MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING

Friday, November 14, 2014 – The members of the Board of Regents of the University of Houston System convened at 2:30 p.m. on Friday, November 14, 2014, at the University of Houston, Athletics/Alumni Center, Melcher Board Room 100B, 3100 Cullen Boulevard, Houston, Texas, with the following members participating:

ATTENDANCE –

Present	Member(s) Absent:
Tilman J. Fertitta, Chairman	Durga D. Agrawal, Regent
Welcome W. Wilson, Jr., Vice Chairman	
Beth Madison, Secretary	
Spencer D. Armour III, Regent	
Jarvis V. Hollingsworth, Regent	
Paula M. Mendoza, Regent	
Peter K. Taaffe, Regent	
Roger F. Welder, Regent	
Asit R. Shah, Student Regent, nonvoting	

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 called the meeting to order.

The first action item presented to the board was the approval of minutes from the June 17, 2014, Special Called Board of Regents meeting and the August 20, 2014, Board of Regents meeting.

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AGENDA ITEMS

1. Approval of Minutes – Item C:

On motion of Regent Mendoza, seconded by Regent Welder, and by a unanimous vote of the regents in attendance, the following minutes from the meetings listed below were approved:

- June 17, 2014, Special Called Board of Regents Meeting
- August 20, 2014, 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 – November 14, 2014

Regent Hollingsworth stated the Endowment Management Committee met earlier today, Friday, November 14, 2014, and unanimously approved the following action item for submission on the Board's Consent Docket Agenda for final board approval:

1. Approval is requested to modify the UH System Endowment Fund Statement of Investment Objectives and Policies - University of Houston System.

Regent Hollingsworth also mentioned that this was the only action item requiring full Board approval, but pointed out that the committee had also approved two (2) investments that do not require final Board approval. They are listed as follows:

- Approval of up to a $7.5 million investment in Francisco Partners IV, LP; and
- Approval of a $10.0 million investment in Proxima Capital Master Hedge Fund.

This concluded the Endowment Management Committee Report.

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

Audit and Compliance Committee Report – November 14, 2014

Regent Welder stated the Audit and Compliance Committee met earlier in the day, Friday, November 14, 2014 and heard numerous reports related to Institutional Compliance, Internal Audits, Ethics and Conflict of Interest Policies, Fraud Prevention and Awareness Programs, Theft Prevention Programs, Procurement over certain thresholds, and the Anonymous Reporting Mechanism. All of these reports were for information only and required no Board action.

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 – November 14, 2014

Regent Mendoza stated the Endowment Management Committee met earlier today, Friday, November 14, 2014 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 is requested of the Academic and Student Success Committee Charter – UH System;

2. Approval of Bachelor of Science in Political Science – UH-Victoria;

3. Approval of Bachelor of Arts in Women's, Gender, and Sexuality Studies – University of Houston;

4. Approval of Master of Science in Global Hospitality Business – University of Houston; and

5. Approval is requested for the Academic Excellence Award – University of Houston.

This concluded the Academic and Student Success Committee Report.

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

Facilities, Construction and Master Planning Committee Report – November 14, 2014

Regent Wilson, Jr. stated the Facilities, Construction and Master Planning Committee meeting was held earlier today, Friday, November 14, 2014, and approved the following action item for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested for the UH System Board of Regents Facilities Construction and Master Planning Standing Committee Charter – UH System.

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

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

Finance and Administration Committee Report – November 14, 2014

Regent Armour stated the Finance and Administration Committee met earlier in the day, Friday, November 14, 2014 and placed the following action item for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested for the UH System Board of Regents Finance and Administration Standing Committee Charter – UH System.

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

After 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. It was noted that no items were forwarded from the committees which required final Board approval at the Board meeting.

Chairman Fertitta moved to the remaining items on the Board's agenda and stated the next item presented would be Item D, Approval is requested to amend the appointment of Vice President of Marketing, Communications and Media Relations – University of Houston System. Chairman Fertitta requested Chancellor Renu Khator present this item to the Board.

Chancellor Khator stated Ms. Richie Hunter had been hired approximately 8-12 months ago as an Associate Vice Chancellor for Marketing, Communications and Media Relations. Her position was made Vice President, but she has been doing a lot of System-level work and has done an outstanding job. Therefore, the recommendation from the Chancellor to the Board was that Ms. Hunter's position be made into the Vice Chancellor for Marketing, Communications and Media Relations position which does require Board approval. The change in title does not have any financial implications.

On motion of Regent Madison, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the request to amend the appointment of Ms. Richie Hunter to Vice Chancellor/Vice President of Marketing, Communications and Media Relations effective November 1, 2014 was approved.

