MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING

Tuesday, May 18, 2010 – The members of the Board of Regents of The University of Houston System convened at 10:07 a.m. on Tuesday, May 18, 2010, at the University of Houston-Victoria, in the Multi-Purpose Room, 3007 Ben Wilson, Victoria, Texas, with the following members participating:

ATTENDANCE –

Present	Absent
Welcome W. Wilson, Sr., Chairman	Jim P. Wise, Vice Chairman
Nelda Luce Blair, Secretary	Tilman J. Fertitta, Regent
Nandita V. Berry, Regent	Mica Mosbacher, Regent
Jarvis V. Hollingsworth, Regent	
Jacob M. Monty, Regent	
Carroll Robertson Ray, Regent	
Kristen Lindley, Student Regent, nonvoting	

In accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, Chairman Wilson called the meeting to order.

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AGENDA ITEMS

Before the meeting got underway, Chairman Wilson thanked Tim Hudson, President, University of Houston-Victoria, along with his staff for hosting the Board of Regents meeting.

President Hudson welcomed the Chairman, the members of the Board, the Chancellor, and everyone from the lovely community of Victoria to the meeting. On behalf of the faculty, staff, and President Hudson's colleagues from the other universities throughout the system, his community colleagues, and of course, the 4,000 students at UH-Victoria, President Hudson thanked everyone for attending the meeting. He also thanked the Board for its legacy of leadership in bringing higher education to a part of Texas that would otherwise be fairly, severely underserved. It has been almost four decades now and the leadership of this Board has provided access to higher education in the region for a long time and it is appreciated.

President Hudson also thanked the community for attending. He pointed out that higher education is on the mind of everyone; Victoria is a "can do" community, where partnerships are very important. These folks believe in the transformative power of education and they are ready to take us to the next level.

Chairman Wilson thanked President Hudson for his remarks and then introduced the first item on the May 18, 2010 agenda.

1. Approval of Minutes – Item C:

On motion of Regent Blair, seconded by Regent Ray and by a unanimous vote of the regents present, the following minutes from the meetings listed below were approved:

- December 2, 2009, Special Called Board of Regents Meeting
- December 18, 2009, Special Called Board of Regents Meeting
- January 22, 2010, Special Called Board of Regents Meeting
- March 24, 2010, Special Called Board of Regents Meeting

2. Resolution in Appreciation – Donald L. Birx – University of Houston System – BOR – 1

Chairman Wilson introduced the Resolution in Appreciation of Donald L. Birx. Chairman Wilson read some excerpts from Dr. Birx's resolution:

- Dr. Birx joined the University of Houston System and the University of Houston in September 2006 as Vice Chancellor for Research and Vice President for Research, respectively;
- Dr. Birx holds a Ph.D. in electrical engineering from the University of Dayton; MBA and MS in bio-physics from Miami University in Ohio; and a BS in engineering from the University of California, Berkeley;
- Dr. Birx is a member of Beta Gamma Sigma, Sigma Xi, and the Institute of Electrical and Electronics Engineers;
- Particularly noteworthy are Dr. Birx's strategic cluster hiring model results in two ETF awards from the state; and
- Now be it therefore resolved that the Board of Regents of the University of Houston System issued this resolution in appreciation for Donald L. Birx for his devoted and distinguished service to the University of Houston System and the University of Houston, with our best wishes as he assumes his new academic position, as Chancellor of Penn State Erie – Behrend College.

On motion of Regent Ray, seconded by Regent Blair and by a unanimous vote of the regents present, the Resolution in Appreciation for Dr. Donald L. Birx was approved.

3. Resolution in Appreciation – Kristen A. Lindley – University of Houston System – BOR – 2

Chairman Wilson introduced the Resolution in Appreciation for Kristen A. Lindley and below are excerpts from her resolution presented by Chairman Wilson:

- Ms. Lindley was appointed to the University of Houston System Board of Regents in June 2009 by Governor Rick Perry, serving with distinction until her term ends on May 31, 2010;

- Ms. Lindley, who graduated magna cum laude from the University of Houston-Victoria in May 2009 with a bachelor's degree in accounting, and was the fourth student to be appointed to the UH System Board of Regents;
- Ms. Lindley is working on a master's of business administration and working part-time in the UH-Victoria's Administration and Finance Office, and completed an audit internship with the Grant Thornton firm in Houston;
- Ms. Lindley has successfully completed the first section of the Certified Public Accountant exam;
- Ms. Lindley served with distinction during important deliberations and decisions by the Board of Regents, including approval of the purchase and renovation by UH-Victoria of a hotel for use as a residence hall and academic support space, as well as serving as a member of the board's Academic and Student Success Committee and the Facilities, Construction and Master Planning Committee;
- Ms. Lindley, because of her professionalism and participation in the Board of Regents meetings as an advocate for, and representation of, all the students in the UH System, has set an example for all future student appointees to the UH System Board of Regents; and
- Now be it therefore resolved that the UH System Board of Regents issue this resolution in appreciation for Kristen A. Lindley for her devoted and distinguished service to the UH System.

