

Meeting No. 879

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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August 11, 1994

Austin, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
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MEETING NO. 879

THURSDAY, AUGUST 11, 1994.--The members of the Board of Regents of The University of Texas System convened in regular session at 10:00 a.m. on Thursday, August 11, 1994, in the Lobby of the Commons Building at the J. J. Pickle Research Campus of The University of Texas at Austin, Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Rapoport, presiding	
Vice-Chairman Temple	
Vice-Chairman Lebermann	
Regent Cruikshank	
Regent Hicks	
Regent Holmes	
Regent Loeffler	
Regent Ramirez	
Regent Smiley	

Executive Secretary Dilly

Chancellor Cunningham
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins
Executive Vice Chancellor Burck

Chairman Rapoport announced a quorum present and called the meeting to order.

RECESS TO BRIEFING AND EXECUTIVE SESSIONS.--Chairman Rapoport announced that the Board would recess to convene a briefing session and Executive Session pursuant to Texas Government Code, Chapter 551, Sections 551.071, 551.072, and 551.074 to consider those matters set out in the Material Supporting the Agenda: litigation, land acquisition, and personnel matters.

RECONVENE.--At 2:45 p.m., the Board reconvened in open session.

U. T. SYSTEM: INTRODUCTION OF DR. FRANKLYN G. JENIFER, PRESIDENT-ELECT OF THE UNIVERSITY OF TEXAS AT DALLAS.--Chairman Rapoport introduced and welcomed Dr. Franklyn G. Jenifer who will officially become the President of The University of Texas at Dallas on September 1, 1994.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON JUNE 9, 1994.--Upon motion of Vice-Chairman Lebermann, seconded by Regent Ramirez, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on June 9, 1994, in Odessa, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XLI, Pages 1928 - 2510.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 2:47 p.m., the Board recessed for the meetings of the Standing Committees, and Chairman Rapoport announced that at the conclusion of each committee meeting the Board would reconvene to approve the report and recommendations of that committee.

The meetings of the Standing Committees were conducted in open session and the reports and recommendations thereof are set forth on the following pages.

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 3 - 14).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Rapoport reported to the Board for ratification and approval all actions taken by the Executive Committee since the last meeting. Unless otherwise indicated, the recommendations of the Executive Committee were in all things approved as set forth below:

1. U. T. System: Adoption of Policy for Preparation of Legislative Appropriations Request for the 1996-1997 Biennium (Exec. Com. Letter 94-15).--The Board, upon recommendation of the Executive Committee, approved the following policy for use in preparing the Legislative Appropriations Request for the 1996-1997 Biennium for The University of Texas System:

Policy for Preparing Legislative Appropriations
Request for the 1996-1997 Biennium

In preparing the Legislative Appropriations Request for the biennium beginning September 1, 1995, the instructions issued by the Governor's Office of Budget and Planning and the Legislative Budget Board are to be used as specific guidelines. These instructions will implement the State Strategic Planning and Budgeting System and in some cases will require new types of information.

The U. T. System institutions should not request additional funds for the 1996-1997 biennium except under the following circumstances:

- a. Funds are necessary to comply with court mandates or settlements
- b. Expenditures are required by federal mandate
- c. Expenditures are required by the Texas Constitution
- d. In an emergency.

The component institutions should request only nonformula items using the 1994-1995 appropriations base. This base has been calculated by the Legislative Budget Board and has been furnished to each institution. The Texas Higher Education Coordinating Board will include a recommendation for formula-funding amounts in their 1996-1997 appropriations request.

1996-1997 Legislative Appropriations Request Calendar

- June 1994 U. T. Board of Regents' Approval of Policies via Executive Committee Letter
- June 24, 1994- July 1, 1994 Three draft copies of Legislative Appropriations Request (bound) due to System Administration for preliminary review
- July 5, 1994 Fifty copies of Legislative Appropriations Request (unbound) due to System Administration for binding
- July 15, 1994 Filing date for Legislative Appropriations Request

- 2. U. T. System: Approval of Financial Disclosure Statements Submitted by the Chancellor and the Chief Administrative Officers (Exec. Com. Letter 94-18).--Chapter 572 of the Texas Government Code requires the filing of financial disclosure statements by the Chancellor and the chief administrative officers of The University of Texas System with the Texas Ethics Commission on or before April 30 of each year.

Pursuant to the current Regental policy adopted in June 1990, the Board approved the sworn financial disclosure statements of the Chancellor and the chief administrative officers of the U. T. System and found that these statements had been reviewed by the appropriate Executive Vice Chancellor, were in the form prescribed by the Texas Ethics Commission, and met the filing requirements of Texas law.

These statements are on file in the Office of the Board of Regents.

- 3. U. T. System: Approval of Monthly Insurance Premiums for Self-Funded Medical and Dental Plans, Health Maintenance Organizations (HMOs), and Self-Funded Vision Plan to be Effective September 1, 1994 (Exec. Com. Letter 94-16).-- Upon recommendation of the Executive Committee, the Board approved the monthly insurance premiums for The University of Texas System self-funded medical and dental plans, health maintenance organizations (HMOs), and self-funded vision plan to be effective September 1, 1994, as set forth on Pages 5 - 7.

U. T. SYSTEM SELF-FUNDED MEDICAL PLAN PREMIUMS FOR 1994-95			
EMPLOYEE CATEGORY	POINT-OF- SERVICE PLAN WHERE OFFERED	PLAN A/\$200 DEDUCTIBLE WHERE OFFERED	PLAN B/\$500 DEDUCTIBLE WHERE OFFERED
	94-95 Rate	94-95 Rate	94-95 Rate
Employee	\$174.86	\$174.86	\$133.14
Employee + Spouse	\$337.14	\$337.14	\$273.96
Employee + Child(ren)	\$310.41	\$310.41	\$225.61
Employee + Family	\$468.54	\$468.54	\$325.80

FREESTANDING HMO (MEDICAL ONLY) PREMIUMS FOR 1994-95			
Employee Category	PruCare Austin	PruCare Houston	Kaiser
	94-95 Rate	94-95 Rate	94-95 Rate
Employee	\$158.44	\$150.62	\$163.10
Employee + Spouse	\$330.30	\$310.51	\$391.44
Employee + Child(ren)	\$298.38	\$280.94	\$326.90
Employee + Family	\$434.90	\$404.89	\$472.94

DENTAL PLAN PREMIUMS FOR 1994-95			
EMPLOYEE CATEGORY	U. T. SYSTEM SELF- FUNDED DENTAL PREMIUMS		UNITED DENTAL (Dental HMO)
	94-95 Non-Smoker Rate	94-95 Smoker Rate	94-95 Rate
Employee	\$17.99	\$27.99	\$10.20
Employee + Spouse	\$33.43	\$43.43	\$19.00
Employee + Child(ren)	\$44.91	\$54.91	\$25.00
Employee + Family	\$56.29	\$66.29	\$30.00

OUT-OF-POCKET COSTS FOR U. T. SYSTEM SELF-FUNDED PLANS FOR 1994-95				
Employee Category	Non-Smoker Medical & Dental (Employee and Dependents)*		Non-Smoker Employee-Only Medical & Dental and Dependent Medical-Only	
	Point-of-Service or PLAN A	PLAN B	Point-of-Service or PLAN A	PLAN B
	94-95 Rate	94-95 Rate	94-95 Rate	94-95 Rate
Employee	-0-	-0-	-0-	-0-
Employee + Spouse	\$63.18	-0-	\$47.74	-0-
Employee + Child(ren)	\$84.80	-0-	\$57.88	-0-
Employee + Family	\$142.74	-0-	\$104.44	-0-
The out-of-pocket costs for smokers will be \$10 higher than the above figures.				
The balance of premium-sharing may not be used for any optional insurance.				
*Assumes participation in the U. T. System self-funded dental plan.				

OUT-OF-POCKET COSTS FOR FREESTANDING HMOs FOR 1994-95						
Employee Category	Medical & Dental (Employee and Dependents)*			Employee-Only Medical & Dental and Dependent Medical-Only		
	PruCare Austin	PruCare Houston	Kaiser	PruCare Austin	PruCare Houston	Kaiser
Employee	-0-	-0-	-0-	-0-	-0-	-0-
Employee + Spouse	\$56.34	\$36.55	\$117.48	\$40.90	\$21.11	\$102.04
Employee + Child(ren)	\$72.77	\$55.33	\$101.29	\$45.85	\$28.41	\$74.37
Employee + Family	\$109.10	\$79.09	\$147.14	\$70.80	\$40.79	\$108.84
The out-of-pocket costs for smokers will be \$10 higher than the above figures.						
The balance of premium-sharing may not be used for any optional insurance.						
*Assumes participation in the U. T. System self-funded dental plan.						

U. T. SYSTEM SELF-FUNDED VISION PLAN PREMIUMS FOR 1994-95	
EMPLOYEE CATEGORY	94-95 RATES
Employee	\$ 7.93
Employee + Spouse	\$12.68
Employee + Child(ren)	\$12.93
Employee + Family	\$20.87

The sources of premium payments are state and local funds contributed at rates set by the Legislature and employee or retiree contributions. The state and local funds contributions per employee or retiree will remain the same for Fiscal Year 1995 as they were in Fiscal Year 1994.

There will be no change in premiums for the group term life, accidental death and dismemberment, and the long-term disability plans for Fiscal Year 1995.

4. U. T. System: Dissolution of the Center for High Performance Computing (CHPC) Effective September 1, 1994; Transfer of CHPC Assets to U. T. Austin; and Authorization for U. T. Austin to Issue a Request for Proposal to Lease or Purchase a Replacement Supercomputer (Exec. Com. Letter 94-17).--The CRAY Y-MP 8/864 Model D supercomputer currently owned by The University of Texas System now costs substantially more to operate and maintain than other computers which are capable of performing the work currently being done on the CRAY vector processing system. Furthermore, massively parallel computer systems, which are significantly more cost effective than vector processing systems and which can be used to address certain classes of important research problems, have recently become available. To use efficiently, either system requires access to large data storage facilities and some additional software. By requiring that the mid-scale vector processor computer be binary compatible with the existing CRAY Y-MP computer, most of the expensive software currently being used on that machine will continue to be used on the replacement machine.
- Due to rapid advances in the supercomputer industry which have reduced the market value of the CRAY Y-MP computer, the Board, upon recommendation of the Executive Committee:
- a. Dissolved the U. T. System Center for High Performance Computing (CHPC) and transferred the assets to The University of Texas at Austin effective September 1, 1994
 - b. Authorized U. T. Austin to issue a request for proposal (RFP) to acquire by lease or purchase with or without trade-in of the U. T. System CRAY Y-MP 8/864 Model D supercomputer the following:
 - (1) A mid-scale vector processor computer system which is binary compatible with the present CRAY computer

- (2) A mid-scale massively parallel computer system
- (3) A large data storage facility
- (4) Appropriate software.

Since rapid advances in technology may similarly reduce the market value of replacement computers, the RFP will be structured to explore the trade offs between leasing equipment which may become obsolete quite soon and the cost of purchasing and will also determine the real market value of the existing machine which may be traded for the replacements.

It is anticipated that replacement of the existing CRAY system with this equipment can be accomplished with existing reserves and no additional appropriation.

U. T. Austin will continue to provide a vector processor computational capability through its Computation Center and will permit other components to purchase computational services as needed.

- 5. U. T. Arlington - Maverick Stadium - Addition of Athletic Offices (Project No. 301-804): Award of Construction Contract to K. B. Alexander & Co., Fort Worth, Texas (Exec. Com. Letter 94-15).--The Executive Committee recommended and the Board awarded a construction contract for the Maverick Stadium - Addition of Athletic Offices at The University of Texas at Arlington to the lowest responsible bidder, K. B. Alexander & Co., Fort Worth, Texas, for the Base Bid and Additive Alternate Bid Nos. 1, 1A, 2, 2A, 3, 4, 5, 6, 7, and 8 in the amount of \$753,715.

K. B. Alexander & Co. will have Historically Underutilized Business participation of approximately 10% for women-owned firms and 1% for minority-owned firms in the contract.

The total project cost is comprised of the following elements:

General Construction Cost	\$753,715
Fees and Administrative Expenses	70,226
Future Work	
Testing and Air-Balancing	10,050
Miscellaneous Expenses	7,309
Project Contingency	<u>13,400</u>
Total Project Cost	\$854,700

This new construction will contain approximately 9,300 gross square feet housing the U. T. Arlington athletic offices.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget and is funded by Unexpended Plant Funds in the amount of \$854,700. Funding from Unexpended Plant Funds resulted from Auxiliary Enterprise Balance transfers in the amount of \$600,000 supplemented by \$254,700 of Interest Earned on Unexpended Plant Funds.

6. U. T. Arlington and U. T. Dallas: Authorization to Participate in the Multi-Institutional Teaching Center to be Known as the Dallas Education Center (Center), Dallas, Texas, and Authorization for the Component Presidents to Execute License Agreement with Dallas CV, Inc., Dallas, Texas, and Related Documents (Exec. Com. Letter 94-14).-- For several years, representatives of institutions of higher education in North Texas, leaders in the Dallas business community, and staff of the Alliance for Higher Education (AHE), a nonprofit corporation in Dallas, Texas, have been working to implement a multi-institutional teaching center in downtown Dallas which would provide baccalaureate and master's level courses and possibly, in the future, degree programs from several partner institutions to citizens who find the downtown location convenient.

In accordance therewith, the Board, upon recommendation of the Executive Committee:

- a. Authorized The University of Texas at Arlington and The University of Texas at Dallas to participate in educational activities to be conducted in the multi-institutional teaching center to be known as the Dallas Education Center (Center)

The Center is to be housed in the former Joske's Building located at 1901 Main Street, Dallas, Texas, which was purchased from Federated Department Stores by 1901 Main LLC, Dallas, Texas, a limited liability corporation, which then leased the building to Dallas CV, Inc., Dallas, Texas, a nonprofit corporation.

- b. Following review and approval by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel, authorized Presidents Amacher and Rutford to execute the License Agreement with Dallas CV, Inc., Dallas, Texas, and other related necessary documents required for participants in the project.

Under the License Agreement, Dallas CV, Inc. would license use of the facilities to participating institutions through AHE as manager of the Center. The agreement grants to U. T. Arlington and U. T. Dallas nonexclusive rights to use designated portions of the Center to conduct course activities. In addition, the institutions will be assigned office space at the Center each academic semester.

This agreement, which has an initial term of five years, may be extended for two additional five-year terms. The institutions commit to offer a minimum of ten instructional courses for the initial fall semester and then to offer no fewer than the number of courses "made" during the preceding corresponding academic semester. Consideration to Dallas CV, Inc. for the licensed use of the facilities is the payment of \$25.00 per semester credit hour offered at the Center as a program administration payment. Dallas CV, Inc. will remit a portion of this payment to AHE for the provision of utilities, maintenance, and repair. U. T. Arlington and U. T. Dallas will utilize the general use fee charged to students enrolling at the Center and an additional incidental fee for Center

enrollees to fund the required \$25.00 per semester credit hour license fee. The additional incidental fees have been approved off-cycle and will be included in the annual incidental fees update presented via the U. T. System Docket to the U. T. Board of Regents in February 1995. Additional financial support of \$500,000 has been committed to Dallas CV, Inc. by the Central Dallas Association, representing the Dallas business community.

Institutions utilizing the Center will be East Texas State University, Dallas County Community College District, the University of North Texas, U. T. Arlington, U. T. Dallas, and the University of Dallas.

At this time, U. T. Arlington plans to offer courses in Business, Education, Architecture, and Nursing and U. T. Dallas plans to offer courses in Management, General Studies, Social Sciences, and possibly Computer Sciences.

7. U. T. Medical Branch - Galveston - West End Chilled Water Plant (Project No. 601-811): Award of Construction Contract to Manhattan Construction Company, Houston, Texas (Exec. Com. Letter 94-18).--The Executive Committee recommended and the Board awarded a construction contract for the West End Chilled Water Plant at The University of Texas Medical Branch at Galveston to the lowest responsible bidder, Manhattan Construction Company, Houston, Texas, for the Base Bid and Alternates 2, 3, and 6 in the amount of \$8,264,000.

Manhattan Construction Company stated in its proposal that it will have Historically Underutilized Business participation of approximately 25%.

The West End Chilled Water Plant will provide the necessary chilled water capacity and expanded distribution system to supply the new Medical Research Building and future demands of the campus.

This project, which was approved by the Texas Higher Education Coordinating Board in April 1994, is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget at a total project cost of \$12,500,000 funded by Revenue Financing System Bond Proceeds.

See Item 8 below related to the prepurchase of a chiller for the West End Chilled Water Plant.

8. U. T. Medical Branch - Galveston - West End Chilled Water Plant (Project No. 601-811): Chiller Prepurchase - Award of Procurement Contract to York International Corporation, York, Pennsylvania (Exec. Com. Letter 94-15).--Upon recommendation of the Executive Committee, the Board awarded a procurement contract for the prepurchase of a 4,500 ton chiller for the West End Chilled Water Plant at The University of Texas Medical Branch at Galveston to the lowest responsible bidder, York International Corporation, York, Pennsylvania, for Chiller Selection No. 3 Base Bid in the amount of \$1,284,410.

The 4,500 ton chiller selection ensures adequate cooling capacity on the west side of the campus and qualifies for the highest rebate from Houston Light and Power.

The project for the West End Chilled Water Plant at the U. T. Medical Branch - Galveston is divided into two phases: prepurchase of the chiller equipment and the general construction of the plant and the thermal energy distribution system.

The previous appropriation of \$750,000 from Unexpended Plant Funds will be reimbursed from tax-exempt Revenue Financing System Bond Proceeds when issued.

This project, approved by the Texas Higher Education Coordinating Board in April 1994, is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget for a total project cost of \$12,500,000 and will be funded from Revenue Financing System Bond Proceeds.

See Item 7 on Page 10 related to contract award for the general construction phase of the plant.

9. U. T. M.D. Anderson Cancer Center - Bertner Complex - Phase II (Project No. 703-772) and Clinic Services Facility - Phase II (Project No. 703-773): Adoption of a Resolution Making a Guaranty to Argonaut Southwest Insurance Company, Menlo Park, California, Pertaining to the Owner Controlled Insurance Program (OCIP) (Exec. Com. Letter 94-14).--In an effort to effect greater cost control of construction projects within The University of Texas System, the Office of Business Affairs investigated the feasibility of participating in an Owner Controlled Insurance Program (OCIP) for Phase II of the Bertner Complex and Clinic Services Facility at The University of Texas M.D. Anderson Cancer Center. An OCIP is attractive because it is economical and can provide contractors, as well as the owner, with uniform coverage, higher limits, improved claims administration, and continuity of coverage through the contract term.

An OCIP is the centralized purchasing of insurance (workers' compensation, general liability, excess liability, etc.) for all contractors working on the project site. Customarily this insurance is purchased by each contractor, in small quantities from different insurers, and the cost is passed through to the owner in the general contractor's bid. In an OCIP, there is usually only one insurance company who issues separate policies to the general contractor and each subcontractor.

An OCIP presents advantages over conventional construction insurance and loss control procedures for two specific reasons: (a) creating economies of scale by centralizing the purchased insurance coverage and (b) streamlining project management by coordinating a number of on-site functions (loss control, safety, security, record keeping, etc.) under a single authority. Control is the key to the operation and success of an OCIP because it provides control of essential project insurance lines, control of subcontractors in all tiers through their contracts, control of site security, and control of loss prevention and claims management programs by the owner.

In accordance therewith, the Board adopted the resolution set out below wherein Argonaut Southwest Insurance Company (Argonaut), Menlo Park, California, will insure the U. T. System and other persons under an OCIP for Phase II of the Bertner Complex and Clinic Services Facility at the U. T. M.D. Anderson Cancer Center.

RESOLUTION

WHEREAS, Argonaut Southwest Insurance Company (Argonaut), Menlo Park, California, will insure The University of Texas System and other persons under an Owner Controlled Insurance Program (Program) for Phase II of the Bertner Complex and the Clinic Services Facility at The University of Texas M.D. Anderson Cancer Center (Project);

WHEREAS, Pursuant to this Program, Argonaut will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain \$250,000 per occurrence deductibles that include allocated costs and indemnity payments; however, such deductibles are subject to aggregate limits of \$3,517,289 for the Program;

WHEREAS, The Board of Regents of The University of Texas System understands and agrees that this large deductible Program requires the prompt reimbursement of sums advanced by Argonaut to adjust or pay claims within the deductibles, and the Board desires to guaranty to Argonaut the prompt reimbursement of the deductibles for the Program; now, therefore, be it

RESOLVED, That the Board hereby guarantees to Argonaut the prompt repayment of the sums advanced by Argonaut to adjust or pay claims within the deductibles for the Program, subject to the aggregate deductible limits for the Program. This guaranty shall remain fully binding although Argonaut may waive one or more defaults of the insured or fail to exercise any rights against the insured or modify one or more terms of the Program as required by law or with the consent of The University of Texas System; and, be it further

RESOLVED, That the Board represents and warrants to Argonaut that the funds necessary to reimburse Argonaut for the aggregate deductible liability of the insured for the Program are included in the appropriations for the Project heretofore approved by the Board.

The U. T. M.D. Anderson Cancer Center's minimum cost of insurance under the OCIP is \$1,609,668 with a maximum cost cap of \$5,126,957.

See Item 10 below related to the award of contracts for Phase II of the Bertner Complex and Clinic Services Facility at the U. T. M.D. Anderson Cancer Center.

10. U. T. M.D. Anderson Cancer Center - Bertner Complex - Phase II (Project No. 703-772) and Clinic Services Facility - Phase II (Project No. 703-773): Award of Special Systems Contracts and General Construction Contract for Phase II to the George Hyman Construction Company, Dallas, Texas (Exec. Com. Letter 94-14).-- Unless otherwise noted, the Executive Committee recommended and the Board awarded contracts for The University of Texas M.D. Anderson Cancer Center - Bertner Complex - Phase II and Clinic Services Facility - Phase II to the lowest responsible bidders for the following special system packages:
- a. Special System Bid Package No. 1 - Air Handling Units. Reject all bids which were significantly over budget, change the specifications, and incorporate work into the general construction contract.
 - b. Special System Bid Package No. 2 - Electric Tracked Vehicle System to TransLogic Corporation, Denver, Colorado, for the base bid in the amount of \$813,000
 - c. Special System Bid Package No. 3 - Facilities Control and Management System. Reject the bid submitted by the single-source vendor which was significantly over budget, change the specifications, and incorporate work into the general construction contract.
 - d. Special System Bid Package No. 4 - Fire and Smoke Detection System to Simplex Time Recorder Co., Houston, Texas, for the base bid and alternates A1, B1, and B2 in the amount of \$771,084
 - e. Special System Bid Package No. 5 - Lab Tracking Control System to Automatic Temperature Controls, Inc., Houston, Texas, for the base bid and alternate A1 in the amount of \$970,646
 - f. Special System Bid Package No. 6 - Nurse Call System to EDWARDS, A Division of GS Building Systems Corporation, Houston, Texas, for the base bid and alternates B1 and B2 in the amount of \$822,290
 - g. Special System Bid Package No. 7 - Pneumatic Trash and Linen System to RAM Engineering, Inc., Wilton, Connecticut, for the base bid in the amount of \$559,000

- h. Special System Bid Package No. 8 - Pneumatic Tube System to Pevco Systems International, Inc., Baltimore, Maryland, for the base bid and alternates B1 and B2 in the amount of \$472,951
- i. Special System Bid Package No. 9 - Security Control System to Sensormatic Electronics Corporation, Houston, Texas, for the base bid and alternates B1 and B2 in the amount of \$632,184
- j. Special System Bid Package No. 10 - Finish Hardware, Locksets to Door Pro Systems, Inc., Houston, Texas, for the base bid and alternates A1, B1, and B2 in the amount of \$179,173
- k. Special System Bid Package No. 11 - Audio - Visual/Teleconferencing System, Tenth Floor, Clinic Services Facility. Due to budget constraints, Bid Package No. 11 was not awarded.
- l. Special System Bid Package No. 12 - Modular Medical Casework System to Milcare, Inc., Fort Worth, Texas, for the base bid in the amount of \$275,737.

Further, the Board awarded a general construction contract for Bertner Complex - Phase II and Clinic Services Facility - Phase II at the U. T. M.D. Anderson Cancer Center to the lowest responsible bidder, George Hyman Construction Company, Dallas, Texas, for Base Bid "C" and Alternates A1, B1, and B2 in the amount of \$117,715,000.

The George Hyman Construction Company will have Historically Underutilized Business participation of approximately 20% in this contract.

This project, which was approved by the Texas Higher Education Coordinating Board in October 1992, and all phases of the Bertner Complex and Clinic Services Facility are included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget for a combined total project cost of \$248,600,000. Funding is from the following sources:

Educational and General Funds	\$ 82,605,000
Revenue Financing System Bond Proceeds	65,400,000
Gifts and Grants	<u>100,595,000</u>
Combined Total Project Cost	\$248,600,000

Approval of this item amends the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget in terms of allocation of sources of funds.

REPORT AND RECOMMENDATIONS OF THE BUSINESS AFFAIRS AND AUDIT COMMITTEE (Pages 15 - 19).--Committee Chairman Loeffler reported that the Business Affairs and Audit Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Business Affairs and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 77 (Catalog Change).--Upon recommendation of the Business Affairs and Audit Committee, the Board approved Chancellor's Docket No. 77 in the form distributed by the Executive Secretary. It is attached following Page 142 in the official copies of the Minutes and is made a part of the record of this meeting.

It was expressly authorized that any contracts or other documents or instruments approved therein had been or shall be executed by the appropriate officials of the respective institution involved.

