MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING

Thursday, August 20, 2015 – The members of the Board of Regents of the University of Houston System convened at 3:45 p.m. on Thursday, August 20, 2015, at the Hilton University of Houston Hotel, Conrad Hilton Ballroom, Second Floor, 4450 University Drive, Houston, Texas, with the following members participating:

ATTENDANCE –

Present
Tilman J. Fertitta, Chairman
Welcome W. Wilson, Jr., Vice Chairman
Beth Madison, Secretary
Durga D. Agrawal, Regent
Spencer D. Armour III, Regent
Jarvis V. Hollingsworth, Regent
Paula M. Mendoza, Regent
Peter K. Taaffe, Regent
Roger F. Welder, Regent
Garrett H. Hughey, Student Regent, nonvoting

Prior to calling the meeting to order, Chairman Fertitta stated it was with great pleasure that he introduce and welcome the new Student Regent to the UH System Board of Regents, Garrett H. Hughey, who was appointed by Governor Greg Abbott effective July 2, 2015. Regent Hughey was sworn-in by Chairman Fertitta and was joined by Chancellor Renu Khator for the brief ceremony.

Chairman Fertitta also welcomed Regent Hughey's wife, Elena Kazakova Hughey, who had attended the meeting. Mrs. Hughey graduated from the University of Houston in 2011 with a Bachelor of Arts in Economics and in 2015 with a Master's degree in Hospitality. It was noted that while attending UH, Mrs. Hughey was a student athlete, who had played tennis for UH.

Mr. Hughey is a North Texas native who hails from Argyle, Texas. In 2008, he was recruited by UH track and field coach Leroy Burrell, where he was a member of the Cougar track team and competed on the 4x400m relay team. In 2012 and 2013, Hughey was named to the Conference USA Commissioner's Honor Roll. He earned NCAA All-American honors in 2013; and graduated magna cum laude from UH with a Bachelor of Arts in History. He is currently pursuing a Doctor of Jurisprudence at the UH Law Center and plans to graduate in May 2016.

Mr. Hughey has served as a tutor for student athletes and is an articles editor for the Houston Law Review. His law school accolades include membership in the Order of

Barons, a judicial internship with the Honorable Gray Miller in the Southern District of Texas, and working as a summer associate for two Houston law firms, Norton Rose Fulbright, LLP and Andrews Kurth, LLP.

Following Regent Hughey's swearing-in ceremony, he was presented with the UH System Board of Regents' medallion and pin.

Following the brief swearing-in ceremony, in accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, Chairman of the Board, Tilman J. Fertitta officially called the meeting to order.

Chairman Fertitta presented the first action item to the Board, Item 4, the approval of minutes from the May 21, 2015, Board of Regents meeting.

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AGENDA ITEMS

1. Approval of Minutes – Item 4:

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

   - May 21, 2015, Board of Regents Meeting

Committee Reports

Chairman Fertitta moved to Section II on the agenda, the Committee Reports. Chairman Fertitta stated the Committee Reports, which lists the Consent Docket Agenda items considered and unanimously approved at each of the Board committee meetings, would be given by each chair of the committees. It should be noted that after the Board had heard all of the committee reports, any regent may have requested an item be removed from the Consent Docket and individually considered pursuant to Board Bylaw 6.9.

Chairman Fertitta announced that the Chair of the Endowment Management Committee, Regent Jarvis V. Hollingsworth would present the first committee report.

Endowment Management Committee Report – August 20, 2015

Regent Hollingsworth stated the Endowment Management Committee met earlier today, Thursday, August 20, 2015, and unanimously approved the following action item for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested to liquidate an endowment from the UH System Endowment Fund- UH System.

Regent Hollingsworth also stated that the committee had heard a report from Cambridge Associates and approved the following recommendations which had required committee approval only. They were listed as follows:

- A $7.5 million commitment to S.V Life Sciences Fund VI, LP, as a private investment manager for the UH System Endowment; and

- A request to make a full redemption from York International Partners effective December 31, 2015.

This concluded the Endowment Management Committee Report.

The following committee report was given by Regent Roger Welder, the Chair of the Audit and Compliance Committee.