On motion of Regent Ray, seconded by Regent Blair and by a unanimous vote of the regents present, the Resolution in Appreciation for Kristen A. Lindley was approved.

4. Presentation by University of Houston Faculty Senate President, Dr. Mark Clarke on Faculty Senate Activities including Student Success Initiatives, and by Dr. Cindy Schnebly, University of Houston-Victoria Faculty Senate President on UHV's Faculty Senate's Activities and Initiatives – University of Houston System – BOR – 3

   Dr. Clarke thanked the board and introduced Dr. Cindy Schnebly, Faculty Senate President from UH-Victoria.

   A summary of Dr. Cindy Schnebly's comments are below.

   - Dr. Schnebly focused on the downward expansion of UH-Victoria; and an aspect that is seldom discussed - the dedicated staff, who worked together to put the downward expansion plans into place.
   - As you know, the timelines for UH-Victoria's downward expansion were short, said Dr. Schnebly. The signing, by Governor Rick Perry, of House Bill 1056 which allows UHV to offer classes to freshmen and sophomores for the first time in its history, took place approximately 11 months ago. In less than one year's time, the staff of UHV, particularly those in areas involving recruiting, advising, admitting, and retaining of students, the creating of the core curriculum classes, the reevaluating of student policies, the expanding of tutoring services and financial aid, have turned their attention to the first 200 freshmen who will enter the university by August 2010.

- The faculty and staff of UHV are solidly behind the downward expansion plans. It is their work in conjunction with that of UHV's administrative team which will make that goal possible.

Dr. Mark Clarke, Faculty Senate President for the University of Houston, presented the board with the following remarks concerning Student Success Initiatives.

- The Faculty Senate leadership from all four system universities meets together with system administration on a monthly basis to discuss issues common to our respective faculty and students, and to facilitate those initiatives that require the cooperation of faculty within and across the system.
- An example of such an issue that was previously mentioned to the Board was the UH System's response to House Bill 2504. Last fall, Provost Antel formed a system-wide Accountability Taskforce responsible for formulating a plan to comply with the terms of the new law consisting of leadership of all four university Faculty Senates.
- HB 2504 requires electronic posting of all class syllabi, the CV's of each associated Instructor-of-Record for those classes and information on the cost of attendance for each class. This information must be available to the general public on the home page of each University in the System by the 7th class day of this fall semester and updated each semester thereafter.
- The first part of this task, namely developing and implementing a means of uploading this information in an accurate and timely fashion has been accomplished, and is now available to all faculty members across the system. The taskforce continues to work with IT personnel from each system university to implement those items required for posing of this information on the public-side of the house.
- An update was given on the Faculty Senate's efforts to establish a Center for Teaching Excellence on the UH campus. The structure of the proposed Center is based upon a study of best practices amongst other Tier One universities and focuses on how best the Center can impact the overall student success goals of the University.
- An administrative framework, along with milestones and associated budget for the planned center, are part of a comprehensive report that will be delivered to the Provost shortly. This plan was developed over the last year by a steering committee made up of faculty drawn from both the Faculty Senate and specific departments responsible for large elements of the core curriculum in the UH undergraduate program.
- As part of the development process, the Senate hosted two separate events soliciting ideas and feedback from faculty. They were grateful to the Provost for supporting these events as well as the Valic Insurance Group who sponsored part of the second event held this spring semester. In all, over 200 faculty members attended these two events in person, while countless suggestions from faculty have appeared as blog entries on the CTE steering group website.
- Four major areas will address the proposed Center for Teaching Excellence and have been identified as being central to enhancing overall teaching excellence at UH, but that also are aligned with specific elements of our student success goals as detailed in the Strategic Action Plan.

