services	—	—	190,923	—	190,923
0081	Fund raising	—	—	—	5,478	5,478
6000	Total expenditures	1,042,510	78,450	190,923	127,544	1,439,427
	Excess (deficiency) of revenues over (under) expenditures	(22,706)	27,703	(74,754)	(21,653)	(91,410)
	Net change in fund balance	(22,706)	27,703	(74,754)	(21,653)	(91,410)
	Fund balances, beginning of year	24,190	1,005	92,380	39,986	157,561
3000	Fund balances, end of year	$ 1,484	28,708	17,626	18,333	66,151
	Net change in fund balance, per above					$ 91,410
	Compensable absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds					(753)
	Change in net assets, per statement of activities					$ 90,657

See accompanying notes to basic financial statements.

UNIVERSITY OF HOUSTON CHARTER SCHOOL

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(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The University of Houston Charter School (the Charter School) is chartered by the State Board of Education and accredited by the Texas Education Agency (TEA). The charter is held by the University of Houston System (the University). The University is accredited with the Southern Association of Colleges and Schools. Courses are developed to the Texas Essential Knowledge and Skills (TEKS) objectives and are TEKS compliant. The Charter School is a model constructivist elementary school that implements a curriculum in which children develop cognitively, socially, morally, and physically based on a sustained mental action. The Charter School provides educational curriculum to prekindergarten through the fifth grade. The Charter School's administrators and staff are degreed and certified for the positions to which they are assigned.

The Principal of the Charter School reports to management personnel of the University and the operations of the Charter School are overseen by a committee of the University's Board of Regents.

The Charter School is a department of the University. These financial statements present financial information that is attributable to the Charter School and do not purport to, and do not present fairly, the financial position of the University.

(b) Governmentwide and Fund Financial Statements

Basis of Presentation

The basic financial statements of the Charter School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the TEA's Financial Accountability System Resource Guide (Resource Guide). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Charter School follows the applicable pronouncements of GASB and pronouncements of Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements as they relate to governmental entities. Accordingly, the Charter School has presented the following sets of financial statements:

Governmentwide Financial Statements

The statement of net assets and the statement of activities include the financial activities of the government as a whole. Governmental activities generally are financed through intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between program direct expenses and revenues for each function of the Charter School's governmental activities. Direct expenses are those that are associated with specific programs and/or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges for services, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All other revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Charter School's funds, which are all classified as governmental funds. The fund financial statements are categorized into major and nonmajor funds. Major governmental funds are displayed in separate columns. Nonmajor governmental funds are reported in the aggregate.

The Charter School reports the following major governmental funds:

General Fund – This is the Charter School's primary operating fund. It accounts for all financial resources of the Charter School except those required to be accounted for in another fund. The major revenue source for the General Fund is the state funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the Charter School except for specific programs funded by the federal or state government, which are required to be accounted for in another fund.

UH Central Allocation – The source of this revenue is an allocation from the University of Houston System Administration General Funds to provide support to the Charter School. These funds are used at the discretion of the Charter School to supplement operating needs.

Summer Camp/Camp Construct Programs – The source of this revenue is from tuition payment. Funds originated in the Summer Camp and Camp Construct programs are restricted to these programs.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmentwide Financial Statements

Governmentwide financial statement presentation is based on the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Charter School gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenue received in cash for which eligibility requirements are not yet satisfied is reported as unearned revenue in the statement of net assets. As of August 31, 2011, the Charter School did not have any unearned revenue.

Governmental Funds' Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Revenues received from federal, state, and local grants are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred.

(d) Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

For financial statement purposes, the Charter School considers all highly liquid investment instruments with an original maturity of three months or less to be cash equivalents.

The Charter School maintains all its cash with the University's Treasury (the Treasury). The University maintains accounts with financial institutions.

2. Deposits and Investments

The Charter School's funds are deposited with the Treasury and are not required to be maintained by the Treasury in a separate depository account with financial institutions. The Treasury maintains deposits with financial institutions in the name of the University. The Charter School reconciles the revenues and expenses in a monthly basis. The Charter School does not maintain investments of any kind, which is in compliance with the Charter School's investment policy.

3. Receivables and Payables

The Charter School believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided to further disaggregate those balances. All receivables are scheduled for collection within one year from year-end.

4. Capital Assets

Expenditures of $5,000 or more to acquire individual assets are capitalized. Capitalized assets are recorded at cost. Donated capital assets are capitalized and recorded at their fair value when received. Capitalized assets are depreciated on a straight-line basis over the estimated useful lives of the assets. Repairs and maintenance costs are charged to expenses when incurred. The Charter School did not have any capitalized assets as of August 31, 2011. The University provides the Charter School with building facilities, furniture, playground, and parking facilities. Title to these capital assets resides with the University.

5. Compensated Absences

Employees of the Charter School are entitled to paid vacation and sick days depending on length of service. Employees with more than 35 years of service can carry over 532 hours of earned but unused vacation time at the end of each calendar year to the following calendar year. Employees with less than 35 years of service can carry forward less than 532 hours of earned but unused vacation time at the end of each calendar year to the following calendar year, based on a graduated scale tied to the length of service. Accrued leave in excess of the

normal maximum is converted to sick leave at the conclusion of the fiscal year. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated unused vacation. Unpaid compensable absences of $29,896 as of August 31, 2011 have been recorded in the accompanying financial statements.

6. Long-Term Obligations

The Charter School does not separately issue long-term debt. The Charter School is not currently engaged in any long-term financing transactions.

7. Net Assets/Fund Balances

Unrestricted net assets include resources not restricted to any programs or functions, which are available to support the programs and activities of the Charter School in general. The amount available for this purpose as of August 31, 2011 was $4,716.

Restricted net assets amounted to $31,539 and are restricted to various programs but not specific to functions as of August 31, 2011.

The School implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Restricted – Amounts that are restricted to specific purposes which have been externally imposed by creditors, grantors, contributors or laws or regulations or imposed by law through constitutional provisions or enabling legislation.

