UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING
Tuesday, February 17, 2009
AGENDA

UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING

DATE: Tuesday, February 17, 2009
TIME: 8:30 a.m.
PLACE: University of Houston
        Athletics/Alumni Building
        3100 Cullen Boulevard
        Melcher Board Room 100B
        Houston, Texas 77204

Chair: Welcome W. Wilson, Sr.
Vice Chair: Lynden B. Rose
Secretary: Jim P. Wise

I. Board of Regents Meeting
   A. Call to Order
   B. Open Forum
   C. Resolution in Remembrance and Appreciation of
      Wilhelmina Cullen Robertson Smith – UH System
      Action: Approval
   D. Update from the UH Faculty Senate President on Faculty
      Senate Initiatives – University of Houston
      Action: Information

II. Committee Reports
   A. The following items were considered and/or approved by
      the Facilities, Construction and Master Planning Committee
      on February 6, 2009; the Audit and Compliance Committee
      on February 10, 2009; and the Endowment Management
      Committee on February 13, 2009:
Facilities, Construction and Master Planning Committee:

1. Approval of the Undergraduate Housing Program - University of Houston

2. Moody Towers Renovation – University of Houston

Audit and Compliance Committee:

1. Board of Regents' Internal Audit and Institutional Compliance Policies – UH System

Endowment Management Committee:

1. FY09 University Advancement Endowment Assessment – UH System

B. Board Approval of the Committee Reports

III. Academic and Student Success Committee Items:

A. New Item(s)

1. Appointment of Senior Vice Chancellor for Academic Affairs, University of Houston System, Senior Vice President for Academic Affairs and Provost, University of Houston

   **Action:** Approval

2. Appointment of Dean, The Honors College, University of Houston

   **Action:** Approval

3. Appointment of Dean, School of Business Administration – UH-Victoria

   **Action:** Approval

4. Academic Presentation: Cynthia Woods Mitchell Center for the Arts – University of Houston

   **Action:** Information

AGENDA – 2
IV. Audit and Compliance Committee Report

V. Endowment Management Committee Items

A. New Item(s)

1. Appointment of Endowment Investment Manager - UH System
   
   **Action:** Approval

VI. Facilities, Construction & Master Planning Committee Report

VII. Finance and Administration Committee Items:

A. New Item(s)

1. Contract to Provide Food Service for the University of Houston System – UH System
   
   **Action:** Approval

2. Contract to Provide Bookstore Services for the University of Houston System – UH System
   
   **Action:** Approval

3. Approval of the Undergraduate Housing Budget - University of Houston
   
   **Action:** Approval

4. FY 2008 Reductions in Net Capital Assets – UH System
   
   **Action:** Approval

5. Accounts and Notes Receivable Write-offs – UH System
   
   **Action:** Approval

   
   **Action:** Approval
7. Contract to Provide Natural Gas Service for the University of Houston – University of Houston

**Action:** Approval

8. Insurance Renewals for Fiscal Year 2009 – UH System

**Action:** Approval

9. Consolidated Revenue Commercial Paper Notes - UH System

**Action:** Approval


**Action:** Information

11. Contract to Provide Electrical Service for the University of Houston System – UH System

**Action:** Information

VIII. Chancellor’s Report regarding Systemwide Accomplishments

IX. Executive Session

A. Section 551.071 – Consultation with System Attorneys

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

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

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

X. Report and Action from Executive Session

XI. Chair’s Report

XII. Adjourn
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

FACILITIES, CONSTRUCTION &
MASTER PLANNING COMMITTEE

AGENDA ITEM(S)

FORWARDED FROM

FEBRUARY 6, 2009
COMMITTEE MEETING

FOR

FINAL BOARD APPROVAL
COMMITTEE: Facilities, Construction and Master Planning Committee

ITEM: Approval of the Undergraduate Housing Program

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Approval is requested for the Undergraduate Housing (Wheeler Precinct) program. The proposed program is a building of approximately 185,227 ASF/284,964 GSF.

Details of the program are provided in the attached supporting documentation.

FISCAL NOTE: Bond Funding

SUPPORTING DOCUMENTATION: Undergraduate Housing Space Program Proposed Budget/Proposed Schedule

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT Renu Khator 1/29/09

EXECUTIVE VICE CHANCELLOR Carl Carlucci 1/29/09

CHANCELLOR Renu Khator 1/29/09
The project provides for the design and construction of Phase I of an undergraduate residence facility consisting of approximately 250 two-bedroom, shared-bath units (1000 beds total) with related amenities, support staff, and resident staff/resident assistant apartments.

This facility will emphasize the freshman experience by including a living-learning center with resident staff. Other amenities include central and floor lounges floor kichenettes, computer room, commons, vending areas, laundry room(s), multi-purpose classrooms, and a fitness area. Support spaces will include housekeeping and custodial closets, mail center, storage/maintenance rooms, IT and building systems closets, elevators and equipment room.

Dining services in Phase I will be provided at Moody Towers. Existing food services there will be remodeled prior to the opening of the Phase I facilities.

Adjacent exterior spaces will support outdoor activities and will feature landscaping, seating and site lighting. Provision will be made for strong pedestrian/bicycle connections with the campus.
Approximate Site Limits, Phases I and II

FC&MP 1.1.1, Feb. 6, 2009

Undergraduate Housing (Wheeler Precinct)
Location Plan
University of Houston
Undergraduate Housing Pro Forma
Prepared February 9, 2009

Financing

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Project Cost</td>
<td>$ 50.0</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>3.9</td>
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<tr>
<td>Projected Bond Amount</td>
<td>$ 53.9</td>
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Cash Flow

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<tr>
<td>Projected Revenue</td>
<td>$ 7.35</td>
<td>$ 7.57</td>
<td>$ 7.80</td>
<td>$ 8.03</td>
<td>$ 8.27</td>
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<tr>
<td>Projected Operating Expenses</td>
<td>3.13</td>
<td>3.23</td>
<td>3.33</td>
<td>3.43</td>
<td>3.53</td>
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<tr>
<td>Net Cash Flow</td>
<td>$ 4.22</td>
<td>$ 4.34</td>
<td>$ 4.47</td>
<td>$ 4.60</td>
<td>$ 4.74</td>
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<tr>
<td>Projected Debt Service</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
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<td>Debt Coverage Ratio</td>
<td>1.08</td>
<td>1.11</td>
<td>1.14</td>
<td>1.17</td>
<td>1.21</td>
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Undergraduate Housing Program
## Budget

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<thead>
<tr>
<th>Category</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Construction Cost</td>
<td>$39,450,000</td>
</tr>
<tr>
<td>Professional Services Fees</td>
<td>$2,283,000</td>
</tr>
<tr>
<td>Project Management</td>
<td>$1,456,500</td>
</tr>
<tr>
<td>Furniture &amp; Moveable Equipment</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Testing/Commissioning/</td>
<td></td>
</tr>
<tr>
<td>Project Support</td>
<td>$916,000</td>
</tr>
<tr>
<td>Art</td>
<td>$394,500</td>
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<tr>
<td>Project Contingencies</td>
<td>$3,000,000</td>
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</table>

**TOTAL PROJECT COST**  
$50,000,000

*University of Houston  
Undergraduate Student Housing in the Wheeler Precinct*
<table>
<thead>
<tr>
<th>Description</th>
<th>ASF</th>
<th>GSF</th>
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</thead>
<tbody>
<tr>
<td>Residence Facility</td>
<td>182,952</td>
<td>281,464</td>
</tr>
<tr>
<td>Convenience Store</td>
<td>2,275</td>
<td>3,500</td>
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<tr>
<td><strong>Total SF</strong></td>
<td>185,227</td>
<td>284,964</td>
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</table>
Project Schedule

Site Grading /Utilities & Tunnel Construction                       June 2009

Building Construction Begins                                    October 2009

Construction Complete                                            June 2010

Furnishing Installation                                          July 2010

Occupancy                                                        August 2010
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:  Facilities, Construction and Master Planning

ITEM:  Moody Towers Renovation

DATE PREVIOUSLY SUBMITTED:  N/A

SUMMARY:
Presentation of the renovation to be completed in the Moody Towers Dining Hall as part of the re-negotiated ARAMARK master food service contract.