The agenda was taken out of order and Chairman Fertitta moved to Item F, Update on Faculty Activities – University of Houston. In the absence of Dr. Maria Elena Soliño, President of the UH Faculty Senate, President-Elect, Dr. Wynne Chin, presented this item to the Board. Below is a summary of his remarks.

- The Faculty Senate consists of 134 faculty senators. If you precision that number relative to other colleges at the University of Houston, they would be the third largest college behind CLASS and NSM. Therefore, as such, it is important to regularly ask the question, "How do we make the most efficient and effective use of the faculty senators?"
- Borrowing a term from Business, the Faculty Senate wonders about what type of structural alignment is required for greater effectiveness and what activities and processes should be streamlined for greater efficiency both within the senate and as the senate works with the administration, staff and students.

- Within the senate, they have finalized the merger of three faculty councils into the senate and they are now working together and sharing information at their Senate Executive Committee meetings. An example of this impact is their current work on developing consistent ethical guidelines for students at both the undergraduate and graduate level.
- Their recent merger highlighted inconsistencies between these two groups and their undergraduate and graduate chairs are working jointly now to draft a unified policy.
- The Faculty Senate is also working on improving alignment of their senators and their respective faculty to be a more active voice for their faculty. Last April, the faculty was presented with a series of questions focusing on how things were going in their college, department, and life in general as a faculty member. The intent was to understand what professors believe are critical areas that improve their performance and, in turn, their overall satisfaction as a faculty, with their department, and college.
- At present, the Faculty Senate is sorting through a multitude of comments specific to each college, and they plan to follow-up with a survey next year benchmarking how well they are doing focusing on those areas that are most frequently mentioned by faculty as important.
- In terms of alignment with administration, they are also asking their faculty to provide feedback as to what areas they consider to be critical in assessing the performance of the administration. Their goal here is to determine that everyone is on the same page. Does the faculty share the same perspective regarding their core mission, values, and objectives? Are there areas where they could further strengthen the strategic to operational level alignment?
- The senate also needs to be in step with structural changes underway in the Provost's office. This past year, the Provost Short has done a superb job in restructuring her office and placing administrators in each of the nine (9) associate or vice provost positions ranging from Global Strategies to Undergraduate Success. Therefore, the senate needs to be focusing on how they can be better integrated and aligned with each of the AVPs when it comes to implementing the university's Tier One strategic initiatives.
- The senate has also begun a process of greater alignment with the students. An example given was their senate undergraduate committee chair, Martha Dunkelberger and Dr. Chin, had attended a Student Government Association (SGA) meeting. They introduced themselves, many questions were asked and they had good discussions with many of the SGA representatives. Dr. Chin stated he personally did plan to attend future meetings.
- Current Faculty Senate President, Dr. Soliño, Dr. Chin, and other senators have met with the SGA President, Charles Haston and SGA Vice President, Erica Tat, an other occasions. As a result, at the last Faculty Senate meeting, a motion had been passed on the floor of the senate to support the SGA resolution towards enhancing Tier One initiatives, which in part supports the general notion that residential life is an important aspect of the student experience.
- Dr. Chin also pointed out that personally he was in support of the initiatives, whether it is the residential life or many of the other areas that the administration has been pushing forward; and he wanted the Board to realize, that he personally, and many of his fellow senators believe the university is already heading in the right direction. The Faculty Senate is very supportive in working hand-in-hand with the administration.

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

Chairman Fertitta asked Chancellor Khator to introduce the next item listed on the Board's agenda, Item G, Update on Major Athletic Facilities Programs – University of Houston.

Dr. Khator presented a powerpoint presentation to update the Board which outlined the renovations of major athletic facilities. Below is a summary of Dr. Khator's remarks.

- The goal for the University of Houston is to have a nationally competitive Athletics Program because the university wants to have and embrace the Tier One mission, the Tier One all across, including Athletics.
- With this in mind, it included three (3) facilities.
  (a) Football Facility – New Stadium. It is now open but there are still a few things that need to be completed.
  (b) Basketball Facility which includes two (2) components.
    (1) Basketball Practice Facility which is currently underway; and
    (2) Basketball Arena which is currently under consideration to determine which options are right – Do we renovate it or do we build a new facility? A consultant has been hired to look at the facility, the structure and then come back to us with different scenarios; and at the same time, we would do feasibility to make sure that we know what capacity we have to do fundraising and what options we have outside of that. We expect to have this completed within a three (3) month time period.
    (3) Parking Garage which is now open and functional.

Dr. Khator summarized the timeline of the TDECU stadium as follows:

- 2008 – Dr. Khator arrived on campus and at that time there was a "ready, set, go" project of an End Zone facility.
- 2010 – It was decided to build a new facility instead of updating the old one.
- 2011 – The university saw construction inflation;
- 2012 – The new stadium proposed construction schedule began;
- 2013 – Fundraising started; and
- 2014 – The new stadium was opened.