Assigned - Amounts that are intended for a specific purpose but do not meet the definition of restricted or committed.

Unassigned - Amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund.

The details of the fund balances are included in the governmental funds balance sheet.

When the Charter School incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the Charter School's policy to use restricted resources first, then unrestricted resources.

When an expenditure is incurred for which assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of assigned funds, and then unassigned funds, as needed.

8. Data Control Codes

Data control codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

9. Income Taxes

The Charter School is a department of the University, which is a local government exempt from income taxes under Section 115(a) of the Internal Revenue Code. Accordingly, income taxes are not provided for in the accompanying financial statements.

(e) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures.

(2) Other Information

(a) Risk Management

1. General

Approximately 76% of the Charter School's revenues for fiscal year 2011 were provided by the State of Texas.

2. Healthcare Coverage and Risk Management

The University provides healthcare benefits to all the Charter School's employees who meet the University's employment qualifications and requirements. Contributions are required from the Charter School's employees for coverage of their dependents and for higher level of coverage beyond standard benefits. During the year, the University deducted amounts from the Charter School's cash accounts to cover the Charter School's portion of healthcare coverage, based on an allocation determined by the state, and records a corresponding expense. Healthcare benefits costs attributable to the Charter School for fiscal years 2011, 2010, and 2009 were $100,068, $90,649, and $81,315, respectively.

3. Risk of Loss

The Charter School is exposed to various risks of loss related to torts, injuries to employees, and natural disasters. The University of Houston System carries commercial insurance to cover losses to which the Charter School may be exposed.

(b) Contingent Liabilities

The Charter School receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the TEA and is subject to audit and adjustment. In addition, costs charged to federal programs are subject to audit and adjustment by the grantor agencies. The programs administered by the Charter School have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, Charter School funds may be subject to refund if so determined by the TEA or the grantor agencies. In the opinion of the Charter School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the various state and federal program grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

(c) Pension Plan

All employees of the Charter School, who are not exempt from membership under the Texas Constitution and Texas Government Code, Title 8, Subtitle C, Section 822.002, participate in the Teacher Retirement System of Texas (TRS), a public employee retirement system. It is a cost sharing multiple-employer defined benefit pension plan with the liability for all risks and costs for the State of Texas. All Charter School employees, except those employed for less than one half the standard work load and who are not exempt by law, are required to participate in TRS as a condition of employment. Benefits are established by state statute and vary based on age at retirement along with number of years of state service.

By statute, covered employees must contribute 6.4% of their salary to the plan and the Charter School contributes an amount equal to 6% times the aggregate annual compensation during the fiscal year. The TRS provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The TRS operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, TRS, which is subject to amendment by the Texas Legislature. The TRS's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling 800-877-0123.

The Charter School's total contribution to the TRS for the years ended August 31, 2011, 2010, and 2009 was $53,544, $49,768, and $48,003, respectively. These contributions represent 100% of the required contribution.

(d) Related-Party Transactions

For the fiscal year ended August 31, 2011, the University provided the Charter School with direct funding in the amount of $106,153 in fiscal year 2011. The amount has been included in the revenues reported in the financial statements for the year.

In addition, the University provided the Charter School with management oversight and other administrative human resources support, office and classroom building facilities, transportation equipment, playground equipment, and certain other services and supplies estimated at $111,416 for fiscal year 2011. The University provided the Charter School with indirect support for operation and maintenance estimated at $66,324.

(e) Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, violations of finance-related legal and contractual provision, if any, should be disclosed along with actions taken to address such violations. Management of the Charter School believes that it has not violated any finance-related legal and contractual provisions for the fiscal year ended August 31, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

Schedule G-1

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Budgetary Comparison Schedule – General Fund

Year ended August 31, 2011

Unaudited

Data control codes		Budgeted amounts Original	Budgeted amounts Final	Actual	Variance with final budget positive (negative)
	Revenues:				
5700	Local and intermediate sources	$ —	—	—	—
5800	State program revenues	1,039,750	1,039,750	1,019,804	19,946
5000	Total revenues	1,039,750	1,039,750	1,019,804	19,946
	Expenditures:				
	Current:				
	Instruction and instruction related services:				
0011	Instruction	748,500	748,500	733,073	15,427
0012	Instructional resources and media services	6,182	6,182	88	6,094
0013	Curriculum and instructional staff development	3,092	3,092	7,746	(4,654)
	Total instruction and instruction related services	757,774	757,774	740,907	16,867
	Instructional and school leadership:				
0021	Instructional leadership	—	—	—	—
0023	School leadership	154,882	154,882	136,190	18,692
	Total instruction and school leadership	154,882	154,882	136,190	18,692
	Support services student:				
0031	Guidance, counseling, and evaluation services	2,800	2,800	520	2,280
0034	Student (pupil) transportation	—	—	—	—
0035	Food services	—	—	—	—
	Total guidance and counseling	2,800	2,800	520	2,280
	Administrative support services:				
0041	General administration	122,594	122,594	162,741	(40,147)
	Total administrative support services	122,594	122,594	162,741	(40,147)
	Support services nonstudent based:				
0051	Plant maintenance and operations	1,700	1,700	2,152	(452)
	Total plant maintenance	1,700	1,700	2,152	(452)
	Other support:				
0061	Community services	—	—	—	—
0081	Fund raising	—	—	—	—
		—	—	—	—
6000	Total expenditures	1,039,750	1,039,750	1,042,510	(2,760)
	Excess (deficiency) of revenues over (under) expenditures	—	—	(22,706)	22,706
	Net change in fund balance	—	—	(22,706)	22,706
	Fund balances, beginning of year	24,190	24,190	24,190	—
3000	Fund balances, end of year	$ 24,190	24,190	1,484	22,706

See accompanying note to required supplementary information.