It was ordered that any item included in the Docket that normally is published in the institutional catalog be reflected in the next appropriate catalog published by the respective institution.

Due to a possible conflict of interest, Regent Hicks abstained from voting on the following items within the Docket each related to trademark license agreements with Imperial Headwear, Inc., Denver, Colorado:

Item 7, Page A-22 - The University of Texas at Austin

Item 3, Page EP-9 - The University of Texas at El Paso

Item 1, Page SA-5 - The University of Texas at San Antonio.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter VI, Section 5 (Workers' Compensation Insurance) and Section 6 (Unemployment Compensation Insurance Program).--Approval was given to amend the Regents' Rules and Regulations, Part Two, Chapter VI as set forth below:

a. Section 5 was amended to read as follows:

Sec. 5. Workers' Compensation Insurance.

5.1 Pursuant to Section 503.001 et seq., Texas Labor Code, a self-insured System-wide Workers' Compensation Insurance (W.C.I.) Program will provide certain benefits for injuries sustained in the course and scope of employment.

- 5.2 The System Personnel Office, with the assistance of other appropriate System and component institution offices, shall investigate injuries.
- 5.3 The component institutions shall be responsible for reporting all work-related injuries to the System Personnel Office. The System Personnel Office shall file lost time injuries and occupational diseases with the Texas Workers' Compensation Commission (TWCC).
- 5.4 The System Personnel Office shall coordinate occupational safety and health activities.
- 5.5 The Office of General Counsel shall be responsible for a determination on appeal of TWCC decisions.
- 5.6 A percentage of annual payroll, as approved by the U. T. Board of Regents, shall be set aside to fund the Workers' Compensation Insurance Fund (W.C.I. Fund).
 - 5.61 Each institutional chief business officer shall be responsible for the transmission of amounts to be added to the W.C.I. Fund for all salaries paid, as instructed by the System Personnel Office, for receipt into the W.C.I. Fund no later than 20 days after the end of each month.
 - 5.62 The W.C.I. Fund must be deposited or invested in the same manner as other local institutional funds as specified in Part Two, Chapter III, Section 4 of these Rules and Regulations.
- 5.7 The System Personnel Office shall be responsible for processing all W.C.I. claims for medical care and compensation.
- 5.8 The System Personnel Office shall prepare an annual report for the U. T. Board of Regents on the status of the W.C.I. Fund.

b. Section 6 was amended to read as follows:

Sec. 6. Unemployment Compensation Insurance Program.

- 6.1 The System-wide Unemployment Compensation Insurance (U.C.I.) Program will provide weekly benefits as specified in Section 207.001 et seq., Texas Labor Code.

- 6.2 The Unemployment Compensation Insurance Fund (U.C.I. Fund) is established by the U. T. Board of Regents to be deposited or invested in the same manner as other local institutional funds as specified in Part Two, Chapter III, Section 4 of these Rules and Regulations. The System Personnel Office shall administer funding by assessment on all salary sources other than State General Revenue Funds as provided in Subsection 6.24 below.
- 6.21 The System will reimburse the State General Revenue Fund from the U.C.I. Fund for claims charge-backs paid by the State Comptroller for former employees paid from funds other than State General Revenue Funds.
- 6.22 Claims charge-backs for former employees paid from State General Revenue Funds shall be referred to the State Comptroller for payment.
- 6.23 The U.C.I. Fund shall at all times operate under principles established by the U. S. Department of Health and Human Services.
- 6.24 Assessment rates shall be calculated to provide minimum U.C.I. Fund balance fluctuations and maximum rate stability. Each institutional chief business officer shall be responsible for the transmission of such assessed amounts, as instructed by the System Personnel Office, for receipt into the U.C.I. Fund no later than 20 days after the end of the month.
- 6.25 Expenditures from the U.C.I. Fund shall be limited to direct costs in accordance with Office of Management and Budget Circular A-21.
- 6.3 The System Personnel Office, working in coordination with appropriate System and component institution offices, shall administer the U.C.I. Program and represent the System in appeals to the Texas Employment Commission (T.E.C.).

The amendments to Section 5 clarify the responsibility of the employing component institution to initiate an injury report and submit it to the System Personnel Office.

Section 6 was amended to remove outdated language regarding the U.C.I. Fund balance. Editorial changes to both sections clarify the rules and ensure uniformity.

3. U. T. System: Authorization for an Aggregate Amount of Equipment Financing for Fiscal Year 1995 and Approval for Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--At the April 1994 meeting, the U. T. Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System and authorized an aggregate financing amount for certain equipment purchased in Fiscal Year 1994.

Upon recommendation of the Business Affairs and Audit Committee, the Board approved an aggregate financed amount of \$31,276,000 under the Revenue Financing System for equipment to be purchased in Fiscal Year 1995 by the following component institutions of The University of Texas System:

\$ 2,500,000	U. T. Arlington
\$ 2,000,000	U. T. Austin
\$ 180,000	U. T. Dallas
\$ 3,233,000	U. T. El Paso
\$ 1,000,000	U. T. San Antonio
\$ 550,000	U. T. Tyler
\$12,050,000	U. T. Medical Branch - Galveston
\$ 3,750,000	U. T. Health Science Center - Houston
\$ 2,000,000	U. T. Health Science Center - San Antonio
\$ 2,000,000	U. T. M.D. Anderson Cancer Center
\$ 2,013,000	U. T. Health Center - Tyler

Following a presentation by Ms. Pam Clayton, Finance Officer within the Office of Finance at the U. T. System, and in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 (the "Master Resolution"), and upon delivery of the Certificate of an Authorized Representative as set out on Page 19, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. The component institutions to finance equipment, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$31,276,000 for the purchase of equipment
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991 and amended on October 8, 1993 (the "Master **Resolution**"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5 (a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity **Debt**" pursuant to the Master Resolution to finance equipment cost at U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. San Antonio, U. T. Tyler, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, U. T. Health Center - Tyler, and U. T. M.D. Anderson Cancer Center, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution.

EXECUTED this 11 day of July, 1994



Executive Vice Chancellor for Business Affairs

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 20 - 70).--Committee Chairman Holmes reported that the Academic Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter VIII, Section 4 (Institutions and Entities Composing the System).--In order to reflect changes in the names or titles of various academic entities within The University of Texas System that are the result of academic program actions approved by the U. T. Board of Regents and the Texas Higher Education Coordinating Board during the past year, the Board amended the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4 (Institutions and Entities Composing the System) as set forth below.

Committee Chairman Holmes noted that in the future Board actions that involve changes in names of academic entities will include authorization for the Executive Secretary to the Board of Regents to editorially amend the Regents' Rules and Regulations upon approval by the Texas Higher Education Coordinating Board.

- Sec. 4. Institutions and Entities Composing the System.--The System is composed of the component institutions and entities set forth below in paragraphs 4.1 et seq. and such other component institutions and activities as may from time to time be assigned to the governance, control, jurisdiction, or management of the Board of the System. To insure uniformity and consistence of usage throughout the System, the component institutions and their respective entities shall be listed in the following order and the following titles shall be used:

	<u>Full Title</u>	<u>Short Title</u>
4.5	The University of Texas at Brownsville	U.T. Brownsville
4.51	The University of Texas at Brownsville School of Business	
4.52	The University of Texas at Brownsville School of Education	
4.53	The University of Texas at Brownsville School of Health Sciences	
4.54	The University of Texas at Brownsville College of Liberal Arts	
4.55	The University of Texas at Brownsville College of Science, Mathematics and Technology	
4.56	The University of Texas at Brownsville Division of Continuing Education	

	<u>Full Title</u>	<u>Short Title</u>
4.7	The University of Texas at El Paso	U.T. El Paso
4.71	The University of Texas at El Paso College of Business Administration	
4.72	The University of Texas at El Paso College of Education	
4.73	The University of Texas at El Paso College of Engineering	
4.74	The University of Texas at El Paso College of Liberal Arts	
4.75	The University of Texas at El Paso College of Nursing and Health Sciences	
4.76	The University of Texas at El Paso College of Science	
4.77	The University of Texas at El Paso Graduate School	
4.8	The University of Texas - Pan American	U.T. Pan American
4.81	The University of Texas - Pan American College of Arts and Sciences	
4.82	The University of Texas - Pan American School of Business Administration	
4.83	The University of Texas - Pan American School of Education	
4.84	The University of Texas - Pan American School of Health Sciences	
4.9	The University of Texas of the Permian Basin	U.T. Permian Basin
4.91	The University of Texas of the Permian Basin College of Arts and Sciences	
4.92	The University of Texas of the Permian Basin School of Business	
4.93	The University of Texas of the Permian Basin School of Education	

	<u>Full Title</u>	<u>Short Title</u>
4.(11)	The University of Texas at Tyler	U.T. Tyler
4.(11)1	The University of Texas at Tyler School of Business Administration	
4.(11)2	The University of Texas at Tyler School of Education and Psychology	
4.(11)3	The University of Texas at Tyler School of Liberal Arts	
4.(11)4	The University of Texas at Tyler School of Sciences and Mathematics	
4.(11)5	The University of Texas at Tyler Division of Nursing	

2. U. T. Arlington: Establishment of a Master of Science Degree in Management of Technology and Authorization to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).--Authorization was granted to establish a Master of Science degree in Management of Technology at The University of Texas at Arlington and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The degree program is consistent with U. T. Arlington's approved Table of Programs and its long-range academic plan.

The 36 semester credit hour degree program will be interdisciplinary in nature with courses from both the College of Engineering and the College of Business Administration. The purpose of the Management of Technology program is to provide engineering and scientific professionals with managerial skills needed to supervise other scientific and engineering professionals and to manage the technology development process itself.

Admission to the program will require a minimum of three years work experience in the individual's professional field. Since experienced engineers, scientists, and others appropriately qualified for this program will vary with respect to their academic backgrounds, some may be advised, on an individual basis, to complete certain leveling courses prior to completion of the core and advanced courses in the program. As a result, the degree program will exceed 36 semester credit hours for some students.

The program will use existing courses taught on a regular basis. No additional faculty, staff, equipment, or library costs are required to implement the program.

Upon approval by the Coordinating Board, the next appropriate catalog published at U. T. Arlington will be amended to reflect this action.

3. U. T. Arlington: Authorization to Establish a Master of Software Engineering Degree with a Major in Software Engineering and to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).--In order to accommodate working software engineering professionals and emphasize solutions to problems that these professionals face in their jobs, the Board established a Master of Software Engineering degree with a major in Software Engineering at The University of Texas at Arlington and authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The degree program is consistent with U. T. Arlington's plans for offering quality degree programs to meet student and regional needs and is within its approved Table of Programs.

The Master of Software Engineering will be a 36 semester credit hour degree program administered by the Computer Science and Engineering Department which currently administers Master of Science, Master of Computer Science, and Master of Engineering programs. The program will complement rather than duplicate any of the existing programs and will utilize existing courses which are also part of these programs. It will be engineering oriented with an emphasis on software analysis and design. Although enrollment shifts might occur among the new and current programs, enrollments are expected to be sufficiently large for all programs to remain viable. The department plans to limit enrollments to about seventy-five head count/fifty FTE students per year beyond the fifth year.

The Computer Science and Engineering Department, which added software engineering as an emphasis area in 1982 in order to serve the needs of local aerospace and defense industries, currently has seven faculty members with expertise in various areas of software engineering. The program has been designed to address the specific needs of industry in the North Texas area for a graduate-level degree program that focuses on problems associated with the development and maintenance of large software systems. U. T. Arlington's ten years of experience in software engineering education and research will form the program's base.

No additional faculty positions, courses, space, equipment, or library resources are needed to implement the program. However, if faculty vacancies occur in the department, the positions will be filled with candidates whose expertise supports the program.

Upon Coordinating Board approval, the next appropriate catalog published at U. T. Arlington will be amended to reflect this action.

4. U. T. Austin: Appointment of Initial Holders to Endowed Academic Positions Effective September 1, 1994 - (a) Dr. Brian P. Levack to the John E. Green Regents Professorship in History in the College of Liberal Arts and (b) Dr. Ronald A. Crutcher to The Marie and Joseph D. Jamail, Sr. Regents Professorship in Fine Arts in the College of Fine Arts.--The Board approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective September 1, 1994:
- a. Dr. Brian P. Levack, Professor and Chairman of the Department of History, to the John E. Green Regents Professorship in History in the College of Liberal Arts
 - b. Dr. Ronald A. Crutcher, Professor in the Department of Music, to The Marie and Joseph D. Jamail, Sr. Regents Professorship in Fine Arts in the College of Fine Arts.
5. U. T. Austin: Permission for Professor William P. Hobby to Serve as a Commissioner of the Texas Parks and Wildlife Department [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Professor William P. Hobby, holder of the Sid Richardson Chair in Public Affairs at The University of Texas at Austin, to serve as a Commissioner of the Texas Parks and Wildlife Department for a term to expire on February 1, 1999. Professor Hobby will serve in this capacity without additional compensation.
- Governor Richards' appointment of Professor Hobby is of benefit to the State of Texas, creates no conflict with his position at U. T. Austin, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574 of the Texas Government Code and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.
6. U. T. Austin: Authorization to Name Room 113 in Russell A. Steindam Hall as The H. Malcolm Macdonald Conference Room (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, Room 113 in Russell A. Steindam Hall at The University of Texas at Austin was named The H. Malcolm Macdonald Conference Room in recognition of Professor H. Malcolm Macdonald, ROTC Liaison Officer at U. T. Austin for over 44 years until his retirement in January 1994.
7. U. T. Austin: Approval of Second-Year and Third-Year Leaves of Absence for Professor Leslie Young for the 1993-94 and 1994-95 Fiscal Years (Regents' Rules and Regulations, Part One, Chapter III, Section 16, Subsections 16.3 and 16.4).--The Board, in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 16, Subsections 16.3 and 16.4, approved second-year and third-year leaves of absence, without pay, to

Professor Leslie Young, V. F. Neuhaus Centennial Professor in Finance at The University of Texas at Austin, for the 1993-94 and 1994-95 fiscal years.

Dr. Young holds joint appointments in the Department of Economics, the Center for Asian Studies, and the Department of Finance at U. T. Austin. The second-year and third-year leaves of absence will permit Dr. Young to continue his work on trade and finance studies and to arrange for cooperative agreements between U. T. Austin and The Chinese University of the New Territories in Hong Kong.

8. U. T. Austin: Approval of Agreement with the Institute of International Education (IIE), New York, New York, on Behalf of the American-European Engineering Exchange Consortium, and Authorization for the Component President to Execute Agreement.--The agreement set out on Pages 26 - 27 between The University of Texas at Austin and the Institute of International Education (IIE), New York, New York, on behalf of the American-European Engineering Exchange Consortium, was approved by the Board.

Further, the President of U. T. Austin was authorized to execute the agreement with the understanding that any and all specific agreements arising from this agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

The Institute of International Education is a nonprofit New York corporation which administers international educational programs such as the Fullbright exchange programs and serves as administrator for the American-European Engineering Exchange Consortium. The consortium of U. S. engineering schools, working in collaboration with a consortium of European institutions, provides opportunities for undergraduate and graduate students to receive academic and practical training in other countries. Periods of training will range from 3 to 24 months, and program costs will involve no net exchange of funds between participating universities.

American-European Engineering Exchange (AE³) Agreement

AE³ is a consortium of US Engineering schools, working in collaboration with a consortium of European institutions, to provide opportunities for undergraduate and graduate students to receive academic and practical training in each other's countries for periods of 3 to 24 months. Program costs will involve no net exchange of funds between participating universities. The Institute of International Education (IIE), a private non-profit agency located at 809 United Nations Plaza, New York, NY 10017, is the administrative agency for the American members of the consortium.

Participating US institutions would be expected to:

- identify a person responsible for AE³ liaison
- define requirements for participation by incoming and outgoing students
- evaluate incoming student dossiers for acceptance on a **space-available** basis
provide assistance in locating housing (with costs to be covered by the incoming students)
provide detailed course information to be used in the evaluation and transfer credit process
- evaluate in advance the outgoing students' **proposed** European program with the objective of maximizing credit transfers
- adhere to program deadlines for nomination of US students, for decisions on European incoming students, etc.
- arrange appropriate **mentored** internships in industry or the university with expectation of stipends
- provide academic mentors who will evaluate and **report** on performance of incoming students
- provide intensive English language instruction as needed on a cost per student basis
- contribute to the administrative costs through an **annual** membership fee.

Participating European universities would be **expected** to:

- identify a person responsible for AE³ liaison
- define requirements for participation by incoming and outgoing students
- evaluate incoming student dossiers for acceptance on a **space-available** basis
- provide assistance in locating housing (with costs to be covered by the incoming students)
provide detailed course information (in English) to be used in the evaluation and transfer credit process
- provide an intensive language and cultural **program** for incoming US students on a cost per student basis
- adhere to program deadlines for nomination of European students for decision on US incoming students, etc.
- provide appropriate **mentored** industrial internships with expectation of stipends
- provide academic mentors who will evaluate and report on performance of incoming students
- contribute to the administrative costs through an annual membership fee.

The consortium will elect a Chairperson and an Executive Committee of 4 to 6 members to serve for a **period of two** years. This committee is expected to conduct the business of the consortium including:

- develop guidelines for **membership** and invite new members
- fundmising
- identifying and overseeing the **administrative** agency (IIE)

The Institute of **International Education (IIE)** and the European coordinating body will be expected to:

- **coordinate** and participate with the Executive Committee in **fundraising** for the consortia
- receive and account for administmtive funds
- collect and circulate dossiers of nominated students, after preliminary screening
- coordinate acceptances and recirculate **dossiers** as needed
- insure that proper **visas** and adequate **health insurance** are secured for incoming students according to the standards set out by member institutions
- oversee the placement process among the **academic institutions** and industrial sites
- provide an **annual** report and evaluation of the **AE³** process as required by funders to be made available to **consortium** ad industry members
- **provide periodic reports to the consortium**
- **other duties as requested by the Executive Committee.**

A member institution may terminate its participation an slx (6) months written notice.

By signature **below**, our institution agrees to join the **AE³** Consortium:

On **behalf** of the **Consortium**, we accept your **institution** into **AE³** and will provide the above **services**:

Robert M. **Berdahl**
President
The University of Texas at Austin

Peggy **Blumenthal**
Vice President for Educational Services
Institute of International Education

AE³ Liaison:
Thomas F. Edgar, Associate Dean
College of Engineering

Date: _____

Date: _____

9. U. T. Brownsville: Approval of Ground Lease Agreement by and Between the Board of Trustees of Southmost Union Junior College District on Behalf of Texas Southmost College (TSC) and the U. T. Board of Regents on Behalf of U. T. Brownsville and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Lease.--
Upon recommendation of the Academic Affairs Committee, the Board:

- a. Approved a Ground Lease Agreement by and between the Board of Trustees of the Southmost Union Junior College District, for and on behalf of Texas Southmost College (TSC), and the U. T. Board of Regents, for and on behalf of The University of Texas at Brownsville, in a form substantially equivalent to the draft ground lease set out on Pages 30 - 54
- b. Authorized the Executive Vice Chancellor for Academic Affairs to execute the ground lease upon final review and approval by the Executive Vice Chancellor for Business Affairs, President Garcia, and the Office of General Counsel.

Committee Chairman Holmes indicated the main aspects of the ground lease are as follows:

- a. TSC will lease approximately 3.8 acres in the northeast quadrant of the campus to U. T. Brownsville for the construction of the Science and Engineering Technology Building (a three-story building of approximately 150,000 square feet)
- b. Building is to be cooperatively utilized in furtherance of the Educational Partnership Agreement between the two institutions and all terms of the lease will comply with all terms of the partnership agreement; the parties will execute additional or amended cooperation agreements as needed to cover details of space use and operation of the building
- c. U. T. Brownsville will pay TSC nominal rental of \$100 per year during Lease Term
- d. U. T. Brownsville agrees to construct, operate, and maintain the facility in compliance with applicable state and federal laws and city ordinances and the terms of the Educational Partnership Agreement
- e. TSC is to review and approve the preliminary plans for landscaping, exterior appearance of the building, and its placement on the leased site. Style and materials are to be comparable to exterior of adjacent TSC buildings.
- f. U. T. Brownsville is responsible for payment of all taxes, if any

- g. To the extent allowed by law, U. T. Brownsville indemnifies TSC for loss or damage related to U. T. Brownsville's use of or operations on the leased site
- h. Ownership of the land remains with TSC; upon the later to occur of termination of the educational partnership or the expiration of 50 years from the effective date of the Lease, all improvements revert to TSC, in the absence of any statute prohibiting transfer and subject to latest sales of bonds
- i. If the lease is terminated for reasons other than expiration of the Lease Term, condemnation, abandonment by U. T. Brownsville, or destruction of the facility and inability to rebuild, title will not vest in TSC without payment to U. T. Brownsville of an amount that is the greater of outstanding bond debt or appraised value of the building and improvements
- j. In the event of damage or destruction of the facility, U. T. Brownsville pledges its best efforts to explore all options to allow repair or replacement with an equivalent facility at no cost to TSC
- k. TSC may require U. T. Brownsville to demolish the facility at end of the Lease Term or in the event of inability to repair or replace the damaged facility during the Term
- l. In the event of termination of the Partnership prior to expiration of the minimum 50-year Term, TSC may continue to utilize same type and amount of classroom space upon payment of fair market value rental for the space used. Under such circumstances, U. T. Brownsville is obligated to pay annual rental for the leased land at fair market value rates
- m. The parties agree to utilize nonbinding arbitration in the event of disputes related to the Lease.

The 73rd Session of the Texas Legislature authorized the financing of the Science and Engineering Technology Building at U. T. Brownsville through Tuition Revenue Bonds in the amount of \$23,500,000 as part of the South Texas/Border Initiative. The Science and Engineering Technology Building is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget.

See Page 89 related to the construction of the Science and Engineering Technology Building.

GROUND LEASE

by and between

THE BOARD OF TRUSTEES OF THE
SOUTHMOST UNION JUNIOR COLLEGE **DISTRICT**
for and on behalf of
TEXAS **SOUTHMOST** COLLEGE

LANDLORD

and

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM
for and **on** behalf of
THE **UNIVERSITY** OF TEXAS AT BROWNSVILLE

TENANT

Dated: _____, 1994

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GROUND LEASE AGREEMENT

This Ground Lease Agreement ("Lease") is made and entered into as of the ___ day of ___ 1994, by and between the BOARD OF TRUSTEES OF THE SOUTHMOST UNION JUNIOR COLLEGE DISTRICT for and on behalf of TEXAS SOUTHMOST COLLEGE ("TSC" OR "Landlord") and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for and on behalf of THE UNIVERSITY OF TEXAS AT BROWNSVILLE ("University" or "Tenant").

RECITALS

A. **Educational Partnership.** This lease is entered into in furtherance of the purposes and agreements contained in the Educational Partnership Agreement between Landlord and Tenant dated September 1, 1991, and creating an educational partnership as authorized by Section 51.661 et seq. of the Texas Education Code to improve the continuity, quality, and efficiency of educational programs and services offered by the parties (the "Educational Partnership Agreement").

B. **Demised premises.** The Landlord is the owner of the tract being leased, which is located within the northeast quadrant of the campus of Texas Southmost College ("**TSC** campus"), said area containing approximately 3.8 acres, and being more particularly described in Exhibit "A", attached hereto and incorporated herein (known hereafter together with all improvements now or hereafter constructed thereon as the "Demised Premises").

C. **Cooperation Agreement for Facility Operation.** Landlord and Tenant will enter into a Cooperation Agreement for Facility Operation (the "Facility Operation Agreement") further describing the relationship between the parties and providing for the sharing and exchange of various services between Landlord and Tenant in connection with the parties' operations regarding the Demised Premises. The execution and performance of the parties' obligations under the Facility Operation Agreement is a part of the additional consideration exchanged for entering into this Lease.

D. **Cooperation Agreement for Space Use.** Landlord and Tenant will enter into a Cooperation Agreement for Space Use (the "Space Lease Agreement") by the terms of which the Tenant leases to the Landlord a certain amount of shell space in the building improvements to be erected by Tenant on

Demised Premises. The execution and performance of the parties' obligations under the Space Use Agreement is a part Of the additional consideration exchanged for entering into this **Lease**.

E. Purpose of Ground Lease Agreement. The purpose of this Lease is to provide for the use of the Demised Premises for developing, constructing and operating the facilities for a Science and Engineering Technology Building, to be cooperatively utilized by Landlord and Tenant in furtherance of the purposes and agreements contained in the Educational Partnership Agreement and in accordance with the mutual obligations undertaken pursuant thereto.

ARTICLE 1 LEASE GRANT AND ACCESS

Section 1.1 Lease Grant. Landlord, in consideration of the rents, covenants, agreements and conditions herein set forth, which Tenant hereby agrees shall be paid, kept, and performed, does hereby lease unto Tenant, and Tenant does hereby rent and lease under the terms set forth below, from Landlord, the Demised Premises described on Exhibit "A" attached hereto, together with all of Landlord's rights, interest, estates, and appurtenances thereto, and all improvements now or hereafter constructed thereon.

Section 1.2 Habendum. **TO HAVE AND TO HOLD** the Demised Premises, together with all and singular the rights, privileges, and appurtenances thereunto attaching or in any wise belonging, exclusively unto Tenant, its successors and assigns, for the term set forth in Article 2, subject to termination as herein provided and subject to and in accordance with the above and below referenced covenants, agreements, terms, provisions and limitations.