- The plan in 2008 had been to build a new End Zone facility. A proposed design of the project was submitted.
- In 2010, plans were changed due to the numerous structural flaws with the current facility; and it had been recommended to the university that the foundation of the current stadium was not to the point of where renovation was appropriate.
- In June of 2010, a presentation was given to the Board of Regents which showed the comparison of different stadiums:
  (a) The Mean Green Stadium at the University of North Texas;
  (b) The InfoCision Stadium at Akron; and
  (c) The Bright House Network Stadium at University of Central Florida.
- The university decided in June 2010 (and it was formally announced by the Houston Chronicle on June 11, 2010) that the New Football Stadium would be part of the Tier

One Vision. The university would also have an upgrade to Hofheinz Pavilion; and at that time, the estimated cost of the new stadium would be approximately $120 million; and the estimated cost to renovate Hofheinz would be approximately $40 million.

- In 2010 stadium cost comparisons were outlined to the Board. There were a number of approximate cost comparisons mentioned. At the time, in particular, there were two (2) stadiums being built as noted below.
  (a) Apogee Stadium – University of North Texas, Denton, Texas
    - Total project cost $78 million
    - Construction cost $68.7 million
    - Capacity 28,891
    - Construction cost/Seat $2,378

  (b) BBVA Compass Stadium – Houston, Dynamo, Houston, Texas
    - Total project cost $80 million
    - Construction cost $63 million
    - Capacity 22,100
    - Construction cost/Seat $2,850

  Based on the two comparisons above, the Cougar Stadium Estimating Model was noted as follows:

  <u>Cougar Stadium – University of Houston, Houston, Texas</u>
    - Construction costs: $2,200 per seat =>$88 million;
      $2,500 per seat => $100 million
    - Professional fees: $10 million
    - Other Costs, Art, Contingency: $10 million
- There were four (4) different options discussed for the Cougar Stadium.
  (a) Option 1 – New – 40,000 seats; concrete on grade; steel/aluminum above grade.
  (b) Option 2 – Renovation – 40,000 seats.
  (c) Option 3 – New – 32,000 seats; concrete on grade; steel/aluminum above grade.
  (d) Option 4 – Renovation – 32,000 seats.
- As of March 13, 2012, UH Stadium Capital Project Funding Model of $105 million was addressed which had been approved by the Board. This model had $61 million in Private Donations; $24 million in Student Fee Bonds; $15 million in Annual Stadium Revenue Bonds; and $5 million in HEAF.
- Board budget approvals of this project were summarized as follows:
    - February 2012, BOR FCMP Site Presentation: Phasing (1) 32,000 seats; (2) 40,000; options for premium seats.
    - March 2012, Special Called BOR Meeting: Site approval.
    - August 2012, BOR and BOR F&A Meetings: Approved first phase financing - $85 million, 30,000 seats.
    - May 2013, BOR and F&A Meetings: Approved second phase financing - $105 million, 40,000 seats.
    - August 2013, BOR and F&A Meetings: Approved third phase financing $120 million.
- From this timeframe through the present, we have seen an increase in construction costs. The stadium is a great product.

Dr. Khator addressed a stadium update re numerous questions as noted below. A brief summary of her remarks on these questions are noted below.

1. Did the university get a valuable product?
2. Did we finish on time?
3. How was the stadium financed?
4. What is the status of MOU between students and the University?
5. Was HEAF funding used appropriately?
6. Has the management by third party been appropriate?

Dr. Khator addressed the first question – "Did we get a valuable product?"

- The stadium was initially envisioned as, and estimated to be, a $120 million project.
- The university went to the BOR with a $105 million project in 2012, but not all elements of the design had been completed.
- The university then requested an additional $15 million, for a total cost of $120 million (which it was noted and expected to be slightly higher by the time the entire project is finished), the project is not far from where it was originally estimated. It is a great product for $120 million or a few million more.

Chancellor Khator asked Mr. Mack Rhoades, Vice President for Intercollegiate Athletics to make further comments to the Board concerning this project; and below is a summary of his comments.

- Based on national comparison of stadiums, it is a great product for $120+ million.
- There has been a lot of feedback from our colleagues across the industry and individuals were amazed that the university was able to build this type of stadium for $120+ million.
- Schools across the country have come to visit the university to view the stadium; e.g., Temple University has stated that they would be unable to build this same stadium for less than $200 million given their location and the construction costs there.
- Student athletes love it; coaches love it; and anyone (visiting teams) who have played in it, love it. Many high schools in and around the Houston area have now programmed their games into the new stadium. They certainly have a lot of choices throughout the city but they have targeted us to play in this new stadium which will also help our football program, stated Mr. Rhoades.
- The quality of the premium seating, the suites, the club level, and the innovation in terms of bringing the club level down to the concourse and the suites right above it, as well as the different choices in seating which have all been completely sold out; and well received by everyone.