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Note to Required Supplementary Information

Year ended August 31, 2011

Unaudited

Budgetary Information

Annually, a General Fund budget is adopted on a basis consistent with generally accepted accounting principles. Budgetary requests are submitted so that a budget may be prepared. The budget is presented to the Texas Education Agency and a final budget must be prepared and adopted no later than January of the following year.

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Child Nutrition

Budgetary Comparison Schedule

Year ended August 31, 2011

Unaudited

Data control codes		Budgeted amounts Original	Budgeted amounts Final	Actual	Variance with final budget positive (negative)
	Revenues:				
5700	Local and intermediate sources	$ 8,251	8,251	15,493	(7,242)
5800	State program revenues	1,405	1,405	258	1,147
5900	Federal program revenues	13,826	13,826	25,464	(11,638)
5000	Total revenues	23,482	23,482	41,215	(17,733)
	Expenditures:				
	Current:				
0035	Food services	22,300	22,300	42,849	(20,549)
		22,300	22,300	42,849	(20,549)
	Other support:				
0099	Other intergovernmental charges	—	—	—	—
		—	—	—	—
6000	Total expenditures	22,300	22,300	42,849	(20,549)
	Excess (deficiency) of revenues over (under) expenditures	1,182	1,182	(1,634)	2,816
	Net change in fund balance	1,182	1,182	(1,634)	2,816
	Fund balances, beginning of year	7,576	7,576	7,576	—
3000	Fund balances, end of year	$ 8,758	8,758	5,942	2,816

See accompanying note to other supplementary information.

Schedule J-2

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Schedule of Expenses

Year ended August 31, 2011

Data control codes		
	Expenses:	
6100	Payroll costs	$ 1,126,074
6200	Professional and contractual services	68,818
6300	Supplies and materials	189,847
6400	Other operating costs	53,935
	Total expenses	$ 1,438,674

See accompanying note to other supplementary information.

OTHER SUPPLEMENTARY INFORMATION

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Note to Other Supplementary Information

Year ended August 31, 2011

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and is not considered a part of the basic financial statements. It may, however, include information that is required by other entities such as Texas Education Agency.

STATISTICAL SECTION

Unaudited

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Statistical Section

Unaudited

The statistical section of the University of Houston Charter School's (the Charter School) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Charter School's overall financial health.

Contents

Financial Trends

These schedules contain information to help the reader understand how the Charter School's financial performance has changed over time.

02/15/12
CONSENT DOCKET – AUDIT-T197

FINANCIAL TRENDS

Unaudited

UNIVERSITY OF HOUSTON CHARTER SCHOOL

General Revenues and Total Changes in Net Assets

Unaudited

	2011	2010	Change
Grants and contributions:			
Charges for services	$ 131,662	124,496	7,166
Operating grants and contributions	74,355	42,426	31,929
General revenue	1,142,000	1,101,747	40,253
Total grants and contributions	1,348,017	1,268,669	79,348
Operating expenses:			
Instruction	798,646	764,564	34,082
Instructional resources and media services	88	790	(702)
Curriculum/instructional staff development	11,320	17,039	(5,719)
School leadership	149,634	159,985	(10,351)
Guidance/counseling and evaluation	3,975	19,889	(15,914)
Student (pupil) transportation	—	610	(610)
Food services	42,849	30,491	12,358
General administration	196,026	155,750	40,276
Plant maintenance and operations	38,655	206,658	(168,003)
Community services	192,003	113,968	78,035
Fund raising	5,478	182	5,296
Total operating expenses	1,438,674	1,469,926	(31,252)
Change in net assets	(90,657)	(201,257)	110,600
Net assets, beginning of year	126,912	328,169	(201,257)
Net assets, end of year	$ 36,255	126,912	(90,657)

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Governmental Funds Fund Balances

Last Two Fiscal Years
(Modified Accrual Basis of Accounting)

Unaudited

	Fiscal year 2011	2010
Fund balances:		
Restricted for various programs	$ 34,024	129,452
Assigned	30,643	3,919
Unassigned	1,484	24,190
Total fund balances	$ 66,151	157,561

Governmental Funds Revenues

Last Two Fiscal Years

	Fiscal year 2011	2010
Local sources:		
UH allocation, Summer Camp and ACE Charity	$ 238,364	229,261
Miscellaneous local sources	15,494	20,061
Total local sources	253,858	249,322
State sources:		
State program revenues	1,026,654	982,102
Total state sources	1,026,654	982,102
Federal sources:		
Federal program revenues	67,505	37,245
Total federal sources	67,505	37,245
Total revenues	$ 1,348,017	1,268,669

UNIVERSITY OF HOUSTON CHARTER SCHOOL

Governmental Funds Expenditures

Last Two Fiscal Years

Unaudited

	Fiscal year	
	2011	2010
Instruction	$ 798,260	761,739
Instructional resources and media services	88	790
Curriculum/instructional staff development	11,310	17,128
School leadership	150,772	159,985
Guidance/counseling and evaluation	4,218	20,187
Student (pupil) transportation	—	610
Food services	42,849	30,621
General administration	196,873	155,750
Plant maintenance and operations	38,656	206,658
Community services	190,923	114,054
Fund raising	5,478	182
Total expenditures	$ 1,439,427	1,467,704

Indirect Support

Fiscal year ended August 31, 2011

UH – Space occupied	6,100,056.00	Sq.ft
Charter School – Space occupied	11,369.00	Sq.ft
Percentage Charter School for operation and maintenance of plant	0.001864	
UH operation and maintenance expenses	$ 35,586,377	
Amount of indirect support for operation and maintenance	66,324	
UH operating expenses	737,249,233	
Charter School operating expenses	1,438,674	
Percentage Charter School for institutional support	0.0019514	
UH institutional support	$ 57,095,308	
Amount of indirect support for institutional support	111,416	

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

BOARD ITEMS
TO BE PRESENTED

AT

BOARD OF REGENTS
MEETING

FEBRUARY 15, 2012

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: Approval of Appointment of Vice Chancellor/Vice President for University Advancement for University of Houston System/University of Houston

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested for the appointment of Ms. Eloise Dunn Stuhr as Vice Chancellor/Vice President for University Advancement for the University of Houston System/University of Houston pursuant to Board Policy 57.10. The effective date of Ms. Stuhr's appointment is January 23, 2012.