Audit and Compliance Committee Report – August 20, 2015

Regent Welder stated the Audit and Compliance Committee meeting was held earlier today, Thursday, August 20, 2015, and approved the following three (3) action items for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Report on Long-Range Internal Audit Plan for Fiscal Years 2016-2018 – UH System;

2. Report on Board of Regents Policies: 41.01, Internal Auditing; 53.04, Approval of Construction Projects; 55.01, Contracts; 57.01, Code of Ethics; 57.02, Consulting and Paid Professional Service; 57.04, Dual Office Holding; 57.05, Outside Employment or Appointments of Executive Officers; and 57.08, Conflicts of Interest – UH System; and

3. Report on Audit and Compliance Committee Charter and Checklist – UH System.

This concluded the Audit and Compliance Committee Report.

The next committee report was presented by the Chair of the Academic and Student Success Committee, Regent Paula M. Mendoza.

Academic and Student Success Committee Report – August 20, 2015

Regent Mendoza stated the Academic and Student Success Committee met earlier today, Thursday, August 20, 2015 and approved the following five (5) action items for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval of a Master of Education in Educational Technology at the University of Houston-Victoria – UH-Victoria;

2. Approval of a Bachelor of Science in Liberal Studies at the University of Houston – University of Houston;

3. Approval of a Master of Science in Pharmacy Leadership and Administration at the University of Houston – University of Houston;

4. Approval of Professor Emeritus Appointment – University of Houston; and

5. Report on University of Houston System Administrative Memorandum 01.D.08, Sexual Misconduct Policy (Interim 2) – UH System.

This concluded the Academic and Student Success Committee Report.

The next committee report was presented by the Chair of the Facilities, Construction and Master Planning Committee, Regent Welcome W. Wilson, Jr.

Facilities, Construction and Master Planning Committee Report – August 20, 2015

Regent Wilson, Jr. stated the Facilities, Construction and Master Planning Committee met earlier in the day, Thursday, August 20, 2015 and placed the following six (6) action items for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested to increase the program for the new Health and Biomedical Sciences Building 2 at the University of Houston – University of Houston;

2. Approval is requested for the site and program for a new Science, Technology, Engineering and Mathematics Building at the University of Houston-Clear Lake – UH-Clear Lake;

3. Approval is requested for the site and program for a new Sophomore Housing Building at the University of Houston-Victoria – UH-Victoria;

4. Approval is requested for the University of Houston-Clear Lake, the University of Houston-Downtown and the University of Houston-Victoria Capital Improvement Plans – UH System;

5. Approval is requested for appointment of Committee members and appointment terms for the System-wide Art Acquisition Committee (SWAAC) – UH System; and

6. Approval of amended System-wide Art Acquisition Committee (SWAAC) Procedures Manual – UH System.

This concluded the Facilities, Construction and Master Planning Committee Report.

The final committee report was addressed by the Chair of the Finance and Administration Committee, Regent Spencer Armour, III.

Finance and Administration Committee Report – August 20, 2015

Regent Armour stated the Finance and Administration Committee met earlier in the day, Thursday, August 20, 2015 and placed the following eight (8) action items for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Health & Biomedical Sciences Building 2 at the University of Houston – University of Houston;

2. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction for the upgrade to the Cougar Substation at the University of Houston – University of Houston;

3. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of a new Science, Technology, Engineering and Mathematics Building at the University of Houston-Clear Lake – UH-Clear Lake;

4. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of residential housing at the University of Houston-Victoria – UH-Victoria;

5. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the sale or lease of land – University of Houston System;

6. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding $1 million for projects at the University of Houston System – University of Houston System;

7. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding $1 million for the purchase of goods and services, excluding construction contracts, at the University of Houston – University of Houston; and

8. Permission to proceed to all digital and HD radio strategy for Classical – University of Houston.

Regent Armour also stated that the committee had considered the UH System FY2016 Financial Plan and Budget but this item would be addressed by the full Board later in the Board meeting.

This concluded the Finance and Administration Committee Report.

At the conclusion of this committee report, pursuant to Board Bylaw 6.9, Chairman Fertitta asked if any regent wished to remove any of these items from the various Committee Reports' Consent Docket Agendas for further discussion.

On motion of Regent Hollingsworth, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, all items presented in the Board's Consent Docket Agendas, unanimously approved by the various committees, were approved by the full Board.

Following the approval of the Board's Consent Docket Agenda items, Chairman Fertitta moved to Section III, Committee Report item(s) not addressed in the Consent Docket Agenda but requiring final Board approval. As mentioned by Regent Armour in his Committee Report, the UH System 2016 Financial Plan and Budget – UH System would be considered and addressed by the full Board at this meeting.

Chairman Fertitta requested Jim McShan, Interim Vice Chancellor for Administration and Finance present this item for further consideration by the Board.