Chancellor Khator thanked Mr. Rhoades for his comments and reiterated to the Board that with the university having built a beautiful stadium, the university is, at least, at the table for national conversation with having our Athletics' program having commitment and creditability; so to say it is a great value in that sense as well. It could not have been possible without everyone pulling in. First of all, students and many SGA presidents have worked on this project and without their funding (which was the last step), there was no

way we could have this stadium. We could not have had this stadium without the faculty and staff for their patience; and Dr. Khator also thanked the donors, some of whom had attended the meetings; believing in the project; and putting the money into it. Dr. Khator also thanked Vice Chancellor Eloise Stuhr and her staff for doing a remarkable job of taking the project halfway and raising the funds; and Mack Rhoades and his staff for having such a passion that if Mr. Rhoades speaks somewhere there is no way that you wouldn't look at your wallet and say," I really want to help!" He is a great champion and leader for us and the staff. Dr. Khator also acknowledged Executive Vice Chancellor for Administration and Finance, Dr. Carlucci and his staff, who have worked tirelessly for hours in order to make certain that the product gets finished. The intent was to have the first football game in August played in the new stadium, and he made it happen. Finally, Dr. Khator recognized Vice Chancellor for Student Affairs, Richard Walker and his staff, who worked tirelessly with the students, guiding them, and making sure that we could finish this project.

Dr. Khator addressed the question, "Did we finish on time?" The proposed construction schedule for the new stadium was 900 days but the actual construction time was 19 months. We pushed very hard because we wanted to play the first game in August in the new stadium. It had been discussed to wait out another season; it was discussed; and due to numerous variables, it was decided that the better option would be to finish the project and play. The stadium is now open but we are not finished yet, stated Dr. Khator. It was a very aggressive timeline; not all venues could be completed by the opening day, but Dr. Khator said that she gave the priority order for completion as follows:

- Priority 1: Game ready with safety and security
- Priority 2: Fan experience areas
- Priority 3: Relocation of units that are currently operating in old spaces.

Therefore, finish work is likely to continue for a few more months.

The next question was addressed: "How was the stadium finished?" Dr. Khator stated that as of November 10, 2014, the total of gifts amounted to $69 million; $5 million of HEAF funds for the band area; the auxiliary revenue totaled $12 million; and student fees totaled $34 million. The total finished product is expected to exceed $128 million. The responsibility for the amount exceeding $120 million is currently being negotiated with the construction company. As of this point, $34 million of student fees has been used for fund-raising for the stadium (even though it has exceeded its goal) continues. Student referendum called for football and basketball facilities, which means that the basketball facility will rely more heavily on private donations or private/partnerships because the university's commitment to renovate/construct the basketball arena is firm.

"What is the status of MOU between students and the University?" This was the next question addressed by Dr. Khator and she stated that we will honor the MOU in spirit and in specificity. Two months ago, she had met with Mr. Charles Haston, President of SGA, and she stated she did not see anything here that was worthy of disagreement. After all, the stadium was primarily for the use by students and former students; and their contribution was appreciated; and their engagement was critical to the success of the program. She gave her word and she stands on it today that we honor whatever is in the MOU and anything more that the students want.

Dr. Khator addressed the next question: "Was HEAF funding used appropriately?" Dr. Khator stated this question had been raised and a quick review from administration revealed that HEAF funds had been used for academic purposes with proper authorizations from the Board and the Texas Higher Education Coordinating Board. However, Dr. Khator stated that she has asked that this issue be treated the same as an "anonymous yet serious" complaint made on "MySafeCampus." If any questions remain unanswered or incomplete after the first review, a full investigation will be conducted.

The final question Dr. Khator addressed was "Has the management been appropriate?" The stadium and other sports/entertainment facilities on campus entered a public-private partnership (PPP) which was approved by the Board in May of 2013. The agreement includes:

- Purpose is to generate sufficient external revenue to maintain and operate facility;
- Revenue-sharing and contribution by the partner to university;
- Activities to be aligned with university's overall mission; and
- Oversight by an "Event Review Committee".

The Stadium is a cost center, booking "non-UH" events to generate external revenue to maintain the facility.

Dr. Khator mentioned numerous events that have already been booked for FY2015 in the TDECU Stadium; in fact, the first high school football game – Pearland High School vs. Deer Park High School Football will be played tonight in the stadium. A sample booking form for the stadium was shown which outlined the process taken to book an event in the new stadium.