SUPPORTING DOCUMENTATION: Biographical Sketch and Personnel Recommendation

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Approval

COMPONENT: University of Houston System/University of Houston

Renu Khator
CHANCELLOR Renu Khator

1/31/12
DATE

University of Houston System Board of Regents

Personnel Recommendation

Organization: University of Houston System

Type of Appointment:	Appointment
Name:	Eloise Dunn Stuhr
To Title:	Vice Chancellor/Vice President for University Advancement
Effective Date:	January 23, 2012

Eloise Dunn Stuhr

Ms. Eloise Dunn Stuhr has worked for Tier One universities, including Vanderbilt and Penn State, and has served in leadership roles at health care organizations and as a fundraising consultant to major universities including The Ohio State, which is in the midst of a $2.5 billion capital campaign. She has planned and managed large, billion –dollar campaigns and implemented strong development programs grounded in best practices.

She was vice president for Children's Healthcare of Atlanta and will conceive, launch and lead a fundraising program that supports the University of Houston's strategic goals, including a major capital campaign, and spearhead a comprehensive development effort to consistently raise $100 million or more annually.

Prior to joining Children's Healthcare, Stuhr was vice president and managing director of Grenzebach Glier and Associates, a leading international consultant to non-profit institutions and organizations and a foremost authority on fundraising best practices. She previously served as associate vice chancellor for University Development and Alumni Relations at Vanderbilt University and executive director of leadership gifts at Penn State University.

In addition, she was assistant dean of the School of Law at the University of Oregon, where she also was assistant vice president and executive director of the University of Oregon Foundation, and served as director of development at Whitman College.

She graduated cum laude with a Bachelor's degree in psychology from Vanderbilt.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: University of Houston Faculty Senate President addresses the role of research in providing quality education from a perspective of someone who has worked in the industry.

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Newly elected President of the University of Houston Faculty Senate, Dr. Dimitri Litvinov, will talk briefly about "the role of research in providing quality education" from a perspective of someone who worked in the industry and was an integral part of hiring of personnel with both undergraduate and graduate degrees and who now runs a major research program along with directing materials engineering graduate program and undergraduate NanoEngineering minor program.

SUPPORTING DOCUMENTATION: None

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Information

COMPONENT: University of Houston System

Renu Khator

CHANCELLOR Renu Khator **DATE** 1/31/12

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: Annual Report on Intercollegiate Athletics

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

The UH System Board of Regents Policy 22.01 requires that the Board receive an annual report on Intercollegiate Athletics. Mr. Mack Rhoades, Athletics Director, will present this report to the Board.

SUPPORTING DOCUMENTATION: Annual Report on Intercollegiate Athletics

FISCAL NOTE: NA

RECOMMENDATION/ ACTION REQUESTED: Information

COMPONENT: University of Houston System

Renu Khator

CHANCELLOR Renu Khator **DATE** 1/31/12

University of Houston

Board of Regents

UH Athletics
Annual Report
February 15, 2012

Table of Contents

- Mission Statement/Core Values/Principles
- Academics
- BIG EAST Conference
- Budget/Revenue
- NCAA Compliance
- Facilities
- Team Achievements

Mission Statement

The University of Houston Department of Intercollegiate Athletics inspires excellence today while preparing leaders for life by fostering a culture, which challenges student-athletes to achieve their highest academic, athletic and personal aspirations.

Core Values

Excellence

Integrity

Inclusivity

Loyalty

Accountability

Sportsmanship

Principles

- To cultivate the highest quality sports programs, facilities and resources to build and maintain winning traditions.
- To provide a competition environment of high entertainment value for a loyal fan base with a commitment to sportsmanship and customer service.
- To attract and develop student-athletes who exhibit the qualities of intellectual growth, accountability, maturity, independence and leadership with the goal of building champions for life.
- To enrich the opportunity to earn an undergraduate degree by offering each student-athlete a quality educational, social and athletic experience.
- To ensure the department is in adherence with NCAA, Office of Civil Rights, Conference and University rules and regulations to operate with the highest degree of integrity.
- To exercise fiscal responsibility throughout the Department of Intercollegiate Athletics.
- To build and strengthen relationships throughout the University campus and the Houston community.

Student-Athlete Academic Progress

- Student –athletes have improved their academic progress significantly over the past six semesters and fall 2011 represented the third consecutive "best ever" semester in program history.
- The semester grade point average for all University of Houston student-athletes was 2.80 - *the highest ever for a fall semester*.
- As of fall 2011, the average University of Houston student-athlete has an overall grade point average of 2.81 (all student-athletes over all semesters enrolled) – *the highest ever cumulative average.*
- As of fall 2011, the average University of Houston student-athletes passes 13.8 semester hours per term – *the highest ever hours passed per term.*
- 19% of UH student-athletes were named to the Dean's List in fall 2011 – 74 current student-athletes, *the highest ever* number of student-athletes so honored.
- 94% of University of Houston student-athletes are in good academic standing (not on academic notice, warning or suspension) – *the highest ever in good standing after a fall semester.*
- Football, Men's Basketball and Golf - who were competing in fall- earned their "highest ever" grades and hours passed while Softball, Baseball and Men's Track surpassed earlier team records and continued to lead the program in exceptional team performance.
- Student-athletes are represented in every UH College, including the Honors College, and in over 30 majors.