FISCAL NOTE:

SUPPORTING DOCUMENTATION:  Moody Towers Renovation Presentation
February 6, 2009

ACTION REQUESTED:  Approval

COMPONENT:  University of Houston

PRESIDENT  Renu Khator  DATE  /1/28/09

EXECUTIVE VICE CHANCELLOR  Carl Carlucci  DATE  /1/27/09

CHANCELLOR  Renu Khator  DATE  /1/28/09
Current Moody RFoC
Scope of Work

- Renovate Moody Dining, 25,300 sq ft, to accommodate an incremental 1700 Residents (+ 254%) to 2800 Residents
- Increase Seating Capacity to 550 (+ 22%) versus current 450
- Augment Serving Concepts to 8 (+ 14%) versus current 7
- Create a Private Dining Room, 1,000 sq ft, with a capacity of up to 100 persons

<table>
<thead>
<tr>
<th>Current</th>
<th>Proposed</th>
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<tbody>
<tr>
<td>Residents Served</td>
<td>1,100</td>
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<tr>
<td>Meals Served (peak meal period)</td>
<td>750</td>
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<tr>
<td>Serving Concepts</td>
<td>7</td>
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<tr>
<td>Seating Counts</td>
<td>450</td>
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<tr>
<td>Private Dining Room</td>
<td>0</td>
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</table>
Examples
# Moody Renovation Costs

**University of Houston**  
**Moody Dining Hall**  
*Prepared 11/25/08*

<table>
<thead>
<tr>
<th>I. BUILDING CONSTRUCTION</th>
<th>Project Cost</th>
</tr>
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<tr>
<td>11/25/2008</td>
<td>6,272,718</td>
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<table>
<thead>
<tr>
<th>III. FURN., FIXTURES &amp; EQUIP.</th>
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<tbody>
<tr>
<td>Total FF &amp; E</td>
<td>1,683,908</td>
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</table>

| TOTAL CONSTRUCTION AND FF&E  | 7,956,626|

<table>
<thead>
<tr>
<th>IV. FEES AND EXPENSES</th>
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<tbody>
<tr>
<td>Total Fees and Expenses</td>
<td>1,489,245</td>
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</table>

<table>
<thead>
<tr>
<th>V. CONTINGENCY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal Contingency</td>
<td>417,723</td>
</tr>
</tbody>
</table>

| TOTAL PROJECT | 9,863,593 |

Total Estimated Project Cost of $9.8MM
Moody Renovation Schedule

Project to take 9 Months and targeted for opening on August 21, 2009
Q & A

THANK YOU
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

AUDIT & COMPLIANCE COMMITTEE

AGENDA ITEM(S)

FORWARDED FROM

FEBRUARY 10, 2009
COMMITTEE MEETING

FOR

FINAL BOARD APPROVAL
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Audit

ITEM: Board of Regents' Internal Audit and Institutional Compliance Policies

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
The Audit Committee Planner, item number 3.03, requires an annual review of the Board of Regents' policies on Internal Audit and Institutional Compliance.

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Board of Regents' Internal Audit and Institutional Compliance Policies

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

DIRECTOR, INTERNAL AUDITING

Don F. Guyton 1/23/09

CHANCELLOR PRESIDENT

Renu Khator 1/24/09

DATE
Board of Regents
Internal Audit and Institutional Compliance Policies
(2/10/09)

41 AUDIT

41.01 Internal Auditing
To develop a framework for the implementation of the internal audit function within the
system, and to define the scope of the internal audit function as an effective management
tool for use by the chancellor and the board in evaluating the system's fiscal integrity and
compliance with the Texas Internal Auditing Act, Texas Government Code, Section
2102, applicable state and federal laws and with approved board policies, the board
adopts the following policy:

41.01.1 Philosophy
A. A primary responsibility of the board is to ensure the legal and fiscal
   integrity of the system. To that end, the board directs the Department of
   Internal Auditing to perform those audit activities necessary to assure that
   the system's resources are being properly managed and accounted for and
   that the institution is complying with approved policies and statutory
   requirements.
B. Internal audits are resource tools for management and enable the system to
   monitor the effectiveness with which policies are followed, objectives
   met, and control systems function.
C. Internal auditing is an independent, objective assurance and consulting
   activity designed to add value and improve the system's operations. It
   helps the system accomplish its objectives by bringing a systematic,
   disciplined approach to evaluate and improve the effectiveness of risk
   management, control, and governance processes.
D. The Department of Internal Auditing will be free of all operational and
   management responsibilities that would impair the ability to make
   independent reviews of all aspects of the system.
E. In carrying out their duties and responsibilities, members of the
   Department of Internal Auditing will have full, free, and unrestricted
   access to all system activities, records, property, and personnel. The
   Internal Auditing Department may also request access to the financial
   records of private support organizations and foundations chartered for the
   benefit of the University of Houston System or any part thereof.

41.01.2 Organizational Responsibility
A. The director of internal auditing will report directly to the chair of the
   Audit and Compliance Committee of the board, and have access to the
   chancellor.
B. The board is responsible for the employment and dismissal of the internal
   auditor; however, the chancellor has the authority to make
recommendations to the board on the employment and dismissal of the internal auditor.

C. The Department of Internal Auditing will perform its duties in accordance with the Standards for the Professional Practice of Internal Auditing and the Code of Professional Ethics, as established by the Institute of Internal Auditors.

41.01.3 The Internal Auditing Process

A. In August of each year, the Department of Internal Auditing will present to the Audit and Compliance Committee a long-range audit plan and an annual audit plan for the Board's review and approval.

B. The director of internal auditing will meet with the chancellor on a regular basis to review audits performed, audits in progress, and future audits.

C. The director of internal auditing will meet with the chair of the Audit and Compliance Committee on a regular basis to review audits performed, audits in progress, and future audits.

D. Internal Audit reports will be distributed to the Chancellor, members of the Board of Regents, the State Auditor, the Governor's Office of Planning and Budgeting, the Legislative Budget Board and the Sunset Advisory Commission, as required by the Texas Government Code, Section 2102.

41.01.4 Objectives

The internal audit activity evaluates and contributes to the improvement of the system's risk management, control and governance systems by addressing the following objectives:

A. **Risk Management**: Internal audit activity will assist the system by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.

B. **Control**: Internal audit activity will assist the system in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.

C. **Governance**: Internal audit activity will contribute to the system's governance process by evaluating and improving the process through which (1) values and goals are established and communicated, (2) the accomplishment of goals is monitored, (3) accountability is ensured, and (4) values are preserved.

D. The internal audit activity will evaluate risk exposures and adequacy and effectiveness of controls relating to the system's governance, operations, and information systems regarding the
   - Reliability and integrity of financial and operational information
   - Effectiveness and efficiency of operations
   - Safeguarding of assets
   - Compliance with laws, regulations, and contracts.

E. The Internal Audit Department will coordinate audit efforts with those of external CPA firms and the state auditor's office. (2/10/09)

*Deleted: 11/18/04*
42.01 Institutional Compliance
The Chancellor, as chief executive officer of the System, is responsible for ensuring the implementation of an institutional compliance program for the System. Accordingly, the System-wide Compliance Officer prepares an executive summary of all institutional compliance activity of the component institutions.

42.01.1 System-Wide Compliance Officer
The System-wide Compliance Officer is responsible, and will be held accountable for, apprising the Chancellor and the Audit and Compliance Committee of the institutional compliance functions and activities at each of the component institutions as set out in Subparagraph B, below. The System-wide Compliance Officer provides institutional compliance assistance to the Chancellor and the Vice Chancellors in the exercise of their responsibilities.

A. **Appointment:** The System-wide Compliance Officer shall be appointed by the Chancellor. The System-wide Compliance Officer is the senior compliance official of The University of Houston System, provides assistance and advice covering all component compliance programs, and shall hold office without fixed term, subject to the pleasure of the Chancellor.

B. **Duties and Responsibilities:** The primary responsibilities of the System-wide Compliance Officer include developing an infrastructure for the effective operation of The University of Houston System Institutional Compliance Program; chairing the System-wide Compliance Officers Council; and prescribing the format for the annual risk-based compliance plan and the quarterly compliance status reports to be submitted by each component institution. (2/10/02)

Deleted: 1/13/04
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

ENDOWMENT MANAGEMENT
COMMITTEE

PROPOSED AGENDA ITEM(S)

TO BE FORWARDED
FROM

FEBRUARY 13, 2009

COMMITTEE MEETING
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:  Endowment Management

ITEM:  FY09 University Advancement Endowment Assessment

DATE PREVIOUSLY SUBMITTED:

SUMMARY:  Approval is requested to assess the UH System Endowment at a rate of 1.5% for FY09 (FY10 spending). This represents the annual approval by the Board of this assessment. The endowment statement of investment objectives and policies permits the system to annually assess a reasonable fee against the earnings of specified endowment funds to offset expenses associated with gift acquisition and fundraising at the component universities. The investment policy also states that the Board shall annually review and approve the fee. The fee is based as a percentage of the fiscal year end market value averaged over rolling three-year periods for eligible endowments. If an endowment has been in existence less than three years, the average will be based on the number of years in existence.