Accountability was addressed by Dr. Khator. The university operates many cost centers (UC, Rec Center, A.D. Bruce Center, etc.) within the established university policy framework; however, they are operated by a university entity. Public-private partnership (PPP) is a new experience, and therefore, there is no university framework that currently exists to supervise it, monitor it, and/or have some kind of oversight of it. A quick review indicates that even existing university cost center management policies need review because they are unable to absorb the cost of the facility maintenance (Rec Center, A.D. Bruce Center). For the new partnership (PPP-Aramark/Venue Works), a system of accountability needs to be developed to ensure that expectations are being met and promises are being kept.

It is important to develop and/or strengthen university policies for cost centers for the PPP. Dr. Khator will appoint a committee of expert faculty, students and administration to annually review and monitor the partnership agreement for athletic and the Cullen Performance Hall facilities. Some of the items they will review for accountability are:

- Booking schedule and types of events being scheduled
- Pricing schedule - external and internal plan; what and how they pay; and is the pricing marketable and comparable;
- Cost, revenue, and revenue-sharing
- Usage of facility
- Customer satisfaction survey

The "Lessons Learned" was briefly outlined by Dr. Khator. The construction timeline should have been more realistic. We understand now that we were very aggressive, we got it done, but it could have been an easier and smoother process. Having "as complete a design as possible" is key to avoiding cost escalation later. And finally, university policy needs to be established to provide appropriate supervision for public-private partnerships.

Student Regent Asit Shah asked Dr. Khator what was her administration doing to be transparent with the student body through this process? Dr. Khator stated that all accountability reports needed to go to the students. This is part of the MOU and the university will honor that.

Chairman Fertitta stated that Houston was amongst the biggest building boom that this city has ever had. When he walked into the stadium, he was totally surprised at "what a product the university had gotten for $120-$130 million. He congratulated Dr. Khator, the administration, the students who participated, the individuals around the table, and the people who have contributed to this project. It was a great job, done in great time. This is what you are supposed to do, get it done as fast as you can – good job!"

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

Following this presentation, Chancellor Khator introduced Ms. Richie Hunter, the new Vice Chancellor/Vice President for Marketing, Communications and Media Relations which the board approved earlier in the meeting. She does an outstanding job, stated Dr. Khator.

Dr. Khator introduced and congratulated Ms. Hunter and stated she would also give a presentation regarding the "New University of Houston Marketing Campaign." Below is a brief summary of Ms. Hunter's remarks.

- Ms. Hunter stated that this was the third time today that she had presented this campaign presentation; they have been all over campus; and it is the fifteenth time in total. They are spreading the word about the UH brand.
- Higher education is an extremely competitive industry; and we must differentiate ourselves from a crowded marketplace.
- We are not only competing locally in Houston, statewide in Texas, but nationally and internationally to make certain we distinguish ourselves in what we represent.
- We also have to compete in a really crowded consumer marketplace. We are bombarded by brands every day.
- We want to make sure that when you see the University of Houston logo it means something to you. They set out to truly define the UH brand and to make certain that what resonates with them, actually does. These include prospective and current students, parents, alumni, donors, community members, legislators, faculty, and staff to name a few.
- Therefore, through some intensive research and numerous conversations and surveys, a brand was established that is compelling, robust and distinctive.

- The University of Houston is the destination for the driven. We are leaders, trailblazers, self-starters. We are innovative and powerful and bold. We act directly and proactively. We are also relevant to our community, to our city, our state, the nation, and the world. We are practical and progressive.
- When individuals see the interlocking "UH" it resonates with them!
- There are five (5) strategic priorities identified:
    - Energy
    - Arts
    - Health
    - Athletics
    - Student Success
- We also focused on two (2) key drivers for our success:
    - Innovative is our mind-set.
    - Powerful
- It influences our Tier One research and activity and inspires the entrepreneurial spirit on our campus. We gain power from our innovation.
- This campaign was created 100% internally which equates to approximately $500,000 of really expensive advertising strategy worth that her area was able to bring inside.
- It's bold, fresh and compelling and highly photographic and engaging.
- Two slogans were developed that are clear, simple and generally reflect who we are.
- This is not your typical higher education marketing campaign. It is meant to compete in a consumer market; so together with the design, the slogan and the story that we are telling, it sets us apart from the competition and distinguishes us in an oversaturated grand marketplace.
- ***"This is the House Innovation Built."*** The University of Houston is fueling research to tackle the energy crisis and drive the industry trends.
- We build partnerships with Fortune 500 companies.
    - Now we are using nanotechnology to harvest sunlight on cloudy days….Welcome to the Powerhouse – University of Houston.
    - We've made groundbreaking discoveries in superconductivity….Welcome to the Powerhouse – University of Houston.
    - We created the nation's first subsea engineering program….Welcome to the Powerhouse– University of Houston.
    - ***"This is the House Innovation Built."*** The University of Houston is powering artistic discovery to awaken the senses and shape the cultural landscape. We're home to one of the nation's best opera programs; and we're revolutionizing the approach to arts leadership….Welcome to the Powerhouse – University of Houston.
    - ***"This is the House Innovation Built."*** The University of Houston is energizing the healthcare industry through ground-breaking research. We have helped astronauts readjust to earth's gravity. Now we're harnessing brainwaves to give amputees a new hold on life….Welcome to the Powerhouse– University of Houston.
    - We're revolutionizing the detection of breast cancer….Welcome to the Powerhouse.
    - ***"This is the House Innovation Built."*** The University of Houston fuels innovation through groundbreaking research in our 13 colleges. Within more than 30 research centers and labs, UH faculty and students push beyond known limits to find creative