Student-Athlete Academic Progress

- Graduation Success Rates and Academic Progress Rates of UH student-athletes have increased steadily since 2000.
- Retention remains a challenge, greatly influencing the Federal Graduation Rate and is a focus of the Student-Athlete Development Program.
- Retention initiatives include the implementation of the *Cougar Pride Leadership Academy* in 2010, the addition of a sixth academic advisor and a *Learning Specialist* who will work with at-risk students and develop learning labs to strengthen math, reading and writing skills.
- An Academic Progress Rate of 930 approximates a 60% Graduation Success Rate. Ten of twelve University of Houston teams exceed the NCAA minimum APR of 930. Recent data for the signing classes of 2005 and 2006 indicate *that 90% of student-athletes who exhaust their athletic eligibility at the University of Houston graduate.*
- Only GSR and APR include transfers (in and out), January enrollees and walk-on students who subsequently earn scholarships.

National Academic Measures:	2000-2003	2004-2007	2008-2011
FGR: Federal Graduation Rates	39.20%	49%	52%
GSR: NCAA Graduation Success Rate	NA	62%	69%
APR: NCAA Academic Progress Rate	946	949	957

BIG EAST Conference

Membership Date: July 1, 2013

Preparation:

- Big East Transition Planning in Progress
  Key Areas (Sports Programs and Student-Athlete Development): **Budget** (Recruiting, Travel, University Subsidy); **Personnel**; **Recruiting Philosophy**; **Scheduling Philosophy** – non-conference

Membership:

- **Current (Football)**: Cincinnati; Connecticut; Louisville; Pittsburgh (ACC – 7/14); Rutgers; South Florida; Syracuse (ACC – 7/14); **(7 Teams – WVU will leave for 2012 season?)**
  Current (Non-Football): Georgetown; De Paul; Marquette; Notre Dame; Providence; Seton Hall; St. John's; Villanova **(8 Teams)**
- **July 1, 2013 (Football)**: **Houston**; **Boise State** (Football Only – 7/12?); Cincinnati; **Central Florida**; Connecticut; Louisville; **Memphis**; Pittsburgh (ACC – 7/14); Rutgers; **San Diego State** (Football Only); **Southern Methodist**; South Florida; Syracuse (ACC – 7/14) **(13 Teams)**
  July 1, 2013 (Non-Football): Same – **8 teams (19 basketball)**

Notes:

- As noted, beginning July 1, 2014, Pittsburgh and Syracuse will depart for the ACC leaving 11 football teams. Navy (Football Only) will join on July 1, 2015. **(12 Football Teams plus 8 Non-Football) (17 basketball)**

Key Facts:

- With its new alignment, 13 BIG EAST Conference members will be located in the top 30 media markets (DMAs), 17 are in the top 50, covering nearly 28 percent of all US households.
- Including ABC, 64% of intra-conference BIG EAST football games were televised nationally in 2011 on an ESPN platform prior to the negotiation of the league's upcoming media rights deal.
- The BIG EAST Conference was created in 1979. It is a founding member of the Bowl Championship Series and is the largest and most diverse Division I Conference in the country.

Refer to Big East Handout

Budget Information

(Dollar figures in millions)

- Total Budget
  - FY09 $29.6
  - FY10 $31.5 (6.4% Increase)
  - FY11 $33.5 (3.2% Increase)
  - FY12[1] $33.1 (1.1% Decrease)
- Revenue Overview

	Generated (% of Total Ath)		Allocated[2] (% of Total Univ)	
FY 09	$9.7	(32.8%)	$19.9	(3.0%)
FY 10	$13.4	(42.5%)	$18.1	(2.4%)
FY 11	$14.5	(44.6%)	$19.0[3]	(2.2%)
FY 12[1]	$15.8	(47.8%)	$17.3	(2.0%)

[1] Projected

[2] Includes Moores Endowment ($2.3) and Student Service Fee ($4.3 – 4.7 per year)

[3] Accounting adjustment for restricted contributions in FY10 and FY11 elevate figure to $20.1 in audit and NCAA report

Revenue

- Contributions

	Unrestricted	Restricted	Fund Balance Transfer
FY09	$2.2 million	Not Available	$0
FY10	$2.3 million	$891K	$740K
FY11	$2.6 million	$580K	$377K

- Ticket Sales

	Football	Total
FY09	$1.3 million	$1.8 million
FY10	$2.6 million	$3.5 million
FY11	$2.8 million	$3.4 million

- Royalty, Advertising & Sponsorship

FY09	$893K
FY10	$1.1 million
FY11	$1.5 million

- Program Sales, Concessions, Novelties & Parking

FY09	$202K
FY10	$725K
FY11	$1.2 million

IMG Rights Agreement

New amendment increases revenue up to nearly $1.8M by 2020.

Old Agreement

2007-08	$375,000
2008-09	$400,000
2009-10	$425,000

New Amendment

2010-11	$720,000
2011-12	1,000,000
2012-13	1,100,000
2013-14	1,200,000
2019-20	1,775,500**

Compliance

- Continuing to develop education program for the three major constituencies: 1. Coaches, Staff and Student-Athletes; 2. University Personnel; and 3. Boosters and fans.
- Developed and implemented a comprehensive monitoring system, using a combination of specialized athletics compliance software and a written compliance manual, which has led to the identification and reporting of several secondary violations.
- Continue to track and provide feedback on proposed legislation to Conference USA and Big East Leadership.
  - *Proposal 2011-97* – Allows for the awarding of multiple year athletic scholarships and to provide athletic scholarships to former athletes on an indefinite basis. ***Membership will vote on proposal between February 13th through 17th.***
  - *Proposal 2011-96* – Allows for the awarding of a $2,000 miscellaneous expense allowance to close the gap between the value of an institution's Cost of Attendance and the value of a Full Grant-in-Aid. ***Rule rescinded by Board of Directors in January, 2012 for further discussion and consideration of alternative models.***

COA in-state/off-campus - $24,722	COA out-of-state/off-campus - $33,562
GIA in-state/off-campus - $18,800	GIA out-of-state/off-campus - $27,640
Difference of $5,922	Difference of $5,922

    - *$400,000/year estimated budget impact to provide this expense to all qualifying student-athletes under original proposal.*