(a) Teaching Assistant (TA) Training Program;
(b) Faculty Instructional Resource Program;
(c) Promotion of Teaching Excellence; and
(d) Faculty Research in Instructional Approaches

- The overarching principle behind the proposed Center is the concept of faculty helping other faculty. There are many resources available to individual faculty members to enhance the quality of their teaching both in the classroom and the laboratory. The trust is that the majority of faculty believes they could do a better job of instruction in the classroom, and recognize that this enhances the degree of engagement and overall success of their students.
- While developing the plan for the Center, however, most faculty resist the centrally mandated, "one-size-fits-all approach" to achieving these goals. Conversely, it was also learned that faculty members are very receptive to advice on how to do a better job when it comes from their fellow faculty colleagues, especially those that have received previous recognition for teaching excellence.
- Based on this information, the proposed Center for Teaching Excellence plans to follow a model based on faculty helping other faculty to enhance their instructional skills while encouraging faculty to consciously value the importance of enhancing their teaching skills with regard to student engagement and overall student success.
- Specific examples of initiatives planned for the proposed Center include a pilot TA training plan where they hope to train over 250 TA's which is actually a quarter of all TA's at the UH campus, hopefully by the beginning of the fall semester.

Dr. Clarke stated he hoped his brief description of the proposed Center for Teaching Excellence provided the Board with a clearer understanding of its goals and how they plan to make those goals a reality. The final report will be available by the end of May and will be posted to the website.

He also hoped that this presentation impressed upon the Board both the seriousness and the level of commitment which the Faculty Senate and the wider faculty of the University have heeded the call from the Board of Regents and the Chancellor to focus their attention on meeting the student success goals laid down as part of the Strategic Action Plan. The Faculty Senate believes that a Center for Teaching Excellence, by engaging the faculty in a continuous improvement process designed to enhance their own individual performance as classroom instructors, will in turn increase the level of engagement and success of the students those faculty teach.

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

Academic and Student Success Committee

The following item was considered and approved by the Academic and Student Success Committee on Wednesday, November 4, 2009:

1. Revised Automatic Admission Standards for Entering Freshmen Beginning Fall 2012 – University of Houston – A&SS – 1

Regent Carroll Robertson Ray, Chair of the Academic and Student Success Committee, stated that in an earlier Academic and Student Success Committee meeting, we had discussed revising the automatic admission standards for the University of Houston, first-time freshmen. After that discussion, some community leaders expressed concerns regarding the impact of raising these standards. Following the expression of those concerns, various Board members, Dr. Khator, and members of her administrative team, have met with most of those leaders, if not all of them, and have listened to all of their concerns. Hearing their concerns we have done additional research and have been able to satisfy ourselves and most of these community leaders that the University of Houston can maintain its most highly valued diversity, stay true to its mission to provide a first-class education to working men and women, and pursue our Tier One goal with automatic admission standards.

Regent Ray stressed that these revised standards apply solely to the automatic admission of incoming freshmen. We will continue with our traditional system of individual review for those not automatically admitted, and also we have a totally separate admissions process for transferring students.

We will also continue effective programs and implement new ones to preserve our diversity and access and reach out to talented students in the Houston area and beyond.

Regent Ray, therefore, offered a substitute for the standards reported by the Academic and Student Success Committee on November 4, 2009. The revised automatic admission standards proposed as a substitute, would implement the changes over a two-year period beginning in the Fall of 2012.

Below are the revised automatic freshman admission standards for those passed by the Academic and Student Success Committee on November 4, 2009.

- Beginning with the Fall 2012 entering freshman cohort:
  Automatic Admission for all applying freshmen in the
  - Top 15% High School Rank No Minimum SAT/ACT Score
  - 16-25% High School Rank At Least 1000 SAT or 21 ACT
  - 26-50% High School Rank At Least 1100 SAT or 24 ACT
  - Individual Reviews for all Others

- Beginning with the Fall 2014 entering freshman cohort:
  Automatic Admission for all applying freshmen in the
  - Top 10% High School Rank No Minimum SAT/ACT Score
  - 11-25% High School Rank At least 1000 SAT or 21 ACT
  - 26-50% High School Rank At least 1100 SAT or 24 ACT
  - Individual Reviews for all Others

On motion of Regent Berry, seconded by Regent Blair and by a unanimous vote of the regents present, the Revised Automatic Admission Standards for Entering Freshmen Beginning Fall 2012 – University of Houston was approved.

The following item was considered and approved by the Academic and Student Success Committee on Tuesday, May 11, 2010:

1. Naming of the Hobby Center for Public Policy – University of Houston – A&SS 2

   Regent Ray, as Chair of the Academic and Student Success Committee, expressed her delight and the committee's support of this item.