solutions to the world's most challenging problems. We're also driving sportsmanship to new levels by training athletes with grit and determination. Now we're breaking academic records with the highest student-athlete grades in UH history….Welcome to the Powerhouse– University of Houston.

- The tactical execution of the Powerhouse Campaign is very straightforward. Our goals, strategy and tactics are simple.
  - From a goal perspective, we want to educate the public; engage alumni and non-alumni; differentiate ourselves and ultimately elevate the reputation of the university.
  - Our strategy is to integrate it; using more channels than ever before in this campaign. The use of iconic photography, strong content, and proof point driven copies.
  - From a tactical perspective, we took the approach of targeted placement – we know who we want to reach and we are smart about reaching them. We are very efficient with our dollars and maximize our ability to have impressions.
- From a channels perspective, we have twelve channels.
  - Outdoor – using airports – both Intercontinental and Hobby airports. Our campaign is in Terminal E at IAH which is 50% domestic and 50% international; and is the only international terminal at IAH.
  - From November 2014 to April 2015, the university will have over 20.1million impressions with this campaign.
  - There are concourse banners; backlit LED signage which are not only in Terminal E but in Terminal B at IAH; gate posters are in front of every gate in Terminal E; and lastly, we have dominated every jet bridge in Terminal E as well.
  - Skyscrapers and Billboards. There are 52 skyscrapers in downtown Houston, the Galleria and the Texas Medical Center. We are doing elevator advertising in all of these areas. In total, there are 599 elevator screens; they are running in the morning and around the day; and there will be a fresh, creative strategy that is going to change the creative every week so we are not predictable or anyone gets tired of what we are saying. The university owns the billboard on I-45 and 59 with the backdrop of the Houston skyline. Between November and December, the university will have 5.6 million impressions with this billboard alone.
  - We use traditional means such as television, radio and targeted press.
  - Digital, we have maximized our exposure to our own website as well as partner website and social media. The university's website (UH.edu) gets over 311 million page views every year. We wanted to be certain that we used it to also share the message of the campaign. Two months ago, the website was re-launched; improved its functionality and made things easier to find so that we could get people coming back more and more.
  - We have exploded on campus with 79 digital projectors throughout the campus as well as campus signage, email and swag (free giveaways).
  - In total, we will have 65,000,000+ impressions over a six-month period which is clearly unprecedented.
- Ms. Hunter ended her presentation by sharing a 30-second national spot. We are allowed a free 30-second spot through ESPN; and rather than use a generic ad like every other institution, we chose to use this time to leverage the campaign and tell our story in a bold way.

Chairman Fertitta thanked Ms. Hunter for the great presentation as well as congratulated her on her new appointment.

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

The final agenda item listed on the Board's agenda was Item H, Legislative Update Presentation – University of Houston System. Chairman Fertitta requested Dr. Khator present this item.

Dr. Khator presented this item and addressed a document that had been given to each of the Board members for their reference. This document was a Summary of Legislative Appropriations Requests for FY2016-FY2017. The first item was the UH System Legislative list of priorities. There were six (6) items mentioned:

1. Base Formula Funding. Dr. Khator stated it was critical for us that we do get this formula funding appropriate to the level so that we can serve current students and when we take new students they are no longer burdened on the existing students. This is our top priority as well as all of our System campuses.
2. Higher Education Funding (HEF). This is the funding we would get for construction or deferred maintenance purposes. This increment is consistent with increases for the past two ten-year allocation cycles.
3. State Coverage for Hazlewood Exemptions. This is a law that was passed that requires the universities to educate veterans and their families to attend college; however, the state did not give any associated funding to this so the universities had to absorb the funding which means the universities had to pass it along to the larger student body. All UH System campuses are requesting that we get this Hazelwood exemption or the funding from the state.
4. Financial Aid/TEXAS Grants. This is very important for us. State funding for student financial aid is essential if Texas is to expand access to higher education and facilitate student graduation.
5. Special and Exceptional Items. This is individual for each of the System campuses.
6. Tuition Revenue Bond Projects (TRBs).

University of Houston – Exception Item and Tuition Revenue Bond Requests

Below is the listing of exceptional items in priority order.