Facilities

STADIUM

Process:	1) Feasibility Study – August 2010; 2) Fund Raising – September 2010 - current; 3a) RFQ (construction manager) (CM @ Risk) – March 31, 2012; 3b) RFQ (architect/engineer) – March 31, 2012; 4) Design – April 1, 2012; 5) Construction – December 2012; 6) **Completion – Summer 2014**
Programing:	New – Target is 40,000 seats; expandable in increments of 10,000 up to 60,000; premium seating
Site:	Robertson Stadium location (completed site analysis of three locations per feasibility study)
Total Project Cost:	Target – $105,000,000 - $110,000,000 (pending final design and market conditions)
Funding Sources:	Private ($61,000,000); Student Referendum^ ($20,000,000 - $24,000,000); Athletics Revenue ($15,000,000); Other ($5,000,000) – Funding Model (pending final cost and market conditions); to be approved at a later date. (based on $105,000,000 TPC)
Other:	In process of securing off-campus location for 2013 games (first year of membership in the BIG EAST Conference). Anticipated cost - $140,000 per game (per other existing comparative agreements)

ARENA

Process:	1) Feasibility Study – August 2010; 2) Fund Raising – September 2010 - current; 3a) RFQ (construction manager) (CM @ Risk) – TBD; 3b) RFQ (architect/engineer) – TBD; 4) Design – TBD; 5) Construction – TBD; 6) **Completion – target is 2014 season**
Programing:	Renovated – Target is 8,500 seats; premium seating; men's and women's basketball practice facility
Site:	Renovation; practice facility attached to Hofheinz Pavilion
Total Project Cost:	Target – $38,000,000 - $40,000,000 (pending final design and market conditions)
Funding Sources:	Private ($12,500,000); Student Referendum^ ($20,000,000 - $24,000,000); Athletics Revenue ($2,500,000) – Funding Model (pending final cost and market conditions); to be approved at a later date. (based on $39,000,000 TPC)
Other:	May need to secure off-campus location.

^ Student Referendum – 9,923 total votes (26.1% of student population – 38,059); 7,334 – Yes votes (73.9%); 2,589 – No votes (26.1%). Fee - $45 per semester; $3,375,000 annually (based on 37,500 students); Term – 25 years; MOU with students.

2011-12 Athletics Success

- **Football –** No. 14 Houston Football is coming off the most successful season in school history, going 13-1 and winning the TicketCity Bowl. The program finished nationally-ranked for the first time since 1990.
- **Men's Basketball –** The 2012 signing class of F Danuel House and F Danrad "Chicken" Knowles is ranked No. 10 nationally by Rivals.com.
- **Women's Basketball –** Houston, fresh off a 2011 undefeated Conference USA Championship, welcomes a Top 25 recruiting class in 2012. All six newcomers rank among the Top 40 prospects in the state *and* Jessieka Palmer is ranked the No. 61 prospect nationally by *ESPN.*
- **Baseball –** Preseason All-Conference USA Shortstop Chase Jensen leads one of the country's youngest clubs that finished one win shy of a C-USA title in 2011.
- **Men's Track and Field / XC –** Houston is looking to win its sixth consecutive Conference USA Indoor Championship title, while Head Coach Leroy Burrell is aiming for his 11th Indoor Coach of the Year honor.
- **Women's Track and Field / XC -** Houston has five athletes ranked among the Top 25 of their respective events heading into postseason action this year.
- **Golf –** The Cougars finished fourth at the 2011 Conference USA Championships, the program's best finish at the league event since 2003, and opened this season with a first-place finish at Notre Dame.
- **Volleyball –** All-American Lucy Charuk led UH to its highest national ranking since 2008 and Houston Volleyball won 19 games for the second consecutive year.
- **Tennis -** Head coach John Severance, the winningest coach in Houston tennis history, led the Cougars to their 11th-consecutive winning season a year ago and return five of six starters while adding two talented freshmen to the lineup.
- **Swimming and Diving –** First Year Head Coach Augie Busch has helped the team earn personal bests across all events en route to a 4-3 dual meet record. All three losses have come against Top 15 programs. The UH divers have won 7-of-10 C-USA weekly awards and two have already qualified for the NCAA meet.
- **Soccer –** UH faced one of the nation's toughest schedules in 2011, but managed its 100th victory in program history and now welcomes a talented recruiting class for 2012.
- **Softball –** Houston advanced to within one game of the College World Series in 2011 and begins 2012 ranked in the Preseason Top 25. Head Coach Kyla Holas needs just one win to reach 400 for her career.

UNIVERSITY OF HOUSTON

Student-Athlete Academic Overview | January 2012

Academic Achievement

Cumulative GPA—currently 2.81 for all student-athletes.

- 2010 Spring 2.74
- 2010 Fall 2.78
- 2011 Spring 2.79
- 2011 Fall 2.81

Dean's List—3.50 GPA or better.

- 2010 Spring 12% (38)
- 2010 Fall 15% (51)
- 2011 Spring 17% (58)
- 2011 Fall 19% (74)

Hours Passed per Term

- 2010 Spring 13.5
- 2010 Fall 13.5
- 2011 Spring 13.7
- 2011 Fall 13.8

C-USA Commissioner's Honor Roll

(3.00 GPA or better).