Mr. McShan stated this item was requesting approval for a total 2016 UH System-wide operating budget of $1.523 billion that was made up of $1.123 billion for the University of Houston; $131 million for the UH-Clear Lake campus; $173 million for the UH-Downtown campus; $61 million for the UH-Victoria campus; and $34.6 million for the UH System Administration.

On motion of Regent Armour, seconded by Regent Welder, and by a unanimous vote of the regents in attendance, the UH System 2016 Financial Plan and Budget was approved by the full Board.

Chairman Fertitta moved to the remaining items listed on the Board's agenda, Item 5, a Presentation of Regents' Academic Excellence Award – University of Houston-Clear Lake's Center for Autism and Developmental Disabilities – University of Houston System. Chairman Fertitta requested Dr. Paula Myrick Short, Senior Vice Chancellor for Academic Affairs and Provost, introduce this item.

Dr. Short stated the Academic Excellence Award recognizes University of Houston System institutions' programs and initiatives that exemplify excellence in teaching, research, and/or public service. The first recipient of this prestigious award was the University of Houston-Clear Lake's Center for Autism and Developmental Disabilities (CADD). This Center was selected because of their quality research and its impact on autism and developmental disabilities. The cutting edge training of current and future professionals in this area and the critical and cutting edge services that they provide to children, adults and their families, forever changing lives and providing opportunities for those impacted by autism. The CADD program is recognized as a leader in the field by the outside community. Dr. Short welcomed Dr. Dorothea Lerman, Director of the UHCL Center for Autism and Developmental Disabilities, who invited everyone to see directly the impact of CADD.

Dr. Lerman stated they were truly honored to be the first program among all of the UH System-wide programs to be recognized as the first recipient of the Academic Excellence Award. A short video was presented which outlined some of the CADD activities; and a brochure was distributed for information.

Chancellor Khator presented the award to Dr. William Staples, President of the University of Houston-Clear Lake and Dr. Dorothea Lerman.

This item was presented for information only and required no Board action.

The next item presented before the Board was Item 6, an Update on Faculty Activities – University of Houston. Chairman Fertitta stated that in the absence of the UH Faculty Senate President, Dr. Wynne Chin, the President-Elect, Dr. Jonathan Snow would be giving the remarks. A brief summary of Dr. Snow's remarks are outlined below.

- Dr. Snow is a professor in the Earth and Atmospheric Sciences Department in the College of Natural Sciences and Mathematics.
- Dr. Snow stated that the faculty occupies a rather odd place in higher education which is an odd short of business anyway if one were to think about it. Were they labor? Were they management? Or were they both? He stated he had argued endlessly about this when he was a new senator; and he had finally come to the conclusion that in any sort of classical business theory sense, they were neither management nor labor, but rather a factor of production, like land, or some very expensive machinery. Machinery that could talk back to you with some knowledge about how better to advance the goals of this enterprise and maximize its output; however, you would like to measure it. And they were professors: they like to talk.
- Since Dr. Chin had addressed the Board in May, there were three (3) things Dr. Snow highlighted that the faculty were highly involved with as follows:
    1. The College Budgeting Process – Despite the pressures of a legislative year, the Provost, Dr. Paula Myrick Short had invited unprecedented access for faculty, including not only a representative from the Senate Budget and Facilities Committee in the budget hearings, but also the Senate senior leadership. This had allowed them deep insight into the goals, performance, and constraints of the colleges, and this helped them as a faculty to do the academic work of the University.
    2. The Planning for a Medical School – Dr. Khator has pushed this idea as part of her health agenda and had brought it to the faculty in a variety of ways. Dr. Snow assured the Board that this idea had deep resonance in the faculty, albeit with some trepidation about the strains of the financial outlay.
    3. Status of Non-Tenured Track Faculty, mostly Instructional and Clinical – While research, innovation and scholarship were the domain of the tenured faculty, and all faculty teach, most non-tenure-track faculty were primarily instructional, even at Research One universities. The faculty has moved with the Administration to regularize, professionalize and provide a career pathway for instructional and clinical faculty that in his opinion would become a national model. It is currently a very wide topic of discussion, nationally and in places such as the Chronicle of Higher Education and inside higher education and so forth.

       The next task would be to do the same for adjunct and part-time faculty. This subject had been raised earlier in a committee meeting, who largely and invisibly, do a substantial portion of the teaching in some departments at a fraction of full time pay. This is a model of education that we need to steer very carefully around as a Tier One institution. They, as a faculty, saw a deep study of part-time, academic

employment, as the next step in an area for careful, measured and intentional improvement in their model for the delivery of academic excellence.