FISCAL NOTE:  Estimated assessment for FY10 spending is $5 million, which represents an estimated $900 thousand decrease from FY09 spending.

SUPPORTING DOCUMENTATION:

ACTION REQUESTED:  Approval

COMPONENT:  University of Houston System

PRESIDENT  DATE
VICE CHANCELLOR  EXECUTIVE VICE CHANCELLOR  DATE
CHANCELLOR  DATE
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

BOARD OF REGENTS
MEETING

BOARD
AGENDA / ITEMS

Tuesday, February 17, 2009
ITEM: Resolution in Remembrance and Appreciation of Wilhelmina Cullen Robertson Smith

DATE PREVIOUSLY SUBMITTED:

SUMMARY:
Resolution in Remembrance and Appreciation of Wilhelmina Cullen Robertson Smith

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Resolution

ACTION REQUESTED: Approval

COMPONENT: UH System

CHAIRMAN: Welcome W. Wilson, Sr.
DATE: 2/16/09

BOR - 1
RESOLUTION IN REMEMBRANCE AND APPRECIATION
WILHELMINA CULLEN ROBERTSON SMITH

WHEREAS, Wilhelmina Cullen Robertson Smith was born in Houston, Texas, on December 3, 1922, the youngest daughter of Lillie Crazn and Hugh Roy Cullen, the University of Houston’s first major benefactors; and,

WHEREAS, Wilhelmina Cullen Robertson Smith graduated from the University of Houston in 1944 with a bachelor’s degree in business administration; and,

WHEREAS, in June 1945, Wilhelmina Cullen Robertson Smith married Corbin James Robertson, a U.S. Air Corps Captain she had met a few months earlier at one of the Sunday receptions her parents held for servicemen during World War II; and,

WHEREAS, the marriage, which lasted until Mr. Robertson’s death in 1991, produced five siblings – Wilhelmina E. “Beth” Robertson, former chair of the UH System Board of Regents; Lillie T. Robertson, friend and supporter of UH arts programs; Corbin J. Robertson, Jr., advocate for the Texas Center for Superconductivity; Carroll Robertson Ray, current member of the UH System Board of Regents; and Alison S. Robertson Baumann – who to this day carry on the tradition of service and philanthropy that has been the hallmark of the Cullen family for decades; and,

WHEREAS, Wilhelmina Cullen Robertson Smith for five decades guided The Cullen Foundation and founded three other charitable trusts – The Cullen Trust for Higher Education, The Cullen Trust for Health Care, and The Cullen Trust for the Performing Arts – to focus on education, medicine, and the arts; and,

WHEREAS, Wilhelmina Cullen Robertson Smith married Edgar A. Smith, Jr. in April 1998, sharing a blessed eleven years together; and,

WHEREAS, Wilhelmina Cullen Robertson Smith generously supported and actively participated in innumerable University of Houston events during her lifetime, holding a very special place in her heart for Cougar athletics, as well as supporting programs and activities at UH-Downtown, including student support,

NOW BE IT THEREFORE RESOLVED that the University of Houston System Board of Regents issues this resolution in remembrance and appreciation of Wilhelmina Cullen Robertson Smith – a most beloved and remarkable lady – with our deepest sympathy to Edgar A. Smith, Jr. and the Cullen and Smith families.

Dated this ____ day of _____, 2009

Chairman, Board of Regents
University of Houston System

Chancellor
University of Houston

BOR - 1.1
ITEM: Update from the UH Faculty Senate President on Faculty Senate Initiatives

SUMMARY
Dr. Dan Wells, President of the UH Faculty Senate, will provide the Board with an update on Faculty Senate initiatives, including the upcoming system-wide conference on Student Success.

ACTION REQUESTED: Information

COMPONENT: University of Houston

PRESIDENT Renu Khator DATE 2/6/09

CHANCELLOR Renu Khator DATE 2/6/09

BOR - 2
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

BOARD OF REGENTS
MEETING

ACADEMIC & STUDENT SUCCESS
COMMITTEE

AGENDA / ITEMS

Tuesday, February 17, 2009
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic and Student Success

ITEM: Appointment of Senior Vice Chancellor for Academic Affairs, University of Houston System, Senior Vice President for Academic Affairs and Provost, University of Houston

DATE PREVIOUSLY SUBMITTED:

SUMMARY

In accordance with Board Policy 57.10, the University of Houston and UH System requests approval of personnel action for Dr. John Antel, Senior Vice Chancellor for Academic Affairs, University of Houston System, Senior Vice President for Academic Affairs and Provost, University of Houston.

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Personnel Action and Biographical Sketch

ACTION REQUESTED: Approval

COMPONENT: University of Houston & UH System

[Signatures and dates]
**University of Houston System Board of Regents**

**Personnel Recommendations**

**Organization:** University of Houston System

<table>
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<tr>
<th>Type of Appointment</th>
<th>Name</th>
<th>From Title</th>
<th>Rate:</th>
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<tbody>
<tr>
<td>Appointment</td>
<td>John Antel</td>
<td>Dean, College of Liberal Arts &amp; Social Sciences</td>
<td>$200,192.88 (12 Months)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Senior Vice Chancellor for Academic Affairs, University of Houston System, Senior Vice President for Academic Affairs and Provost, University of Houston</td>
<td>$300,000.</td>
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<tr>
<td>Effective Date</td>
<td></td>
<td>February 1, 2009</td>
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*A&SS - 1.1.1*
John Antel

Senior Vice Chancellor for Academic Affairs, University of Houston System, Senior Vice President for Academic Affairs and Provost, University of Houston

John Antel joined the University of Houston in 1981 as Assistant Professor of Economics. Prior to that time, he served as a consultant in labor and population studies for the Rand Corporation in California. He was promoted to Associate Professor in 1988 and Professor in 1995. His research has been in the areas of labor economics, health economics, and applied statistics, having worked on issues related to the economics of poverty, labor mobility and migration, fertility, hospital regulation, health outcomes, and applications of non-linear statistical methods.

In 1997, he was appointed Chair of the UH Department of Economics, and in 2002, he was appointed Dean of the UH College of Liberal Arts and Social Sciences (CLASS). The college is the largest one at UH. As Dean, he was active in many university-wide initiatives related to strategic planning, enrollment management, tuition policy, and health initiatives. He was instrumental in founding the Cynthia Woods Mitchell Center for the Arts and redesigning the Center for Public Policy.

Dr. Antel holds a Ph.D. in economics from the University of California at Los Angeles. He received a Bachelor of Arts degree in economics from the University of California at Berkeley. He was selected "Educator of the Year" by the South Texas Air Force Association for the successful development of the UH Air Force ROTC program.
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic and Student Success

ITEM: Appointment of Dean, The Honors College, University of Houston

DATE PREVIOUSLY SUBMITTED:

SUMMARY

In accordance with Board Policy 57.10, the University of Houston requests approval of personnel action for Dr. William Monroe, Dean, The Honors College.

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Personnel Action and Biographical Sketch

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT Renu Khator DATE 2/6/09

SENIOR VICE CHANCELLOR John Antel DATE 2/3/09

CHANCELLOR Renu Khator DATE 2/6/09
University of Houston System Board of Regents

Personnel Recommendations

Organization: University of Houston

<table>
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<tr>
<th>Type of Appointment:</th>
<th>Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>William Monroe</td>
</tr>
<tr>
<td>From Title:</td>
<td>Executive Associate Dean, The Honors College</td>
</tr>
<tr>
<td>To Title:</td>
<td>Dean, The Honors College</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>January 20, 2009</td>
</tr>
</tbody>
</table>

A&SS – 2.2.1
William Monroe

Dean, The Honors College

Dr. Monroe has been directly involved in honors administration at the University of Houston for over 20 years. Receiving his Ph.D. with Honors in English Language and Literature from the University of Chicago in 1982, Dr. Monroe came to The Honors College at the University of Houston in 1985 where he served as associate director, associate dean, and executive associate dean before being appointed dean of the Honors College, effective January 20, 2009.

He is currently a professor in the Department of English and the Nancy O’Connor Abendshein Professor in The Honors College. He teaches courses in Contemporary American Fiction and Poetry and the interdisciplinary courses Literature & Medicine and Literature & Alienation. Since 1994, he has directed the Common Ground Teachers Institute, a summer program for secondary school teachers focusing on multicultural literature. He is also the founding director of Medicine & Society Program at Houston, a new program that administers an interdisciplinary minor for students interested in the health professions and the importance of medicine and health care in society.