- 2009-10 117
- 2010-11 140
- 2011-12 165

Graduation Success Rate (GSR)

- 2008 ..... 68%
- 2009 ..... 71%
- 2010 ..... 69%
- 2011 ..... 68%
- Future Goal 80%

Federal Graduation Rate—six-year cohort

- 2008 (2001-02) ..... 59% (43% - UH; Div. I-64%)
- 2009 (2002-03) ..... 51% (42% - UH; Div. I-64%)
- 2010 (2003-04) ..... 44% (41% - UH; Div. I-64%)
- 2011 (2004-05) ..... 52% (46% - UH; Div. I-TBD)
- Future Goal 65%

2011-12 Undergraduate Programs

UScholars (undeclared)	89
Kinesiology-SA	43
Business	34
Sociology	32
Psychology	29
Health	23
Kinesiology-EXSC	21
Retailing/Consumer Sc.	15
Communications	14
Kinesiology-Fitness/Sports	11
Org. Leadership/Supervision	11
Biology/Biochem	9
Engineering (any)	8
Construction MGMT	7
History	5
Economics	4
Interdisciplinary Studies	4
Pre-Pharmacy	4
American Sign Lang/Intp	3
Art/Studio Art	3
Chemistry	3
Graduate Studies	3
HRMA	3
Liberal Studies	3
Math	3
Mechanical Eng. Tech	3
Nutrition	3
Supply Chain/Logistics	3
Communication Disorders	2
Comp Engn Tech	2
Earth Sci/Env Sci	2
English	2
Anthropology	1
Biotechnology	1
Digital Media	1
HDFS	1
HRD	1

Note:

- An average of 400 total student-athletes per year; 16 sports programs.
- Department of Intercollegiate Athletics provides 220 full scholarships

Academic Programming (recent changes):

- **Student-Athlete Development Program:** Academic Support Services and The Cougar Pride Leadership Academy now share the Student-Athlete Development Program suite, which also houses the Tutorial Program, computer lab and study center.
- **Cougar Pride Leadership Academy:** Implemented (Fall 2010) a comprehensive Leadership Program that integrates all student-athletes through programming (i.e.; Academic Success, Cougar History and Tradition; Health and Wellness; Financial Management; Athletic Success; Ethics and Leadership; Career Development; Community Outreach; Etiquette) from freshmen though senior year (i.e., freshman and sophomores – mandatory; juniors – emerging leaders; seniors – veteran leaders). Curriculum is based on NCAA and Jeff Janssen Sports Management programs. First in Conference USA.
- **Admission Review Policy:** In the process of implementing an Admissions Review Policy/Process (internal standard – three tier system – no risk, moderate risk, "at-risk") including ACT/SAT and GPA evaluation (including policy for aberrant elevated test scores); National Letter of Intent Policy; Offer of Financial Aid; admissions time line; criminal background check; other.
- **Learning Services Program:** A Learning Specialist was added in Spring 2012 to implement learning support services for at-risk student-athletes using assessment testing, individual skill building sessions and learning labs in Writing, Reading and Math.

BIG EAST FACTS

BIG EAST Expansion

• Recent expansion has clearly moved the BIG EAST far beyond its origins in the Northeast. With the addition of five new members in December, Navy in January, and Memphis in February, the Conference will continue to have the single largest media footprint in college football. Memphis makes that footprint even larger, spanning from coast to coast and all the major markets in between.

• The new BIG EAST football alignment is a creative and innovative model that will provide fans with two distinct divisions in football – East and West – which will produce new rivalries, accommodate further expansion flexibility and, eventually, set the stage for an annual football championship game.

• With four different time zones under its auspices, the BIG EAST and its television partner will have the potential to schedule four games on a given Saturday back-to-back-to-back-to-back without any overlap. It is a powerful model that will be unmatched by any other conference.

• We are very excited by the progress made and are inspired by the enthusiasm of the BIG EAST's newest members. They know, as we do, that BIG EAST membership will bring them many opportunities to enhance their institutions' standing and prestige both on and off the athletic field.

Diversity

• The BIG EAST Conference is the most diverse athletic conference ever assembled in the history of the NCAA.

• The BIG EAST has been evolving since its inception. The Conference has continued to thrive during this evolution process because of its continuing innovation and leadership in college athletics.

• This diversity is celebrated by the BIG EAST Conference. It allows the BIG EAST to be the true voice of Division I athletics as large state schools, and large and small private institutions, sit shoulder-to-shoulder.

National Exposure / Basketball & Football

• The BIG EAST Conference reaches more television households than any other conference in the country.

• With its new alignment, 13 BIG EAST Conference members will be located in the top 30 media markets (DMAs), 17 are in the top 50, covering nearly 28 percent of all US households.

• For the last five men's basketball seasons, all 144 regular-season league games have been televised on an ESPN platform or CBS Sports. More than half are national telecasts.

• The entire BIG EAST Championship at Madison Square Garden in New York is televised by ESPN, Inc.

• For the last three football seasons, half of all conference games were televised on ABC, ESPN, or ESPN2.

• Including ESPNU, 64% of intra-conference football games were on national TV on an ESPN platform.

• During the 2011 football season, 47% of all home games (conference and non-conference) were televised nationally.

Bowl Championship Series

• The BIG EAST Conference is one of the original founders of the Bowl Championship Series and continues to be one of only six conferences that receive an automatic annual bid.

• The current contract between the BCS and ESPN, which covers the 2010-13 seasons, guarantees the BIG EAST champion to receive an automatic bid to the BCS each season.

The BIG EAST Conference

• The BIG EAST Conference was created in 1979. It is a founding member of the Bowl Championship Series and is the largest and most diverse Division I Conference in the country.

• It has captured 32 national championships in six different sports.

• For more information on the BIG EAST Conference, please visit www.bigeast.org

BIG EAST Conference Expansion Q&A

Q: What were the primary objectives factored into expansion?
A: Our primary objective is simple -- to strengthen our conference and maintain our leadership position and status as a major force in college athletics. Clearly, our response and action regarding conference realignment was critical to that effort. Maintaining our status as a strong BCS conference is an important aspect for all of our football programs, and we have taken some very important steps recently toward that goal with the addition of seven institutions – Central Florida, Houston, SMU, Boise State, San Diego State, Navy and now Memphis. We have a solid foundation and we will continue to build upon it.

Q: Why did it seem that your expansion efforts took so long?
A: We have said from the beginning that we have been more concerned about getting this right than just getting it done. We think we are doing it the right way and we are achieving superior results.



New York's Times Square welcomed Houston's membership to the BIG EAST Conference in December.

There are many moving parts during this process. Ongoing realignment in other conferences has an impact as it keeps the situation fluid and dynamic. Every institution has its own interests and concerns and it takes time and effort to address those. We had to structure a framework to give our potential new members confidence that we could achieve what we thought we could. In the end we have been able to do that. We are very excited about our future.