Section 1.3 Access. Landlord hereby **grants** to Tenant, its agents, employees, contractors, licensees, **invitees** and guests, the right of ingress and **egress** over and upon all real property now **or** hereafter owned by Landlord which is adjacent to or having a **boundary** contiguous with the Demised Premises in order that Tenant, its agents, employees, contractors, licensees, invitees and guests may have reasonable access from a dedicated public right-of-way to and from the Demised Premises of sufficient size and area to facilitate the use and occupancy of the Demised Premises and reasonable pedestrian and vehicular access from and between such public right-of-way and the Demised Premises over the sidewalks, walkways, roads, streets and drives whether now existing or constructed in the future, located thereon. This grant of a right of ingress and egress shall be effective during the term of this Lease and any extension thereof.

The rights of ingress and egress granted hereby shall in no way restrict the Landlord from imposing reasonable restrictions, rules and regulations upon the sidewalks, walkways, roads, streets and drives located upon real property owned by Landlord. So long as reasonable ingress and egress is available as described above, Landlord shall in no way be prohibited from exercising any of its rights to develop, control, lease, sell or encumber any of the real property owned by Landlord and vehicular access **from** and between the Demised Premises and any public right-of-way shall be restricted to the roads, streets and drives intended for vehicular ingress and egress which are now or **may** hereafter be constructed on the real property owned by Landlord and such vehicular ingress and egress **shall** be subject to the reasonable rules and restrictions generally imposed by Landlord upon **all** vehicular traffic utilizing such private roads, streets and drives.

In addition to the above-described right of ingress and egress, Landlord hereby grants to Tenant, its agents, employees, officers and contractors, a temporary construction easement adjoining all boundary lines of the Demised Premises. Such temporary construction easement shall be of sufficient size and area to allow Tenant to construct the building, **landscaping** and other improvements and shall remain in effect only so long as Tenant is engaged in construction on the Demised Premises, provided that specific locations of such temporary construction easements must have the prior written approval of the Executive Director of TSC or the Executive Director's designee. The right of ingress and egress granted hereby shall constitute a covenant running with the Demised Premises and such other real property owned by Landlord and shall expire upon the expiration of the Term.

ARTICLE 2

TERM, OPTION TO EXTEND, AND TERMINATION

Section 2.1 Effective Date and Term. The effective date ("Effective Date") of this Lease shall be the date upon which the last party to the Lease executes the Lease. The lease term ("Term") of this Lease **shall** begin on the Effective Date and shall expire at midnight on that date which is later to occur of the following: (a) the date which is **fifty** (50) years from the Effective Date, or (b) the date upon which the Educational Partnership Agreement **shall** terminate.

Section 2.2 Termination. Except as specifically **authorized** by the provisions of this Lease, the Lease **may** be terminated only by the signed written agreement of Landlord and Tenant.

ARTICLE 3 RENT AND ADDITIONAL CONSIDERATION

Section 3.1 Rent. Landlord reserves and Tenant covenants to pay to Landlord without demand and without any set-off or deduction whatsoever, in advance, on the Effective Date, and on each anniversary date thereof during the Term, a rental for the Demised Premises in the total amount of One Hundred Dollars (\$100) for each year of the Term.

Section 3.2 Net Lease. This Lease shall be deemed and construed to be a “net lease” and Tenant shall pay to Landlord **absolutely** net rent for the term of this Lease. Landlord shall be entitled to reimbursement as additional rents (“Additional Rents”) any charges, assessments or impositions of any kind incurred by Landlord and attributable to **the** Demised Premises without abatement, deduction or set-off except as otherwise expressly provided herein or **in another contractual** agreement between the **parties**.

Section 3.3 Additional Consideration. In addition to the Rent reserved in **Section 3.1** and the other covenants and agreements of the parties herein set forth, the following **specific** covenants shall be **fulfilled** as additional consideration exchanged for entering into this Lease:

(a) Landlord and Tenant shall execute **a Facility Operation Agreement and a Space Use Agreement** both of which agreements are more fully described above in the Recitals **portion of this Lease**.

(b) Landlord and Tenant shall execute any easements, licenses or other agreements necessary for implementation **of this Lease and operation** of the improvements constructed hereunder.

ARTICLE 4 TAXES, ASSESSMENTS AND UTILITIES

Section 4.1 Payment of Taxes by Tenant. Tenant shall pay all property taxes and assessments which may be **lawfully** levied and assessed against the Demised **Premises** and any improvements constructed thereon during the term of this Lease.

Section 4.2 Contest of Tax. Tenant **may** contest in good faith and with due diligence by appropriate proceedings at its own expense any such tax, assessment or similar item, provided that Tenant shall **first** have paid such item.

Section 4.3 Property Tax Exemption. Tenant agrees that it **will** claim exemption from the imposition of ad **valorem** property taxes on any improvements on or leasehold interest in the Demised Premises by reason of the fact that it is an institution of higher education and an agency of the State of Texas and Tenant will join with **Landlord** to secure an exemption from taxation for both the leasehold estate and the fee interest.

Section 4.4 Utilities. The rights and duties of Landlord and Tenant concerning utilities services for operations on **the** Demised Premises shall be as provided in the Agreement for Facility Operation to be entered into by the parties.

ARTICLE 5 **IMPROVEMENTS**

Section 5.1 **Modifications** to Improvements. The Demised Premises are currently improved with a Vocational Trades building, parking lots, fencing and landscaping features. Tenant intends to construct new improvements on the Demised Premises and alter or demolish the existing improvements consistent with the use restrictions in Article 6 pursuant to the provisions set forth in this Article. During the Term of **this** Lease, when Tenant desires to construct one or more new buildings, make one or more major additions to existing buildings, demolish and rebuild one or more existing buildings (or major parts thereof), or make other major changes to the Demised Premises, Tenant shall comply **with** the provisions of Section 5.2 and other pertinent provisions of this Lease.

Section 5.2 Construction of Improvements. Tenant covenants and agrees, at **its** sole cost and expense, to provide for the financing, design, construction and operation of a Facility to be known as The University of Texas at Brownsville Science and Engineering Technology Building (the "Facility") on the Demised Premises, and a related thermal energy plant, substantially in accordance with **the** general concept plans which **have** heretofore been approved by Landlord and Tenant. Design and construction of the Facility and all improvements to the Demised Premises shall be performed under the authority of The University of **Texas** System Office of Facilities Planning and

Construction. The Facility initially shall be a three-story building of approximately 150,000 gross square feet, with standard lighting and landscaping. Tenant shall deliver to Landlord for review Tenant's plans showing the building location, landscaping and exterior appearance of all improvements to the Demised Premises. Tenant covenants that from and after the commencement of construction of the Facility, Tenant will cause such construction to be prosecuted with due diligence, in a good and workerlike manner, substantially in accordance with all plans theretofore reviewed by Landlord. The Facility shall be designed and constructed so as to be appropriate for uses consistent with the purposes set forth in the Educational **Partnership** Agreement. Tenant covenants that the design and construction of any improvements or modification of any improvements on the Demised Premises shall be in accordance with the applicable laws and ordinances of all governmental and public authorities having jurisdiction, and shall be in such a style and of such materials as to be comparable in appearance and quality to the exterior of the other buildings in the adjacent areas of the TSC campus. Tenant **covenants** to pay or cause to be paid all costs, expenses and liabilities of such construction, and to keep the Demised Premises free and Clear of **all** liens in any way arising out of or connected with the construction of the improvements.

Section **5.3** Construction Period Insurance. Landlord shall be an additional named insured on any insurance policies related to the construction of improvements on the Demised Premises.

Section **5.4** Ownership of Improvements.

(a) The parties agree that ownership of **all** presently existing improvements and all **fixtures** and equipment purchased with tuition revenue bond proceeds and installed therein, and all alterations and improvements thereto and replacements thereof, shall be and remain in Tenant during the Term. The parties further agree **that** upon expiration of the Term as defined in Section 2.1 and in the absence of state law prohibiting such transfer, (i) ownership of all improvements made or owned by Tenant shall vest in Landlord, and (ii) Tenant shall execute all instruments necessary to formally transfer title to Landlord free and clear of any liens or encumbrances, and without any payment **therefor** by Landlord, except as hereinafter provided. Notwithstanding the foregoing sentence, the parties acknowledge that the improvements to the Demised Premises will be financed with proceeds from revenue bonds issued by Tenant pursuant to the authority delegated in Section 55.1714, Texas Education Code, as amended; and the parties therefore agree that, so long as any of the said revenue bonds remain outstanding, ownership of all improvements made or

owned by Tenant shall not vest in **Landlord** until the parties have entered into a written agreement as to the disposition of the outstanding bond indebtedness.

(b) All personal property belonging to Tenant that can be removed without structural injury to any buildings and improvements and all trade fixtures shall remain the property of Tenant, and may be removed **from** the Demised Premises. Notwithstanding the first sentence of Section 5.4(a), the parties acknowledge that their shared operations may require installation and use within the Demised Premises of certain equipment and other personal property that is owned by Landlord or by third parties, under a loan or other permissive use arrangement. Any such equipment or personal property that is not owned by Tenant and is to be located on the Demised Premises shall remain the property of the owner, provided such property is permanently marked as to ownership and is identified to Tenant by delivery of an itemized written inventory list.

(c) Notwithstanding any other provision herein, if this Lease is terminated prior to expiration of the Term for any reason except for (i) abandonment of the Demised Premises by the Tenant, (ii) destruction of the Facility as provided in Article 9, or (iii) condemnation of the Demised Premises as provided in Article 10, then the Facility and other improvements to the Demised Premises shall not automatically vest in the Landlord, and Landlord shall not have title to the Facility and other improvements **until** Landlord has paid to Tenant an amount which is the greater of (a) the then-outstanding amount of the bond indebtedness incurred by Tenant in developing and constructing the Facility and any related improvements to the Demised Premises, or (b) the **then-current** value of the Facility and any related improvements to the Demised Premises, as determined based upon an appraisal, using the “cost- less- depreciation” method of appraisal, to be performed by an independent appraiser selected jointly by the parties. The fees and expenses of any jointly selected independent appraiser **shall** be borne equally by the parties. If Landlord and Tenant are unable to agree upon a single appraiser, then each shall at its own sole cost, by written notice to the other, appoint one appraiser to perform an appraisal by the “cost-less-depreciation” method. The value of the Facility and other improvements to the Demised Premises, for the purposes of this Section, shall be the average of the two appraisals.

(d) If the Educational Partnership Agreement between the parties terminates prior to the end of the **50-year** Term specified in Section 2.1, then during the remainder of the Term, and notwithstanding any other provision of this Lease to the contrary, both of the following provisions shall become effective:

(i) Landlord shall have the right, at its option, to use classroom space in the Facilities that is smaller than or equal to the size and type of the classroom space provided to Landlord for the academic year during which the Educational Partnership Agreement terminated. Landlord's use of said classroom space shall be in accordance With a written space lease or space use agreement between Landlord and Tenant.

(ii) Tenant shah pay rental to Landlord for lease of the Demised Premises, and Landlord shall pay rental to Tenant for Landlord's use of classroom space in the Facilities, provided that the amounts of both such rentals shall be equal to the then-current fair market rental value for comparable real property in the City of Brownsville, as determined by mutual agreement between Landlord and Tenant, such rental rates to include a provision for adjustments to fairly reflect changes in the real estate market and in property operating costs. Rental payment periods shall be established by mutual agreement of the parties.

Section 5.5 Additions to Facility. Landlord and Tenant agree, upon written request of either party, to enter into good. faith negotiations to establish mutually agreeable terms and conditions under which additional floors or other additions to the Facility will be constructed, **financed** and utilized. However, the written consent of Landlord must be obtained prior to undertaking any addition to or renovation of the Facility that will either (i) materially affect the exterior appearance of the Facility, or (ii) require the use of any land on the TSC campus outside of the Demised Premises.

Section 5.6 Demolition and Reconstruction. The provisions of **this** Article 5 shall apply to the subsequent demolition of existing improvements, any additional construction, or any structure thereafter erected on the Demised Premises and to the construction of any new structure to be erected in replacement thereof.

ARTICLE 6 USE OF PREMISES

Section 6.1 Use of Premises. The Demised Premises and the Facilities shall be used during the Term only for purposes now or hereafter customarily related to or connected with the operation of a public institution of higher education and shall at all times be consistent with the purposes and agreements contained in the Educational Partnership Agreement. The Demised Premises and the Facility may not be used for purposes other than those described above, except pursuant to the prior written consent of Landlord. Landlord shall have

the right to enter upon the Demised Premises at all reasonable times to inspect same. Tenant covenants that it will operate the Facilities on the Demised Premises in compliance with all applicable federal, state and local laws and regulations affecting Tenant's operations on the Demised Premises. Subject to the specific requirements in the section entitled "Environmental Hazards" herein, the Demised Premises may not be used for processing, storage, or disposal of Hazardous Substances or solid wastes except in compliance with all applicable state and federal laws and regulations. The parties acknowledge that the TSC campus is located within an important historic site and the parties agree that all operations on the Demised Premises shall be consistent with the requirements associated with any such historical designation.

Section 6.2 Cooperative Use of Facility. It is the intention of the parties that, although the Facility will be owned and operated by Tenant, the use of the Facility and all other improvements on the Demised Premises will be shared among Landlord and Tenant as needed in order to **fulfill** their mutual obligations under the Educational Partnership Agreement to provide the facilities in which to offer college courses at lower-division, **occupational/technical**, upper-division, and graduate levels. The **specific** terms and conditions of the shared use of the Facility will be set forth in the Space Use Agreement, Facility Operation Agreement, and any other necessary related agreements.

Section 6.3 Contest of Regulations. Tenant may, at the Tenant's expense, contest the validity or application of any law, ordinance, regulation, order or requirement affecting Tenant's operations on the Demised Premises, provided Tenant agrees to indemnify Landlord, to the extent authorized by law, against the cost thereof, and against all liability for any damages, interest, penalties and expense resulting from such contest or noncompliance.

ARTICLE 7 DEVELOPMENT COOPERATION

Section 7.1 If requested by Tenant, Landlord will cooperate with Tenant in obtaining any necessary plan approvals or utilities permits. Tenant may request that Landlord cooperate in obtaining site **development** plan approvals, including granting of appropriate rights-of-way, easements and common areas, if needed for additional improvements or **modifications** to existing improvements. Such requests will not be unreasonably denied or delayed. Landlord will, where required by any applicable regulatory body, join in any and all applications for such approvals or permits; however, Landlord shall not be required to incur any

personal liability in connection with the obtaining of any such approvals or permits. Landlord will join with Tenant in granting to public entities or public service corporations, where reasonably required for serving the Demised Premises, rights-of-way or easements on or over the Demised Premises for telephone, electricity, natural gas, water, sanitary or storm sewers and for other utilities and municipal or special district services. The rental otherwise payable to Landlord by Tenant as provided in this Lease will not abate or be reduced because of dedication of any portion of the Demised Premises or grants of easements as provided by this section.

ARTICLE 8 MAINTENANCE AND REPAIR

Section 8.1 Except as provided to the contrary in the Facility Operation Agreement or the Space Use Agreement, Tenant shall at its sole cost and expense keep and maintain the Demised Premises and buildings, improvements and related facilities heretofore or hereafter constructed thereon, including landscaping, sidewalks, driveways and parking areas located on the Demised Premises, in good and sanitary order, condition and repair and shall suffer no waste with respect thereto. Tenant shall at its sole cost and expense comply with any legally applicable requirements of federal, state, local, and municipal authorities now in force or which may hereafter be in force, pertaining to the Demised Premises. No provision of this Article shall preclude Tenant from contracting with Landlord or other parties for the provision of maintenance or other services on the Demised Premises. Subject to any contrary provisions of the Facility Operation Agreement or the Space Use Agreement, at the termination of this Lease, whether at the expiration of the Term or earlier as provided herein, the Demised Premises and all improvements shall be left broom-clean and in good condition, normal wear and tear excepted.

ARTICLE 9 DESTRUCTION OF IMPROVEMENTS

Section 9.1 Repair or Replacement. If any building or improvement heretofore and hereafter erected upon the Demised Premises during the term of this Lease shall be destroyed or damaged in whole or in part, this Lease shall continue in full force and effect and Tenant shall give Landlord written notice within one hundred twenty (120) days after the damaging event, whether or not Tenant chooses to repair or replace the building or improvement. Prior to giving such notice, Tenant pledges to use its best efforts to explore all options to allow replacement of the destroyed or damaged building or improvements with

equivalent facilities at no cost to Landlord. If such destruction or damage occurs, and Tenant gives notice as required, Tenant may, at its sole cost and expense, promptly repair, replace and rebuild the same, as nearly as practicable to the character of the building or improvements existing immediately prior to such occurrence. Tenant may choose not to repair, replace or rebuild the damaged building or improvement. In the event that Tenant chooses not to repair, replace, or rebuild, then, at the Landlord's option, Tenant shall, at Tenant's sole cost and expense, demolish any remaining damaged buildings or improvements and restore that portion of the Demised Premises to a condition consistent with and aesthetically compatible to uses made of properties adjacent to the Demised Premises. Landlord shall give Tenant written notice of Landlord's exercise of its option to require demolition no later than one hundred twenty (120) days after receiving notice of Tenant's choice not to rebuild. If Landlord fails to give such notice within such time period, Landlord shall be deemed to have waived its option to have Tenant demolish the buildings or improvements. Upon receipt of such notice from Landlord, Tenant shall demolish the damaged buildings or **improvements** within one hundred and twenty (120) days. If the Tenant chooses to repair **or** replace said buildings or improvements, such repairs **or** replacement shall be in accordance with the following terms and conditions:

(a) Before commencing any such repair or replacement work, any plans and **specifications** required by **law** shall be filed with and approved by any municipal or other governmental authorities having jurisdiction thereto, the Landlord **shall be** notified of the proposed commencement date, and a **firm** estimate for the cost of such repairs or **restoration shall be** obtained.

(b) Such work shall be commenced within one hundred twenty (120) days after any necessary gov**ernmental approvals have been obtained, and** such work shall be completed within a reasonable time, subject to force majeure and availability of funds, free and clear of all liens and encumbrances and in accordance with the plans and specifications. Landlord shall be an additional **named insured on any insurance policies related to the construction and repair** of the improvements on the Demised Premises.

Section 9.2 Continuation of Lease. Except as to default under other sections hereof, this Lease shall not **terminate** nor be affected in any manner by reason of the destruction **or damage** in whole **or in part of any** building or buildings or improvements now or hereafter standing or erected on the Demised Premises or by reason of the **untenantability** of the Demised Premises or of any such buildings or improvements, and the rent reserved in this Lease as well as

all other charges payable hereunder, shall be paid by the Tenant in accordance with the terms, covenants and conditions of this Lease, without abatement or reduction.

Section 9.3 Termination after Damage. Notwithstanding the provisions of Sections 9.1 through 9.2, or any other provision of this Lease, if any loss takes place within the last five years of the term of this Lease, Tenant may terminate this Lease as to such portion of the Demised Premises by giving written notice to Landlord within fifteen (15) days of each loss. Tenant must, however, comply with the provisions of Section 9.1 in that, at the Landlord's option, any improvements located on the Demised Premises must be demolished or restored to a condition compatible with surrounding usage and may not be left partially or wholly destroyed, no matter how much or how little time remains in the Term, provided, however, that nothing herein **shall** be construed to require Tenant to restore any improvements to a quality or grade of construction or condition greater than that existing prior to such destruction or damage. If Tenant fails to comply with this term, **Landlord** may perform Tenant's obligations hereunder and charge said expenses to Tenant as additional rental under the terms of this **Lease**.

ARTICLE 10 CONDEMNATION

Section 10.1 Total Taking. Should the entire Demised Premises be taken (which term, as used in this Article 10, **shall** include any conveyance in avoidance or settlement of eminent domain, condemnation, or, other similar proceedings) by any Governmental Authority, corporation, or other entity under the right of eminent domain, condemnation, or **similar** right, then Tenant's right of possession under this Lease **shall terminate** as of the date of taking possession by the condemning authority, and the award therefore **will** be distributed as follows: (i) **first**, to the payment of **all** reasonable fees and expenses incurred in collecting the award; and (ii) second, the **balance** of the award **shall** be equitably apportioned between **Landlord** and **Tenant**, based on the then respective fair market values of Landlord's interest in the Premises (appraised by reference to **all** relevant factors and the then present **value** of **Landlord's** reversionary interest in the entire Premises after expiration of the Lease) and Tenant's **interest** in the Premises (appraised by reference to all relevant factors including the value of the use of the Premises for the remainder of the Term) with any award to Tenant payable to Tenant. If **Landlord** and **Tenant** are unable to agree on the respective fair market values of their interests in the **Demised Premises**, then the matter shall be submitted to arbitration as provided in Article 16. After the

determination and distribution of the condemnation award as herein provided, the Lease shall terminate.

Section 10.2 Partial Taking. Should a portion of the Demised Premises be taken by any Governmental **Authority**, corporation, or other entity under the right of eminent domain, condemnation, or similar right, this Lease shall nevertheless continue in effect as to the remainder of the Premises unless, in Tenant's reasonable judgment, so much of the Premises shall be so taken as to make it economically unsound to use the remainder for the uses and purposes contemplated hereby, whereupon this Lease shall terminate as of the date of taking of possession by the condemning authority in the same manner as if the whole of **the** Premises had thus been taken, and the award **therefor** shall be distributed as provided in Section 10.1.

Section 10.3 Award on Partial Taking. In the event of a partial taking where this Lease is not terminated, and as a result thereof Tenant will need to restore, repair, or refurbish **the** remainder of the Premises in order to put them in a usable condition, then (a) the award **shall** first be apportioned as provided in Section 10.1, considering the respective interests of Landlord and Tenant in the portion of the Premises taken, (b) the portion **allocable** to Landlord **shall** be paid to Landlord, and (c) the portion of the award payable to Tenant shall be paid to Tenant. If a portion of **the** Premises is taken **and** no repair or restoration work is required because **thereof**, the award **therefor shall** be apportioned as provided in Section 10.1, considering the respective interests of Landlord and Tenant in the portion of the Premises taken.

ARTICLE 11 ASSIGNMENT AND SUBLETTING

Section 11.1 Assignment. Tenant may assign this Lease, provided the use of the Demised Premises by **the** assignee **shall** at **all** times be consistent with the purposes and agreements contained in the Educational Partnership Agreement between **Landlord** and Tenant. No assignment **shall** affect Landlord's rights as set forth in the Space Lease Agreement.

Section **11.2** Procedure for Assignment. No such assignment shall be binding on the Landlord until it has received a duplicate original of such assignment, duly executed by the assignee and in form and containing terms approved by the Landlord. No assignment **shall** be complete until Landlord has received an instrument duly executed by the assignee and in form for recording in the Cameron County Real Estate Records, by which the assignee agrees to

attorn to Landlord and to assume all obligations of Tenant to perform from and after the Effective Date of the assignment, all terms, covenants, and conditions of this Lease after the completion of said assignment, **attornment** and assumption, but not from liabilities, if any, which had accrued prior to said assignment, attornment and assumption.

Section **11.3** Subleasing. Subject to Landlord's written consent, Tenant may sublease a portion of the Demised Premises, provided however, the uses to be made by any Sublessee shall be compatible with Tenant's use of the Demised Premises authorized in Section 5.1 hereof and shall be consistent with the purposes and agreements contained in the Educational Partnership Agreement. Tenant shall not be released from any liability under the Lease by subleasing the Demised Premises. This section shall not apply to a sublease between Landlord and Tenant under a Space Lease Agreement, as more fully described in the Recitals hereof.

Section 11.4 Landlord's Right of First Refusal. Prior to Tenant's assigning this Lease in its entirety or with respect to any complete **building** or improvement, Landlord shall have the **exclusive right** and option to acquire Tenant's Lease or partial Lease of the Demised Premises or any complete building or improvement thereon, under the same terms and conditions that the Demised Premises or complete building or conditions under which the Lease or partial Lease of improvement would have been assigned otherwise. Tenant agrees to provide Landlord with written notice and all relevant data regarding any proposed assignment. Landlord may exercise this option by providing Tenant with written notice within one hundred twenty (120) days after receipt of Tenant's written notice of proposed assignment. If Landlord fails to exercise this option within the above-stated time period, then this option and Landlord's rights thereunder pertaining to that assignment shall automatically and unconditionally terminate without notice as to said assignment to the proposed assignee and under **the** same terms communicated to Landlord. If assignment is not so completed, then Landlord's right of **first** refusal shall continue to apply to the property subject to the proposed assignment.

ARTICLE 12 DEFAULT AND REMEDIES

Section **12.1** Events of Default. It shall be deemed to be an event of default under this Lease if either Landlord or Tenant shall violate, breach or fail to comply with any term, provision or covenant of **this** Lease and the defaulting party shall not cure such failure within sixty (60) days after written notice

thereof to defaulting party except that no event of default shall be deemed to exist with respect to the performance of work required to be performed, or of acts to be done, or of conditions to be remedied, if steps **shall**, in good faith, have been **commenced** immediately after notice to rectify the same and shall be prosecuted to completion with diligence and continuity.

Section 12.2 Remedies. Upon the occurrence of any of the events of default specified in Section 12.1, the non-defaulting party shall have the option to pursue any or all cumulative remedies available in law or equity without any further notice or demand whatsoever.

Section 12.3 Non-Waiver. No waiver by Landlord or Tenant of any violation, breach or failure to comply with any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other concurrent or subsequent violations, breaches or failures to comply with any of the **terms**, provisions and covenants herein contained. Forbearance by Landlord or Tenant to enforce one or more of the remedies herein provided upon an event of default shall not **be** deemed or construed to constitute any waiver of such default.

ARTICLE 13 INDEMNIFICATION

Section **13.1** Tenant to **Indemnify** Landlord. To the extent authorized by the Constitution and laws of the State of Texas, Tenant **shall** indemnify and hold harmless the Landlord against any and **all claims, demands**, damages, liabilities and costs which directly or indirectly result from, or arise in connection with, any act or omission of Tenant, its agents or employees in performing Tenant's obligations under this Lease.