His book, Power to Hurt: The Virtues of Alienation, was selected as an Outstanding Academic Book of the Year by Choice magazine and nominated for the Phi Beta Kappa Christian Gauss Award. Other publications include his play, Primary Care, which deals with end-of-life issues related to Alzheimer’s disease; “Old School” (on Wayne C. Booth, his mentor at the University of Chicago); “Is There a Person in This Case?” which appeared in the journal Literature and Medicine; and numerous essays, articles, and book reviews on Willa Cather, T.S. Eliot, and Vladimir Nabokov among others. Dr. Monroe currently is working on a manuscript titled The Vocation of Affliction: Flannery O’Connor and the Myth of Mastery.

Bill Monroe began his post doctoral work at McMurry College in Abilene, Texas where he served as chair of the English Department and co-chaired a task force which created an honors program at that institution. Having worked so closely to establish The Honors College at the University of Houston as a flagship of its kind, Dr. Monroe now leads an annual workshop for directors of new honors programs or new directors of established programs in conjunction with the National Collegiate of Honors Council annual convention.
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic and Student Success

ITEM: Appointment of Dean, School of Business Administration, UH-Victoria

DATE PREVIOUSLY SUBMITTED:

SUMMARY

In accordance with Board Policy 57.10, the University of Houston Victoria requests approval of personnel action for Dr. Farhang Niroomand, Dean, School of Business Administration.

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Personnel Action and Biographical Sketch

ACTION REQUESTED: Approval

COMPONENT: UH - Victoria

PRESIDENT

Tim Hudson

DATE 2/2/09

SENIOR VICE CHANCELLOR

John Antel

DATE 2/3/09

CHANCELLOR

Renu Khator

DATE 2/6/09
UNIVERSITY OF HOUSTON SYSTEM BOARD OF REGENTS

PERSONNEL RECOMMENDATIONS

Organization: University of Houston-Victoria

Type of Appointment: Appointment

Name: Farhang Niroomand

To Title: Dean, School of Business Administration

To Rate: $169,500 (12 Months)

Effective Date: July 1, 2009
Farhang Niroomand

Dean, School of Business Administration

Farhang Niroomand earned a Ph.D. in International Economics and an M.A. in Economics from Michigan State University. He received his B.A. degree in Economics from National University of Iran. Prior to accepting the dean’s position at UHV, Dr. Niroomand was a professor of Economics and International Business at The University of Southern Mississippi (USM) where he received numerous teaching “Excellence in Teaching” awards as well as the Louis K. Brandt Faculty Research Award. From 2000-2007, Dr. Niroomand served as the College’s Associate Dean helping it grow into the largest AACSB accredited program in the state. In 2008, he completed a three year stint as the Project Director for a U.S. Department of Education Title VI-B Grant “From Local to Global: The Internationalization of Business in Mississippi” during which time he was named Business Advisory Council Professor of Economics and International Business and earn a Certificate of Appreciation for the Achievement in Trade from the U.S. Department of Commerce. Dr. Niroomand’s research has appeared in a variety of well-respected journals including Economic Development and Cultural Change, Economics Letters, Review of World Economics, Applied Economics, Journal of Economic Studies, Journal of Global Business, and Multinational Business Review. Currently he serves as Executive Secretary-Treasurer for Omicron Delta Epsilon International Honor Society in Economics and as a Research Associate for the Center for Research on International Economics at the University of Wisconsin-Milwaukee.
SUMMARY

Karen Farber, Director of the Cynthia Woods Mitchell Center for the Arts, will provide the Board with an overview of the programs and activities of the Center.
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

AUDIT & COMPLIANCE COMMITTEE

NO ITEMS TO BE PRESENTED ON

Tuesday, February 17, 2009
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

BOARD OF REGENTS MEETING

ENDOWMENT MANAGEMENT COMMITTEE

AGENDA / ITEMS

Tuesday, February 17, 2009
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Endowment Management

ITEM: Appointment of Endowment Investment Managers

DATE PREVIOUSLY SUBMITTED:

SUMMARY: The Endowment Management Committee received a report from the system's investment consultant, Cambridge Associates, which identified firms for consideration as investment managers for the endowment fund. The committee discussed each of the investment managers and/or interviewed representatives from the investment management firms identified in the report. The committee therefore requests the approval of Mondrian Investment Partners Limited and Silchester International Investors as investment managers for the University of Houston System Endowment Fund.

FISCAL NOTE:

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

DATE

EXECUTIVE VICE CHANCELLOR Carl P. Carlucci

DATE

CHANCELLOR Remu Khator

DATE

ENDOW - 1
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

FACILITIES, CONSTRUCTION & MASTER PLANNING COMMITTEE

NO ITEMS TO BE PRESENTED ON

Tuesday, February 17, 2009
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS

BOARD OF REGENTS
MEETING

FINANCE & ADMINISTRATION
COMMITTEE

AGENDA / ITEMS

Tuesday, February 17, 2009
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:       Finance and Administration

ITEM:            Contract to Provide Food Service for the University of Houston System

DATE PREVIOUSLY SUBMITTED:   N/A

SUMMARY:
Approval is requested for a Delegation of Authority to the Chancellor to negotiate and execute
the master food service contract with ARAMARK upon agreement of the General Terms and
Conditions. The existing master food service contract with ARAMARK expires in August 2010.
The UH System is re-negotiating its agreement with ARAMARK, the current food service
provider, in order to provide funding for the renovation of Moody Towers dining hall. This
renovation is necessary to accommodate the increased residential population in the proposed
freshman housing village.

FISCAL NOTE:

SUPPORTING
DOCUMENTATION:

ACTION REQUESTED:   Approval

COMPONENT:         University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR         Carl Carlucci

CHANCELLOR         Renu Khator

DATE

F&A – 1
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:  Finance and Administration

ITEM:  Contract to Provide Natural Gas Service for the University of Houston

DATE PREVIOUSLY SUBMITTED:  N/A

SUMMARY:
The existing natural gas supply contract with CenterPoint Energy for the UH Power Plant, which supplies natural gas to most of the buildings on the UH campus, will expire in March 2009. The University of Houston, through a Request for Proposal (RFP) bidding procedure, will select the provider offering the most economical and reliable source for natural gas energy. Approval is requested for a Delegation of Authority to the Chancellor to negotiate and execute a three (3) year contract with the selected provider upon agreement of the General Terms and Conditions.

In the event that a new contract cannot be negotiated by March 1, 2009, approval is requested to extend the existing contract to allow additional time to negotiate the best possible three year contract for the UH Power Plant. The other UH System metered locations are not large enough to negotiate their own natural gas contract, and we are not allowed to aggregate our natural gas meters to negotiate a single contract for all of UH System.

FISCAL NOTE:  UH Power Plant natural gas expenditures were $3,654,000 in FY2008.

SUPPORTING DOCUMENTATION:

ACTION REQUESTED:  Approval

COMPONENT:  University of Houston

PRESIDENT  Renu Khator  1/29/09

EXECUTIVE VICE CHANCELLOR  Carl Carlucci  1/30/09

CHANCELLOR  Renu Khator  1/29/09

F&A - 7
University of Houston System  
Master Food Service Agreement Pro Forma  
Prepared February 9, 2009

$ Millions

**University of Houston Financing**  
Projected Contract Revenue $ 57.5

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Contract Revenue</td>
<td>$2,376</td>
<td>$2,670</td>
<td>$3,436</td>
<td>$3,247</td>
<td>$3,409</td>
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<tr>
<td>Projected Operating Expenses</td>
<td>1,385</td>
<td>1,523</td>
<td>1,790</td>
<td>1,433</td>
<td>1,456</td>
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<tr>
<td>Net Cash Flow</td>
<td>991</td>
<td>1,147</td>
<td>1,646</td>
<td>$1,814</td>
<td>$1,953</td>
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<tr>
<td>Projected Debt Service</td>
<td>$907</td>
<td>$907</td>
<td>$907</td>
<td>$907</td>
<td>$907</td>
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<tr>
<td>Debt Coverage Ratio</td>
<td>1.09</td>
<td>1.26</td>
<td>1.81</td>
<td>2.00</td>
<td>2.15</td>
</tr>
</tbody>
</table>
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Contract to Provide Bookstore Services for the University of Houston System

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:
Approval is requested for a Delegation of Authority to the Chancellor to negotiate and execute the master bookstore contract with Barnes and Noble College Booksellers, Inc. upon agreement of the General Terms and Conditions. The existing master bookstore contract with Barnes and Noble College Booksellers, Inc. expires in December 2010. The UH System is re-negotiating its agreement with Barnes and Noble College Booksellers, Inc., the current bookstore service provider, in order to provide funding for the construction of the new Calhoun Loft store, the UH Sugarland Store and the minor renovation of the UH Main and UH Clear Lake stores. The additional stores and the minor renovation of the existing UH Main and UH Clear lake stores is necessary to accommodate the increased student population and to enhance student access throughout the UH System.