On motion of Regent Ray, seconded by Regent Blair and by a unanimous vote by the regents present, the Naming of the Hobby Center for Public Policy – University of Houston was approved.

2. Approval of Appointment of Dean College of Liberal Arts & Social Sciences, University of Houston – A&SS 3

   Regent Ray stated Dr. John W. Roberts was named the Dean of the College of Liberal Arts and Social Sciences (CLASS) effective July 1, 2010.

On motion of Regent Blair, seconded by Regent Hollingsworth and by a unanimous vote of the regents present, the Approval of Dr. John W. Roberts as Dean of the College of Liberal Arts and Social Sciences was approved.

There was one new Academic and Student Success Committee item for presentation.

3. Academic Presentation: UHV Outreach – Making a Difference Through Downward Expansion and Centro Victoria – UH-Victoria – A&SS – 4

   President Hudson stated Ms. Chari Norgard, Associate Vice President for Student Success and Enrollment Management and Dr. Denee Thomas, Director of Letting Education Achieve Dreams (LEAD) and Student Recruitment, will update the Board of Regents on activities and results of recruiting UH-Victoria's first 200+ freshmen students.

   Dr. Macarena Hernandez, Victoria Advocate Endowed Professor in Humanities, will share the information about UH-Victoria's unique Centro Victoria and its efforts to expand Hispanic literature in Texas high schools and assist in recruiting students to UH-Victoria.

   Below is a brief summary of Ms. Norgard's remarks regarding the recruitment of UH-Victoria's first 200+ freshmen students:
   - UH-Victoria has received 1,140 applications to date;

- 385 freshman applications have been accepted;
- 209 freshman applications have been confirmed and/or committed;
- UHV has a "First 200 Online Updates" website (http://www.uhv.edu/ssem/DE.aspx) which is updated monthly on where they are in the process.
- Breakdown of accepted freshman applicant majors at UHV:
  (a) 236 – Arts and Sciences majors;
  (b) 96 – Business majors;
  (c) 53 – Education majors;
  (d) 19 – Degree in (Dn) 3 majors - (Dn 3 – Allows students to obtain their four year degrees in three years. These majors include: Criminal Justice, Psychology, Communications, History, and English.
- Accepted freshman applicant demographics:
  (a) 49 Texas Counties;
  (b) 40% - 45% Hispanic; and
  (c) Nearly 60% Female
- Freshman Retention Priorities were addressed:
  (a) New Freshman Housing – Jaguar Hall;
  (b) Freshmen Experience Seminar;
  (c) Community of Readers – first book chosen for incoming freshmen: "*Isaac Storm*". This book will also be integrated into the core curriculum as well.
  (d) An Early Alert System has been set up to help identify, early on, those students who may need help to make certain they receive the help they need to be successful at UHV; and
  (e) Advising Council – all academic advisors have been set-up in the academic schools.
- New Student Development Initiatives have been established:
  (a) Freshman/Parent Orientation: five orientations have been scheduled for the summer;
  (b) Mental Health Counseling Center will be established.
  (c) Student Health Services: UHV has expanded upon their relationship with Citizens Medical Center. A preferred provider agreement has been set-up with Citizens Medical Center which will allow UHV students to use their emergency room facility. A list of all walk-in clinics in the Victoria area will also be given to students which will detail their hours of operation, location, etc.
  (d) Student Employment Center: UHV is working closely with the Chamber of Commerce and local businesses to help those students who would like to be employed while they are attending classes at UHV.
- Why UH-Victoria?
  (a) Affordability;
  (b) Smaller City;
  (c) Distance from Home (not too far away);
  (d) Small class size;
  (e) FIRST Freshman Class (FIRST 200)
  (f) Dn3; and
  (g) Jaguar Pledge – Commitment to students.

Below is a brief summary of Dr. Hernandez's remarks concerning Centro Victoria:

- Centro Victoria was launched in December 2009;
- Centro Victoria is a Mexican American Literature and Culture Center;
- This program will help to address the achievement gaps in Texas. UHV is well-placed geographically to be one of the centers providing educational opportunities (quote from Steve Murdock, former State Demographer);
- By 2020, Hispanics will become the state's majority;
- More than half of the 4.5 million children currently in Texas public schools are Hispanic;
- In 2000, more than half of Texas Hispanics did not have a high school diploma;
- Less education = lower average income for Texans and, as a result, decreased tax revenues collected by the state;
- Centro Victoria is not a "think tank." It's a "DO TANK;"
- Practical Solutions: Made in Texas Teacher Guide. This booklet was distributed to the board for their information;
- They have visited 15 school districts across the state including Houston, El Paso, Laredo, and along the Rio Grande Valley;
- 1,500 teachers and students have attended the "Made in Texas" workshops and the responses have been overwhelming.