1. Hobby School of Public Affairs - $4,000,000
2. Tier One Initiative – Intelligent Oil Fields - $4,000,000
3. College of Pharmacy Equity Funding - $8,928,000
4. Tier One Initiative – Health Science Center Expansion - $6,000,000
5. Small Business Development Center - $980,000

Below is the listing of the Tuition Revenue Bond requests in priority order.

1. Health and Biomedical Science Center 2- $165,000,000
2. UH Sugar Land Academic Building - $91,350,000

UH-Clear Lake – Exception Item and Tuition Revenue Bond Requests

Below is the listing of exceptional items in priority order.

1. Downward Expansion - $6,500,000
2. Center for Autism & Developmental Disabilities - $400,000
3. Houston Partnership for Environmental Studies - $600,000

UH-Clear Lake – Exception Item and Tuition Revenue Bond Requests (cont'd)
Below is the listing of the Tuition Revenue Bond requests in priority order.

1. STEM and Classroom Building - $120,000,000
2. Health Sciences and Classroom Building - $34,200,000

UH-Downtown – Exception Item and Tuition Revenue Bond Requests
Below is the listing of exceptional items in priority order.

1. Engagement/Community Service - $421,000
2. Center for Urban Agriculture and Sustainability - $441,000
3. Microsoft Innovation Center - $800,000

Below is the listing of the Tuition Revenue Bond requests in priority order.

1. Science & Technology Building - $108,700,000

UH-Victoria – Exception Item and Tuition Revenue Bond Requests
Below is the listing of exceptional items in priority order.

1. Downward Expansion - $1,800,000
2. Academic Program Expansion - $6,000,000
3. Small Business Development Center/Economic Development Center - $400,000

Below is the listing of the Tuition Revenue Bond requests in priority order.

1. Campus Expansion/Land Acquisition - $166,000,000

UH-System Administration – Exception Item and Tuition Revenue Bond Requests
Below is the listing of exceptional items in priority order.

1. UH System Global Campus - $4,000,000
2. Timely College Completion Initiative – Guided Pathways to Success - $1,572,410
3. NASA Aerospace Scholars & Technology Outreach Programs - $636,000

Below is the listing of the Tuition Revenue Bond requests in priority order.

1. UH System at Cinco Ranch Building and Land Purchase - $58,540,000

The Board meeting was recessed at 3:40 p.m. for a fire alarm and reconvened by Chairman Fertitta at 3:46 p.m.

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

Chancellor's Report

Chancellor Renu Khator presented a UH System-wide report to the Board. Below is a brief summary of Dr. Khator's remarks regarding her Chancellor's Report.

University of Houston System-wide Achievements:

- Approximately 4,800 students enrolled in our four (4) UH System universities and take some or most of their face-to-face classes at various off-campus locations.
  - UH-Sugar Land, approximately 1,500 students
  - UH System at Cinco Ranch, approximately 500 students
  - Northwest Houston, approximately 2,000 students
  - UH-Clear Lake Pearland campus, approximately 800 students

- The UH-Sugar Land Work will present its report to the UH-Victoria and the UH-Sugar Land Campus communities on November 20 and 21, which is part of the ongoing process to transform UHV into a destination university of the first class and the UH-Sugar Land campus into a vibrant operation serving the needs of that growing region.

University of Houston Achievements:

- UH, already classified by the Carnegie Foundation as a "Community Engaged University," has now been honored by APLU as an "Innovation and Economic Prosperity University." UH was selected for this honor by "focusing on creating an innovation ecosystem by nurturing interdependence between internal know-how and resources, and input from university stakeholders and industry." There were eight (8) finalists for the 2014 awards, including Penn State, Purdue, University of Illinois, and Virginia Tech.
- Cougars rule the world of business! UH and the UH Alumni Association hosted the inaugural Cougar 100 Luncheon this month to honor the fastest-growing UH alumni-owned or –operated businesses in the world. The businesses were nominated for the honor and had to meet certain criteria based on annual growth from 2011 to 2013. The *Houston Business* Journal published the list of the 100 companies that were recognized.
- Gerald D. Hines College of Architecture students and faculty have swept several national and international awards recently. Matthew Burton, industrial design student, won first place in the International Housewares Competition for his electrical outlet adapter specifically designed for people with severe handicaps. The college won the Global Arts Affairs Foundation Prize at the Architecture Biennale in Venice, competing against colleges from 40 countries.
- Generous gifts from UH alumni were highlighted during groundbreaking for the four-story $51 million Multidisciplinary Research and Engineering Building last month. The Mehta Family Foundation provided support to establish the Mehta Family Engineering Research Center on the building's ground floor. Three (3) members of the family – Jainesh, Nisha, and Dharmesh – hold engineering degrees from UH. Regent Durga Agrawal and Sushila Agrawal's gift will underwrite the facility's second floor. Regent Agrawal holds a master's and a Ph.D. in industrial engineering from UH. The facility is scheduled to open in 2016.
- UH continues to engage our surrounding community. This year, as is the case every year, Graduate College of Social Work students are interning with Community Cloth, an umbrella organization comprising dozens of neighborhood organizations and churches interested in enhancing the Third Ward area. Our students are helping develop program elements for the $30 million renovation of the historic Emancipation Park, while others are working with Wheeler Avenue Baptist Church's transitional living for the elderly in the poorest part of Third Ward, and with the widely acclaimed Project Row Houses, among other s.