FISCAL NOTE:

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT  DATE
EXECUTIVE VICE CHANCELLOR  DATE
CHANCELLOR  DATE

F&A – 2
Barnes & Noble Contract Renewal

Finance and Administration Committee
February 10, 2009
Contract Term Changes

Current
- Guaranteed Payment/Percentage Payment-$2,700,000 or 13.1% of all gross sales from $0 to $13,000,000, 12.1% of all gross sales from $13,000,000 to $16,000,000, 11.1% of all gross sales over $16,000,000
- Annual Textbook Scholarships in the amount of $20,000
- Contract expires December 2010

Proposed
- Guaranteed Payment/Percentage Payment-$2,700,000 or 12% of all gross sales from $0 to $13,000,000, 13% of all gross sales from $13,000,000 to $16,000,000, 14% of all gross sales over $16,000,000
- Annual Textbook Scholarships in the amount of $20,000
- Capital Commitment of $750,000 to design, construct, renovate and equip the new Calhoun Loft and Sugarland store and perform some minor renovations of the UH Main and Clearlake stores.
- Extend contract by 5 years, new end date December 2015
University’s Mission

- The contract extension will directly support the university’s mission of ensuring student success and academic excellence by strengthening the partnership with Barnes and Noble as they continue to provide a critical service to the UH System.
- The new Calhoun Lofts and Sugarland stores will accommodate the increased student population and enhance student access throughout the UH System.
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval of the Undergraduate Housing Budget

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested for the budget and construction of Undergraduate Housing (Wheeler Precinct) facility. The proposed facility comprises approximately 1000 beds and 185,300 ASF/285,000 GSF. Projected project budget is $50,000,000.

Details of the project are provided in the attached supporting documentation.

FISCAL NOTE: Bond Funding

SUPPORTING DOCUMENTATION: Project Budget and Construction Schedule

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT Renu Khator 1/29/09

EXECUTIVE VICE CHANCELLOR Carl Carlucci 1/30/09

CHANCELLOR Renu Khator 1/29/09
Undergraduate Housing Program
## Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Cost</td>
<td>$39,450,000</td>
</tr>
<tr>
<td>Professional Services Fees</td>
<td>$2,283,000</td>
</tr>
<tr>
<td>Project Management</td>
<td>$1,456,500</td>
</tr>
<tr>
<td>Furniture &amp; Moveable Equipment</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Testing/Commissioning/</td>
<td></td>
</tr>
<tr>
<td>Project Support</td>
<td>$916,000</td>
</tr>
<tr>
<td>Art</td>
<td>$394,500</td>
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<tr>
<td>Project Contingencies</td>
<td>$3,000,000</td>
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<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td><strong>$50,000,000</strong></td>
</tr>
</tbody>
</table>
## Square Feet Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>ASF</th>
<th>GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence Facility</td>
<td>182,952</td>
<td>281,464</td>
</tr>
<tr>
<td>Convenience Store</td>
<td>2,275</td>
<td>3,500</td>
</tr>
<tr>
<td>Total SF</td>
<td>185,227</td>
<td>284,964</td>
</tr>
</tbody>
</table>
Project Schedule

Site Grading /Utilities & Tunnel Construction       June 2009
Building Construction Begins                    October 2009
Construction Complete                            June 2010
Furnishing Installation                          July 2010
Occupancy                                        August 2010
University of Houston  
Undergraduate Housing Pro Forma  
Prepared February 9, 2009

### Financing

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Project Cost</td>
<td>$ 50.0</td>
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<tr>
<td>Capitalized Interest</td>
<td>3.9</td>
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<tr>
<td>Projected Bond Amount</td>
<td>$ 53.9</td>
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</table>

### Cash Flow

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Revenue</td>
<td>$ 7.35</td>
<td>$ 7.57</td>
<td>$ 7.80</td>
<td>$ 8.03</td>
<td>$ 8.27</td>
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<tr>
<td>Projected Operating Expenses</td>
<td>3.13</td>
<td>3.23</td>
<td>3.33</td>
<td>3.43</td>
<td>3.53</td>
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<tr>
<td>Net Cash Flow</td>
<td>$ 4.22</td>
<td>$ 4.34</td>
<td>$ 4.47</td>
<td>$ 4.60</td>
<td>$ 4.74</td>
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<tr>
<td>Projected Debt Service</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
<td>$ 3.92</td>
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<tr>
<td>Debt Coverage Ratio</td>
<td>1.08</td>
<td>1.11</td>
<td>1.14</td>
<td>1.17</td>
<td>1.21</td>
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</tbody>
</table>
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration
ITEM: FY 2008 Reductions in Net Capital Assets

SUMMARY: Approval is requested to write off obsolete equipment and library book inventories with a total residual value of $301,666 for FY2008 for the Universities of Houston, Clear Lake, Downtown, Victoria and System Administration. The residual value of $301,666 pertains to $33.6 million in original book value less $33.3 million in accumulated depreciation. For FY 2007, the comparable reduction of inventory had residual value of $429,592 with a book value of $8.2 million and accumulated depreciation of $7.7 million.

In the disposal of obsolete inventory, the University follows state guidelines for the disposal of fixed assets, which includes sales by public auction, trade-in for purchases, transfers to assistance organizations such as school districts, and, for the library, the removal of books and periodicals from circulation.

<table>
<thead>
<tr>
<th>Component</th>
<th>FY 2008</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Houston</td>
<td>$ 217,394</td>
<td>$ 423,409</td>
</tr>
<tr>
<td>UH System Administration</td>
<td>190</td>
<td>0</td>
</tr>
<tr>
<td>UH - Clear Lake</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>UH - Downtown</td>
<td>84,082</td>
<td>6,183</td>
</tr>
<tr>
<td>UH - Victoria</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 301,666</strong></td>
<td><strong>$ 429,592</strong></td>
</tr>
</tbody>
</table>


ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR

CHANCELLOR

DATE

DATE

DATE

F&A – 4
### University of Houston System
Reductions in Capital Assets
Fiscal Year 2008

<table>
<thead>
<tr>
<th>Summary by Type of Reduction</th>
<th>ORIGINAL COST</th>
<th>DEPRECIATION</th>
<th>RESIDUAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sold</td>
<td>$217,512</td>
<td>$211,703</td>
<td>$5,809</td>
</tr>
<tr>
<td>Salvaged</td>
<td>1,190,545</td>
<td>1,106,462</td>
<td>84,083</td>
</tr>
<tr>
<td>Obsolete</td>
<td>27,449,271</td>
<td>27,282,432</td>
<td>166,839</td>
</tr>
<tr>
<td>Traded - In</td>
<td>132,108</td>
<td>114,984</td>
<td>17,124</td>
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<tr>
<td>Lost/Stolen</td>
<td>61,653</td>
<td>57,817</td>
<td>3,836</td>
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<tr>
<td>Transferred to Assistance Organizations</td>
<td>92,956</td>
<td>92,768</td>
<td>190</td>
</tr>
<tr>
<td>Transferred to Other Government Units</td>
<td>55,495</td>
<td>31,709</td>
<td>23,786</td>
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<tr>
<td><strong>Total Reductions in Equipment</strong></td>
<td>29,199,541</td>
<td>28,897,875</td>
<td>301,666</td>
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<tr>
<td>Library Books</td>
<td></td>
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<tr>
<td>Withdrawn From Circulation</td>
<td>4,361,766</td>
<td>4,361,766</td>
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</tr>
<tr>
<td><strong>Total Reductions in Capital Assets</strong></td>
<td>$33,561,307</td>
<td>$33,259,641</td>
<td>$301,666</td>
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</tbody>
</table>

### Summary by Campus

<table>
<thead>
<tr>
<th>Campus</th>
<th>ORIGINAL COST</th>
<th>DEPRECIATION</th>
<th>RESIDUAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Houston</td>
<td>$28,147,508</td>
<td>$27,930,114</td>
<td>$217,394</td>
</tr>
<tr>
<td>UH System Administration</td>
<td>13,631</td>
<td>13,441</td>
<td>190</td>
</tr>
<tr>
<td>UH-Clear Lake</td>
<td>640,693</td>
<td>640,693</td>
<td>-</td>
</tr>
<tr>
<td>UH-Downtown</td>
<td>4,575,952</td>
<td>4,491,870</td>
<td>84,082</td>
</tr>
<tr>
<td>UH-Victoria</td>
<td>183,523</td>
<td>183,523</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Reductions in Capital Assets</strong></td>
<td>$33,561,307</td>
<td>$33,259,641</td>
<td>$301,666</td>
</tr>
</tbody>
</table>
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Accounts and Notes Receivable Write-offs

SUMMARY: Approval is requested to write off Accounts and Notes Receivable totaling $1,069,117 (in 3,220 accounts) for Fiscal Year 2008 for the Universities of Houston, Clear Lake, Downtown, and Victoria. The comparable FY 2007 write off for all universities was $928,080 (in 2,860 accounts), as summarized in the table below. State universities are required by law to offer installment payments for tuition and fees to students without consideration of credit history or ability to repay.