Section **13.2** Environmental Hazards. **It** is the intention of Landlord and Tenant to each assume responsibility for any cost, damages, expenses or liabilities which arise out of their respective usage or which occurred during their respective possession of the Demised Premises. Notwithstanding anything contained in this Lease to the contrary, if Tenant finds any Hazardous Materials (hereinafter defined) on the Demised Premises prior to **February 1, 1995**, then Tenant shall have the right to terminate this Lease by delivering written Notice to Landlord no later than **March 1, 1995**. ~~terminates this Lease as a~~ result of **finding** Hazardous Materials on the Demised Premises, then neither party hereto shall have any further rights or obligations hereunder; however, the

parties agree to negotiate in good faith for a replacement lease on a mutually agreeably alternate tract.

As used in this Lease, ((Hazardous Materials” shall mean (I) any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6091 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 6091 et seq.), as amended **from** time to time, and regulations promulgated thereunder; (iii) **polychlorinated** biphenyls; (iv) underground storage tanks, whether empty, filled or partially **filled** with any substance, (v) any substance the presence of which on the Demised Premises prohibited by any governmental requirements; and (vi) any other substance which by any governmental requirements requires special handling or notification of any federal, state or local governmental entity in its collection, storage, treatment or disposal.

Tenant shall not use the Demised Premises or knowingly permit the Demised Premises to be used so as to cause or **allow** any contamination of soils, ground water, surface water or natural resources on or adjacent to the Demised Premises resulting from any cause, including but not limited to spills or leaks of oil, gasoline, Hazardous Materials, or other chemical compounds. Tenant shall at all times during the Term comply with applicable state, federal and local laws, regulations and guidelines for the use, handling, storage and disposal of Hazardous Materials.

ARTICLE 14 RIGHT TO PERFORM COVENANTS OF OTHER PARTY

Section **14.1** Tenant’s Obligations. If Tenant shall default in the performance of any of its covenants, obligations or agreements contained in this Lease, other than the obligation to pay rent, **and** such default shall continue beyond any applicable grace period, **Landlord** may, but shall not be obligated to, perform the same for the account and at the expense of Tenant, and the amount of any payment made or other reasonable expenses shall be payable by Tenant to Landlord on demand.

Section 14.2 Landlord’s Obligations. If Landlord shall default in the performance of any of its covenants, obligations or agreements contained in this Lease, and such default shall continue beyond any applicable grace period, Tenant may, but shall not be obligated to, perform the same for the account and

at the expense of Landlord, and **the** amount of any payment made or other reasonable expenses of Landlord, and the amount of any payment made or other reasonable expenses may be deducted by Tenant from rentals due or shall be payable by Landlord to Tenant on demand.

ARTICLE 15 WARRANTY OF PEACEFUL POSSESSION

Section 15.1 Landlord covenants that Tenant, on paying the Rent and performing and observing the covenants and agreements herein contained and provided to be performed by Tenant, **shall** and may peaceably and quietly have, hold, occupy, use and enjoy the Demised **Premises** during the Term, and may exercise all of its rights hereunder, subject only to the provisions of this Lease, the other contractual agreements between the parties relating to this transaction, and applicable governmental laws, rules and regulations; and Landlord agrees to warrant and forever defend Tenant's right to such occupancy, use and enjoyment and the title to the Demised Premises against the claims of any and **all** persons whomsoever **lawfully** claim the same, or any part thereof, by, through or under Landlord, but not otherwise, subject only to the provisions of this Lease, the other contractual agreements between the parties relating to this transaction, and all applicable governmental laws, rules and regulations.

ARTICLE 16 ARBITRATION

Section 16.1 Arbitration. If any controversy **shall** arise between the parties with respect to any of the matters stated in **this** Lease and such dispute shall not be resolved by the parties within ninety (90) days after either of the parties **shall** notify the other of its desire to arbitrate the **dispute**, then the dispute shall be settled by arbitration by the American Arbitration Association in accordance with its then prevailing rules, and judgment upon the award may be entered in any court having jurisdiction. Notwithstanding **the** foregoing, a settlement award reached by arbitration under **this** section shall not be binding on the parties except by mutual agreement thereof. The arbitrators shall have no power to change any of the provisions of this Lease in any respect nor to settle any issues involving Landlord's consent to assignment and subleases of the Lease and the **jurisdiction** of the arbitrators is hereby expressly limited accordingly. The arbitration **shall** be by a **panel** of three arbitrators, one of whom must be an attorney-at-law actively engaged in the private practice **of** the **law** outside the Counties of Travis and Cameron and the other two of whom shall have had ten

(10) years recent experience in a calling related to the subject matter of the **dispute** but outside the above listed counties.

If the subject of the dispute involves questions of valuation of land or permanent improvements, the other two members of the panel shall be members of the Appraisal Institute of the American Institute of Real Estate Appraisers (MAI).

ARTICLE 17
MISCELLANEOUS

Section 17.1 Governing Law. The validity of this Agreement and of any of its terms or provisions, as **well** as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Texas. This Agreement is performable in Cameron County, Texas.

Section 17.2 Notice. Whenever this Lease provides for notice from one party to the other, or if law requires or gives the right of serving a notice, the same shall be deemed delivered if **actually** received and whether or not actually received if sent by registered or certified **mail**, postage prepaid, addressed as follows:

TO THE TENANT:

Executive Vice Chancellor for Academic Affairs
The University of Texas System
601 Colorado Street
Austin, Texas 78701

WITH COPIES TO:

Vice President for Business **Affairs**
The University of Texas at **Brownsville**
80 Fort Brown
Brownsville, Texas 78520

AND TO:

General Counsel
The University of Texas System
201 West 7th Street
Austin, Texas 78701

TO THE LANDLORD:

Executive Director
Texas Southmost College
80 Fort Brown
Brownsville, Texas 78520

WITH COPIES TO:

Chairman of the Board of Trustees
Southmost Union Junior College District
80 Fort Brown
Brownsville, Texas 78520

AND TO:

Secretary of the Board of Trustees
Southmost Union Junior College District
80 Fort Brown
Brownsville, Texas 78520

Landlord and Tenant may at any time change the place of and the address for receiving notice by written notice of such change **to the** other.

Section 17.3 successors. This Lease shall be binding upon and shall inure to the benefit of the parties hereto, their assigns, heirs, successors and personal representatives.

Section 17.4 Modifications. This Lease may be modified only by written agreement signed by the Landlord and Tenant.

Section 17.5 Descriptive Headings. The descriptive headings of **this** Lease are inserted for convenience in reference only and do not in any way **limit** or amplify the terms and provisions of this Lease.

Section 17.6 Separability of Provisions. If any **term** or provision of this Lease or the application thereof **to** any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 17.7 Memorandum of Lease. The parties hereto agree that this Lease shall not be recorded but rather that they shall execute a short form of this Lease, to be entitled Memorandum of Lease, and have the same properly acknowledged to be in recordable form, and that the same shall be the document recorded in the records of Cameron **County**, Texas.

Section 17.8 Approval of Ancillary Documents. Landlord agrees that in the event it becomes necessary or desirable for Landlord to approve in writing any ancillary documents concerning the Demised Premises or concerning the construction, operation or maintenance of the improvements thereon or to alter or amend any such ancillary agreements between Landlord and Tenant or to give any approval, notice or consent of Landlord required **under** the term of this Lease, Landlord hereby authorizes, designates and empowers the following officers of U. T. at Brownsville to execute, after approval by the Executive Vice Chancellor for Academic Affairs, any such agreement, approvals, *notices* or consents necessary or desirable: the Resident or Vice Resident for Business Affairs or their successors in function.

Section **17.9** Approval by Landlord's and Tenant's Governing Boards. The parties executing this Lease represent that they have been authorized to execute **this** Lease on behalf of their respective **agencies** and that **the** terms and conditions herein have been approved by the Board of Regents of The University of Texas System and the Board of Trustees of Texas Southmost Union Junior College District or the respective authorized officers thereof.

IN WITNESS WHEREOF, this Lease is executed on **behalf** of Landlord and Tenant as of the day and year first above written.

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM
for and on behalf of
THE UNIVERSITY OF TEXAS
AT BROWNSVILLE

ATTEST:

Arthur H. Dilly
Executive Secretary

By: _____
James P. Duncan
Executive Vice Chancellor
for Academic Affairs

APPROVED AS TO CONTENT:

Juliet V. Garcia
President
The University of Texas at Brownsville

ATTEST:

LANDLORD:

APPROVED AS TO CONTENT:

THE BOARD OF TRUSTEES OF THE
SOUTHMOST UNION JUNIOR
COLLEGE **DISTRICT**
for and on behalf of
TEXAS SOUTHMOST COLLEGE

Michael B. Putegnat
Executive Director

By: _____
Mary Rose **Cardenas**
Chair

By: _____
Prax Orive, Jr.
Secretary

10. U. T. Pan American: Permission for Reappointment of Ms. Teri Mata-Pistokache to Serve as a Member of the State Board of Examiners for Speech-Language Pathology and Audiology [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--The Academic Affairs Committee recommended and the Board granted permission for Ms. Teri Mata-Pistokache, Clinical Supervisor in the Communication Disorder Program at The University of Texas - Pan American, to accept reappointment as a member of the State Board of Examiners for Speech-Language Pathology and Audiology effective immediately for a term to expire on August 31, 1999. Ms. Mata-Pistokache will serve on this Board without additional compensation.

Ms. Mata-Pistokache's reappointment to this Board by Governor Ann Richards is of benefit to the State of Texas, creates no conflict between her position at U. T. Pan American and her membership on this Board, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574 of the Texas Government Code and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

11. U. T. Pan American: Authorization to Rename the Regency Room in the Learning Resource Center as the Ralph Schilling Room (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, the Regency Room in the Learning Resource Center at The University of Texas - Pan American was renamed the Ralph Schilling Room.

The naming of this room is to honor the late Dr. Ralph F. Schilling, President of Pan American University from 1960 to 1981.

12. U. T. Pan American: Establishment of a Master of Science Degree in Social Work and Authorization to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).--Authorization was granted to establish a Master of Science degree in Social Work at The University of Texas - Pan American and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The master's degree program is consistent with U. T. Pan American's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs.

The Master of Science in Social Work (MSSW) is a 60 semester credit hour master's degree program consisting of 18 hours of professional foundation courses, 12 hours of concentration in Social Work, 12 hours of courses in research evaluation design, 12 hours of field practicum, and 6 hours of electives. Students whose undergraduate degrees are from an accredited social work program may challenge up to 15 hours of required course work. The program, which will be administered by the Department of Social Work, is estimated to enroll 20 students per year for the first two years and 16 per year thereafter. The first group of students will be admitted in Spring 1995.

The master's program will require the addition of one faculty position (estimated cost of \$36,000), two graduate assistantships (1 FTE), and minimal supplies to support the new faculty and students. Library resources, particularly monographs, need to be augmented significantly during the first three years of the program. Ongoing program costs are expected to be \$53,116 and total five-year implementation costs are estimated at \$202,000. Library expenditures are expected to be provided from HEAF funds, while personnel and other operating costs are expected to come from South Texas/Border Initiative special item funding for the first three years. After that, formula funds will cover the latter costs. Once the program is implemented, ongoing costs, other than for personnel, are expected to be minimal.

Upon approval by the Coordinating Board, the next appropriate catalog published at U. T. Pan American will be amended to reflect this action.

13. U. T. Permian Basin: Establishment of Differential Tuition Rates for Graduate Programs Effective with the Fall Semester 1994 and Authorization for the Executive Vice Chancellor for Academic Affairs to Approve Subsequent Increases (Catalog Change).--Section 54.008 of the Texas Education Code provides that governing boards of institutions of higher education may set differential tuition rates for graduate programs in an institution provided that such rates are at least equal to the minimum rates established by statute and not more than double the statutory rate.

In accordance therewith and upon recommendation of the Academic Affairs Committee, the Board:

- a. Approved the establishment of differential tuition rates for all graduate programs at The University of Texas of the Permian Basin. The differential graduate tuition rate is \$32 per semester credit hour for resident students and \$175 per semester credit hour for nonresident students effective with the Fall Semester 1994.
- b. Authorized the Executive Vice Chancellor for Academic Affairs to approve subsequent increases in differential graduate tuition rates at U. T. Permian Basin with the following understandings:
 1. Resident graduate tuition rates may not exceed double the statutory rate
 2. Nonresident and foreign graduate tuition rates may not exceed double the cost of education as determined by the Texas Higher Education Coordinating Board
 3. The rates approved by the Executive Vice Chancellor for Academic Affairs will be reported in the institutional docket for ratification by the U. T. Board of Regents

4. Allocation of differential tuition funds will be approved by the U. T. Board of Regents through either the annual operating budget or docketing procedures, as appropriate.

The graduate differential tuition was discussed with the newly formed Graduate Student Council at U. T. Permian Basin. The administration expects to make requests for the differential rates to increase gradually in the next two academic years. Although no formal vote was requested, the Graduate Student Council did not object to the increased rates and expressed appreciation for an approach to phase in increases over several years. The increased revenue will be used to support graduate students and graduate programs.

It was ordered that the next appropriate catalog published at U. T. Permian Basin be amended to reflect this action.

14. U. T. San Antonio: Approval of Changes in Parking Permit and Enforcement Fees Effective with the Fall Semester 1994 (Catalog Change).--The Board, upon recommendation of the Academic Affairs Committee, approved changes in parking permit and enforcement fees at The University of Texas at San Antonio effective with the Fall Semester 1994 as set out below:

	<u>1994-95 Fees</u>
<u>Executive Officers Permits</u>	
Class E (executive)*	\$180.00
<u>Faculty/Staff Permits</u>	
Class A (reserved)	108.00
Class B (faculty/staff)	57.00
Class C (motorcycles)	18.00
Class H (disabled)**	57.00
Class P (administrator designated)	180.00
Class W (bicycles)	6.00
<u>Student Permits</u>	
Class C (motorcycles)	18.00
Class D (student resident)	N/A
Class F (dual parking)	40.00
Class G (general)	40.00
Class H (disabled)**	40.00
Class M (minicar)	29.00
Class S (car pool)	40.00
Class W (bicycles)	6.00

* Previously designated as "Class O (reserved)."

**No parking permit fees are charged for permanently disabled persons or disabled veterans as defined by Articles 6675a-5e and 6675a-5e.1 of Vernon's Texas Civil Statutes.

1994-95 Fees

Other

Class T (vendors, sales- persons, technical representatives, other servicing personnel, and persons regularly using campus facilities)	\$23.00
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Replacement Permits

Replacement Fee	10.00
Exchange Fee	5.00

Enforcement Fees

Class A Violations	
Student Vehicles	40.00
Faculty/Staff Vehicles	57.00
Motorcycles	18.00
Class B Violations	60.00
Class C Violations	
First Violation	20.00
Second Violation	30.00
Third Violation	50.00
Fourth and Subsequent Violations	75.00
Class D Violations	
Up to 5 Violations	15.00
Over 5 Violations	20.00

Annual parking permit fees are prorated if purchased for the Spring Semester and/or Summer Session(s) only.

Due to a projected increase in enrollment, additional parking facilities will be a necessity and a portion of the additional revenues from the increased fees will be set aside to establish a reserve fund for a proposed multilevel parking structure.

The next appropriate catalog published at U. T. San Antonio will be amended to reflect this action.

15. U. T. San Antonio: Authorization to Establish a Master of Architecture Degree and to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).--Approval was granted to establish a Master of Architecture degree at The University of Texas at San Antonio and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The master's degree program is consistent with U. T. San Antonio's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs.

The Master of Architecture degree is a 57 semester credit hour program, initially offering students specialization options in Inter-American Practice or Site and Building Historic Preservation. The program will be fully articulated with the existing bachelor's degree program in

architecture which will remain as the first part of a planned "Four-Plus-Two Program." The program is designed to address the interdisciplinary nature of architecture, to capitalize on U. T. San Antonio's multidisciplinary strengths, and to make use of the University's strong inter-American linkages.

Between 12 and 16 graduate students will be admitted to the Master of Architecture degree program each year with an expected annual enrollment of 30 students.

In addition to two recently hired faculty members, four faculty positions will be added and filled in the first three years of the program, at an estimated cost of \$560,000 over five years. No additional clerical or administrative support is required. The U. T. San Antonio Library and the Architecture Slide Library are currently able to provide adequate support for the program, and expenditures of \$4,800 annually will be used to enhance present holdings. Additional equipment needed for the program is expected to cost about \$51,000, and supplies and materials are estimated at a total of \$4,500 for the five-year period. A combination of Border Region development funds, eventual semester credit hour formula funds, and gifts and grants is expected to meet revenue requirements.

Upon approval by the Coordinating Board, the next appropriate catalog published at U. T. San Antonio will be amended to reflect this action.

16. U. T. Tyler: Establishment of a Department of Computer Science and a Department of Mathematics by Division of the Department of Mathematics and Computer Science and Authorization to Submit the Change to the Coordinating Board for Approval (Catalog Change).--Currently, The University of Texas at Tyler has a combined Department of Mathematics and Computer Science. Because of the increased interest in computer science and rapid changes in the computer science discipline, the Board approved the establishment of a Department of Computer Science and a Department of Mathematics by dividing the existing Department of Mathematics and Computer Science into two separate departments and authorized submission of the change to the Texas Higher Education Coordinating Board for review and appropriate action.

No additional funding will be required by dividing the department into two separate administrative units. Thus U. T. Tyler can gain improved academic effectiveness with no additional cost through the administrative change.

Following approval by the Coordinating Board, the next appropriate catalog published at U. T. Tyler will be amended to reflect this action.

17. U. T. Tyler: Approval of Partnership Agreement with Tyler Junior College and Submission to the Coordinating Board for Approval; Authorization for the Executive Vice Chancellor for Academic Affairs to Execute the Partnership Agreement; and Authorization for the Chairman of the U. T. Board of Regents to Appoint Members to a Partnership Advisory Committee.--In order to provide a seamless four-year undergraduate experience for qualified students seeking a bachelor's degree, The University of Texas at Tyler and Tyler Junior College propose to establish a partnership combining certain administrative and academic functions of the two institutions wherein appropriate admissions, financial aid, and registration functions would be combined.

Upon recommendation of the Academic Affairs Committee, the Board:

- a. Approved an educational partnership agreement as set out on Pages 62 - 67 between U. T. Tyler and Tyler Junior College as authorized by Section 51.661 et seq., Texas Education Code, and authorized submission of the partnership agreement to the Texas Higher Education Coordinating Board for approval
- b. Authorized the Executive Vice Chancellor for Academic Affairs, on behalf of the U. T. Board of Regents, to execute this parameters partnership agreement
- c. Authorized the Chairman of the U. T. Board of Regents to select three members of the U. T. Board of Regents and such U. T. System Administration staff to assist as appropriate to a Partnership Advisory Committee pursuant to Section 51.663 of the Texas Education Code.

(SECRETARY'S NOTE: Subsequent to this action, Chairman Rapoport appointed Vice-Chairman Temple, Regent Smiley, and himself as the three Regental members of the Partnership Advisory Committee.)

While the parties intend for all existing academic programs at both the junior college and the university to be maintained, this agreement will allow much greater flexibility in the use of faculty and facilities to meet student academic program requirements.

As an upper-level institution located in the same service region as Tyler Junior College, U. T. Tyler meets the conditions for a partnership agreement which permits the establishment of a partnership to provide certain services for both the community college and the upper-level university. The law specifically requires that each governing board appoint three of its members to a joint advisory committee to oversee the operations of the partnership.

This partnership agreement is the product of a committee of representatives from both institutions and U. T. System Administration assembled by Senator Bill Ratliff after passage of enabling amendments to the Partnership statute during the last legislative session. More specific contracts and agreements will be required to implement such cooperative program delivery activities as are developed through the partnership.

The partnership is consistent with the statutes which require that an educational partnership shall not abrogate the powers and duties of the governing bodies of the respective institutions and that the assets of both institutions must be retained by the respective governing boards.

The agreement is to be effective upon approval by the Texas Higher Education Coordinating Board with an anticipated effective date no later than January 1, 1995, with the first group of partnership students enrolling in August 1995 for the Fall Semester 1995.

A PARTNERSHIP AGREEMENT

BETWEEN
TYLER JUNIOR COLLEGE
AND
THE UNIVERSITY OF TEXAS AT TYLER

I. Parties

This Agreement is between the Board of Regents of The University of Texas System on behalf of The University of Texas at Tyler, hereinafter called "U. T. Tyler" and the Board of Trustees of Tyler Junior College District on behalf of Tyler Junior College, hereinafter called "TJC."

II. Purpose

The purpose of this Agreement is to create an educational partnership as authorized by state law, Texas Education Code, Section 51.661 et seq., which utilizes the faculty, staff, programs, equipment, facilities, and other resources of TJC and U. T. Tyler to maximize the opportunity for students to remain in the East Texas region and participate in a continuous educational experience through which associate, baccalaureate, and graduate degrees may be obtained. The parties will use existing academic, technical, and support programs to provide the initial base for expanding both undergraduate and graduate programs that will be responsive to local and regional needs. In addition, the parties will collaborate with both public and private school districts to enhance educational access and opportunities for the citizens of the East Texas region.

III. Program Characteristics

- A. The partnership, a collaborative venture of TJC and U. T. Tyler, shall provide:
1. concurrent admission policies and procedures to assure a continuous educational experience;
 2. a process which facilitates dual enrollment of students whose academic program needs can best be met by taking both lower and upper division courses in the same term
 3. early counseling and academic advising by faculty and staff from both institutions which guides partnership students towards completion of an associate and a bachelor's degree without unnecessary courses or schedule delays;
 4. jointly developed student recruitment policies and procedures and special marketing plans with appropriate promotional materials and coordinated recruiting visits;
 5. special provisions for the recruitment of disadvantaged students;

6. special provisions for the recruitment of honor students and students prepared for accelerated completion of degree programs;
7. an integrated scholarship and financial aid program for eligible partnership students;
8. unified procedures for registration, fee payment, and maintenance of student records;
9. a partnership academic calendar integrated with the institutional calendars; .
10. jointly approved media releases and publications;
11. appropriate+ supplemental and retention programs for disadvantaged students;
12. full integration of the use of learning resources and library materials of both institutions for partnership students;
13. continuous access to the facilities, services, and activities of TJC and U. T. Tyler;
14. access to special services and events designed specifically for the partnership students;
15. a feasibility study for a transportation system to facilitate convenient movement of students' between the two institutions;
16. special vehicle parking arrangements on each campus to facilitate movement of partnership students between the two institutions;
17. a partnership faculty who share program quality responsibilities with representation from both institutions;
18. individual degree plans for partnership students that culminate in associate degrees from TJC and baccalaureate degrees from U.T. Tyler;
19. coordination between the partnership faculty to determine appropriate core curriculum requirements;
20. an evolving curriculum and other experiences to meet the needs of the partnership students;
21. collaborative programs with public and private secondary schools to provide special opportunities for entry into higher education;
22. provisions for early entry and advanced placement for qualified students;

23. an honors and international curriculum with special experiences for qualified students;
 24. provision for accelerated curriculum to accommodate students with appropriate preparation and abilities;
 25. monitoring of student progress to ensure appropriate retention and advancement;
 26. coordinated class scheduling to meet the needs of both students and faculty;
 27. orientation and class scheduling that ensure exposure of students to both campuses throughout the undergraduate experience;
 28. special interagency agreements that address financial considerations of the partnership;
 29. provision for appropriate joint appointments of faculty and staff to address the program needs of the two institutions
 30. use of the synergism of the combined faculties to provide additional undergraduate and graduate opportunities for the citizens of the East Texas region: and
 31. policies and procedures for evaluation and refinement of the partnership.
- B. Nothing in this or subsequent, related agreements will alter or amend the powers and duties of either governing board with regard to the governance of TJC or U. T. Tyler.
- C. This Agreement and subsequent, related agreements will always be interpreted to further the mission of TJC as contained in Texas Education Code, Sections 130.0011 and 130.003(e) and to further the mission of U. T. Tyler as authorized by Texas Education Code, Section 76.02 et seq. The role and scope of U. T. Tyler will continue to be subject to approval by the Texas Higher Education Coordinating Board.
- D. This Agreement and subsequent, related agreements will be interpreted to assure that each party will continue to be funded under existing formulas and to assure that appropriate records are kept for courses offered by each institution through the partnership.

IV. Partnership Advisory Committee

Each party will select three of its board members to constitute the Partnership Advisory Committee to oversee the operations of the educational partnership. The Partnership Advisory Committee, with staff support as appropriate and necessary, shall study local and regional needs and shall make recommendations to the respective boards concerning the development of coordinated programs, policy, and services to meet those needs. The committee

will give particular attention to the continuity of curriculum offerings and to the joint use of faculty and staff, facilities, and library services.

V. Related Interagency Agreements

Interagency cooperative agreements, approved by the respective Boards, will provide for transfer of tuition and fees collected by one party on behalf of the other and for compensation when resources of one party are used to carry out programs or activities of the other. Specifically, interagency cooperative agreements will be developed to cover collection of tuition and fees for dually enrolled students; reimbursement of salaries, wages, and benefits for faculty and staff who teach in or otherwise directly support both institutions; and reimbursement for the expenses incurred when buildings and equipment at one institution are used to each courses or otherwise directly support the programs and activities of the other.

VI. Implementation Strategy and Calendar

It is the intent of the parties that the partnership be implemented pursuant to the implementation strategy and calendar attached herein as Exhibit "A".