In closing, the faculty felt strongly that the state of shared governance at the University of Houston was good and contributing to the overall success of the University; and they hoped the Board agreed.

This item was presented for information only and required no Board action.

Chairman Fertitta presented the next action item on the Board's agenda, Item 7, the Approval of the Current Board of Regents Planner for FY2016 – University of Houston System. The Board Planner sets forth items that require action by the Board or reports from management to address the provisions of the statutes, Board bylaws and policies or other requests of the Board and is presented each August for Board approval. The Board office is responsible for assuring the items listed in the Planner are presented to the Board at the appropriate meetings.

On motion by Regent Wilson, Jr., seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the Current Board of Regents Planner for FY2016 – University of Houston System was approved.

The next action item on the Board's agenda was Item 8, the Approval of Proposed Calendar of Dates for the FY2015-2016 UH System Board of Regents Committee/ Board Meetings – University of Houston System. Chairman Fertitta presented this item and stated the quarterly Board of Regents' meetings would be held during the months of November, February, May and August with Special Called Committee/Board meetings being scheduled as needed. The final dates will be given at a later date for these proposed meetings.

On motion by Regent Mendoza, seconded by Regent Hollingsworth, and by a unanimous vote of the regents in attendance, the Proposed Calendar of Dates for the FY2015-2016 UH System Board of Regents Committee/Board Meetings – University of Houston System was approved.

The next item presented, Item 9, Legislative Update from the 84th Legislative Session – University of Houston System was presented for information only. Chairman Fertitta requested Mr. Jason Smith, Vice Chancellor for Governmental and Community Relations, to give his report. Below is a brief summary of Mr. Smith's remarks.

- The UH System had a very aggressive agenda which was in line with the other six (6) University Systems.
- Of the five (5) System-wide priorities that were listed on our agenda, four (4) of them were approved which was a significant accomplishment for the session.
- The result of the Legislative Session was that a significant investment in higher education statewide and then for the UH System as a whole too.
- Overall, approximately $1 billion of new money has been invested in higher education statewide.

Budget

- Formula Funding – Increased base formula funding rate went from $54.86 to $55.39 which equates to a $281 million investment increase statewide.
- HEAF Funding – The UH Systems each received a 50% increase in HEAF funding effective FY2017. This accounts for an approximate increase of $26 million.
- Special Items were noted –
  (a) Hobby School of Public Affairs - $4 million investment was granted, with an effort of both Representatives Garnet Coleman and Senator Rodney Ellis.
  (b) Downward Expansion for UH-Clear Lake - $6.5 million investment, with an effort from Senator Larry Taylor, State Representatives Dennis Paul, Greg Bonnen and Ed Thompson – a great team working for us on UH-Clear Lake issues.
  (c) Center for Autism and Developmental Disabilities - $400,000 line item.
- Statewide Legislation was noted –
  (a) Governors University Research Initiative (GURI) – This was an effort of the Governor to find money to recruit star faculty from around the country to come to Texas. This was passed in several different bills and it allows the University to compete for the $40 million to reimburse the University for the recruitment of faculty that are National Academy members primarily in the Health and STEM fields.
  (b) Capital Construction – The UH System received Capital Construction (TRBs) in the amount of $362 million across the System.
  (c) Campus Sexual Assault Policy – Ms. Dona Cornell, General Counsel will address this later in the meeting.
  (d) SB 20 State Contracting – This was addressed in the Audit and Compliance Committee held earlier in the day.
  (e) Campus Carry – SB 11 – This will be addressed later in the meeting by Ms. Cornell.
  (f) Repeal of Texas B-on-Time Program – This phases out the 5% set aside that was being used to fund the loan program (HB 700).
  (g) Mental Health and Suicide Prevention Services – This goes into effect starting in the 2016 academic year and requires universities to provide all full time students information about available mental health and suicide prevention services available to them at the University (SB 1624).
  (h) Requiring more work study off campus – Requires that at least 20% of state work study funds go towards jobs that are off campus (SB 1750).
- UH System Legislation –
  (a) Transfer of TxDOT land to UH Sugar Land – Almost 17 acres at the entrance of UH Sugar Land, valued between $5 and $10 million (HB 1982).
  (b) UH-Clear Lake Recreational & Wellness Center – Students and Board must vote to approve the fee before it goes into effect (HB 2921).
  (c) UH-Victoria Student Center Fee – Board must approve before it goes into effect (HB 2568).