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Houston</td>
<td>$352,578</td>
<td>$268,086</td>
</tr>
<tr>
<td>University of Houston – System</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>UH - Clear Lake</td>
<td>195,172</td>
<td>149,708</td>
</tr>
<tr>
<td>UH - Downtown</td>
<td>453,346</td>
<td>493,562</td>
</tr>
<tr>
<td>UH - Victoria</td>
<td>68,021</td>
<td>16,724</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,069,117</strong></td>
<td><strong>$928,080</strong></td>
</tr>
</tbody>
</table>

SUPPORTING DOCUMENTATION: Schedule of Accounts and Notes Receivable Write-Offs for FY 2008. Detailed schedules are on file in the UH Division of Finance Offices.

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

---

PRESIDENT

EXECUTIVE VICE CHANCELLOR

CHANCELLOR

DATE

DATE

DATE

F&A – 5
### UNIVERSITY OF HOUSTON SYSTEM

#### SCHEDULE OF ACCOUNTS AND NOTES RECEIVABLE WRITE OFFS

<table>
<thead>
<tr>
<th>Proposed Write-Off:</th>
<th>UHS</th>
<th>UH</th>
<th>UHCL</th>
<th>UHD</th>
<th>UHV</th>
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</thead>
<tbody>
<tr>
<td>Federal Loans</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Grants &amp; Contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Non-Federal Loans</td>
<td>310,788</td>
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<td>-</td>
<td>93,511</td>
<td>181,405</td>
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<tr>
<td>Tuition &amp; Fees</td>
<td>724,216</td>
<td>-</td>
<td>330,825</td>
<td>89,301</td>
<td>271,941</td>
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<tr>
<td>Sales &amp; Services</td>
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<td>-</td>
<td>21,753</td>
<td>12,360</td>
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<td>Grants &amp; Contracts</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Payroll</td>
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<tr>
<td>Court Ordered Restitution</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Write Off</strong></td>
<td><strong>$ 1,069,117</strong></td>
<td>$</td>
<td>$ 352,578</td>
<td>$ 195,172</td>
<td>$ 453,346</td>
</tr>
</tbody>
</table>

Write Offs against Reserves: $ 885,832
Write Offs against Fund Balance: $ 183,285
Largest Single Write Off: $ 10,292

| # of Student Accis Written Off | 3,220 | 950 | 1,104 | 1,088 | 78 |

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

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

---

F&A – 5.1.1
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Banking Resolution – UH-Downtown

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested to amend the banking resolution for the University of Houston Downtown operating account to expand the list of staff authorized to endorse checks payable to the university. This endorsement authority is primarily used by the university to endorse student loan checks made jointly payable to the university and the student. The university endorses the check payable to the student if the student does not owe the university any money.

The following staff currently have endorsement authority on this account:

<table>
<thead>
<tr>
<th>Name and Position</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carl Carlucci, Executive Vice Chancellor for Administration and Finance, UHS</td>
<td>No change</td>
</tr>
<tr>
<td>Tom Ehardt, Associate Vice Chancellor for Finance, UHS</td>
<td>No change</td>
</tr>
<tr>
<td>Raymond Bartlett, Treasurer, UHS</td>
<td>No change</td>
</tr>
<tr>
<td>E.A. Montgomery, Mgr., Treasury Operations, UHS</td>
<td>No change</td>
</tr>
<tr>
<td>Sheryl Walton, Mgr., Cash &amp; Bank Administration, UHS</td>
<td>No change</td>
</tr>
<tr>
<td>David M. Bradley, Vice President for Administration and Finance, UHD</td>
<td>No change</td>
</tr>
</tbody>
</table>

The following staff will be granted endorsement authority on this account:

<table>
<thead>
<tr>
<th>Name and Position</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>George W. Anderson, Assistant Vice President, Business Affairs, UHD</td>
<td>Add</td>
</tr>
<tr>
<td>Patricia Jacobson, Director - Student Accounting, Cashiering &amp; Collections, UHD</td>
<td>Add</td>
</tr>
</tbody>
</table>

FISCAL NOTE:

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR Carl P. Carlucci

CHANCELLOR Renu Khator

DATE 1/30/69

DATE 1/29/04

F&A - 6
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Contract to Provide Natural Gas Service for the University of Houston

DATE PREVIOUSLY SUBMITTED: N/A
SUMMARY:
The existing natural gas supply contract with CenterPoint Energy for the UH Power Plant, which supplies natural gas to most of the buildings on the UH campus, will expire in March 2009. The University of Houston, through a Request for Proposal (RFP) bidding procedure, will select the provider offering the most economical and reliable source for natural gas energy. Approval is requested for a Delegation of Authority to the Chancellor to negotiate and execute a three (3) year contract with the selected provider upon agreement of the General Terms and Conditions.

In the event that a new contract cannot be negotiated by March 1, 2009, approval is requested to extend the existing contract to allow additional time to negotiate the best possible three year contract for the UH Power Plant. The other UH System metered locations are not large enough to negotiate their own natural gas contract, and we are not allowed to aggregate our natural gas meters to negotiate a single contract for all of UH System.

FISCAL NOTE: UH Power Plant natural gas expenditures were $3,654,000 in FY2008.

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT

EXECUTIVE VICE CHANCELLOR

CHANCELLOR

Renu Khator

Carl Carlucci

Renu Khator

DATE

DATE

DATE

F&A - 7
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:  Finance and Administration

ITEM:  Insurance Renewals for Fiscal Year 2009

DATE PREVIOUSLY SUBMITTED:

SUMMARY  Most of the UH System’s insurance policies renew March 1 or April 30, 2009. The current annualized insurance expense is approximately $3.6 million. The impact of Hurricane Ike and the global financial environment is still being determined. However, the premium for property insurance is expected to increase. Approval is requested to Delegate Authority to the Chancellor to negotiate and execute contracts for insurance coverage for the University for Fiscal Year 2009 in an amount not to exceed the total premiums of $5 million.

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

SUPPORTING DOCUMENTATION:  Insurance Renewal Status Report

ACTION REQUESTED:  Approval

COMPONENT:  University of Houston System

PRESIDENT  

EXECUTIVE VICE CHANCELLOR  Carl Carlucci

CHANCELLOR  Renu Khator
University of Houston System
Insurance Renewal Status Report

Current and Projected Insurance Premiums
The University of Houston System's insurance program for Fiscal Year 2008 consists of over 20 policies with an aggregate annual cost of $3.6 million. The following is a summary of current and projected premiums by policy type and component. Note the premium for property insurance in FY09 may rise to $3.8 million.

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Annualized Premium FY07</th>
<th>Annualized Premium FY08</th>
<th>Projected Annual Premium FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$3,254,407</td>
<td>$2,425,654</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>NCAA Medical Accident</td>
<td>$440,338</td>
<td>$543,500</td>
<td>$450,000</td>
</tr>
<tr>
<td>Directors &amp; Officers / Employment Practices Liability</td>
<td>$273,166</td>
<td>$248,022</td>
<td>$260,000</td>
</tr>
<tr>
<td>Medical Malpractice</td>
<td>$120,030</td>
<td>$113,125</td>
<td>$120,000</td>
</tr>
<tr>
<td>Automobile</td>
<td>$127,810</td>
<td>$128,798</td>
<td>$130,000</td>
</tr>
<tr>
<td>All Others (18 Policies)</td>
<td>$175,867</td>
<td>$173,485</td>
<td>$175,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,391,618</strong></td>
<td><strong>$3,632,583</strong></td>
<td><strong>$4,135,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component</th>
<th>Annualized Premium FY07</th>
<th>Annualized Premium FY08</th>
<th>Projected Annual Premium FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>UH System</td>
<td>$89,281</td>
<td>$86,710</td>
<td>$90,000</td>
</tr>
<tr>
<td>UH</td>
<td>$3,561,197</td>
<td>$3,037,153</td>
<td>$3,490,000</td>
</tr>
<tr>
<td>UH – Downtown</td>
<td>$285,719</td>
<td>$207,427</td>
<td>$220,000</td>
</tr>
<tr>
<td>UH – Clear Lake</td>
<td>$379,084</td>
<td>$249,147</td>
<td>$275,000</td>
</tr>
<tr>
<td>UH Victoria</td>
<td>$76,337</td>
<td>$52,147</td>
<td>$60,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,391,618</strong></td>
<td><strong>$3,632,583</strong></td>
<td><strong>$4,135,000</strong></td>
</tr>
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</table>

Renewal Process
The State Office of Risk Management (SORM) administers the Property, Directors and Officers/Employment Practices, and Automobile insurance programs through statewide insurance programs. Willis of Texas brokers most of the others and is obtaining quotes to compete with each of insurance programs administered by SORM. Quotes for most of the policies will be received in mid February with renewals March 1, 2009 and the property quotes will be received in late March with renewals April 30, 2009.