VII. Term of Agreements

This Agreement shall become effective on the later of January 1, 1995, or the date the Agreement is approved by the Texas Higher Education Coordinating Board, having been approved by the respective governing Boards of the institutions. This Agreement and subsequent, related agreements shall continue unless terminated as provided in Section VIII of this Agreement. This Agreement and, subsequent, related agreements may be amended in writing by the mutual agreement of the parties. The parties shall jointly inform the Texas Higher Education Coordinating Board of subsequent, related agreements.

VIII. Termination of Agreements

Termination of this Agreement may be initiated by either party. Written notice of intent to terminate must be delivered to the other party at least six months prior to the effective date of termination. Students enrolled in any partnership academic program at the time of termination will be give the opportunity to complete the program in its entirety within a reasonable time.

Executed by both parties on the day and year below written in triplicate copies, each of which will be deemed an original.

BOARD OF TRUSTEES OF
TYLER JUNIOR COLLEGE DISTRICT

By: _____

Title: _____

Date: _____

FORM APPROVED:

**BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM**

**Office of General Counsel
The University of Texas System**

By: _____
**Bernard Rapoport
Chairman, Board of Regents of
The University of Texas System**

Date: _____

CONTENT APPROVED:

**Executive Vice Chancellor for
Academic Affairs
The University of Texas System**

APPROVED:

TEXAS HIGHER EDUCATION COORDINATING BOARD

By: _____

Title: _____

Date: _____

EXHIBIT "A"

Implementation Strategy and Calendar

The goal of the partnership between Tyler Junior College and The University of Texas at Tyler is to initiate as many of the program characteristics as are feasible with the commencement of the 1995-96 academic year. A joint task force chaired by designees appointed by the respective presidents of each institution will implement this strategy and calendar that will lead to the initiation of this Agreement between Tyler Junior College and The University of Texas at Tyler. The co-chairs of the task force will provide quarterly progress reports beginning September 1, 1994, to each of the presidents with a final report being submitted by March 1, 1995. The following implementation strategies will be initiated:

- A. Admissions officers from each institution will provide leadership to develop items 1 through 8 of 11.1-A.
- B. Chief academic officers from each institution will provide leadership to develop items 9 through 13 of III-A.
- C. Learning resources and library officers from each institution will provide leadership to develop item 14 of III-A.
- D. Student affairs officers from each institution will provide leadership to develop items 15 through 18 of III-A.
- E. Chief academic officers from each institution will provide leadership to develop items 19 through 28 of III-A.
- F. Financial officers from each institution will provide leadership to develop item 29 of III-A.
- G. Chief academic officers from each institution will provide leadership to develop items 30 through 32 of III-A.
- H. Presidents from each institution will provide leadership to obtain appropriate approvals for the partnership.
- I. The first class of students will begin the partnership program in the fall of 1995.

18. U. T. Board of Regents: Resolution of Appreciation to Dr. Robert H. Rutford, President of The University of Texas at Dallas.--Committee Chairman Holmes read and presented the following Resolution of Appreciation to Dr. Robert H. Rutford, President of The University of Texas at Dallas:

RESOLUTION OF APPRECIATION

WHEREAS, Dr. Robert H. Rutford has served The University of Texas at Dallas with distinction and honor for over twelve years;

WHEREAS, Dr. Rutford has provided outstanding administrative and professional leadership as President of The University of Texas at Dallas since May 1982;

WHEREAS, Dr. Rutford has, as a renowned scientist and explorer in Antarctica, received widespread recognition for his professional contributions and scholarly work as a geoscientist, including the naming of the Rutford Ice Stream in Antarctica in his honor;

WHEREAS, Dr. Rutford has continued to be actively involved in the national and international arenas of polar and Antarctic research and has served as chair of the Polar Research Board of the National Research Council and as the U. S. delegate to the Scientific Committee on Antarctic Research, among other activities;

WHEREAS, Dr. Rutford has provided direction and support for the founding of the Erik Jonsson School of Engineering and Computer Science and the creation of the Green Center for the Study of Science and Society;

WHEREAS, Dr. Rutford has given leadership to development of Synergy Park, the high technology industrial research area adjacent to the U. T. Dallas campus; the first on-campus student housing; and the Advanced Technology Innovation Center which is operated by U. T. Dallas;

WHEREAS, Dr. Rutford has been centrally involved in the expansion of the University to include a lower division of freshmen and sophomores;

WHEREAS, Dr. Rutford has served the U. T. System in many ways, including service on the Executive Committee of the Center for High Performance Computing, and has served the broader higher education community as chair of the Council of Presidents of the Alliance for Higher Education of North Texas and as a member of a number of national committees;

WHEREAS, Dr. Rutford will leave the presidency to return to research and teaching in the Geosciences Program and become the initial holder of the endowed Excellence in Education Foundation Chair Number 1 effective September 1, 1994; and

WHEREAS, Dr. Rutford has been joined in the service to the University and to the broader community by his wife, Margie;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Regents of The University of Texas System expresses its deep appreciation to Bob and Margie Rutford for their dedicated service and significant contributions to The University of Texas at Dallas and The University of Texas System; and be it

RESOLVED, That the Board of Regents recognizes the extraordinary accomplishments of President Rutford in the development of The University of Texas at Dallas as an outstanding center of excellence in teaching, research, and service to the Metroplex and the State and, in recognizing these accomplishments, hereby renames Drive C on the U. T. Dallas campus as Rutford Avenue; and be it further

RESOLVED, That the original of this Resolution be presented to Dr. and Mrs. Robert H. Rutford as a token of gratitude of the Board of Regents of The University of Texas System and that a copy be incorporated in the Minutes of this meeting as a testament to their invaluable service.

Adopted by unanimous vote of the Board of Regents of The University of Texas System this 11th day of August 1994.

Following this presentation, President Rutford received a standing ovation.

Regent Holmes then recognized Chairman Rapoport who presented the following Certificate of Appreciation in recognition of President Rutford's many years of devoted service to The University of Texas System:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

ROBERT H. RUTFORD, Ph.D.

Its Deep Appreciation for His

Distinguished Service

to

The University of Texas System

as

President

and

Professor of Geosciences

at

The University of Texas at Dallas

1982 - 1994

Adopted by unanimous vote this 11th day of August 1994

(signed by all members of the Board)

President Rutford graciously accepted this accolade and expressed his sincere appreciation to the Board of Regents for the opportunity to serve the U. T. System.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 71 - 84).--Committee Chairman Ramirez reported that the Health Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Authorization to Submit Role and Mission Statements and Tables of Programs for the Health Institutions to the Coordinating Board.--Section 61.051 of the Texas Education Code requires the Texas Higher Education Coordinating Board to review periodically the Role and Mission Statements, Tables of Programs, and all degree and certificate programs offered by public institutions of higher education. The Tables of Programs for The University of Texas System health institutions were last reviewed and approved by the Coordinating Board in October 1990. The next comprehensive review and amendment to those tables will provide the framework and planning authorization for new degree programs to be implemented during the following four years.

In an effort to provide for the planned addition of new degree programs, the Board authorized the U. T. System Administration to submit to the Texas Higher Education Coordinating Board Role and Mission Statements and Tables of Programs which are consistent with the respective health component institution's long-range strategic plan and the consolidated Table of Programs and Role and Mission Statements as set out on Pages 72 - 82.

The Tables of Programs for the U. T. component institutions were first approved by the U. T. Board of Regents in June 1984 as a part of the U. T. System strategic planning process and have guided planning in the U. T. System since that time. Subsequently, the Coordinating Board adopted more detailed tables using footnotes in some instances to restrict degree program authority to subsets of the broad discipline categories shown in the tables and has indicated that they will continue to use the footnote approach. Consequently, U. T. System Administration and the institutional administrations will be called upon to work with Coordinating Board staff to resolve issues associated with those footnotes. The Role and Mission Statement and Table of Programs for each institution of the U. T. System will be reported to the U. T. Board of Regents after they have been approved by the Coordinating Board. The Coordinating Board tentatively plans to consider the documents for the health-related institutions at its October 1994 meeting.

Table 1

TABLE OF PROGRAMS
UNIVERSITY OF TEXAS SYSTEM
HEALTH INSTITUTIONS
July 1994

Disciplines	Certificate				Bachelor				Masters				Doctoral				Professional			
	H O U	S A N	G A L	I L I	H O U	S A N	G A L	D L L	H O U	S A N	G A L	D L L	H O U	S A N	G A L	I L I	H O U	S A N	G A L	D L L
Academic Disciplines																				
Educational/Instructional Media Design																				
Environmental Sciences										1	2					1	2			
Health Occ. Teacher Ed.(Voc.)					1					2										
Bioengineering & Biomedical Engineering																				
Dietetics/Human Nutritional Services					1					2										
Behavioral Sciences															1					
Biological Sciences/Life Sciences										1	1	1			1	1	1			
Radiological Physics										1					1					
Nuclear/Nuclear Power Technology/Technician										1										
Biological & Physical Sciences										1	1				1					
Clinical Psychology																				
Public Policy Analysis															1					
Forensic Technology/Technician																				
Multi/Interdisciplinary Studies, Other																				
Health Professions and Related Sciences																				
Communication Disorders Sciences and Services										1										
Community Health Services										1										
Dentistry (D.D.S.,D.M.D.)																			1	
Dental Clinical Sci./Grad Dentistry (MS, PhD.)										1	1									
Dental Services	A									1										
Health and Medical Administrative Services							1	1		1	2									
Health, and Medical Assistants							1	1												
Health & Med. Diagnostic & Treatment Srv.	A						1	1	1		1									
Health and Med. Lab. Technologies/Technicians							1	1	1	1										
Health and Medical Preparatory Programs																				
Medicine (M.D.)											1				1				1	1
Medical Basic Sciences										1	1	1	1		1	1	1			
Medical Clinical Sciences (M.S.,PhD.)																				
Mental Health Services																				
Nursing							1	1	1		1	1	1		1	1	2			
Optometry																				
Ophthalmic/Optometric Services																				
Pharmacy										1									1	
Public Health										1										
Rehabilitation/Therapeutic Services							1	1	1		1	1	1		1	2				
Miscellaneous																				
Emergency Medcl Tchncn: Basic				A																
Emergency Medcl Tchncn: Paramedic				A																
Gerontology & Geriatric Services				B																
Blood Bank Technology				B																
Medical Technology				B																
Cytotechnology				2				2												

KEY – Table of Programs Authorization Status

1. Institutions have been given authority by the U. T. Board of Regents to develop degree programs in this discipline and level.
 2. Institutions are requesting U. T. Board of Regents' authority to develop degree programs in this discipline and level.
- A. Institutions have been given authority by the U. T. Board of Regents to develop pre-baccalaureate certificate programs in this discipline.
- B. Institutions have been given authority by the U. T. Board of Regents to develop post-baccalaureate certificate programs in this discipline.

THE UNIVERSITY OF TEXAS SOUTHWESTERN
MEDICAL CENTER AT DALLAS

MISSION, ROLE AND SCOPE

The University of Texas Southwestern Medical Center at Dallas is a component institution of The University of Texas System and is committed to pursuing high standards of achievement in instruction, research, and clinical activities. Since its inception in 1943, UT Southwestern has evolved as one of the leading biomedical institutions in the country and its programs are designed and implemented with the intent to sustain this progress in the future.

As an academic health science center, the central mission of the institution is to educate health professionals whose lifelong career objectives will be to provide the best possible care, apply the most appropriate treatment modalities, and continue to seek information fundamental to the treatment and prevention of disease. Within an environment of interdisciplinary activity and academic freedom at Southwestern, students receive training from faculty scholars who have in-depth expertise in the many specialties of health care and the biomedical sciences. Faculty members also engage in research and patient care so that they can generate new knowledge in the fight against disease and maintain their clinical skills while serving the people of Texas to the best of their ability. Research findings are made available directly to students and indirectly to the general public as practicing professionals adopt new treatment modalities. The focus of the faculty, students, and administration at The University of Texas Southwestern Medical Center at Dallas will remain on providing exemplary educational programs, creating new knowledge, delivering quality medical care, maintaining the highest ethical standards, advancing the scientific basis of medical practice, and demonstrating concern and compassion for all people. Every aspect of the university's operation will be conducted in as cost-effective a manner as possible.

The institution consists of the Southwestern Medical School, the Southwestern Graduate School of Biomedical Sciences, and the Southwestern School of Allied Health Sciences and offers degrees and programs with subject matter limited to health-related fields.

The central purpose of The University of Texas Southwestern Medical School at Dallas is to produce physicians who will be inspired to maintain lifelong medical scholarship and who will apply the knowledge gained in a responsible and humanistic manner to the care of patients. The Southwestern Medical School has assumed responsibility for the continuum of medical education. The institution offers instructional programs not only in undergraduate medical education leading to the M.D. degree, but also graduate training in the form of residency positions and fellowships as well as continuing education for practicing physicians and medical scientists. An important focus of the educational effort is training primary care physicians and preparing doctors who will practice in underserved areas of Texas. Another instructional role of SWMS faculty members is that of fully preparing those medical students who seek a career in academic medicine and research, including the opportunity to earn both the M.D. and Ph.D. degrees simultaneously.

The Southwestern Graduate School of Biomedical Sciences provides well-qualified individuals seeking an M.A., M.S., or Ph.D. degree with the opportunity and the encouragement to investigate rigorously and be creative in solving significant problems in the biological, physical, and behavioral sciences. In addition to acquiring information in their area of research expertise, graduate students at the U. T. Southwestern Medical Center - Dallas are encouraged to develop and test new ideas in the classroom and to communicate their ideas to others within the research-oriented medical community. Although enrolled in a specific program, the students are not restricted to courses in their major field of study. Exposure to a wide variety of academic disciplines is necessary to prepare each individual for the rapidly changing emphasis in the biomedical sciences. Therefore, graduate students at UT Southwestern gain a wide perspective of contemporary biomedical science through interdisciplinary courses, seminars, and informal discussions involving scholastic interaction with students and faculty from other educational programs within the University.

The educational programs of the Southwestern Allied Health Sciences School have been established to educate individuals at the baccalaureate level and above for those professions which support the health-care delivery team concept. The School offers eight baccalaureate degree programs, two post-baccalaureate courses of study, a certificate program, and graduate programs in cooperation with the Southwestern Graduate School of Biomedical Sciences. As an integral part of Southwestern Medical Center, the School works cooperatively in education, research, and service contexts. It prepares allied health professionals of the highest quality and competency to help meet health-care needs of the people of Texas. Through research and scholarly pursuits related to health care, it advances scientific knowledge and practices of the allied health profession. It offers consultation, technical assistance, and professional services to meet education and health-care needs of the community. In addition, it contributes to the continued growth and development of allied health professions, including reduction of barriers to career advancement through pathways to graduate or postgraduate education. The School views its community obligations as being important and, therefore, works actively to publicize career opportunities and respond in an appropriate manner to the requirements of health-care institutions, agencies, and service providers in the area.

THE UNIVERSITY OF TEXAS
MEDICAL BRANCH AT GALVESTON

MISSION STATEMENT

UTMB enjoys a unique position among the health science centers in the State of Texas in that it operates, under a single administration, its academic and patient-care programs and facilities. This unique position facilitates the integration of UTMB's education, research, and patient-care programs and thus provides a strong, synergistic environment as UTMB becomes that rare institution known for its consistent strength and commitment to excellence. UTMB will take advantage of this synergistic environment to accomplish its mission:

The mission of The University of Texas Medical Branch is to provide scholarly teaching, innovative scientific investigation, and state-of-the-art patient care.

EDUCATION

UTMB must educate Texas' most talented youth who have chosen to become physicians, physician specialists, nurses, biomedical scientists, and allied health professionals to meet the health-care needs of the citizens of Texas. This includes a commitment to solving the need for primary care in medically underserved regions of this state. Some of these individuals also must be trained to be effective teachers of the basics of health-care sciences.

RESEARCH

UTMB must discover and disseminate new scientific knowledge through high quality research programs to establish UTMB clearly as one of the outstanding academic health science centers in the nation. Health policy and health-care outcomes research are integral parts of this endeavor.

PATIENT CARE

UTMB must lead in the discovery of new approaches to the prevention and treatment of disease and in the application of this new knowledge. This effort requires superior patient-care programs including rural primary care in each of its clinical departments, which will, in turn, nurture and support scholarly activities that underlie and nurture them.

PUBLIC SERVICE

UTMB must, in its pursuit of scientific knowledge, education of students, and provision of high quality patient care, also inform the citizens of Texas and society at large of matters that affect their health.

THE UNIVERSITY OF TEXAS HEALTH
SCIENCE CENTER AT HOUSTON

MISSION STATEMENT

The University of Texas Health Science Center at Houston (UTHSC-H) is a component of The University of Texas System and, as such, is committed to the pursuit of high standards of achievement in instruction, student performance, clinical service, research, and scholarly accomplishment.

As an academic health science center, the institution is one in which undergraduate, graduate, and post-graduate students are educated broadly in the sciences of health and disease and are prepared for health-related careers in the provision of human services, and in teaching and research. Within an environment of academic freedom, students learn from faculty scholars who have in-depth expertise in the various specialties of health care and the biomedical sciences. Such faculty, with the assistance of their students and trainees, engage in research both to extend human knowledge related to health and to develop and maintain their own scholarly and professional expertise.

The comprehensiveness of the UTHSC-H, including the presence of six major health-related schools - medicine, dentistry, public health, nursing, allied health, and biomedical science - provides many avenues for collaborative endeavors. The School of Public Health, the only school of its kind in the State of Texas, acknowledges and accepts its unique responsibility to reach throughout the state to prepare individuals for the challenges of this expanding field. Two satellite programs are already in place with others planned for the future to assist in meeting the increasing demand for public health professionals.

In addition to the six schools encompassing the major health science disciplines, the other unit in the UTHSC-H organization is the Harris County Psychiatric Center (HCPC). HCPC is committed to advancement in mental health education through clinical, research, and educational excellence.

Collectively, these units respond to the health-care manpower needs of the citizens of Texas, the City of Houston, and Harris and its surrounding counties by developing creative models for the training of health professionals, particularly emphasizing interdisciplinary educational models, and addressing the growing demand for primary care health professionals.

Together, faculty and students engage in patient care as an essential part of the teaching and learning experience. These professionals provide exemplary health services to directly benefit the individual recipient and to serve as models which other providers will emulate. The clinical aspects of research are also conducted in conjunction with patient care.

The University of Texas Health Science Center at Houston considers itself a member of a large learning community and works to contribute to and draw from the intellectual pursuit of the other institutions within the Texas Medical Center and within the greater Houston area. Also, to benefit this local community and the entire State of Texas, the institution offers a program of continuing education to assist practicing health professionals in utilizing the latest findings of research

from the worldwide community of scholars in clinical and biomedical fields. As a result of participation in these professional enhancement programs, practitioners adopt new modalities for the treatment and prevention of disease.

The institution consists of the following units which are listed by date of establishment:

1. Dental Branch (established 1905; joined UT 1943)
2. Graduate School of Biomedical Sciences (1963)
3. School of Public Health (1967)
4. Medical School (1970)
5. School of Nursing (1972)
6. School of Allied Health Sciences (1973)
7. Harris County Psychiatric Center
(established 1981; joined UT 1989).

The units included in the above list offer degrees and programs with subjects limited to health-related fields.

THE UNIVERSITY OF TEXAS HEALTH
SCIENCE CENTER AT SAN ANTONIO

MISSION, ROLE AND SCOPE

The University of Texas Health Science Center at San Antonio is a component of The University of Texas System and, as such, is committed to pursue the highest standards of achievement in instruction, student performance, research and scholarly accomplishment, patient care, and service. The Health Science Center has established itself as a major research institution and, through its biomedical research programs, the faculty play a major role for the state, nation, and world in the discovery of new knowledge and the search for answers to society's health-care needs. Faculty members engage in teaching, research, and patient care in an interdisciplinary environment that encompasses a breadth of expertise that would be impossible and impractical to achieve in a single department or school. The Health Science Center will nurture this environment and will continue to support this integration. An important element of the educational effort is educating primary care health professionals of the highest quality.

Faculty members engage in research and patient care while serving the people of Texas. As the only comprehensive academic health science university located in South Texas, the faculty have the unique advantage of focusing research questions on diseases that are prevalent among the citizens of South Texas, the Border, and Mexico. As a source of leadership in health care, the Health Science Center has the responsibility for providing programs and expertise for the ongoing education of the professional and lay communities. The Health Science Center through its educational and research roles provides the human and physical resources which facilitate the continuing development of the biosciences in the community and the region. Since the legislative chartering of the Medical School in 1959 as the South Texas Medical School, The University of Texas Health Science Center at San Antonio, with its five health professional schools, has developed into a major health university in the state and nation, and its continuing development should ensure this progress into the future.

The mission of The University of Texas Health Science Center at San Antonio includes teaching, research, patient care, and service. Through the undergraduate, graduate, and postgraduate programs, the faculty is committed to the education of health professionals whose lifelong career objectives will be to provide the best possible health care in the most cost-effective way, to apply contemporary treatment modalities, and to seek information that is fundamental to the treatment and prevention of disease.

Role and Scope

The institution consists of the School of Allied Health Sciences, the Graduate School of Biomedical Sciences, the Dental School, the Medical School, and the School of Nursing, and offers degrees and programs in health-related fields. The Clinical Laboratory Sciences, Physical Therapy, and Occupational Therapy Programs are offered jointly with The University of Texas at San Antonio. A Pharm.D. program is offered jointly with The University of Texas at Austin. In addition, a component of the School of Public Health, The University of Texas Health Science Center at Houston, offers the M.P.H. on this campus.

The School of Allied Health Sciences has as its primary responsibility the developing and conducting of high quality education programs offering the opportunity for students to become competent health-care providers in allied health sciences. Included in the School's programs are both certificate and baccalaureate degree programs. Five programs are presently offered: Certificate programs in Dental Hygiene and Dental Laboratory Technology and baccalaureate programs in Clinical Laboratory Sciences, Occupational Therapy, and Physical Therapy. The Emergency Medical Technology Department provides paramedical training for San Antonio, Bexar County, and surrounding areas. Two additional baccalaureate programs have been approved for educating Physician Assistants and Respiratory Care providers.

The Dental School has as its primary responsibility the developing and conducting of high quality education programs offering the opportunity for qualified students to participate in a program leading to the D.D.S. degree as well as to participate in advanced education programs in a variety of specialty areas and advanced General Dentistry. The dental clinical faculty providing these programs are in the Departments of Community Dentistry, Dental Diagnostic Science, Endodontics, General Practice, Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics, Restorative Dentistry, and Oral and Maxillofacial Surgery. The Dental School contributes significantly to the body of basic and applied knowledge related to oral health.

The Graduate School of Biomedical Sciences has as its primary responsibility the development and offering of high quality educational programs providing the opportunity for students to pursue M.S. and Ph.D. degrees. Master of Science and Ph.D.s are presently offered in Biochemistry, Cellular and Structural Biology, Microbiology, Molecular Medicine, Nursing, Pharmacology, Physiology, and Radiological Sciences. Four dental M.S. degree programs are offered in Periodontics, Endodontics, Prosthodontics, and Dental Diagnostic Science. The Graduate School jointly administers the graduate program in Pharmacy with The University of Texas at Austin which leads to the Doctor of Pharmacy degree. The Basic Science departments of Biochemistry, Cellular and Structural Biology, Microbiology, Pathology, Pharmacy, and Physiology provide education in the basic sciences to students in Allied Health, Dentistry, Medicine, and Nursing. The focus of the Graduate School is the discovery, creative application, and transfer of knowledge to the solution of society's physical and mental ills.

The primary purpose of the Medical School is the developing and conducting of high quality education programs offering the opportunity for students to pursue the M.D. degree and for residents and fellows to pursue a full range of residency and fellowship training. The Medical Clinical faculty providing these programs are in the Departments of Anesthesiology, Family Practice, Medicine, Obstetrics and Gynecology, Ophthalmology, Orthopaedics, Pathology, Pediatrics, Physical Medicine and Rehabilitation, Psychiatry, Radiology, and Surgery. Conducting biomedical and other health-related research is an integral role of the Medical School.

The School of Nursing has as its primary responsibility the developing and conducting of high quality education programs offering the opportunity for students to participate in programs leading to the B.S.N., M.S.N., and Ph.D. degrees. These educational programs benefit from a faculty that supports competent clinical practice, participates in scholarly activity, and engages in community service.

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

The Mission

The mission of The University of Texas M.D. Anderson Cancer Center is to eliminate cancer and allied diseases as significant health problems throughout Texas, the nation, and the world by developing and maintaining integrated quality programs in patient care, research, education and prevention.

The Vision

In return for an investment of public trust and support, the faculty and staff of The University of Texas M.D. Anderson Cancer Center:

**will provide the foremost leadership worldwide
in the care of the cancer patient and
the solution to the cancer problem.**

Their vision recognizes the enormous toll that cancer takes on society and expresses the confidence that the knowledge and expertise exist at M.D. Anderson Cancer Center to fulfill this commitment.

Role

The 47th Texas Legislature authorized "the Texas State Cancer Hospital and the Division of Cancer Research" in 1941.¹ The 62nd Texas Legislature reaffirmed the U. T. M.D. Anderson Hospital as "the official state resource for the education, research and treatment of cancer and allied diseases for all citizens and physicians and medical and dental schools of Texas" and as "a national resource...for the benefit of the citizens of Texas, the Southwest and the nation".²

The legislative provisions clearly describe a state and national role for the U. T. M.D. Anderson Hospital. Designation of the institution as a comprehensive cancer center under terms of the National Cancer Act of 1971, recognized exceptional strengths in patient care, research, prevention, and educational programs and conveyed additional extramural obligations.³ Participation in the National Cancer Program through the institution's integration of "its efforts with other programs in a nationwide system for prevention, diagnosis and treatment of cancer" provided the opportunity for the U. T. Cancer Center to achieve recognition for its preeminence in the United States. The Institution fulfills yet another role based upon humanitarian considerations, serving patients with cancer referred from other states and countries that may lack the facilities and clinical skills to manage many cancers.