The regents complimented both Ms. Norgard and Dr. Hernandez for their outstanding presentations to the board. Their presentations have been filed in the Board office.

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

Facilities, Construction and Master Planning Committee

The following item was considered and approved by the Facilities, Construction and Master Planning Committee on Tuesday, May 11, 2010:

1. Approval is Requested for Changing the Project Scope to Decrease the Square Footage of the Project for University of Houston-Victoria Jaguar Hall – UH-Victoria – FCMP – 1

   Regent Nelda Blair, Chair of the Facilities, Construction and Master Planning Committee, introduced this item. Regent Blair stated the committee had thoroughly discussed this at the committee meeting which involved the budget change; the change in the number of students; and the due diligence of the professionals who were hired to do the project. The committee approved the project change, but in order to give the regents a real general scope of what this had entailed, Regent Blair called on President Tim Hudson for his remarks.

   President Hudson gave an overview of the project. Below is a brief summary of his remarks:

   - The board had initially approved the purchase of the hotel which is located across from the UH-Victoria campus and there were two buildings located on this property.
   - Since the board approved the change in scope, one of the two buildings is unsalvageable.

- When the cost of salvaging the second building exceeded the cost of building new, the project was brought back to the board for approval to reduce the square footage of the entire project.
- The main building will now house all of the student activities and has 140 student rooms.
- With the anticipated cost of approximately $5 million to build new, it was decided to change the scope of the project and tear down the second building.
- The original plan of this project was for $9 million which included acquisition and fees; $14.5 million is what it would take now if we were to renovate both buildings.
- The total revised budget to be approved at the Board meeting would be $9.5 million which would include the acquisition of the property; renovation of the main building; furniture and equipment; professional service fees; and the demolition cost of the annex building.

Regent Blair confirmed in committee that the $500,000 demolition cost was simply an estimate and that bids have not yet been taken.

The Ratified Budget for Change in Project Scope is summarized below:

- Original Scope
  - 228 rooms
  - 220,000 GSF
- Revised Scope
  - 140 rooms
  - 181,000 GSF
- Unchanged Facilities
  - Classrooms and Student Service Offices
  - Commercial Kitchen and Dining Facility
  - Fitness Center
  - Computer Lab
  - Tutoring Facility
  - Athletic Offices and Training Facility
- Revised Budget from $9,000,000 to $9,500,000

Regent Berry asked if there would be any change in the cost charged to the students for their living expenses. President Hudson said there would be no change for the first year, with modest increases thereafter.

Regent Hollingsworth inquired as to the process in selecting the vendor(s) and Dr. Carlucci addressed the timeline and reviewed the process. Regent Hollingsworth stated we do need to learn from this situation and maybe there should be some kind of contingency plan put in place to account for that inability to accurately assess the actual costs and/or change our process to account for that contingency.

Regent Blair stated the committee had asked the General Counsel, Dona Cornell, to look at the agreements and look to see what our options might be. The FCMP committee did pass this item and recommends it to the board. Regent Blair stated the need to move forward in

Victoria, and the need to have this project scope changed so UH-Victoria can get ready for incoming freshmen.

Regent Blair made the motion, with the caveat more investigation is completed behind the scenes as Regent Hollingsworth stated, so we do not make mistakes in the future. It was seconded by Regent Monty and by a unanimous vote of the regents present, the request for changing the project scope to decrease the square footage of the project for UH-Victoria Jaguar Hall was approved.

Finance and Administration Committee

The following items were approved at the Finance and Administration Committee meeting held on Wednesday, May 12, 2010:

1. Approval is Requested for the University of Houston System FY 2011 Plan and Budget – UH System – F&A – 1

   Chair of the Finance and Administration Committee, Regent Jim P. Wise, was unable to attend the meeting. Regent Carroll Robertson Ray, Vice Chair of the committee, introduced this item and called on Dr. Carlucci, who gave a powerpoint presentation which requested approval for the FY 2011 Plan and Budget for the UH System. The presentation outlined the annual plans, plus revenue and expenditure budgets, for all university components for the period September 2010 through August 2011. The budget for the UH System includes operating, restricted and capital facilities budgets for the University of Houston, UH-Clear Lake, UH-Downtown, UH-Victoria, and UH System Administration.