- Two Items not Accomplished
  (a) State coverage for Hazelwood Exemptions – Despite herculean efforts on the part of State Senator Brian Birdwell and State Rep John Zerwas, they were unable to make any significant changes to who is eligible for the Hazelwood Exemption. This is a $20 million cost to the UH System and it is expected that there will be significant ongoing discussions concerning this program during the interim and into the next session.
  (b) UH Pharmacy Funding – UH School of Pharmacy continues to receive about 50% of the funding compared to other universities who have health-related institutions. We are requesting almost $9 million over the biennium and will continue to make the case that this inequity should be permanently equalized.

Chancellor Khator added that Mr. Smith had joined the University of Houston two months remaining in the beginning of the Legislative Session; and during this time, the Chancellor had worked very closely with him. She wanted to compliment him on his professionalism, analytical abilities, and his dedication and love for the System. Chairman Fertitta also stated that Mr. Smith had done an excellent job!

This item was presented for information only and required no Board action.

The next two items (one for action and one for information) were presented to the Board by Ms. Dona Cornell, Vice Chancellor of Legal Affairs and General Counsel - Item 10, the Adoption of the University of Houston System's Sexual Misconduct Policy (Title IX) – University of Houston System; and Item 11, Update on Campus Carry Implementation – University of Houston System. Chairman Fertitta asked Ms. Cornell to please introduce these items.

Ms. Cornell stated that the Adoption of the UH System's Sexual Misconduct Policy (Title IX) – UH System had been presented in the Academic and Student Success Committee held earlier in the day and because it is such an important issue, she felt it should be brought back to the full Board so they would have the opportunity to understand and appreciate the importance of Sexual Misconduct on campuses, not just here but across the country. It has certainly been an issue of heightened scrutiny, up to and including the President. There are many reviews being done across the country by the Department of Education and we take it very seriously. We have a culture on this campus of no tolerance for sexual misconduct and we have a culture of reporting. Those two things are things that are encompassed in this proposed policy. It is based on an Investigator Lead Model which professionalizes the process. Another key issue for full implementation of Title IX is the working together of Student Affairs, the Police Department and the individuals doing the investigation. It is important to have these three (3) groups work together. This policy and these processes make sure that is seamless.

On motion of Regent Mendoza, seconded by Regent Madison, and by a unanimous vote of the regents in attendance, the Adoption of the University of Houston System's Sexual Misconduct Policy (Title IX) was approved.

Ms. Cornell presented the second item, an Update on Campus Carry Implementation – University of Houston System and stated that this was another piece of legislation. The law will go into effect at the end of August 2016 and there is a full process that must be done on each campus prior to that time. These policies will be developed through a cross disciplinary methodology with input from faculty, students, staff, Police Department, Legal, Human Resources, Academic Affairs, Student Affairs, Residential Life and Housing, Research, Administration and Finance, and others. This will not be a small process; it is one that will be working simultaneously on each campus; and each of the presidents has confirmed their charge to move forward with the process that includes a very broad range of input. That input will then be brought back in the form of a draft policy which will then be presented for input across the various campuses. It will then come back to the Chancellor, the President of each campus; and then the final drafts will be presented to the Board of Regents in May 2016. It is important to understand that the legislation only allows those who are Concealed Handgun License (CHL) holders to have guns on campus, and we will be able to exclude certain areas (and there is very prescriptive requirements for when we exclude those), but it is just not everybody can come on campus with a gun – it is CHL holders and so there is some restrictions just by that definition to begin with, and we will look very carefully at the different risks that exists across the campus where you absolutely would not want to have a gun. This will differ from campus to campus and these recommendations will be brought to the Board as appropriate.

This was presented as information only and required no Board action.

The last item listed on the Board's agenda was Item 12, Election of 2015-2016 Officers for the UH System Board of Regents. Chairman Fertitta stated that the Governor had not yet made appointments and it was suggested to the Board by the Chairman that since there will be a transition when the Governor acts, it was Chairman Fertitta's recommendation to suspend Board Bylaws 4.1 and 4.2 and defer the election of officers until such time the Governor makes new appointments.

Chairman Fertitta called for a motion of this recommendation. Regent Agrawal made the motion to approve this recommendation as presented, it was seconded by Regent Armour , and unanimously approved by all regents in attendance that Board Bylaws 4.1 and 4.2 be suspended and the election of officers deferred until such time the Governor makes new appointments.