¹ House Bill 268, Forty-Seventh Legislature, State of Texas, 1941.

² House Concurrent Resolution 112, Sixty-Second Legislature, State of Texas, 1971.

³ Public Law 92-218, 1971.

Scope

The scope of activities was clearly described in the statute establishing U. T. M.D. Anderson Hospital for "the diagnosis, teaching, study, prevention and treatment of neoplastic and allied diseases".⁴ Designation as a comprehensive cancer center further defined extramural obligations as development of "an organized cancer detection program" and leadership in "developing community programs" involving participation by practicing physicians in the geographic area served by the institution.

The current scope of activities also requires definition within the context of the mission statement. Prevention, detection, diagnosis, treatment, and rehabilitation describe the key elements needed to reduce the impact of cancer in Texas.

⁴ House Bill 268, Forty-Seventh Legislature, State of Texas 1941.

THE UNIVERSITY OF TEXAS
HEALTH CENTER AT TYLER

MISSION

The mission of The University of Texas Health Center at Tyler is to provide leadership and excellence in the treatment and prevention of cardiopulmonary and chest diseases through the provision of quality patient care, biomedical research, and education. In addition, The University of Texas Health Center at Tyler is committed to providing the highest quality of primary care services; conducting clinical and basic research that may alleviate the diseases of mankind; facilitating health education by serving as a teaching hospital for students in medicine, nursing, and allied health; and providing community service by educating the public about preventive, acute, chronic, and occupational health issues, as well as scientific and ethical concerns.

ROLE AND SCOPE

As created by the 50th Texas Legislature and reaffirmed by the 65th Legislature, The University of Texas Health Center at Tyler is a state resource for the education, research, and treatment of cardiopulmonary and chest diseases. In addition, the Health Center is a provider of primary health-care services in the area.

The Health Center is a fully established and accredited component of The University of Texas System. It does not have independent degree-granting status but serves as a teaching hospital for The University of Texas System, the Texas College of Osteopathic Medicine, and area colleges and universities. Education is a fully integrated and essential component of the institutional mission.

Medical education is offered through the Health Center's three-year Family Practice Residency Program and through core rotations in cardiopulmonary medicine for third and fourth-year medical students. Health education is offered through clinical rotations in nursing, respiratory therapy, physical therapy, radiology, medical laboratory technology, and exercise physiology. Biomedical research is conducted in the fields of cell biology, environmental sciences, biochemistry, biomathematics, molecular biology, epidemiology, physiology, and microbiology.

2. U. T. Southwestern Medical Center - Dallas: Appointment of Initial Holders to Endowed Academic Positions Effective Immediately.--The Board approved the following initial appointments to endowed academic positions at The University of Texas Southwestern Medical Center at Dallas effective immediately:
- a. Edward R. Johnson, M.D., Professor and Acting Chairman of the Department of Anesthesiology and Pain Management, to the Anesthesiology Alumni Professorship
- See Page 120 related to the establishment of this Professorship.
- b. Dr. Joseph E. Zerwekh, Professor of Internal Medicine, to The Frederic C. Bartter Professorship in Vitamin D Research
- See Page 121 related to the establishment of this Professorship.
- c. Dr. Christopher B. Newgard, Associate Professor of Biochemistry, to the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Distinguished Chair in Diabetes Research
- See Page 124 related to the redesignation of this Chair.
3. U. T. Medical Branch - Galveston: Approval to Appoint Initial Holders to Endowed Academic Positions Effective September 1, 1994 - (a) Karen D. Wagner, M.D., Ph.D., to the Clarence Ross Miller Professorship in Psychiatry and (b) Russell Gardner, Jr., M.D., to the Dr. Harry K. Davis Endowed Professorship in Psychiatry and Behavioral Sciences.--Upon recommendation of the Health Affairs Committee, the Board approved the following initial appointments to endowed academic positions at The University of Texas Medical Branch at Galveston effective September 1, 1994:
- a. Karen D. Wagner, M.D., Ph.D., Associate Professor in the Department of Psychiatry and Behavioral Sciences, to the Clarence Ross Miller Professorship in Psychiatry
- b. Russell Gardner, Jr., M.D., Professor in the Department of Psychiatry and Behavioral Sciences, to the Dr. Harry K. Davis Endowed Professorship in Psychiatry and Behavioral Sciences.
4. U. T. Medical Branch - Galveston: Authorization to Name the Department of Pediatrics' Academic Resource Center as The C. William Daeschner, Jr. Alumni Academic Resource Center (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, authorization was granted to name the Department of Pediatrics' Academic Resource Center at The University of Texas Medical Branch at Galveston as The C. William Daeschner, Jr. Alumni Academic Resource Center.

The naming of the facility is a fitting tribute to C. William Daeschner, Jr., M.D., a former Chairman of the Department of Pediatrics, in recognition of his dedication and service to the U. T. Medical Branch - Galveston.

5. U. T. Health Science Center - Houston: Robert C. Franks, M.D., and Robert K. Creasy, M.D., Appointed to the Board of Trustees of Affiliated Medical Services (AMS) Effective September 1, 1994.--Approval was given to appoint Robert C. Franks, M.D., Professor of Pediatrics, and Robert K. Creasy, M.D., Chairman of the Department of Obstetrics, Gynecology and Reproductive Sciences at The University of Texas Health Science Center at Houston, to the Board of Trustees of Affiliated Medical Services (AMS) effective September 1, 1994, for terms to expire March 15, 1995, at which time they can be renewed via the institutional Docket.

With these appointments, the three members of the Board of Trustees of AMS designated by the U. T. Board of Regents are as follows:

<u>Name</u>	<u>Address</u>
Frank Moody, M.D.	6431 Fannin, Houston, TX 77030
Robert C. Franks, M.D.	6431 Fannin, Houston, TX 77030
Robert K. Creasy, M.D.	6431 Fannin, Houston, TX 77030

6. U. T. M.D. Anderson Cancer Center: Appointment of Lester John Peters, M.D., as Initial Holder of the Gilbert H. Fletcher Memorial Chair Effective Immediately.--The Board, upon recommendation of the Health Affairs Committee, appointed Lester John Peters, M.D., Professor and Chairman in the Department of Radiotherapy, as initial holder of the Gilbert H. Fletcher Memorial Chair at The University of Texas M.D. Anderson Cancer Center effective immediately.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 85 - 109).--Committee Chairman Temple reported that the Facilities Planning and Construction Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Facilities Planning and Construction Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Arlington - Hazardous Waste Storage Facility: Authorization for Project; Management of Project by U. T. Arlington Administration Through a Professional Services Agreement with Haywood Jordan McCowan, Inc., Dallas, Texas, as Project Architect; Submission of the Project to the Coordinating Board; Approval of Evaluation of Solar Energy Economic Feasibility; Advertisement for Bids; Executive Committee Award of Contracts; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--In order to meet current requirements of federal and state regulations and standards to centralize the collection and storage of regulated waste on campus and greatly reduce the amount of storage in classroom buildings, the Board, upon recommendation of the Facilities Planning and Construction Committee:
 - a. Authorized a project for the construction of a Hazardous Waste Storage Facility at The University of Texas at Arlington at an estimated total project cost of \$331,500 to be funded from \$303,000 in Revenue Financing System Bond Proceeds and \$28,500 in General Use Fee Balances
 - b. Authorized U. T. Arlington Administration to manage the project through a professional services agreement with Haywood Jordan McCowan, Inc., Dallas, Texas, as Project Architect
 - c. Authorized submission of the project to the Texas Higher Education Coordinating Board
 - d. Approved the evaluation of solar energy economic feasibility
 - e. Upon completion of final review and approval of the Coordinating Board, authorized the Office of Facilities Planning and Construction to advertise for bids
 - f. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost
 - g. Appropriated \$303,000 from Revenue Financing System Bond Proceeds. Previous appropriations had been \$28,500 from General Use Fee Balances.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 87, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$303,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Hazardous Waste Storage Facility project at U. T. Arlington will consist of two small interconnecting structures containing approximately 3,000 gross square feet including a common off-loading facility. Included in the project is site work, mechanical, electrical, and plumbing systems, specialized materials for handling and storage, enhanced building finishes, and comprehensive graphics.

House Bill 2626 of the 73rd Session of the Texas Legislature requires the governing body of the appropriate state agency to verify in an open meeting the economic feasibility of incorporating solar energy devices into new state buildings. In accordance with instructions from the State Energy Conservation Office of the General Services Commission, this evaluation has determined that a solar-generated domestic hot water system for the project is not economically feasible.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget funded with \$500,000 from Revenue Financing System Bond Proceeds. Approval of this item amends the FY 1995 Capital Budget for a total project cost of \$331,500 to be funded with \$303,000 from Revenue Financing System Bond Proceeds and \$28,500 from General Use Fee Balances.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the "Master Resolution"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of a Hazardous Waste Storage Facility at U. T. Arlington, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second supplemental Resolution as amended.

EXECUTED this 11th day of August, 1994



Executive Vice Chancellor for Business Affairs

2. U. T. Arlington - Science Building Phase I Expansion (Project No. 301-706): Approval of Plaque Inscription with the Name of Chemistry Research Building.--Approval was given to the inscription set out below for a plaque to be placed on the Chemistry Research Building (formerly the Science Building Phase I Expansion) at The University of Texas at Arlington in accordance with the standard pattern approved by the U. T. Board of Regents in June 1979.

CHEMISTRY RESEARCH BUILDING
1993

BOARD OF REGENTS

Bernard Rapoport, Chairman	William H. Cunningham
Ellen Clarke Temple, Vice-Chairman	Chancellor, The University of Texas System
Lowell H. Lebermann, Jr., Vice-Chairman	Ryan C. Amacher
Peter R. Coneway	President, The University of Texas at Arlington
Robert J. Cruikshank	
Zan W. Holmes, Jr.	Vestal, Loftis, Kalista
Tom Loeffler	Architects, Inc.
Mario E. Ramirez, M.D.	Project Architect
Martha E. Smiley	The Cadence Group, Inc. Contractor

3. U. T. Austin - Expansion of the Animal Resources Center (Project No. 102-707): Approval to Increase Total Project Cost and Award of Construction Contract to Pyramid Constructors, Inc., Houston, Texas.--Upon recommendation of the Facilities Planning and Construction Committee, the Board:

- a. Approved a \$450,000 increase in the authorized total project cost for Expansion of the Animal Resources Center at The University of Texas at Austin from \$3,300,000 to \$3,750,000 to be funded from \$200,000 of Permanent University Fund Bond Proceeds Reserves and \$250,000 of U. T. Austin General Fee Balances
- b. Awarded a construction contract for Expansion of the Animal Resources Center at U. T. Austin to the lowest responsible bidder, Pyramid Constructors, Inc., Houston, Texas, for the Base Bid and Alternate Bid Nos. 1 and 2 in the amount of \$3,262,000.

Pyramid Constructors, Inc. stated in its proposal that it will have Historically Underutilized Business participation of approximately 10% for women-owned firms and 20% for minority-owned firms in the contract.

The total project cost is composed of the following elements:

General Construction Cost	\$3,262,000
Fees and Administrative Expenses	333,000
Future Work	
Testing and Air Balance	24,500
Materials Testing	27,000
Energy Management System Interface	8,500
Miscellaneous Expenses	15,000
Project Contingency	<u>80,000</u>
Total Project Cost	\$3,750,000

Funding for the project is \$1,900,000 in Permanent University Fund Bond Proceeds Reserves and \$1,850,000 in U. T. Austin General Fee Balances for \$3,750,000 in total project funding. Approval of this item amends the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget.

This project is exempt from Texas Higher Education Coordinating Board approval because Permanent University Fund Bond Proceeds provide more than 51% of the total project cost for a U. T. Austin project.

4. U. T. Brownsville - Science and Engineering Technology Building (Project No. 902-815): Approval to Increase Total Project Cost; Approval of Preliminary Plans; Approval of Evaluation of Solar Energy Economic Feasibility; Authorization to Prepare Final Plans and Specifications for Staged Construction; Submission of the Project to the Coordinating Board; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts for First and Second Stages; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--Following a brief overview by President Garcia, the preliminary plans and specifications for the Science and Engineering Technology Building at The University of Texas at Brownsville were presented to the Facilities Planning and Construction Committee by Messrs. Bill Reeves, Bill Hayes, and Norman Morgan, representing the Project Architect, Marmon Mok, San Antonio, Texas.

Based upon this presentation, the Facilities Planning and Construction Committee recommended and the Board:

- a. Approved an increase in the total project cost for the Science and Engineering Technology Building at U. T. Brownsville from \$23,500,000 to \$23,875,000 to be funded from \$375,000 in gifts and grants from Texas Southmost College
- b. Approved preliminary plans and specifications
- c. Approved the evaluation of solar energy economic feasibility

- d. Authorized preparation of final plans and specifications in such a manner that contracts can be awarded in the following stages:
 - (1) Construction of the Thermal Energy Plant and attendant equipment, infrastructure, and site work
 - (2) Construction of the parking lot and attendant site work
 - (3) General construction of the Science and Engineering Technology Building and attendant equipment, infrastructure, and site work
- e. Authorized submission of the project to the Texas Higher Education Coordinating Board
- f. Upon completion of final review, authorized the Office of Facilities Planning and Construction to advertise for bids and the Executive Committee to award all contracts for the first and second stages. Final plans for the third stage will be presented to the U. T. Board of Regents for consideration at a future meeting.
- g. Appropriated an additional \$3,600,000 for an aggregate total of \$4,175,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System for fees and administrative expenses through completion of final plans and specifications and construction for the first and second stages. Previous appropriations had been \$575,000 from the same source.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 93, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System

- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$4,175,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

This project will be constructed in three stages to expedite construction. The first stage of construction will relocate and expand the Thermal Energy Plant to approximately 4,400 gross square feet and include the relocation of two existing 250 ton chillers. It will also expand the existing thermal energy distribution system to serve this project. Texas Southmost College has contributed \$375,000 as their share of the cost to relocate the existing plant and equipment. The second stage of construction for the Parking Lot will provide approximately 275 parking spaces on land recently purchased by Texas Southmost College to replace a heavily used parking lot being displaced by construction of the third stage. The third stage will be the construction of the Science and Engineering Technology Building.

This building will contain approximately 157,000 gross square feet and house laboratories, classrooms, faculty offices, and support space for programs in chemistry, physics, computer science, electronics engineering technology, mechanical engineering technology, and manufacturing engineering technology. This third stage also includes approximately 21,000 gross square feet of renovation and expansion for the existing Thermal Energy Plant and two vocational laboratory buildings for use as engineering technology laboratories and faculty offices.

It was noted that U. T. Brownsville will receive \$2,000,000 from the Greater Brownsville Incentives Corporation for equipment to serve engineering technology programs. These funds are not included in the total project cost and will be managed locally by U. T. Brownsville.

House Bill 2626 of the 73rd Session of the Texas Legislature requires the governing body of the appropriate state agency to verify in an open meeting the economic feasibility of incorporating solar energy devices into new state buildings. Therefore, the Project Architect has prepared an evaluation for this project in accordance with instructions from the State Energy Conservation Office of the General Services Commission. This evaluation determined that a solar-generated domestic hot water system for the project is not economically feasible since steam for this purpose is available at more competitive costs. The payback for a solar-generated domestic hot water system for this project is estimated to be twenty years.

Funding for the project is \$23,500,000 in Tuition Revenue Bond Proceeds and \$375,000 in gifts and grants for \$23,875,000 in total project funding. Approval of this item amends the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget.

Chairman Rapoport noted that he was most excited that this is a science and engineering technology building to encourage the citizens in that part of the state to consider science and engineering as career choices and further noted that this action by the Board of Regents has the potential to enhance the quality of life in that region.

In closing, President Garcia expressed appreciation to the Office of Facilities Planning and Construction, particularly Mr. John Davis, Mr. Jim Michael, and Mr. Gilbert Gallegos, and Dr. Mario J. Gonzalez, Associate Vice Chancellor for South Texas/Border Area Development, for their assistance in the development of this project. In addition, she thanked Regents Temple, Lebermann, and Ramirez, as members of the Partnership Advisory Committee, for their special attention to this project which will ensure that students in South Texas will have an engineering school in their midst.

See Page 28 related to a ground lease agreement whereby Texas Southmost College will lease approximately 3.8 acres in the northeast quadrant of that campus to U. T. Brownsville for the construction of this facility.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned **Executive Vice** Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue **Financing System** adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the "Master **Resolution**"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the **Master** Resolution to finance the cost of the construction of the Science and Engineering Technology Building at U. T. Brownsville, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Haster Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the **terms**, provisions and conditions in said Baster Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 11th day of August, 1994



Executive Vice Chancellor for Business Affairs

5. U. T. El Paso - Liberal Arts/Science Renovation Projects - Physical Science Building Renovation (Project No. 201-822): Approval of Preliminary Plans; Authorization to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; Advertisement for Bids; Executive Committee Award of Contracts; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--Upon recommendation of the Facilities Planning and Construction Committee, the Board:
- a. Approved preliminary plans and specifications for the Liberal Arts/Science Renovation Projects - Physical Science Building Renovation at The University of Texas at El Paso at an estimated total project cost of \$2,645,000
 - b. Authorized preparation of final plans and specifications
 - c. Authorized submission of the project to the Texas Higher Education Coordinating Board
 - d. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
 - e. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost
 - f. Appropriated \$2,525,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System, and \$120,000 previously appropriated from Tuition Revenue Bond Proceeds for total project funding of \$2,645,000.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 96, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System

- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$2,645,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget to be funded by Tuition Revenue Bond Proceeds.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System originally adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the Waster **Resolution**"), do hereby execute this certificate for the benefit of the Board of **Regents** pursuant to Section 5(a) (ii) of the Raster Resolution in connection with the authorization by the Board to issue "**Parity Debt**" pursuant to the Master Resolution to finance the cost of the construction of Liberal Arts/Science Renovation Projects - Physical Science Building Renovation at U. T. El Paso, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the **Master** Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this d 15 o f July, 1994

M. Burch
Executive Vice Chancellor for Business Affairs

6. U. T. Pan American - Thermal Energy Plant Expansion for the Engineering Building (Project No. 901-821): Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--In order to provide a reliable and effective utility system for campus expansion, the Board, upon recommendation of the Facilities Planning and Construction Committee:
- a. Approved the final plans and specifications for the Thermal Energy Plant Expansion for the Engineering Building at The University of Texas - Pan American within the authorized total project cost of \$3,800,000
 - b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost
 - c. Appropriated an additional \$2,946,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System, \$154,000 in Higher Education Assistance Funds (HEAF), and \$400,000 in Unexpended Plant Funds. Previous appropriations had been \$300,000 from Unexpended Plant Funds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 99, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$2,946,000

- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The existing Thermal Energy Plant has a capacity of 5,300 tons; however, only 4,200 tons is operational at this time due to a chiller failure. An analysis of the current campus cooling demand indicates that the Thermal Energy Plant's ability to serve the new Engineering Building is marginal. This project will increase the plant's ultimate capacity to 5,100 tons.

This project, which was reviewed by the Texas Higher Education Coordinating Board in July 1994, is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. Total project funding of \$3,800,000 is \$700,000 from Unexpended Plant Funds, \$2,946,000 from Tuition Revenue Bond Proceeds, and \$154,000 from Higher Education Assistance Funds (HEAF).

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended and Restated **Master Resolution** Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the *Waster* Resolution), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection With the authorization by the Board to issue "Parity **Debt**" pursuant to the Master Resolution to finance the cost of the construction of the Thermal Energy Plant Expansion for the **Engineering** Building at U. T. Pan American, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Xaster Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 14th day of August, 1994

M. W. Branch
Executive Vice Chancellor for Business Affairs

7. U. T. San Antonio - Downtown Land Purchase: Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--As necessary action related to authorization by the Board at the June 1994 meeting for The University of Texas at San Antonio to purchase Lot 25, Block 18, New City Block 302, E. A. M. Subdivision, U-1, in the City of San Antonio, Bexar County, Texas, and in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 101, the Board resolved that:
- a. Parity Debt shall be issued to pay the purchase price including any costs related to the purchase paid prior to the issuance of such Parity Debt
 - b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
 - c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$670,000
 - d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The downtown campus project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. Total funding is \$20,000,000 from Tuition Revenue Bond Proceeds.

The total parity debt issuance of \$670,000 will cover the purchase price, environmental site assessment, and related costs.

This purchase was reviewed by the Texas Higher Education Coordinating Board in July 1994.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the "**Master Resolution**"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section S(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity **Debt**" pursuant to the **Master** Resolution to finance the cost of the construction of the Downtown Building at U. T. San Antonio, and do certify **that** to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution **as** amended.

EXECUTED this 12 day of July, 1994

M. W. Burch
Executive Vice Chancellor for Business Affairs

8. U. T. San Antonio - Engineering/Biotechnology Building - Phase II (Project No. 401-747): Approval of Increase in Project Scope and Total Project Cost; Additional Appropriation; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--Upon recommendation of the Facilities Planning and Construction Committee, the Board:

- a. Increased the scope of the Engineering/Biotechnology Building - Phase II at The University of Texas at San Antonio and the total project cost from \$17 million to \$17.3 million
- b. Appropriated an additional \$1,500,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System and \$300,000 from General Use Fee Balances.

Previous appropriations had been \$1,600,000 from Tuition Revenue Bond Proceeds. This additional appropriation will be used for renovation and equipping of laboratory and faculty office space within the existing Science Building, the Multi-disciplinary Studies Building, and in West Campus space to meet the needs of current undergraduate and emerging doctoral programs.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 103, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$3,100,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. This action increases the total project cost from \$17 million to \$17.3 million by the addition of \$300,000 from General Use Fee Balances.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended **and Restated** Master Resolution Establishing The University of Texas System Revenue Financing System adopted by **the Board** on February 14, 1991, and amended on October 8, 1993 (the "**Master** Resolution"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of Engineering/Biotechnology Building - Phase II at U. T. San Antonio, and do certify that to the best of my knowledge the **Board** of Regents is in compliance with all covenants contained in the **Master** Resolution, First Supplemental Resolution Establishing an Interim Financing Program, **and** the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED **this** 14 day of July, 1994



Executive Vice Chancellor for Business Affairs

9. U. T. San Antonio - University Center Expansion (Project No. 401-800): Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--The Facilities Planning and Construction Committee recommended and the Board:

- a. Approved the final plans and specifications for the University Center Expansion at The University of Texas at San Antonio at a total project cost of \$12,000,000
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost
- c. Appropriated an additional \$10,000,000 from Revenue Financing System Bond Proceeds and \$2,000,000 from Auxiliary Enterprise Balances for total project funding of \$12,000,000. Previous appropriations of \$800,000 from Unexpended Plant Funds will be reimbursed.

Following a presentation by Ms. Pam Clayton, Finance Officer in the Office of Finance within The University of Texas System, related to the qualifications of this project for the U. T. System Revenue Financing System and in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 106, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$10,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

This project, which was approved by the Texas Higher Education Coordinating Board in April 1994, is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. Total project funding is \$2,000,000 from Auxiliary Enterprise Balances and \$10,000,000 from Revenue Financing System Bond Proceeds serviced by a mandatory University Center student fee.

PARITY DEBT CERTIFICATE OF U. T. **SYSTEM** REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended **and** Restated Master Resolution Establishing The University of Texas System Revenue Financing **System adopted** by the Board on February 14, 1991, and amended on October 8, 1993 (the "**Master Resolution**"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity **Debt**" pursuant to the Master Resolution to finance the cost of the construction of the University Center Expansion at U. T. San Antonio, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Raster Resolution, First Supplemental Resolution Establishing an Interim Financing **Program**, and the Second Supplemental Resolution, and is not in default of **any** of the terms, provisions and conditions in said Master Resolution, **First Supplemental** Resolution and Second Supplemental Resolution **as amended**.

EXECUTED this 11th day of August, 1994



Executive Vice Chancellor for Business Affairs

10. U. T. Medical Branch - Galveston - Partial Remodel of McCullough Building: Authorization for Project; Appointment of Brooks Collier, Houston, Texas, as Project Architect to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor.--The University of Texas Medical Branch at Galveston has identified a need to complete a partial remodeling of the McCullough Building to accommodate the needs of the Department of Radiation Therapy to improve waiting and exam areas, provide space for a second simulator, and bring together staff who are currently dispersed across campus.

In accordance therewith, the Board:

- a. Authorized the Partial Remodel of the McCullough Building at the U. T. Medical Branch - Galveston at an estimated total project cost of \$5,319,600 to be funded from Revenue Financing System Bond Proceeds
- b. Appointed the firm of Brooks Collier, Houston, Texas, as Project Architect to prepare final plans, specifications, and a detailed cost estimate to be presented to the U. T. Board of Regents at a future meeting
- c. Authorized submission of the project to the Texas Higher Education Coordinating Board
- d. Appropriated \$300,000 from Unexpended Plant Funds for fees and administrative expenses through completion of final plans. This appropriation will be reimbursed from Revenue Financing System Bond Proceeds when issued. This action satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Department of Radiation Therapy currently occupies approximately 10,000 net square feet on the first floor of the McCullough Building. The completion of the New Trauma Center has provided vacated space adjacent to Radiation Therapy. It is envisioned that the vacant space will allow a two or three-phase remodeling project to occur. The scope of this project will include remodeling of both the vacated space and the space currently occupied by Radiation Therapy. The total area involved is approximately 18,000 net square feet.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget with funding in the amount of \$5,319,600 from Revenue Financing System Bond Proceeds.