Q: Is BIG EAST expansion finished for now?
A: As we have stated earlier, it was our goal to create a 12-team football league with two divisions and an annual championship game. Although we have accomplished that, we will always continue to seek ways to strengthen the Conference in basketball and football. We are committed to maintaining our leadership position in basketball and will work to ensure our continued excellence. The addition of Memphis helps us on both fronts.

Q: Is the BIG EAST open to having more than 12 football members?
A: We are obviously pleased to reach our stated goal of having 12-football playing members in fulfillment of our primary objective of fortifying the BIG EAST Conference for the long term. We will always be vigilant and continue to do whatever is in the best interest of our membership.

Q: What are the individual time frames for each of the new schools to join and be active in the BIG EAST?
A: Memphis will begin competing in the 2013-14 academic year in all BIG EAST-sponsored sports along with Central Florida, Houston and SMU. Boise State and San Diego State will start competing in football in the 2013 season. Navy will begin competing in football in the 2015 season. All seven institutions will immediately be included in our meetings and our future planning processes.

Q: Was the addition of Memphis motivated by basketball?
A: Although the University of Memphis has a very well-known and highly respected basketball program, its 19 athletic programs compliment the BIG EAST Conference membership in a variety of ways across the board. Further, its geography, time zone, corporate and community ties are very impressive and bring great value to our members. This move also allows us to host a conference football championship game. Memphis' basketball prowess obviously also makes the conference even more formidable.

Q: How will divisions be constructed?
A: Any divisional discussions will occur at future conference meetings with input from our directors of athletics and presidents.

Q: How committed are the new schools to staying in the BIG EAST for the long-term?
A: We are all fully committed to each other and intend for these ongoing partnerships to serve as the basis to improve the overall strength of our league long-term and enhance the quality of our Conference brand. Clearly, our new schools will see many immediate benefits in joining the BIG EAST and we are confident that the value of those benefits and advantages will only increase. We believe their interests and ours align for the long term. Each of these incoming members is aware of the history of institutions that have joined the BIG EAST and subsequently experienced an enhanced profile and improved performance.

Q: Can you comment about any other schools that you spoke with about membership?
A: Out of respect for the many confidential conversations we had with various universities during this process, we will continue to not comment on any specific schools that we were involved in discussions with over the past several months.

Q: BIG EAST schools are now located all around the country and the league reach goes coast to coast. How does this geographic profile impact the league overall?
A: In both football and basketball, our Conference has the largest TV footprint in all of college sports. This underscores the BIG EAST national brand. Memphis is a national name in college athletics with a strong presence in the West. Establishing strong East/West divisions was important to us. This will allow us to have great natural rivalries, open new recruiting markets and mitigate the concerns regarding distances and traveling.

Q: What impact did TV rights have on this move? Does the addition of Memphis help the Conference with future television negotiations?
A: Television rights are always an important factor to our Conference and member institutions because of the large number of programs they help support. Appropriate levels of television revenue are something our members rightfully expect us to deliver and we are committed to doing so. We believe we will be very appealing to programmers when we offer television rights based on the additions we have made to our Conference. Memphis is a strong national name in college athletics.

Q: Does the BIG EAST have any plans to change its name?
A: We have no such plans.

Q: What impact did solidifying BCS AQ status have on expansion decisions?
A: As you know, discussions about the future of the BCS are ongoing. Regardless of what the next football postseason model may be, we are confident that the BIG EAST Conference will always be included at the highest level.

Q: The BIG EAST will lose Syracuse, Pittsburgh, and West Virginia. Are you concerned about your basketball brand?
A: Even with the departures, the BIG EAST remains among the strongest conferences in college basketball with eight of its ongoing schools having made the NCAA tournament last year. No conference has ever earned eight or more NCAA bids in a season except the BIG EAST which has accomplished it four times in the last six years. The Conference is obviously very committed to basketball. Every expansion decision is considered relative to the impact on our basketball programs with valued input from representatives of our basketball members. The addition of Memphis obviously adds tremendous value to the BIG EAST basketball brand. The Memphis program has enjoyed great success and has a strong national profile.

Q: What is the status of the West Virginia legal action? How do these additional schools alter the situation with West Virginia trying to leave the Conference by 2012?
A: The addition of Memphis has no impact whatsoever on our view of West Virginia's contractual obligations to the BIG EAST.

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:

ITEM: Introduction of the new University of Houston–Victoria Provost and Vice President for Academic Affairs

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Introduction of Dr. Jeffrey D. Case, the newly appointed Provost and Vice President for Academic Affairs for the University of Houston-Victoria effective February 1, 2012.

SUPPORTING DOCUMENTATION: Biographical Sketch

FISCAL NOTE: None

RECOMMENDATION/ ACTION REQUESTED: Information

COMPONENT: University of Houston-Victoria

Renu Khator

CHANCELLOR Renu Khator **DATE** 1/31/12

Dr. Jeffrey Cass

Dr. Cass has served as the dean of University of Louisiana at Monroe's (ULM) College of Arts and Sciences since 2007. He earned a bachelor's degree in English and German from the University of Dallas, and his master's and doctorate in comparative literature from the University of California at San Diego.

Before ULM, he served from 1991 to 2007 at Texas A&M International University in Laredo as an English professor, assistant to the provost, Advanced Placement Faculty Fellows director and associate provost.

Dr. Cass was honored with a ULM CenturyLink "Accent on Excellence" Award for Course Redesign. He is a former TAMIU University Scholar of the Year. He also has directed two Quality Enhancement Plans, one of the principles of accreditation for the Southern Association of Colleges and Schools.

He serves on the board of directors for the College English Association and recently completed an advisory board term for the International Conference on Romanticism. Dr. Cass has co-edited two book collections and has contributed to numerous publications, including essays on British romanticism and orientalism and book reviews on popular culture.