Chairman Fertitta moved to Section V, the Chancellor's Report and asked Dr. Renu Khator to present her report. Below is a brief summary of her remarks.

Chancellor's Report

Chancellor Renu Khator presented a UH System-wide report to the Board which was distributed to the Board at the meeting. The Chancellor began her report with the University of Houston System-wide Achievements.

University of Houston System-wide Achievements:

- Enrollment Increases – Preliminary headcounts at our four universities indicated an overall increase of 2.1%, with growth greatly higher at the University of Houston and UH-Clear Lake.
- Nursing Program Transition – The transition of the Nursing Program at UH-Sugar Land to the University of Houston will be completed by the beginning of the Fall 2015 semester. This will be a critical step in the process of the planned transition of the Sugar Land teaching center to a campus of UH as the sole provider.
- UH System Presence in Katy – Following approval of the Capital Construction Bonds by the Texas Legislature, which included $46.8 million for land and construction of an academic facility in the Katy area, a UH task force will be evaluating the options to provide greater access, visibility and expansion opportunities. Dean Joseph Tedesco, UH Cullen College of Engineering, has retained a firm to determine which engineering programs were needed in the region so we can begin offering these programs to the community in the region.

University of Houston Achievements:

- Global Student Recognition – The Moores School of Music's Concert Chorale has done international competitions in both France and Germany; and while in Germany, under the direction of Betsy Cook Weber, who is also the Director at the Houston Symphony, has absolutely taken this program to the next level. The Concert Chorale returned home last month from the Grand Prix of Nations in Magdeburg, Germany with the World Championship in the Youth Choir category as well as several gold awards in pop, jazz, youth choir and folk.
- Basketball Team in China – The Cougar basketball team had been to China where they competed against high-quality opponents while experiencing the country's culture, history and beauty. The team also earned three social sciences credit hours for their academic work.
- Student Success – UH will be starting the second year of "UH in 4" program which was designed as an incentive for students to graduate in four years, giving the students an institution plan that was set for four years. As of today, there were more than 2,600 incoming students who have requested to participate in the program, which was over 800 students higher than this time last year.
- Global and National Faculty Recognition
  - Earl Smith III, O.D., Ph.D., former Dean of the College of Optometry and the University's Interim Health Officer, has been selected for induction in the National Optometry Hall of Fame.
  - Herbert C. Freyhardt, Ph.D., Research Professor in the Texas Center for Superconductivity has received a Lifetime Achievement Award from the International Cryogenics Materials Conference.
  - Robert McPherson, Ph.D., Dean of the College of Education, has been ranked as one of the "30 Most Influential Deans of Education" in the nation, according to Mometrix, a global test preparation company.
  - Kevin E. Bassler, Ph.D., John and Rebecca Moore Professor of Physics and Mathematics, and Wu-Pei Su, Ph.D., Professor of Physics, have been elected Fellows of the American Physical Society.

- Research Highlights
  - UH has recruited Frank McKeon, Ph.D., an outstanding cancer specialist from the Genome Institute of Singapore and a former Harvard faculty member, with the support of CPRIT's (Cancer Prevention Research Institute of Texas) program to recruit established investigators.
  - The U.S. Department of Homeland Security has awarded UH with a Center of Excellence for Borders, Trade and Immigration, to be funded with an initial amount of $3.4 million for the first year, with a five-year total anticipated amount in excess of $17 million.
  - Wei-Chaun Shih, Ph.D., Assistant Professor in the Department of Electrical and Computer Engineering, and his team of students have developed an inexpensive lens – already being called the "penny lens" – that can turn a budget smartphone into a microscope.

University of Houston-Clear Lake Achievements:

- Patriotic Presentation – Approximately 80 children had visited UHCL in July when Communities in Schools of Brazoria County and Southeast Harris County took part in "Building Patriotism: Let Freedom Ring!," a special summer presentation. The children captured a glimpse of history while visiting UHCL's replica Liberty Bell and participated in a mock trial.
- Water Research Awards – BIO-WEST/Texas Water Development Board awarded $85,000 to George Guillen, Ph.D., Executive Director of the Environmental Institute of Houston and Associate Professor of Biology and Environmental Science, for a Brazos River Basin study.
- Celebrating CASA Graduates – UHCL's School of Education celebrated members of the first graduating cohort funded by the U.S. Department of Education grant "Collaborating in the Academic Success for All" at a reception. Fifteen teachers from five (5) area independent school districts received full scholarships and graduated with a Master of Science in Multicultural Studies degree, with certifications in either Bilingual Education or English as a second language.