11. U. T. Medical Branch - Galveston - Support Services Renovation - Phase I: Authorization for Project; Appointment of Ford, Powell & Carson, Inc., San Antonio, Texas, as Project Architect to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor.--In response to an identified need to complete an upgrade of several key areas for Support Services located at 1902 Water Street, also known as the Lipton Tea Building, to allow for its use to be changed from a warehouse to office space, the Facilities Planning and Construction Committee recommended and the Board:
- a. Authorized the Support Services Renovation - Phase I project at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$3,800,000 to be funded from Educational and General Funds
 - b. Appointed the firm of Ford, Powell & Carson, Inc., San Antonio, Texas, as Project Architect to prepare final plans, specifications, and a detailed cost estimate to be presented to the U. T. Board of Regents at a future meeting
 - c. Authorized submission of the project to the Texas Higher Education Coordinating Board
 - d. Appropriated \$200,000 from Educational and General Funds for fees and administrative expenses through completion of final plans.

The main elements of this upgrade effort include new chiller equipment, new electrical service gear, renovation of the envelope of the building to accommodate personnel entries and daylighting, improvements to parking areas, and preparation of approximately 25,000 square feet of Level 1 for office-type utilization.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget with funding in the amount of \$6,000,000 from Educational and General Funds. This action amends the total project cost to \$3,800,000.

12. U. T. Health Center - Tyler - Ambulatory Care Center Addition and Renovation (Project No. 801-789): Approval to Increase Total Project Cost; Authorization to Negotiate a Change Order to Construction Contract with Boone & Boone Construction, Inc., Tyler, Texas; Submission of the Project to the Coordinating Board; and Executive Committee to Approve Issuance of Change Order and Additional Appropriation Therefor.--With Regent Temple abstaining due to a possible conflict of interest, the Board, upon recommendation of the Facilities Planning and Construction Committee:
- a. Approved an increase in the total project cost of the Ambulatory Care Center Addition and Renovation at The University of Texas Health Center at Tyler from \$11,300,000 to a cost not to exceed \$12,800,000

- b. Authorized representatives of the U. T. Health Center - Tyler and the Office of Facilities Planning and Construction to negotiate a change order to the construction contract with Boone & Boone Construction, Inc., Tyler, Texas
- c. Authorized submission of the increase in total project cost to the Texas Higher Education Coordinating Board
- d. Authorized the Executive Committee to approve the issuance of a change order and the appropriation of additional funds not to exceed \$1,500,000 from Educational and General Fund Balances.

The foundation of the construction project underway has been designed to accommodate two additional floors. A recently completed feasibility study demonstrated that it is financially viable to construct the two additional floors as shelled space at this time. These additional floors of approximately 50,000 square feet, if initiated now, will save a considerable amount of money in future construction dollars. In addition, construction at this time will minimize any future disruption to ongoing activities on the lower floors.

* * * * *

At the conclusion of the Facilities Planning and Construction Committee meeting, Committee Chairman Temple reported that at today's (August 11) meeting the Committee had received recommendations for appointment of architects which include 30.12% participation by Historically Underutilized Businesses (HUB). Of this amount, 23.8% are minority-owned and 6.32% are women-owned. In addition, the Board had received recommendations from the Facilities Planning and Construction Committee and the Executive Committee to award general construction contracts which include 18.45% participation by Historically Underutilized Businesses of which 14.42% are minority-owned and 4.03% are women-owned.

Regent Temple then commended the Office of Facilities Planning and Construction for a job well done related to the HUB participation in these projects.

Regent Holmes thanked Mrs. Temple for the report and noted that The University of Texas System "still has a way to go" related to the HUB participation in the construction programs within the U. T. System.

REPORT AND RECOMMENDATIONS OF THE ASSET MANAGEMENT COMMITTEE
(Pages 110 - 136).--Committee Chairman Cruikshank reported that
the Asset Management Committee had met in open session
to consider those matters on its agenda and to formulate recom-
mendations for the U. T. Board of Regents. Unless other-wise
indicated, all actions set forth in the Minute Orders which
follow were recommended by the Asset Management Committee and
approved in open session and without objection by the U. T.
Board of Regents.

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTER

Report on Clearance of Monies to the Permanent University Fund for May and June 1994 and Report on Oil and Gas Development as of June 30, 1994. --The following reports with respect to (a) certain monies cleared to the Permanent University Fund for May and June 1994 and (b) Oil and Gas Development as of June 30, 1994, were submitted by the **Executive Vice Chancellor** for Business Affairs:

Permanent University Fund	May 1994	June 1994	Cumulative Through June of this Fiscal Year (1993-1994)	Cumulative Through June of Preceding Fiscal Year (1992-1993)	Percent Change
Royalty					
Oil	\$ 2,513,928.19	\$3,041,431.83	\$ 29,111,122.21	\$ 40,616,990.81	-28.33%
Gas	1,570,330.18	1,365,426.42	14,538,769.42	14,901,886.10	-2.44%
Sulphur	0.00	0.00	0.00	0.00	--
Water	105,959.29	64,768.37	778,120.29	666,516.77	16.74%
Brine	3,649.90	3,325.75	57,315.86	50,107.53	14.39%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Lease	176,981.11	99,607.88	551,816.65	576,036.14	-4.20%
Other	0.00	4,360.00	5,608.31	3,133.01	79.81%
Sale of Sand, Gravel, Etc.	0.00	1,684.80	1,684.80	23,979.00	-92.97%
Total University Lands Receipts Before Bonuses	<u>4,370,848.67</u>	<u>4,580,605.05</u>	<u>45,044,437.54</u>	<u>56,838,649.36</u>	<u>-20.75%</u>
Bonuses					
Oil and Gas Lease Sales Amendments and Extensions to Mineral Leases	1,400,826.35	0.00	4,881,028.83	2,740,201.75	78.13%
	0.00	0.00	43,364.72	10.00	--
Total University Lands Receipts	<u>5,771,675.02</u>	<u>4,580,605.05</u>	<u>49,968,831.09</u>	<u>59,578,861.11</u>	<u>-16.13%</u>
Gain or (Loss) on Sale of Securities	<u>12,476,138.52</u>	<u>3,147,499.77</u>	<u>83,384,970.39</u>	<u>307,640,362.10</u>	<u>-72.90%</u>
TOTAL CLEARANCES	<u>\$18,247,813.54</u>	<u>\$7,728,104.82</u>	<u>\$133,353,801.48</u>	<u>\$367,219,223.21</u>	<u>-63.69%</u>

Oil and Gas Development - June 30, 1994
Acreage Under Lease - 768,779

Number of Producing Acres - 521,932

Number of Active Leases - 2,562

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Austin: Acceptance of Gift from the I. D. and Marguerite Fairchild Foundation, Lufkin, Texas; Establishment of the Virginia R. Allen Endowed Presidential Scholarship in Fine Arts in the College of Fine Arts; and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--The Board, upon recommendation of the Asset Management Committee, accepted a \$25,000 gift from the I. D. and Marguerite Fairchild Foundation, Lufkin, Texas, and established the Virginia R. Allen Endowed Presidential Scholarship in Fine Arts in the College of Fine Arts at The University of Texas at Austin.

Further, matching funds in the amount of \$12,500 will be allocated under The Brackenridge Matching Program #2 to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarship support to talented and promising students in the College of Fine Arts.

2. U. T. Austin: Acceptance of Gift from Drs. Abraham and Deborah Blattstein, Tucson, Arizona, and Establishment of the Ari Yehiel Blattstein Endowed Presidential Scholarship in the College of Natural Sciences.--Approval was given to accept a \$25,000 gift from Drs. Abraham and Deborah Blattstein, Tucson, Arizona, and to establish the Ari Yehiel Blattstein Endowed Presidential Scholarship in the Department of Zoology, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships alternately to undergraduate and graduate students participating in the Brackenridge Field Laboratory of the Department of Zoology.

3. U. T. Austin: Authorization to Accept Gifts of Core Warehouse and Core Samples Collections Effective September 1, 1994, and Pledge from Shell Oil Company and Shell Western E&P Inc., Houston, Texas; Establishment of the Hubert Collins Endowment for the Bureau of Economic Geology; and Authorization for the Vice Chancellor for Asset Management to Execute Agreement, Deed of Gift, Quitclaim Assignments, and Endowment Agreement (No Publicity)-- The Asset Management Committee recommended and the Board:

- a. Accepted gifts, to be effective September 1, 1994, from Shell Oil Company and Shell Western E&P Inc., Houston, Texas (together "Shell"), comprised of real estate (3.466 acres of land located in Sections 34 and 39, Block 38, T-1-S, T. & P. RR. Co. Survey, Midland County, Texas, together with all rights, privileges and appurtenances and all buildings

and improvements thereon) and personal property (all rock materials and personal property located on the real estate described above, including but not limited to all whole and slabbed core, sidewall samples and drill bit cuttings, and all rock materials and personal property located at 2790 Holmes Road, Houston, Harris County, Texas, including but not limited to all whole and slabbed core, sidewall samples and drill bit cuttings), making up the donors' currently operating Midland core warehouse and core samples collections, for the benefit of the Bureau of Economic Geology at The University of Texas at Austin

- b. Accepted a \$1,350,000 pledge, payable by September 1, 1994, from Shell Oil Company and Shell Western E&P Inc., Houston, Texas, and established the Hubert Collins Endowment for the Bureau of Economic Geology at U. T. Austin
- c. Authorized the Vice Chancellor for Asset Management to execute, on behalf of the U. T. Board of Regents, an Agreement, Deed of Gift, Quitclaim Assignments, and an Endowment Agreement upon final review and approval by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel.

The endowment income will be used to continue operations at the Midland core warehouse, and any excess income will be reinvested to build the principal. In addition to the endowment from Shell, the U. T. Austin Bureau of Economic Geology has received from the Department of Energy, Pittsburgh Energy Technology Center, Pittsburgh, Pennsylvania, a grant with an estimated total value of \$700,000, as announced in the June 28, 1994, Federal Register, to support activities at the Midland core warehouse.

Under the terms of the Agreement and Deed of Gift, the U. T. Austin Bureau of Economic Geology will assume administration of the core warehouse and core sample collections, with the Houston collection to be moved to the Midland, Texas, site at Shell's expense. The Deed of Gift will allow the U. T. Board of Regents to sell the property should that option be in U. T. Austin's best interest.

It was requested that no publicity be given to this matter.

4. U. T. Austin: Acceptance of Gift and Pledge from E. Lillo Crain, Jr., M.D., Houston, Texas, and Transfer of Funds and Establishment of the Fredricka Crain Endowed Presidential Scholarship in Art in the College of Fine Arts.--Upon recommendation of the Asset Management Committee, the Board accepted a \$10,000 gift and a \$15,000 pledge, payable by August 31, 1995, from E. Lillo Crain, Jr., M.D., Houston, Texas, and a \$12,500 transfer of President's designated funds for a total of \$37,500 and established the Fredricka Crain Endowed Presidential

Scholarship in Art in the Department of Art and Art History, College of Fine Arts, at The University of Texas at Austin.

Income earned from the endowment will be used to provide scholarship support to graduate and undergraduate visual arts students in the Department of Art and Art History.

5. U. T. Austin: Acceptance of Gifts and Pledges from Various Donors and Establishment of the Dallas Endowed Presidential Scholarship in Art in the College of Fine Arts.--The Board accepted \$38,400 in gifts and \$20,000 in pledges, payable by August 31, 1995, from various donors in the Dallas, Texas, area for a total of \$58,400 and established the Dallas Endowed Presidential Scholarship in Art in the Department of Art and Art History, College of Fine Arts, at The University of Texas at Austin.

Income earned from the endowment will be used to provide scholarship support to upper-level undergraduate and graduate students in the Department of Art and Art History, with preference given to studio art majors.

6. U. T. Austin: Authorization to Accept Transfer of Funds and to Establish the S. D. and Nancy, Darrell and Gwyn, Earle and Lisa, Allen and Cindy David Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--A \$103,343.75 transfer of previously reported gifts from the following donors was accepted to establish the S. D. and Nancy, Darrell and Gwyn, Earle and Lisa, Allen and Cindy David Endowed Scholarship in the Department of Intercollegiate Athletics for Men at The University of Texas at Austin:

Mr. and Mrs. S. D. (Nancy) David, Jr.
New Braunfels, Texas

Mr. and Mrs. Darrell (Gwyn) David
Austin, Texas

Mr. and Mrs. Earle (Lisa) David
Austin, Texas

Mr. and Mrs. Allen (Cindy) David
Austin, Texas.

Income earned from the endowment will be used to provide support for student athletes in golf and football and for the Dana X. Bible Academic Services program within the Department of Intercollegiate Athletics for Men.

7. U. T. Austin: Acceptance of Gift from Mrs. John T. (Winifred Small) Jones, Jr., Hempstead, Texas, and Establishment of the Department of Microbiology Winifred Small Jones Endowed Excellence Fund in the College of Natural Sciences.--The Asset Management Committee recommended and the Board accepted a \$500,000 gift from Mrs. John T. (Winifred Small) Jones, Jr., Hempstead, Texas, and established the Department of Microbiology Winifred Small Jones Endowed Excellence Fund in the Department of Microbiology, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to support research and teaching activities in the Department of Microbiology.

8. U. T. Austin: Approval to Accept Transfer of Funds and to Establish the Education Annual Fund Endowed Presidential Scholarship in the College of Education.--Approval was given to accept a \$25,000 transfer of previously reported gifts from current restricted funds and to establish a quasi-endowment in the College of Education at The University of Texas at Austin to be named the Education Annual Fund Endowed Presidential Scholarship.

Income earned from the endowment will be used to provide scholarship support to outstanding undergraduate and graduate students who are preparing for careers in education.

9. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the Endowed Presidential Scholarship in Jazz Studies in the College of Fine Arts.--Upon recommendation of the Asset Management Committee, the Board accepted a \$25,000 transfer of President's discretionary funds and established a quasi-endowment in the Department of Music, College of Fine Arts, at The University of Texas at Austin to be named the Endowed Presidential Scholarship in Jazz Studies.

Income earned from the endowment will be used to provide scholarship support to outstanding students in the College of Fine Arts majoring in jazz studies.

10. U. T. Austin: Acceptance of Bequest from the Estate of Myrtle Faulkner Hunley, Houston, Texas, and Establishment of the William Jack Hunley Endowed Scholarship in the College of Business Administration and the Graduate School of Business.--The Board accepted fifty percent of the residue of the Estate of Myrtle Faulkner Hunley, Houston, Texas, in the amount of approximately \$105,000 and established the William Jack Hunley Endowed Scholarship in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

Income earned from the endowment will be used to provide scholarship support to students in the College of Business Administration and the Graduate School of Business.

11. U. T. Austin: Authorization to Accept Gifts from Mr. and Mrs. Baine P. Kerr, Houston, Texas, for Addition to the Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture in the College of Liberal Arts.--Authorization was granted to accept nine (9) Value Units of Class A Limited Partnership Interest in and to Kerr Interests, Ltd., a Texas limited partnership, and one (1) Value Unit of Class A Limited Partnership Interest in and to Kerr Family Limited Partnership, a Texas limited partnership, from Mr. and Mrs. Baine P. Kerr, Houston, Texas, for addition to the Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture in the College of Liberal Arts at The University of Texas at Austin.

12. U. T. Austin - School of Law: Establishment of (a) Thomas E. Berry Endowed Presidential Scholarship in Probate Law, (b) Norman S. Davis Endowed Presidential Scholarship in Law, (c) Charles and Betti Saunders Endowed Presidential Scholarship in Law, and (d) William Ellis Woods Endowed Presidential Scholarship in Law.-- The following endowments in the School of Law at The University of Texas at Austin were established with the understanding that the funds for the endowments will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations:

ENDOWMENT:	<u>Thomas E. Berry Endowed Presidential Scholarship in Probate Law</u>
Donor:	<u>Student Aid Foundation Enterprises (SAFE)</u> Houston, Texas
Gift Amount:	\$12,500
Pledge Amount:	\$12,500, payable by April 1, 1995
Law School Fdn. Matching:	\$25,000
Total Endowment:	\$50,000

ENDOWMENT:	<u>Norman S. Davis Endowed Presidential Scholarship in Law</u>
Donor:	<u>Mr. and Mrs. Norman S. (Anita P.) Davis</u> San Antonio, Texas
Gift Amount:	1,632 shares of La Quinta Motor Inns, Inc. common stock valued at \$50,000
Law School Fdn. Matching:	\$50,000
Total Endowment:	\$100,000

ENDOWMENT:	<u>Charles and Betti Saunders Endowed Presidential Scholarship in Law</u>
Donor:	<u>Mr. and Mrs. Charles A. (Betti Friedel) Saunders</u> Houston, Texas
Gift Amount:	\$12,500
Law School Fdn. Matching:	\$12,500
Total Endowment:	\$25,000

ENDOWMENT:	<u>William Ellis Woods Endowed Presidential Scholarship in Law</u>
Donor:	<u>Mr. and Mrs. William E. (Martha Brockman) Woods</u> Easton, Maryland
Gift Amount:	\$6,000
Pledge Amount:	\$6,500
Law School Fdn. Matching:	\$12,500
Total Endowment:	\$25,000

Income earned from the four endowments will be used to award scholarships to law students.

13. U. T. Austin: Acceptance of Gift from Justice and Mrs. Oscar H. (Anne Rogers) Mauzy, Austin, Texas, and Establishment of the Anne and Oscar Mauzy Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women.--The Board, upon recommendation of the Asset Management Committee, accepted a \$25,000 gift from Justice and Mrs. Oscar H. (Anne Rogers) Mauzy, Austin, Texas, and established the Anne and Oscar Mauzy Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women at The University of Texas at Austin.

Income earned from the endowment will be used to provide scholarship support to students on the women's basketball team who have completed eligibility but require financial assistance to complete an undergraduate or graduate degree.

14. U. T. Austin: Acceptance of Gift from Mrs. Hazel H. Ransom, Austin, Texas; Establishment of the Harry Ransom Distinguished Fellowship for the Harry Ransom Humanities Research Center; and Allocation of Matching Funds from the Borden, Inc. Property Funds.--Upon recommendation of the Asset Management Committee, the Board accepted a \$103,883.16 gift, comprised of proceeds from an American Enterprise Life Insurance Company annuity, from the late Mrs. Hazel H. Ransom, Austin, Texas, and established the Harry Ransom Distinguished Fellowship for the Harry Ransom Humanities Research Center at The University of Texas at Austin.

Further, \$49,000 in matching funds will be allocated from the Borden, Inc. property funds and will be used to increase the endowment to a total of \$152,883.16.

Income earned from the endowment will be used to support visiting fellows to pursue advanced research at the Harry Ransom Humanities Research Center.

15. U. T. Austin: Approval to Accept Remainder Interest in the D. F. Strickland Trust, San Antonio, Texas, for the Texas Memorial Museum.--Approval was given to accept the remainder interest in the D. F. Strickland Trust, San Antonio, Texas, a testamentary trust created under the Will of Mr. D. F. Strickland, Mission, Texas, and comprised of cash and mineral interests valued at \$617,990.39 for the benefit of the Texas Memorial Museum at The University of Texas at Austin.

16. U. T. Austin: Redesignation of the Touche Ross & Co. Faculty Fellowship in Accounting in the College of Business Administration and the Graduate School of Business as the Deloitte & Touche Faculty Fellowship in Accounting.--In accordance with the request of the donor firm and representatives of the original donor, the Board redesignated the Touche Ross & Co. Faculty Fellowship in Accounting in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin as the Deloitte & Touche Faculty Fellowship in Accounting.

17. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the Waller Creek Natural Science Park Scholarship/Fellowship Fund in the College of Natural Sciences.--The Asset Management Committee recommended and the Board accepted a \$10,000 transfer of previously reported gifts from current restricted funds and established the Waller Creek Natural Science Park Scholarship/Fellowship Fund in the College of Natural Sciences at The University of Texas at Austin.

Income earned from the endowment will be used to provide scholarship and fellowship support for students who are science majors and who are interested in outdoor activities in science.

18. U. T. Austin - School of Law: Acceptance of Transfer of Funds for Fifteen Previously Established Endowments.--Between April 1993 and December 1993, the U. T. Board of Regents established fifteen endowments as listed below for the benefit of the School of Law at The University of Texas at Austin with all funds to be held by The University of Texas Law School Foundation (an external foundation) as trustee. At the February 1994 meeting of the U. T. Board of Regents, matching funds under The Regents' Endowment Program were approved for these endowments via the docket, but it was not reported that upon approval of the matching funds, the Law School Foundation would transfer to the U. T. Board of Regents the funds held for each endowment.

Based on the requirement that all endowments approved to receive Regents' matching funds be held by the U. T. Board of Regents, the Board accepted a transfer of all funds held by the Law School Foundation for the following fifteen previously established endowments:

Kae L. Brockermeier Endowed Presidential Scholarship in Law

Maurice R. Bullock Endowed Presidential Scholarship in Law

Class of '51 Endowed Presidential Scholarship in Law

Class of '53 Endowed Presidential Scholarship in Law

Frank Douglass Endowed Presidential Scholarship in Law

Ben and Mollye Glast Endowed Presidential Scholarship in Law

Richard E. Gray, Jr. Endowed Presidential Scholarship in Law

Tom Ingram Endowed Presidential Scholarship in Law

Albert P. Jones Endowed Presidential Scholarship in Law

Judge Bill Junell Endowed Presidential Scholarship in Law

Chris Marshall Endowed Presidential Scholarship in Law

William J. Steeger Endowed Presidential Scholarship in Law

Thompson, Coe, Cousins, & Irons, L.L.P.
Endowed Presidential Scholarship in Law

Ken Woodward Endowed Presidential Scholarship in Law

Roslyn Wright Memorial Endowed Presidential Scholarship in Law

19. U. T. Dallas: Establishment of the (a) Excellence in Education Foundation Endowment and (b) Callier Center for Communication Disorders Endowment.--Upon recommendation of the Asset Management Committee, the Board designated a previously accepted gift from the Excellence in Education Foundation, Dallas, Texas, currently valued at \$12,628,065 plus approximately 243 acres of land to establish the following endowments at The University of Texas at Dallas in accordance with the terms of the Deed of Gift dated August 27, 1975, as clarified by the donor:

a. Excellence in Education Foundation Endowment

Income earned from the Excellence in Education Foundation Endowment will be used at the discretion of the President for the further attainment of excellence at U. T. Dallas.

b. Callier Center for Communication Disorders Endowment

Income earned from the Callier Center for Communication Disorders Endowment will be used to support the operation of the Callier Center for Communication Disorders.

A portion of the income for each of the endowments, not to exceed 15%, may be used at the discretion of the President in accordance with the donor's specific wishes for certain administrative expenses at U. T. Dallas.

See Item 20 below.

20. U. T. Dallas: Designation of Income from the Excellence in Education Foundation Endowment to Establish the Cecil and Ida Green Center Endowment.--Authorization was granted to designate ten percent of the income earned from the Excellence in Education Foundation Endowment at The University of Texas at Dallas and future gifts, up to \$3,375,000, to establish a quasi-endowment at U. T. Dallas to be named the Cecil and Ida Green Center Endowment.

Income earned from the endowment will be used to provide program support and operating funds for the Cecil and Ida Green Center for the Study of Science and Society at U. T. Dallas.

See Item 19 above.

21. U. T. El Paso: Acceptance of Bequest from the Estate of Helen Roth, El Paso, Texas.--The Asset Management Committee recommended and the Board accepted a specific bequest of books valued at \$358.00 from the Estate of Helen Roth, El Paso, Texas, for the benefit of The University of Texas at El Paso Library.
22. U. T. El Paso: Approval to Accept Partial Remainder Interest in The Douglas E. and Burby M. Swartz Charitable Remainder Unitrust.--Approval was given to accept a 77.7778 percent remainder interest in The Douglas E. and Burby M. Swartz Charitable Remainder Unitrust, funded by Mr. Douglas E. Swartz, El Paso, Texas (to be held in trust by Mr. Steven Tredennick, El Paso, Texas, as Trustee), to establish an endowment at The University of Texas at El Paso upon termination of the Trust.
23. U. T. El Paso: Acceptance of Gift from the West El Paso Chapter 66 of the Disabled American Veterans Inc., El Paso, Texas, and Establishment of the West El Paso Memorial Disabled Veterans Scholarship.--The Board accepted a \$10,000 gift from the West El Paso Chapter 66 of the Disabled American Veterans Inc., El Paso, Texas, and established the West El Paso Memorial Disabled Veterans Scholarship at The University of Texas at El Paso.

Income earned from the endowment will be used to provide scholarships, with preference given to members and family of members of the Disabled American Veterans Inc.

24. U. T. San Antonio: Acceptance of Gift from an Anonymous Donor and Establishment of the Felix and Elizabeth McKinney Memorial Scholarship Fund (No Publicity)--A \$10,000 gift from an anonymous donor was accepted to establish the Felix and Elizabeth McKinney Memorial Scholarship Fund at The University of Texas at San Antonio.

Income earned from the endowment will be used to provide scholarship support to students based on financial need.

It was requested that no publicity be given to this matter.

25. U. T. Southwestern Medical Center - Dallas: Establishment of the Anesthesiology Alumni Professorship.--The Asset Management Committee recommended and the Board established the Anesthesiology Alumni Professorship at The University of Texas Southwestern Medical Center at Dallas with the understanding that funds for the endowment (\$100,000) will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

Income earned from the endowment will be used to support the Professorship.

See Page 83 related to an appointment to this Professorship.