   Dr. Carlucci thanked Tom Ehardt, Associate Vice Chancellor for Finance, and all the staff who have worked so diligently putting the budget together and working with all of the UH System campuses. Below is a brief summary of the details of the FY 2011 Plan and Budget that were presented at the Finance and Administration Committee meeting which included a presentation on the background information on what drives our budget. The conclusion: Enrollment is the driving force behind all of our resources. Specifically, credit hours are what generate our operating budget; it drives the funding formula; and it drives the facilities formula both for operations and for new facilities.

   The University of Houston System Budget Principles were addressed and are listed below:

   Established in FY2010:
   - Maintain a balanced budget;
   - Appropriate use of revenue, recurring vs. non-recurring revenues, restricted and unrestricted revenue;
   - Focus expenditures on BOR priorities;
   - Continue to invest in the growth and retention of faculty and staff; and
   - Continue to invest in and maintain campus infrastructure, physical and electronic.

Added in FY2011:

- Reduce by 5% spending from our State Appropriation;
- Reallocation of resources to priority instructional initiatives, new faculty and new instructional sites;
- Promote enrollment growth, add new faculty and sections; and
- Faculty and staff recruiting and retention programs at each campus.

A complete copy of the FY 2011 Plan and Budget has been posted on the Administration and Finance website at http://www.uh.edu/af/budgetFY11.htm.

Dr. Carlucci summarized the University of Houston System Combined FY2011 vs. FY2010 Budget ($ Millions) below:

Operating & Restricted Budget	Current **FY2010 Budget**	**….. Change ….. Dollars**	**%**	New **FY2011 Budget**
Source of Funds				
1. State Appropriations	$ 326	$ (6)	-1.8%	$ 320
2. Tuition & Fees	414	41	10.0%	455
3. Other Operating	355	62	17.5%	417
Total Sources	$ 1,095	$ 97	8.9%	$ 1,192

Operating & Restricted Budget	Current **FY2010 Budget**	**….. Change ….. Dollars**	**%**	New **FY2011 Budget**
Use of Funds by Object				
4. Salaries, Wages, Benefits	$ 605	$ 13	2.1%	$ 618
5. M&O	249	29	11.7%	278
6. Capital, Debt Svc, Utilities	108	10	9.3%	118
7. Scholarships	133	33	25.0%	166
8. Reserve for State Reduction	-	12		12
Total Uses	$ 1,095	$ 97	8.9%	$ 1,192
Capital Facilities Budget				
Total Sources	$ 207	$(57)	-27.5%	$ 150
Use of Funds by Object				
9. Construction	$ 115	$(34)	-29.1%	$ 81
10. Major Rehabilitation	63	6	8.8%	69
11. Acquisitions	29	(29)	-100.0%	$ 150
Total Uses	$ 207	$(57)	-27.5%	$ 150
Total Operating, Restricted and Capital Budget				
TOTAL	**$ 1,302**	**$40**	**3.1%**	**$ 1,342**

Grover Campbell, Vice Chancellor for Governmental Relations, stated that today, Governor Rick Perry, Lt. Governor David Dewhurst, and Speaker Joe Straus had approved the reduction plans we had submitted: 5% reduction this year and a 5% reduction for next year.

Regent Ray reiterated that they have been able to preserve some faculty merit raises during this budget difficult process and they have been very focused on maintaining and increasing access through scholarship funds. This was a priority expressed by the Chancellor, and is in fact reflected in the budget. Dr. Carlucci stated that $26.9 million of reductions and reallocations were made which includes the dollars that have been set aside for the state reduction, as well as dollars that have been set aside for reallocation. $12.2 million has gone into the reduction. Of the new money, $38.8 million system-wide has been allocated for student success.

Reallocation Plans for each UH System campus were presented. Regent Ray clarified that each one of the universities had looked at how to not only reduce but to reallocate to better fulfill the priorities of their institutions and the slides presented reflect, not only these reductions, but strategic reallocations of funds to best achieve their goals.

A breakdown of each UH System campus was addressed. A complete copy of this slide presentation was filed in the Board office.

On motion of Regent Ray, seconded by Regent Blair and by a unanimous vote of the regents present, the University of Houston System FY2011 Plan and Budget was approved.