University of Houston-Downtown Achievements:

- Supporting Student Success: $950,000 in Grants – UHD has received $950,000 in grants over the past two months to support student success. The Nuclear Regulatory Commission awarded UHD a five-year, $850,000 grant to provide STEM scholarships for minority students and ensure mentored nuclear-related research experiences for undergraduates. And The Texas Higher Education Coordinating Board (THECB) awarded UHD $100,000 through its "Minority Male Initiatives" program to help close the gaps separating lower-achieving minority male students from other students.
- Deputy Head of EU Delegation Discusses Global Trade, Security – UHD was honored in June to host Francois Rivasseau, Deputy Head of the European Union (EU) delegation to the United States in partnership with the Consul General of France in Houston, Surjiro Seam. Rivasseau's speaking engagement was the first in the UHD President's Ambassador Lecture Series, designed to align institutional priorities with diversity and global learning.
- Hogg Foundation for Mental Health Awards Katrina Rufino – The Hogg Foundation for Mental Health awarded Katrina Rufino, Ph.D., Assistant Professor of Psychology, a grant to conduct mental health research.

University of Houston-Victoria Achievements:

- New Academic and Economic Development Building Opens – University North, the university's new Academic and Economic Development Building has opened. The 63,000 sf, $12.7 million facility houses the School of Business Administration, Career Services, the new Center for Economic Development & Entrepreneurship, and a 200-seat auditorium; and is the new home of UHV's Small Business Development Center
- Department of Education Awards $1.1 Million – The UHV School of Education, Health Professions and Human Development will receive a $1.1 million grant this fall from the U.S. Department of Education for its Master of Education in Special Education with an emphasis in autism. The five-year grant will pay the tuition for 40 graduate students and program expenses.
- Expanding Health-Related Degrees – UHV is expanding its offerings of health-related degrees with a new Bachelor of Science in Kinesiology to start this fall in addition to the existing Bachelor of Science in Health Studies. A Bachelor of Science in Nursing will be offered beginning in Fall 2016 or earlier. All health-related degrees are housed in the newly renamed School of Education, Health Professions & Human Development.

Chancellor Khator requested Regent Peter Taaffe assist in presenting a special presentation to the Board. Dr. Khator stated that a "Most Valuable Regent Award" was being presented to Regent Paula Mendoza and Regent Taaffe would explain the award.

Regent Taaffe mentioned that following a recent football dinner that had been held by Coach Herman and his staff, if anyone has ever been to the Athletic Center they know that the parking has changed and there is no longer a guard attendant but an automated system in place. If it were an in and out situation it would work fine, but in a group setting, it can get backed up quickly. On this particular day, there was a huge backlog of cars waiting to get out of the parking area. Regent Taaffe stated he was at the back of the line, the line's not moving, and then all of a sudden, the line starts moving! As he approaches the front of the line, he sees Regent Mendoza and her husband, Bob using her "magical" parking card to let everyone out of the parking lot for as long as it took. Regent Taaffe stated he had texted the Chancellor after that incident and nominated Regent Mendoza for this special award! He stated even though it was small story, it is very reflective of the efforts that Regent Mendoza goes through for the System.

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

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Chair's Report

A Chair's Report was not given at the meeting.

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At 4:46 p.m., Chairman Fertitta announced that pursuant to Subchapter D of Chapter 551 of the Texas Government Code, which allows governing boards to meet in closed session,

Chairman Fertitta stated the Board would convene in Executive Session.

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Executive Session Report

Chairman Fertitta reconvened the Board of Regents meeting in open session at 5:48 p.m. and stated that the regents had met in Executive Session and heard a litigation status report and other legal matters; discussed personnel matters; discussed a naming gift for the Baseball Stadium; the leasing of property; and the approval of a settlement with METRO.

Chairman Fertitta stated that following the presentation and discussion of the naming gift for the Baseball Stadium, the Board recommends that the Baseball Stadium be named for Darryl and Lori Schroeder.

On motion of Regent Armour, seconded by Regent Taaffe, and by a unanimous vote of the regents in attendance, the recommendation that the Baseball Stadium be named for Darryl and Lori Schroeder was approved.

Chairman Fertitta stated the Board had recommended that the ground lease of the property from Athletics to a private individual, of undeveloped land off of Holman be approved and asked for a motion from the Board.