Marketing Projections
Most insurance policies are expected to renew with little premium change but the Hurricane Ike loss and global financial environment will probably have a negative impact on the property insurance renewal cost.

February 10, 2009

F&A – 8.1.1
Renewal Strategy
Competitive quotations are being obtained for all of the larger premium insurance policies, including Property, Directors and Officers/Employment Practices and Property insurance (those administered by the State Office of Risk Management). Since there is a possibility that hurricane insurance may exceed a manageable cost, a not-to-exceed cost for property insurance of $3.8 million is being proposed. Excluding hurricane coverage or reducing the coverage limits below reasonable loss expectations is not an option as neither the State of Texas nor FEMA may provide assistance in the event of a major loss.
Insurance Renewals for Fiscal Year 2009
## Insurance Expenses

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Annualized Premium FY07</th>
<th>Annualized Premium FY08</th>
<th>Projected Annual Premium FY09</th>
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<td><strong>$4,135,000</strong></td>
</tr>
</tbody>
</table>
Property Coverage Summary

- All buildings on all campuses are covered
- Policy limits
  - Hurricane Wind - $100 million
  - Flood - $50 million (except $25 million for UHD)
  - Fire & Other - $500 million
- Deductibles
  - Hurricane Wind – 3% of affected building’s replacement cost
  - Flood - $250,000
  - Fire & Other - $100,000
- Property Insurance Required by FEMA
Property Insurance Cost History

- Prior to Tropical Storm Allison (2001)
  $400,000
- After Tropical Storm Allison
  Varied between $2.4 and $5 million
- Expiring policy
  $2.4 million
- Expected Renewal
  $2.5 to $3 million
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Consolidated Revenue Commercial Paper Notes

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested to increase the UH System’s consolidated revenue commercial paper program to a maximum principal amount not to exceed $125 million outstanding at any time and provide for the issuance of tax-exempt and/or taxable notes. The note proceeds will provide funds for authorized purposes, including interim financing for the purchase and/or construction of system-wide projects. The Master Resolution for the consolidated revenue bonds was approved by the Board of Regents on April 25, 1990. The Twentieth Supplemental Resolution (i) repeals the Seventeenth Supplemental Resolution that established the original commercial paper program (ii) appoints the Chair of the Finance and Administration Committee, the Executive Vice Chancellor for Administration and Finance, the Associate Vice Chancellor for Finance, and the Treasurer as Authorized System Representatives for the commercial paper program and (iii) authorizes the execution of required documentation for the commercial paper program. Preparation of the definitive Offering Memorandum will be subject to such additional changes as may be approved by an Authorized System Representative, who shall also be authorized to take such other administrative actions as shall be necessary in connection with the establishment and administration of the commercial paper program.

We request Board approval of the Twentieth Supplemental Resolution, the Offering Memorandum and other documentation required to establish the commercial paper program for the System’s Consolidated Revenue Commercial Paper Notes.

FISCAL NOTE: Current authorization is $50 million. Outstanding commercial paper notes: $0 (as of 2/10/09)

SUPPORTING DOCUMENTATION: Commercial paper program documents

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

DATE

EXECUTIVE VICE CHANCELLOR Carl Carlucci

DATE

CHANCELLOR Renu Khator

DATE

F&A – 9
COMMITTEE: Finance and Administration


DATE PREVIOUSLY SUBMITTED:


FISCAL NOTE:

SUPPORTING DOCUMENTATION: The Annual Financial Report Document is available on the University Website

ACTION REQUESTED: Information

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR

CHANCELLOR

DATE

DATE

DATE

F&A – 10
<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
<th>Increase / Decrease</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$970,685,666</td>
<td>$880,687,854</td>
<td>$89,997,812</td>
<td>10.22%</td>
</tr>
<tr>
<td>Expenses</td>
<td>848,751,000</td>
<td>777,489,079</td>
<td>71,261,921</td>
<td>9.17%</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$121,934,666</td>
<td>$103,198,775</td>
<td>$18,735,891</td>
<td>18.16%</td>
</tr>
<tr>
<td>Net Assets, Ending</td>
<td>$1,184,422,711</td>
<td>$1,063,187,180</td>
<td>$121,235,531</td>
<td>11.40%</td>
</tr>
</tbody>
</table>
# University of Houston System

**Statement of Revenues, Expenses and Changes in Net Assets**

For The Year Ended August 31, 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Increase / (Decrease)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
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</tr>
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<td>11.40%</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>2007</td>
<td>Increase / (Decrease)</td>
<td>% Change</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>-----------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$530,456,599</td>
<td>$484,190,911</td>
<td>$46,265,688</td>
<td>9.56%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>848,751,000</td>
<td>777,489,079</td>
<td>71,261,921</td>
<td>9.17%</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(318,294,401)</td>
<td>(293,298,168)</td>
<td>(24,996,233)</td>
<td>8.52%</td>
</tr>
<tr>
<td>Non-Operating Revenues (Expenses)</td>
<td>379,215,035</td>
<td>354,038,009</td>
<td>25,177,026</td>
<td>7.11%</td>
</tr>
<tr>
<td>Income (Loss) Before Other Revenues, Expenses, Gains, Losses</td>
<td>60,920,634</td>
<td>60,739,841</td>
<td>180,793</td>
<td>0.30%</td>
</tr>
<tr>
<td>Other Revenues, Expenses, Gains, Losses and Transfers</td>
<td>61,014,032</td>
<td>42,458,934</td>
<td>18,555,098</td>
<td>43.70%</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$121,934,666</td>
<td>$103,198,775</td>
<td>$18,735,891</td>
<td>18.16%</td>
</tr>
<tr>
<td>Net Assets, Ending</td>
<td>$1,184,422,711</td>
<td>$1,063,187,180</td>
<td>$121,235,531</td>
<td>11.40%</td>
</tr>
</tbody>
</table>
### University of Houston System

**Statement Of Revenues, Expenses And Changes In Net Assets**

*For The Year Ended August 31, 2008*

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2008</th>
<th>2007</th>
<th>Increase / (Decrease)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees</td>
<td>$308,491,079</td>
<td>$285,283,840</td>
<td>$23,207,239</td>
<td>8.13%</td>
</tr>
<tr>
<td>Legislative Revenue - Operating</td>
<td>282,553,332</td>
<td>254,135,704</td>
<td>28,417,628</td>
<td>11.18%</td>
</tr>
<tr>
<td>Legislative Revenue - Capital</td>
<td>53,188,511</td>
<td>35,459,008</td>
<td>17,729,503</td>
<td>50.00%</td>
</tr>
<tr>
<td>Sales of Goods and Services</td>
<td>67,806,010</td>
<td>64,725,783</td>
<td>3,080,227</td>
<td>4.76%</td>
</tr>
<tr>
<td>Federal Revenue</td>
<td>106,802,211</td>
<td>98,352,109</td>
<td>8,450,102</td>
<td>8.59%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>79,449,168</td>
<td>81,326,403</td>
<td>(1,877,235)</td>
<td>-2.31%</td>
</tr>
<tr>
<td>Gifts</td>
<td>66,127,625</td>
<td>43,159,548</td>
<td>22,968,077</td>
<td>53.22%</td>
</tr>
<tr>
<td>Other</td>
<td>6,267,730</td>
<td>18,245,459</td>
<td>(11,977,729)</td>
<td>-65.65%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$970,685,666</td>
<td>$880,687,854</td>
<td>$89,997,812</td>
<td>10.22%</td>
</tr>
</tbody>
</table>
### University of Houston System