2. Approval is Requested for the Purchase and Installation of a Metal Organic Chemical Vapor Deposition (MOCVD) System for Superconductivity – University of Houston – F&A – 2

Dr. Antel presented this item to the Board. The proposed use of the MOCVD is a preferred approach to fabricate high performance High Temperature Superconductor (HTS) wires.

Using a small-scale research equipment, Dr. Venkat Selvamanickahm's group will conduct research on improving the performance and improving the efficiency of the MOCVD process in collaboration with SuperPower Inc. as part of an existing sponsored research agreement. This new wire is 200 times more conductive than copper. This equipment will be housed in the UH Research Park and will be important to meet several of the milestones of the EFT program.

On motion of Regent Ray, seconded by Regent Hollingsworth and by a unanimous vote of the regents present, the Approval for the Purchase and Installation of a Metal Organic Chemical Vapor Deposition (MOCVD) System for Superconductivity – University of Houston was approved.

3. Approval is Requested for Changing the Project Scope to Decrease the Square Footage of the Project for University of Houston-Victoria Jaguar Hall – UH-Victoria – F&A – 3

Regent Ray commented that this item had been discussed earlier at quite length but she wanted to confirm that the bond financing for this project is still workable with the number of students and the change in scope and the financial projections are still positive.

Chairman Wilson also reiterated that the price per room that we are paying for this facility is reasonable: on a value basis, the value is there.

On motion of Regent Ray, seconded by Regent Hollingsworth and by a unanimous vote of the regents present, the Request for changing the project scope to decrease the square footage of the project for University of Houston-Victoria Jaguar Hall – UH Victoria was approved.

Audit and Compliance Committee

The following item was approved at the Audit and Compliance Committee meeting held on Wednesday, May 12, 2010:

1. Review and Approval of Audit Report and Financial Statements, University of Houston Charter School, FY 2009 – UH System – AUDIT – 1

   Chair of the Audit and Compliance Committee, Regent Jacob M. Monty, introduced this item to the board and called on Dr. Elaine Charlson, Executive Associate Vice Chancellor of Academic Affairs, UH System and Executive Associate Vice President for Faculty Affairs, University of Houston, who explained the University of Houston Charter School and its functions.

   Dr. Charlson stated the University of Houston Charter School functions as its own school district. There are typically 132 students in six classes. There are two teachers in each class: a teacher and an assistant teacher. It is an innovative elementary school focusing on the constructivist approach to education that empowers children, promotes reasoning, autonomy, and community throughout the child's day and life at the school. It has been in operation for 10 years; and the students who have graduated from the fifth grade have done extremely well Some of them have gone on to college; and at least one student has been a national merit finalists.

On motion of Regent Monty, seconded by Regent Berry and by a unanimous vote of the regents present, the Review and Approval of the Audit Report and Financial Statements, University of Houston Charter School, FY2009 was approved.

Endowment Management Committee

The Endowment Management Committee was cancelled for May 11, 2010 and has been rescheduled to meet on Monday, May 24, 2010; therefore, there were no items presented at the Board of Regents meeting on May 18, 2010.

Chancellor's Report

Chancellor Renu Khator stated there were two documents that have been distributed to the Board:

(1) Success Stories which gives a snapshot of news from around the UH System; and
(2) The outline of the Chancellor's Reports.

In the essence of time, Dr. Khator stated she would not give any reports or news from the UH System to the Board but there were some exciting announcements she shared with the board which are summarized below.

- There were 7,071 degrees award at the four UH System universities:
  (a) Doctoral and Professional degrees – 627;
  (b) Master's degrees – 1,680; and
  (c) Bachelor's degrees – 4,756
- The Top American Research Universities recently released their report for this year. They are one of two organizations that tier universities which is how we gauge our progress. Last year we were not ranked at all. Out of the 200 universities that they ranked, we did not meet the precondition of $40 million in Federal research expenditures. A year prior, when their precondition was only $20 million, we were ranked, and one of the 9 measures was ranked in the top 50. We need to have 4 measures ranked in the top 50 and 1 measure ranked in the top 25 in order for us to make the list that we seek to be there. This year we have ranked 3 of the top 9 measures in top 50. Dr. Khator stated huge progress has been made and she thanked everyone for their support.

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

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Executive Session Report

At 1:16 p.m., the Board recessed for Executive Session. Chairman Wilson announced that the Board would recess to convene in Executive Session pursuant to Subchapter D of Chapter 551 of the Texas Government Code, which allows governing boards to meet in closed session.