On motion of Regent Wilson, Jr., seconded by Regent Welder, and by a unanimous vote of the regents in attendance, the recommendation that the ground lease of the property from Athletics to a private individual, of undeveloped land off of Holman was approved.

Chairman Fertitta stated that a presentation on a proposed settlement with METRO was given in Executive Session and the Board recommended and approved the settlement with METRO which included the sale of land referenced in the settlement. The total settlement value was approximately $7.1 million and asked for a motion.

On motion of Regent Taaffe, seconded by Regent Agrawal, and by a unanimous vote of the regents in attendance, the Board approved the settlement with METRO as presented.

Lastly, the Board had considered the contract and performance of Chancellor Renu Khator and found her performance to be outstanding.

1. Annual Retention Bonus: In consideration of Dr. Khator's commitment and service described in the agreement, the System agreed to pay Dr. Khator her annual retention bonus.
2. Contingent Performance Review Bonus: Subject to Dr. Khator's extraordinary performance review results, and annual achievement efforts, as determined by the Board, the System may pay Dr. Khator, in the Board's sole and absolute discretion, an annual performance bonus as provided in her contract.

Chairman Fertitta asked for a motion to approve the Annual Retention Bonus and Contingent Performance Bonus actions for Dr. Renu Khator as presented.

On motion of Regent Armour, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the Annual Retention Bonus and Contingent Performance Bonus for Dr. Renu Khator was approved as presented.

Chairman Fertitta stated that the Chancellor's current contract goes through August 2016; and based on her performance, the Board would like to renew her contract for the full term allowed by state law which is three years. This will extend her contract through August 2018. In terms of base compensation, it will remain the same subject to a CPI escalation clause. Please understand that this is the third year the Chancellor has requested that the Board not consider an increase in her compensation which the Board had agreed to do; but the Board will increase the Contingent Performance Bonus from $50,000 to $100,000.

Chairman Fertitta asked for a motion to approve the renewal of the Chancellor's contract for the full term allowed by state law which would extend her contract through August 2018 with the increase in the Contingent Performance Bonus from $50,000 to $100,000.

On motion of Regent Mendoza, seconded by Regent Armour, and by a unanimous vote of the regents in attendance, the motion to approve the renewal of Chancellor Renu Khator's contract for the full term allowed by state law which would extend her contract through August 2018 with the increase in the Contingent Performance Bonus was approved as presented.

Chairman Fertitta made a motion to request that the General Counsel draft the CPI clause and the Contingent Performance Bonus in the Chancellor's contract.

On motion of Regent Madison, seconded by Regent Welder, and by a unanimous vote of the regents in attendance, the request that the General Counsel draft the CPI clause and the Contingent Performance Bonus in Chancellor Renu Khator's contract was approved as presented.

Dr. Khator thanked the Board and stated that she had not asked for anything; did not want or need any extra bonus or anything because she felt the Board already compensates her very well. When the Board set her contract in 2012, she felt it was a very well compensated contract and she feels very valued, very appreciated; she just wants to have the tools and support of the Board for the next phase of development for the University of Houston. She stressed how grateful she was to the Board as a whole and individually for their support. She was most thankful.

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Information Only

There were no individuals who addressed the Board in Open Forum.

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There being no further action to come before the Board the meeting adjourned at 5:52 p.m.

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

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Others Present:

Renu Khator
Paula Myrick Short
Jim McShan
Dona Cornell
Ramanan Krishnamoorti
Jason Smith
Eloise Stuhr
Richard Walker
William Flores
Raymond V. Morgan
Bill Staples
David Bradley
Dean Ruck
Brandon Alexander
Mark Yzaguirre
Richard Baker
Jon Aldrich
Brenda Robles
Jonathan Snow
Raymond Bartlett
Carl Stockton
Chris Stanich
Dick Phillips
Don Guyton
Jesse Risors
Josh Adams
Lisa Shumate
Eric Gerber
Ed Hugetz
Darrel De La Cruz
Wayne Beran
Dan Maxwell
Alik Uzman
Dorothy Lerman
Phil Booth
Gerry Mathisen
Dan Wells
Mark Clarke
Mike Emery
Katherine Miller
Sabrina Hassumani
Jeffrey Cass
Trent Williams
Malcolm Davis
T.J. Meagher
Oscar Gutierrez
Elena Hughey
Chandra Johnson
Shannon Harrison
Joe Brueggman
Lisa Gossett Bruehn
Don Price
Marquette Hobbs