**Statement Of Revenues, Expenses And Changes In Net Assets**

**For The Year Ended August 31, 2008**

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>2008</th>
<th>2007</th>
<th>Increase / (Decrease)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$264,505,061</td>
<td>$243,314,239</td>
<td>$21,190,822</td>
<td>8.71%</td>
</tr>
<tr>
<td>Research</td>
<td>80,513,171</td>
<td>74,952,195</td>
<td>5,560,976</td>
<td>7.42%</td>
</tr>
<tr>
<td>Public Service</td>
<td>40,319,266</td>
<td>34,605,751</td>
<td>5,713,515</td>
<td>16.51%</td>
</tr>
<tr>
<td>Academic Support</td>
<td>128,294,875</td>
<td>113,975,340</td>
<td>14,319,535</td>
<td>12.56%</td>
</tr>
<tr>
<td>Student Services</td>
<td>32,257,749</td>
<td>31,871,801</td>
<td>385,948</td>
<td>1.21%</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>76,144,247</td>
<td>73,074,768</td>
<td>3,069,479</td>
<td>4.20%</td>
</tr>
<tr>
<td>Operation &amp; Maint. of Plant</td>
<td>54,324,022</td>
<td>50,443,967</td>
<td>3,880,055</td>
<td>7.69%</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>53,455,692</td>
<td>47,960,867</td>
<td>5,494,825</td>
<td>11.46%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>77,705,506</td>
<td>71,615,553</td>
<td>6,089,953</td>
<td>8.50%</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>41,231,411</td>
<td>35,674,598</td>
<td>5,556,813</td>
<td>15.58%</td>
</tr>
</tbody>
</table>

**Total Operating Expenses**

<p>| Total Operating Expenses           | $848,751,000| $777,489,079| $71,261,921           | 9.17%    |</p>
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Increase / Decrease</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$ 490,975,974</td>
<td>$ 334,283,814</td>
<td>$ 156,692,160</td>
<td>46.87%</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td>1,416,808,525</td>
<td>1,261,001,045</td>
<td>155,807,480</td>
<td>12.36%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,907,784,499</td>
<td>1,595,284,859</td>
<td>312,499,640</td>
<td>19.59%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>269,518,859</td>
<td>228,480,498</td>
<td>41,038,361</td>
<td>17.96%</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td>453,842,929</td>
<td>303,617,181</td>
<td>150,225,748</td>
<td>49.48%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>723,361,788</td>
<td>532,097,679</td>
<td>191,264,109</td>
<td>35.95%</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>$ 1,184,422,711</td>
<td>$ 1,063,187,180</td>
<td>$ 121,235,531</td>
<td>11.40%</td>
</tr>
</tbody>
</table>
University of Houston System
Statement of Net Assets
Fiscal Year 2008

<table>
<thead>
<tr>
<th>Assets</th>
<th>2008</th>
<th>2007</th>
<th>Increase / (Decrease)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$309,583,800</td>
<td>$184,298,181</td>
<td>$125,285,619</td>
<td>67.98%</td>
</tr>
<tr>
<td>Legislative Appropriations</td>
<td>76,426,016</td>
<td>56,552,065</td>
<td>19,873,951</td>
<td>35.14%</td>
</tr>
<tr>
<td>Receivables</td>
<td>56,556,596</td>
<td>57,295,684</td>
<td>(739,088)</td>
<td>-1.29%</td>
</tr>
<tr>
<td>Other</td>
<td>48,409,562</td>
<td>36,137,884</td>
<td>12,271,678</td>
<td>33.96%</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$490,975,974</td>
<td>$334,283,814</td>
<td>$156,692,160</td>
<td>46.87%</td>
</tr>
</tbody>
</table>
## University of Houston System
### Statement of Net Assets
#### Fiscal Year 2008

<table>
<thead>
<tr>
<th>Assets</th>
<th>2008</th>
<th>2007</th>
<th>Increase / (Decrease)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 43,671,531</td>
<td>$ 39,070,336</td>
<td>$ 4,601,195</td>
<td>11.78%</td>
</tr>
<tr>
<td>Investments</td>
<td>716,312,856</td>
<td>642,805,127</td>
<td>73,507,729</td>
<td>11.44%</td>
</tr>
<tr>
<td>Capital Assets</td>
<td>626,257,548</td>
<td>560,800,476</td>
<td>65,457,072</td>
<td>11.67%</td>
</tr>
<tr>
<td>Loans and Contracts</td>
<td>30,566,590</td>
<td>18,325,106</td>
<td>12,241,484</td>
<td>66.80%</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td>$ 1,416,808,525</td>
<td>$ 1,261,001,045</td>
<td>$ 155,807,480</td>
<td>12.36%</td>
</tr>
</tbody>
</table>
### University of Houston System
### Statement of Net Assets
#### Fiscal Year 2008

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2008</th>
<th>2007</th>
<th>Increase / (Decrease)</th>
<th>% Change</th>
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<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>$72,580,784</td>
<td>$71,171,979</td>
<td>$1,408,805</td>
<td>1.98%</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td>151,768,763</td>
<td>122,526,148</td>
<td>29,242,615</td>
<td>23.87%</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>22,591,393</td>
<td>19,597,739</td>
<td>2,993,654</td>
<td>15.28%</td>
</tr>
<tr>
<td>Other</td>
<td>22,577,919</td>
<td>15,184,632</td>
<td>7,393,287</td>
<td>48.69%</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>269,518,859</td>
<td>228,480,498</td>
<td>41,038,361</td>
<td>17.96%</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>442,138,789</td>
<td>292,935,357</td>
<td>149,203,432</td>
<td>50.93%</td>
</tr>
<tr>
<td>Vacation Liability</td>
<td>11,689,504</td>
<td>10,666,319</td>
<td>1,023,185</td>
<td>9.59%</td>
</tr>
<tr>
<td>Other</td>
<td>14,636</td>
<td>15,505</td>
<td>(869)</td>
<td>-5.60%</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>453,842,929</td>
<td>303,617,181</td>
<td>150,225,748</td>
<td>49.48%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$723,361,788</td>
<td>$532,097,679</td>
<td>$191,264,109</td>
<td>35.95%</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>2007</td>
<td>Increase / (Decrease)</td>
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<td>1,261,001,045</td>
<td>155,807,480</td>
<td>12.36%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1,907,784,499</td>
<td>1,595,284,859</td>
<td>312,499,640</td>
<td>19.59%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
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<td>35.95%</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>$1,184,422,711</td>
<td>$1,063,187,180</td>
<td>$121,235,531</td>
<td>11.40%</td>
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### University of Houston System
#### Statement of Net Assets
##### Fiscal Year 2008

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Limitation</th>
<th>2007</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets/Projects</td>
<td>Not Liquid</td>
<td>$ 313,195,908</td>
<td>26.4%</td>
</tr>
<tr>
<td>Endowment</td>
<td>Restricted/Long Term</td>
<td>537,347,841</td>
<td>45.4%</td>
</tr>
<tr>
<td>Gifts, Grants and Contracts</td>
<td>Restricted</td>
<td>115,470,898</td>
<td>9.8%</td>
</tr>
<tr>
<td>Loan Funds</td>
<td>Restricted/Program Dependent</td>
<td>33,246,190</td>
<td>2.8%</td>
</tr>
<tr>
<td>Auxiliary - Primarily Parking</td>
<td>State Restrictions</td>
<td>15,181,951</td>
<td>1.3%</td>
</tr>
<tr>
<td>Student Fees, IDC, State Funds</td>
<td>State Restrictions</td>
<td>119,353,748</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Discretionary Unrestricted Funds</strong></td>
<td></td>
<td>50,626,175</td>
<td>4.3%</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td></td>
<td>$ 1,184,422,711</td>
<td>100%</td>
</tr>
</tbody>
</table>

**FY2009 Budget**

- **Discretionary Unrestricted Funds % of FY2009 Budget**
  - 4.05%
University of Houston System financial reports are available at the following web site:

http://www.uh.edu/finance/pages/Annual_Fin_Reports.htm
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Contract to Provide Electrical Service for the University of Houston System

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:
Sempra Energy Solutions was awarded the electricity contract. Of the three finalists, they were the lowest bidder and had the highest credit rating (AA). They offered the following prices:

- $64.17 / MWh for the Houston Zone (UH, UHCL, UHD, Cinco Ranch, and Sugarland)
- $60.10 / MWh for the South Zone (UHV)

Sempra also made a contractual commitment to utilize 25% HUB subcontractors without any additional cost:

Seller shall use commercially reasonable efforts to purchase approximately twenty-five (25) percent of Buyer’s Contract Quantities from Historically Underutilized Businesses (HUB) as defined by Texas Government Code Section 2161.001. Notwithstanding the foregoing, in the event that Seller does not purchase electricity from a HUB for any reason, Seller shall not be considered in Default or otherwise obligated to purchase HUB electricity under the Agreement. The Parties further agree that if Electricity is procured on behalf of Buyer from a HUB, Seller will provide confirmation of such, including the: (a) legal entity name of the HUB; (b) HUB vendor identification number; (c) quantity of electricity purchased; and (d) the term of delivery.

Sempra’s prices are over $11 / MWh lower than our current contract with Constellation New Energy.

FISCAL NOTE: Estimated annual savings over the previous contract is $2,897,500.

SUPPORTING DOCUMENTATION:
Information

ACTION REQUESTED: Information

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR Carl Carlucci

CHANCELLOR Renu Khator

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