Chairman Wilson reconvened in Open Session at 1:45 p.m. and the following actions were taken on matters discussed in Executive Session.

A Litigation Status Report and Legal Briefing was given by General Counsel, Dona Cornell and property issues were discussed. There was no Board action taken in Executive Session.

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Chair's Report

The chairman announced that a Chair's Report would not be given at the meeting.

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Information Only

Chairman Wilson stated 11 individuals had signed up for Open Forum.

1. Philip Vasquez, Local attorney and community activist, Victoria, Texas;
2. Will Armstrong, Mayor, Victoria, Texas;
3. Don Pozzi, County Judge, Victoria, Texas;
4. Gary Burns, County Commissioner, Victoria, Texas
5. Bill Blanchard, Crossroads Commission Co-Chair, Victoria, Texas;
6. Randy Vivian, President and CEO, Victoria Chamber of Commerce, Victoria, Texas;
7. Claud Jacobs, Crossroads Commission on Education Member, Victoria, Texas;
8. Henry Guajardo, Crossroads Commission on Education Member, Victoria, Texas;
9. Janie Lack, Crossroads Commission on Education Member, Victoria, Texas; and
10. Geanie Morrison, State Representative, Victoria, Texas.
11. Mr. Daniel Arp, a UH-Downtown student working on his Master's in Technical and Creative Writing, had signed up for Open Forum but did not attend the meeting.

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There being no further action to come before the board the meeting adjourned at 1:45 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	Ed Hugetz	Tom Ehardt
Carl Carlucci	Elaine Charlson	Will Armstrong
John Antel	Carl Stockton	Raymond Bartlett
Dona Cornell	Michelle Dotter	Wayne Beran
Grover Campbell	Suzanne LaBrecque	Michele Sabino
Donald Birx	David Bradley	Maria Emerson
Elwyn Lee	Susan Greene-Davis	Liz Fletcher
Michael Rierson	Ben Price	David Bell
William Flores	Gary Burns	Randy Vivian
Tim Hudson	Don Guyton	Chari Norgard
William Staples	Cindy Schnebly	Don Pozzi
Barbara Stanley	Mark Clarke	Claud Jacobs
James Anderson	Dan Wells	Bill Blanchard
Morgan O'Connor	Molly Woods	Henry Guarjardo
Dorothy Alcorn	Matt Alexander	Margaret Rice

Others Present (cont'd)

Kay Kerr Walker
Geanie Morrison
Andrew Cobos
Tom Butler
Geri Schroeder
Sherry Holm
Bryant Price
Malcolm Davis
Joe Humphreys
Bob Moore
Lawrence F. Rossow
Sean Garcia
Pat Kennedy
D. F. Joseph
Jo Janssen
Warren A. Yehl
Charles Alcorn
Bob Keith
Rusty Donohue
Tom Halepaska
Jeff Lyon
John Weempe
Clay Cain
Bobby Jacob
Jeff Bauknight
Dennis Brown
Keith Henke
Juan Velasquez, III
John Crews
Adrian Cannady
Jessica Gumm
Richard Bonnin
Mike Emery
Monica McHenry
Martha Hamilton
Olga Chapa
Dan Easton
Louise Hull Patillo
Jeffrey Di Leo
Lori Zamora
Kathy Autry
Joe Truman
Fred L. Sanchez
Donald T. Day
Ann Brogger
Ginny Stafford
Jared Tomanek
Buddy Lee
Denise Rangel
Jerra Lee
David C. Edwards
Connie Murray
Amy Mundy
George Parsley
Tony Rigdon
John F. Brimberry
Breene Cantwell
Mary Virginia Jacobs
Jay Lack
Joe Dahlstrom
Greg Hughes
Gerry Mathisen
Janie Lack
Phillip Vasquez
Macarena Hernandez
Kathy Walton
Chad Hall
Tim Hornback
Heather Bruno
Cheryl Johnson
Michelle Hall
Howard Goode
Keisha Smith
Lisa Peterson
David Petty
Kimberly R. Johnson
Darrell W. O'Neal
Elgin Janssen
Ramona Garnett
Vic Caldwell
Paul Polasek
Janis L. Scott
Jeannie Kever
Susan Cain
Kevin M. Janak
Larry Clark
Cheryl Clark
Bill Lopez
Richard Storemski
Charles Windwehan
Sharon Barnard
Faye Landry