University of Houston-Clear Lake Achievements:

- UHCL was tapped as a Military Friendly School by Victory Media, the leader in successfully connecting the military and civilian worlds. The Military Friendly Schools list features top colleges, universities, and trade schools recognized for their dedicated efforts to ensure military students' success.

University of Houston-Clear Lake Achievements (cont'd):

- A full-scale replica of the 1752 Liberty Bell will be on display in the north lobby of the Bayou Building thanks to the efforts of Associate Professor of Legal Studies James Benson to offer educational opportunities outside of the classroom to students and visitors.
- School of Education undergraduate students Christine Houston and Mari Martinez were named Exceptional Teacher Candidates by the Texas Quest for Quality project, a state initiative highlighting exemplary quality in university-based teacher preparation programs. The project supports the goals of Closing the Gaps, the state initiative to helpl strengthen the future work force of Texas.

University of Houston-Downtown Achievements:

- In his only speaking engagement in Houston, The Honorable Stephane Dujarric, spokesperson for U.N. Secretary General Ban Ki-moon, addressed students and community members on global citizenship and worlds affairs at UHD. More than 300 students from UHD and Harmony Public Schools, and Model U.N. advisors from Lone Star College, attended the event, which was co-sponsored by UHD and the Houston chapter of the United Nations Association.
- UHD has partnered with the City of Houston and Interise to launch "Build Up Houston," an executive education program to support small construction companies operating and doing business with the city. Using an innovative curriculum developed by Interise, a nonprofit that assists small business owners, UHD will provide training in financial management, business strategy development, human resources, marketing, and sales to help companies build operational capacity, increase revenue, and create sustainable jobs.
- UHD received approximately $400,000 in cooperative grant funds for its partnership with the Houston Louis Stokes Alliance for Minority Participation. The alliance, funded by the National Science Foundation, has joined in an effort to adapt and develop innovative programs to increase the number of underrepresented minority students who earn bachelor's degrees in the STEM fields. Universities involved in the project have agreed to apply the funds to build academic and social support systems, increase research opportunities, and adopt the alliance's best practices.

University of Houston-Victoria Achievements:

- UHV's growing international activities have resulted in the establishment of an International Studies Office. The office will integrate and simplify al processes related to international students, handle study abroad programs, international agreements, visa and English language issues, and applications. Most recently, 29 business students traveled to China as part of UHV's largest-ever study abroad program. Many of them received travel scholarships thanks to a $600,000 gift to UHV from Chinese businessman Bingxin Wu and his wife, Shuqin Feng.
- UHV's new Center for the Arts will be located in a leased building in downtown Victoria. The 5,500 sf facility will house the university's new art design courses and a second Computation & Advanced Visualization Engineering (CAVE) Lab.
- The School of Education & Human Development has been awarded an $850,737 federal grant from the U.S. Department of Health and Human Services to be used to increase the number of professional counselors trained in integrated behavioral health

care. The majority of the grant will be used to provide $10,000 internship stipends to UHV students pursuing master's degrees in clinical mental health counseling.

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 4:00 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 5:53 p.m. and stated that no action was taken in Executive Session.

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Information Only

Chairman Fertitta stated (1) individual had signed up for Open Forum and asked Mr. Daniel Arp to address the Board.

1. Mr. Daniel Arp, from UH-Downtown, addressed the board on the topic of the "Myth of Male Privilege."

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There being no further action to come before the Board the meeting adjourned at 5:53 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
Carl Carlucci
Paula Myrick Short
Dona Cornell
Richie Hunter
Richard Walker
William Flores
Vic Morgan
Bill Staples
Elwyn Lee
Matthew Brawley
Don Price
Brenda Robles
Jeffrey Cass
Dan Maxwell
Emily Messa
Dick Phillips
Raymond Bartlett
Don Guyton
Chris Stanich
Charles Haston
Brian Thomas
Ben Aldrich
Phil Booth
Brandon Alexander
Gerry Mathisen
Wynne Chin
Tom Ehardt
Mara Afri
Mark Yzaguirre
Daniel Arp
Mike Emery
Mack Rhoades
Oscar Gutierrez
Joe Brueggman
Jon Aldrich
Richard Bonnin
Marquette Hobbs