26. U. T. Southwestern Medical Center - Dallas: Acceptance of Gift and Pledge from the Charles Y. C. Pak Foundation, Dallas, Texas; Establishment of The Frederic C. Bartter Professorship in Vitamin D Research; Allocation of Funds from the Private Fund Development Campaign; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board, upon recommendation of the Asset Management Committee, accepted a \$20,000 gift and a \$30,000 pledge, payable by September 1, 1996, from the Charles Y. C. Pak Foundation, Dallas, Texas, for a total of \$50,000 and established The Frederic C. Bartter Professorship in Vitamin D Research at The University of Texas Southwestern Medical Center at Dallas.

Further, \$50,000 will be allocated from the \$12,500,000 challenge fund established with MSRDP funds at the U. T. Southwestern Medical Center - Dallas as part of the Private Fund Development Campaign and will be used to increase the endowment to a total of \$100,000.

Additionally, the actual income that will be earned on the \$20,000 gift and \$30,000 pledge, as received, will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

Income earned from the endowment will be used to support the Professorship.

See Page 83 related to an appointment to this Professorship.

27. U. T. Southwestern Medical Center - Dallas: Authorization to Accept Bequest from the Estate of Bertha B. Cook, Dallas, Texas.--Authorization was granted to accept fifty percent of the residue from the Estate of Bertha B. Cook, Dallas, Texas, valued at \$57,957.41 for the use and benefit of the Alzheimer's Disease Research Center at The University of Texas Southwestern Medical Center at Dallas.

28. U. T. Southwestern Medical Center - Dallas: Acceptance of Gift and Pledge from Dr. and Mrs. Kern (Marnie) Wildenthal, Dallas, Texas, and Dr. and Mrs. Peter J. (Arline) Dehlinger, Palo Alto, California; Establishment of the Peter and Jean D. Dehlinger Professorship in Biomedical Science; Allocation of Funds from the Private Fund Development Campaign; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Asset Management Committee, the Board accepted a \$10,000 gift and a \$40,000 pledge, payable by January 31, 1998, from Dr. and Mrs. Kern (Marnie) Wildenthal, Dallas, Texas, and Dr. and Mrs. Peter J. (Arline) Dehlinger, Palo Alto, California, for a total of \$50,000 and established the Peter and Jean D. Dehlinger Professorship in Biomedical Science at The University of Texas Southwestern Medical Center at Dallas.

Further, \$50,000 will be allocated from the \$12,500,000 challenge fund established with MSRDP funds at the U. T. Southwestern Medical Center - Dallas as part of the Private Fund Development Campaign and will be used to increase the endowment to a total of \$100,000.

Additionally, the actual income that will be earned on the \$10,000 gift and the \$40,000 pledge, as received, will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

Income earned from the endowment will be used to support the Professorship.

29. U. T. Southwestern Medical Center - Dallas: Gertrude M. Gillespie Fund for Biomedical Research - Authorization to Sell Real Property Being Retail Shopping Centers Located at 3517-3531 Oak Lawn Avenue, 3809 Bowser Avenue, and 3604-3610 Oak Lawn Avenue, Dallas, Dallas County, Texas, and Authorization for the Executive Director of Endowment Real Estate to Execute Documents.--The Board, upon recommendation of the Asset Management Committee, authorized the Office of Endowment Real Estate, on behalf of The University of Texas Southwestern Medical Center at Dallas, to sell the real property described below which was received from the Estate of Gertrude M. Gillespie. The properties will be marketed for sale through separate requests for competitive offers and each property will be sold for the best offer at or above the appraised value with the proceeds added to the Gertrude M. Gillespie Fund for Biomedical Research.

- a. A retail shopping center located at 3517-3531 Oak Lawn Avenue and 3809 Bowser Avenue, Dallas, Dallas County, Texas. The site contains approximately 25,600 square feet of land including a 9,600 square foot parking lot and 9,061 square feet of gross leasable area.

An MAI appraisal by Butler & Burgher of Dallas, Texas, dated April 12, 1994, indicates that the leased fee interest of the property is \$900,000.

- b. A retail shopping center located at 3604-3610 Oak Lawn Avenue, Dallas, Dallas County, Texas. The site contains approximately 11,287 square feet of land with 6,510 square feet of gross leasable area.

An MAI appraisal by Butler & Burgher of Dallas, Texas, dated April 12, 1994, indicates that the leased fee interest of the property is \$650,000.

Further, the Executive Director of Endowment Real Estate, on behalf of the U. T. Southwestern Medical Center - Dallas, was authorized to execute all documents pertaining to the sale following approval of President Wildenthal, the Executive Vice Chancellor for Health Affairs, and the Office of General Counsel.

30. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from Various Donors; Establishment of the John R. Johnson Memorial Fund for Cancer Research; Allocation of Funds from the Private Fund Development Campaign; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board accepted \$150,000 in gifts from various donors and established the John R. Johnson Memorial Fund for Cancer Research at The University of Texas Southwestern Medical Center at Dallas.

Further, \$150,000 will be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and will be used to increase the endowment to a total of \$300,000.

In addition, the actual income that will be earned on the \$150,000 gift and the \$150,000 in challenge funds will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

Income earned from the endowment will be used to support the work of the oncology faculty at the U. T. Southwestern Medical Center - Dallas.

31. U. T. Southwestern Medical Center - Dallas: Approval to Establish the Thomas Fariss Marsh, Jr. Professorship in Pediatrics.--Approval was given to establish the Thomas Fariss Marsh, Jr. Professorship in Pediatrics at The University of Texas Southwestern Medical Center at Dallas with the understanding that the funds for the endowment (\$100,000) will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

Income earned from the endowment will be used to support the Professorship.

32. U. T. Southwestern Medical Center - Dallas: Acceptance of Gift and Pledge from The Rosewood Corporation and The Sands Foundation, Both of Dallas, Texas; Establishment of the Rosewood Corporation Chair in Biomedical Science; Allocation of Funds from the Private Fund Development Campaign; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Asset Management Committee, the Board accepted a \$62,500 gift and a \$187,500 pledge, payable by January 31, 1997, from The Rosewood Corporation and The Sands Foundation, both of Dallas, Texas, for a total of \$250,000 and established the Rosewood Corporation Chair in Biomedical Science at The University of Texas Southwestern Medical Center at Dallas.

Further, \$250,000 will be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and will be used to increase the endowment to a total of \$500,000.

Additionally, the actual income that will be earned on the \$62,500 gift, the \$187,500 pledge, as received, and the \$250,000 in challenge funds will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

Income earned from the endowment will be used to support the Chair.

33. U. T. Southwestern Medical Center - Dallas: Authorization to Accept Remainder Interest in the Carl J. and Hortense M. Thomsen Six and One-Quarter Percent Trust from Mr. and Mrs. Carl J. Thomsen, Dallas, Texas, and Appointment of the U. T. Board of Regents as Trustee of the Trust.--Authorization was granted to accept the remainder interest in the Carl J. and Hortense M. Thomsen Six and One-Quarter Percent Trust, to be funded with a gift of bonds with a par value of \$500,000 from Mr. and Mrs. Carl J. Thomsen, Dallas, Texas, for the benefit of The University of Texas Southwestern Medical Center at Dallas.

In addition, the U. T. Board of Regents accepted appointment as Trustee of the Trust.

The trust agreement provides for the payment of six and one-quarter percent of the annual net fair market value of the trust assets or the actual income, whichever is less, to be paid quarterly to Mr. and Mrs. Thomsen for a term of six years or until their deaths. If the trust income for any taxable year exceeds six and one-quarter percent, the payment to the donors shall include such excess income to the extent that the total amounts paid to the donors in prior years is less than six and one-quarter percent of the aggregate net fair market value of the trust assets for such years. In any year when income is more than six and one-quarter percent, excess income will be added to the corpus of the Trust.

Upon termination of the Trust, the corpus and any accumulated or undistributed income of the Trust shall be distributed to the U. T. Board of Regents for the benefit of the U. T. Southwestern Medical Center - Dallas, specifically to be used at the discretion of the component President. The funds may not be used for the construction of any facilities.

34. U. T. Southwestern Medical Center - Dallas: Acceptance of Gift and Pledge from Mr. and Mrs. Lucian Touchstone and Mr. and Mrs. Gifford O. Touchstone, All of Dallas, Texas, for Addition to the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Chair in Diabetes Research; Redesignation of the Chair as the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Distinguished Chair in Diabetes Research; Allocation of Funds from the Private Fund Development Campaign; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board, upon recommendation of the Asset Management Committee, accepted a \$125,000 gift and a \$125,000 pledge, payable by January 31, 1997, from Mr. and Mrs. Lucian Touchstone and Mr. and Mrs. Gifford O. Touchstone, all of Dallas, Texas, for a total of \$250,000 for addition to the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Chair in

Diabetes Research at The University of Texas Southwestern Medical Center at Dallas for a total endowment of \$750,000. With the addition of these funds, the Chair was redesignated as the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Distinguished Chair in Diabetes Research.

Further, \$250,000 will be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and will be used to increase the endowment to a total of \$1,000,000.

Additionally, the actual income that will be earned on the \$125,000 gift, the \$125,000 pledge, as received, and the \$250,000 in challenge funds will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

See Page 83 related to an appointment to this Chair.

35. U. T. Southwestern Medical Center - Dallas: Establishment of the Jean Walter Center for Research in Movement Disorders.--The Asset Management Committee recommended and the Board established an endowment to be named the Jean Walter Center for Research in Movement Disorders at The University of Texas Southwestern Medical Center at Dallas with the understanding that funds for the endowment (\$1,000,000) will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

Income earned from the endowment will be used to support the Center.

36. U. T. Medical Branch - Galveston: Approval to Accept Partial Remainder Interest in the Sheila Emery Allen Charitable Remainder Trust.--Approval was given to accept a fifty percent remainder interest in the Sheila Emery Allen Charitable Remainder Trust, funded with the residue of the Estate of Sheila Emery Allen, Fort Worth, Texas (to be held in trust by Bank One, Texas, Fort Worth, Texas), initially valued at \$1,409,850.19 for the benefit of The University of Texas Medical Branch at Galveston.

37. U. T. Medical Branch - Galveston: Acceptance of Transfer of Funds and Establishment of the William Bennett Bean Scholarship in the Medical Humanities.--Upon recommendation of the Asset Management Committee, the Board accepted a \$10,000 transfer of institutional designated funds and established a quasi-endowment at The University of Texas Medical Branch at Galveston to be named the William Bennett Bean Scholarship in the Medical Humanities.

Income earned from the endowment will be used to provide scholarship support for the graduate program in medical humanities.

38. U. T. Medical Branch - Galveston: Acceptance of Gift from an Anonymous Donor and Establishment of the Endowed Scholarship for the Institute for the Medical Humanities.--The Board accepted a \$10,000 gift from an anonymous donor and established the Endowed Scholarship for the Institute for the Medical Humanities at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to provide scholarship support for the graduate program in medical humanities.

39. U. T. Medical Branch - Galveston: Acceptance of Gifts and Pledges from Various Donors; Establishment of the E. Burke Evans Chair in Orthopaedic Surgery Endowment Fund; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Authorization was granted to accept \$235,077.50 in gifts and \$148,112.50 in pledges, payable by August 31, 1999, from various donors for a total of \$383,190 and to establish an endowment at The University of Texas Medical Branch at Galveston to be named the E. Burke Evans Chair in Orthopaedic Surgery Endowment Fund.

Further, the actual income that will be earned on the \$235,077.50 in gifts and \$148,112.50 in pledges, as received, will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

Income earned from the endowment will be reinvested in the corpus of the endowment until the minimum funding level of \$500,000 for a Chair is reached.

40. U. T. Health Science Center - Houston: Acceptance of Gift and Pledge from Mrs. Mary E. Trumble, The Woodlands, Texas; Establishment of the Theodore J. and Mary E. Trumble Professorship in Aging Research; and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Asset Management Committee recommended and the Board accepted a \$20,000 gift and an \$80,000 pledge, payable by December 31, 1994, from Mrs. Mary E. Trumble, The Woodlands, Texas, for a total of \$100,000 and established the Theodore J. and Mary E. Trumble Professorship in Aging Research in the U. T. Nursing School - Houston at The University of Texas Health Science Center at Houston.

Further, the actual income that will be earned on the \$20,000 gift and \$80,000 pledge, as received, will be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

Ninety percent of the income earned from the endowment will be used to support the Professorship and the remaining ten percent of the income earned will be reinvested in the corpus of the endowment.

41. U. T. Health Science Center - San Antonio: Acceptance of Gift from Mrs. Evelyn Knott Woolley, San Antonio, Texas, and Establishment of the Evelyn Knott Woolley Ophthalmology Research Endowment Fund.--The Board, upon recommendation of the Asset Management Committee, accepted a \$10,000 gift from Mrs. Evelyn Knott Woolley, San Antonio, Texas, and established the Evelyn Knott Woolley Ophthalmology Research Endowment Fund at The University of Texas Health Science Center at San Antonio.

Income earned from the endowment will be used to support research in the Department of Ophthalmology.

42. U. T. M.D. Anderson Cancer Center: Report on Final Distribution from the Wilfred George Barnts Charitable Remainder Unitrust, Fort Bend, Texas; Acceptance of Bequest from the Estate of Wilfred George Barnts, Fort Bend, Texas; and Establishment of the Barnts Family Fund for Cancer Research.--It was reported that the final distribution from the Wilfred George Barnts Charitable Remainder Unitrust, Fort Bend, Texas, had been received for a total distribution of \$586,076.41.

With the \$586,076.41 distribution from the Wilfred George Barnts Charitable Remainder Unitrust, the Board established an endowment at The University of Texas M.D. Anderson Cancer Center to be named the Barnts Family Fund for Cancer Research.

In addition, the residue of the Estate of Wilfred George Barnts, Fort Bend, Texas, valued at approximately \$513,000 was accepted for addition to the Barnts Family Fund for Cancer Research at the U. T. M.D. Anderson Cancer Center for a total endowment of approximately \$1,099,076.41.

Income earned from the endowment will be used to support promising programs in cancer research.

43. U. T. M.D. Anderson Cancer Center: Acceptance of Bequest from the Estate of Mary Spainhour Gordon, Austin, Texas, and Remainder Interest in the Ambrose Gordon, Jr. Testamentary Trust, Austin, Texas.--The Board accepted a residual interest in the Estate of Mary Spainhour Gordon, Austin, Texas, valued at \$1,507.27 for the unrestricted use of The University of Texas M.D. Anderson Cancer Center.

Further, a remainder interest in the Ambrose Gordon, Jr. Testamentary Trust, Austin, Texas (to be held in trust by NationsBank of Texas, N.A., Austin, Texas), was also accepted for the unrestricted use of the U. T. M.D. Anderson Cancer Center. The Ambrose Gordon, Jr. Testamentary Trust will terminate upon the thirty-fifth birthday of Mr. Gordon's son, Ambrose Gordon, III, or his death. Upon termination of the Trust, the balance of the Trust will be distributed pursuant to the terms of the heirship determination dated December 17, 1992.

See Item 47 on Page 128.

44. U. T. M.D. Anderson Cancer Center: Approval to Accept Remainder Interest in the Carlotta T. Hamilton Trust, Houston, Texas.--Approval was given to accept a one percent remainder interest in the Carlotta T. Hamilton Trust, Houston, Texas, valued at \$16,726.08 in memory of Mrs. Gladys T. McKechnie for the benefit of The University of Texas M.D. Anderson Cancer Center to be used for research activities.
45. U. T. M.D. Anderson Cancer Center: Acceptance of Gifts from Various Donors and Transfer of Funds and Establishment of the Eva Lotzova Memorial Fellowship.--The Asset Management Committee recommended and the Board accepted \$2,625.59 in gifts from various donors and a \$52,000 transfer of previously reported gifts for a total of \$54,625.59 and established a quasi-endowment at The University of Texas M.D. Anderson Cancer Center to be named the Eva Lotzova Memorial Fellowship.

Income earned from the endowment will be reinvested in the corpus of the endowment until a future date.

46. U. T. M.D. Anderson Cancer Center: Acceptance of Gift and Pledge from the Deborah Richman Cancer Research Philanthropic Fund of the Jewish Community Federation of Cleveland, Cleveland, Ohio, and Establishment of the Deborah M. Richman Cancer Lecture Series within the Brain Tumor Center.--Upon recommendation of the Asset Management Committee, the Board accepted a \$10,000 gift and a \$20,000 pledge, payable by January 1, 1995, from the Deborah Richman Cancer Research Philanthropic Fund of the Jewish Community Federation of Cleveland, Cleveland, Ohio, for a total of \$30,000 and established an endowment at The University of Texas M.D. Anderson Cancer Center to be named the Deborah M. Richman Cancer Lecture Series within the Brain Tumor Center.

Income earned from the endowment will be used to provide funding for lecturers to speak at the U. T. M.D. Anderson Cancer Center on significant advances in the research, diagnosis, and treatment of brain cancers.

47. U. T. M.D. Anderson Cancer Center: Authorization to Accept Bequest from the Estate of Emily Robertson Spainhour, Houston, Texas.--Authorization was granted to accept one-seventh of the residue of the Estate of Emily Robertson Spainhour, Houston, Texas, in the amount of approximately \$409,475 for the unrestricted use of The University of Texas M.D. Anderson Cancer Center.

See Item 43 on Page 127.

48. U. T. M.D. Anderson Cancer Center: Acceptance of Bequest from the Estate of Mary Ann Spinogatti, Broward County, Florida.--The Board, upon recommendation of the Asset Management Committee, accepted the residue of the Estate of Mary Ann Spinogatti, Broward County, Florida, in the amount of \$23,628.44 to support cancer research at The University of Texas M.D. Anderson Cancer Center.

49. U. T. M.D. Anderson Cancer Center: Authorization to Accept Bequest from the Estate of Mattye Stevens, Harris County, Texas.--The Asset Management Committee recommended and the Board accepted fifty percent of the residue of the Estate of Mattye Stevens, Harris County, Texas, in the amount of \$174,569.50 to support research programs at The University of Texas M.D. Anderson Cancer Center.

50. U. T. M.D. Anderson Cancer Center: Approval to Accept Bequest from the Estate of Fannie Mae Townsley, Los Angeles, California.--Approval was given to accept a bequest of twenty-five percent of the residue of the Estate of Fannie Mae Townsley, Los Angeles, California, in the amount of approximately \$4,250, with \$3,001.06 received to date, to support cancer research at The University of Texas M.D. Anderson Cancer Center.

III. OTHER MATTERS

1. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter IX, Section 3, Subsection 3.5 (Exchange of Bonds)--The Board, upon recommendation of the Asset Management Committee, amended the Regents' Rules and Regulations, Part Two, Chapter IX, Section 3 by deleting in its entirety Subsection 3.5 (Exchange of Bonds).

The referenced Subsection 3.5 was added to the Regents' Rules and Regulations at the August 1969 U. T. Board of Regents' meeting but is no longer applicable. The accounting method for the recording of bond exchanges as cited in that Subsection 3.5 is not in accordance with current generally acceptable accounting principles. The Office of Asset Management prefers to record all future bond exchanges as purchases and sales using the completed transaction method. This method of accounting will assure proper recognition of gains and/or losses on bond exchanges.

2. U. T. System: Reappointment of Ms. Barbara Sublett Guthery, Austin, Texas, as a Member of the Investment Advisory Committee for a Term to Expire August 31, 1997.--Upon recommendation of the Asset Management Committee, the Board reappointed Ms. Barbara Sublett Guthery, President of Sublett Investments Inc. of Austin, Texas, to a second term on the Investment Advisory Committee for a three-year period from September 1, 1994 to August 31, 1997.

With this reappointment, the Investment Advisory Committee membership will be as follows:

<u>Members</u>	<u>Terms Expire August 31</u>
Barbara Sublett Guthery	1997
Carol Lott	1995
L. Lowry Mays	1996
Robert E. Wise	1995
Unfilled	1995
Unfilled	1996
Unfilled	1997

3. U. T. System: Amendment to the Investment Guidelines Section of the Permanent University Fund Investment Policy Statement.--In order to allow for the purchase of Permanent University Fund (PUF) Notes, as provided for in Article 7, Section 18(g) of the Texas Constitution, issued by either The University of Texas System Board of Regents or The Texas A&M University System Board of Regents, the Board amended the Investment Guidelines section of The University of Texas System Permanent University Fund Investment Policy Statement. This authority and associated Note purchase commitment by the Board on behalf of the PUF will in turn allow for the assignment of the highest credit ratings on both U. T. System and A&M PUF Notes by the rating agencies.

The U. T. System Permanent University Fund Investment Policy Statement, as amended through August 11, 1994, is set forth below in its entirety.

PERMANENT UNIVERSITY FUND
INVESTMENT POLICY STATEMENT

FUND CHARACTERISTICS

The Permanent University Fund is a perpetual endowment in support of The University of Texas and The Texas A&M University Systems. The Fund is authorized by the State Constitution and supplies resources in two ways:

- 1) Beneficiary university systems may sell bonds up to 30% of their share of the book value of the Fund, secured and payable from a lien on their portion of the cash income of the Fund. Therefore, The University of Texas System and The Texas A&M University System may sell bonds, respectively, up to 20% and 10% of the book value of the Fund.
- 2) Cash income in excess of debt service requirements is available for current expenditures relating to academic enrichment and excellence at The University of Texas at Austin and Texas A&M University at College Station and Prairie View A&M University.

The Fund was generated and is increased principally by oil and gas royalties and lease bonuses from Permanent University Fund Lands. Cash inflow to the Fund is subject to fluctuation due to petroleum production, prices, and industry economics. Since oil and gas is depleting in nature and the Fund continues to grow from this source as well as appreciation of investments, cash inflow over time will tend to decline as a percentage of the value of the Fund.

The State Constitution requires that all cash income of the Fund consisting of interest and dividends on investments be paid out. Therefore, only the appreciation of securities is able to provide internal growth of the Fund.

RESPONSIBILITY AND MANAGEMENT OF THE FUND

The State Constitution vests fiduciary responsibility for the Fund with the Board of Regents of The University of Texas System. The Board employs an investment and administrative staff, headed by the Vice Chancellor for Asset Management. Specific investment decisions are handled by the investment staff as well as unaffiliated investment managers, who are employed from time to time. The Board retains an Investment Advisory Committee to provide counsel concerning portfolio and economic issues affecting the Fund.

CONFLICT OF INTEREST

Members of the Board and the Investment Advisory Committee are frequently persons of wide-ranging business interests. Therefore, a prudent, independent investment decision process may result in investments in firms or organizations with which a member of the Board or the Investment Advisory Committee is affiliated. Affiliation shall be interpreted within this section to mean an employee, officer, director, or owner of five percent or more of the voting stock of a firm or organization. The investment staff or an unaffiliated investment manager may invest in such securities. However, the following restrictions shall apply:

- A member of the Board or the Investment Advisory Committee shall not direct nor participate in the decision to purchase or sell securities of a firm with which such member is affiliated.
- Securities will not be purchased from or sold to a member of the Board or the Investment Advisory Committee.
- All members of The University of Texas System investment and administrative staff must report any affiliation with another firm or organization to the Regents' Asset Management Committee. On an annual basis, the staff will report the nature and extent of any investments in or business transacted with such firms.

INVESTMENT OBJECTIVES

There are two primary investment objectives. One is to provide a continuing and dependable cash income stream, stable and preferably growing in real terms, after giving effect to inflation. The second is to cause the total value of the Fund to appreciate over time.

The cash income requirement on the Fund is substantial and continuous. Income must be sufficient to provide debt service coverage of all bonds payable from the Fund as well as provide a residual income stream for academic enrichment programs.

The Fund needs to appreciate to insure preservation of the purchasing power of the Fund and also to satisfy the need for income growth in the future.

Management of the Fund attempts to meet these objectives by maximizing the return on the Fund's investments, consistent with an appropriate level of risk and subject to generation of adequate current income. Additionally, the Fund shall be diversified at all times to provide reasonable assurance that investment in a single security, a class of securities, or industry will not have an excessive impact on the Fund.

ASSET MIX

Asset mix is the primary determinant of Fund performance and is the responsibility of the Regents' Asset Management Committee. Asset mix may be changed from time to time based on the economic and security market outlook as well as income requirements.

In establishing asset mix, recognition of the role of various classes of investments will be considered. These include:

- The principal purpose of fixed income investments is to provide a dependable and predictable source of income. Adequate bonds with low enough book yield to meet arbitrage requirements relating to debt secured and payable from the Fund must be owned.
- Equity investments provide both current income and growth of income, but their principal purpose is to provide appreciation of the Fund.
- Cash equivalent-short-term investments provide current income, but their principal purpose is to store purchasing power to fund longer term investments. Cash inflow from Permanent University Fund Lands is recognized as a continuing source of Fund liquidity.
- Other investments, such as venture capital, real estate and other privately placed investments, would be undertaken to provide exceptional returns to the Fund.

In order to meet the Fund's investment objectives and in recognition of the role of various classes of investments, it shall be the policy to invest this Fund's assets with an annual average market value asset mix of each class of investments within the following limits:

	<u>Minimum</u>	<u>Maximum</u>	<u>Long-Term Optimal</u>
Unallocated funds	0%	10%	0%
Fixed income securities(1)	30%	60%	45%
Equity securities(1)	35%	60%	45%
Other investments(1)	0%	15%	10%

(1) Includes allocated cash and cash equivalents

PERFORMANCE GOALS

To accomplish the investment objectives for the Fund and recognizing the critical role of asset mix, specific performance goals exist for the total Fund as well as separate categories of assets. Achievement of these goals is most appropriately determined over a full market cycle time period . . . generally four to five years.

Specific performance goals for the Fund are:

- Common Stocks - Performance equal to or greater than the Standard & Poor's 500 Index.
- Bonds - Performance equal to or greater than the Shearson Lehman Government/Corporate Bond Index or other appropriate bond index.
- Total Fund Return - Performance equal to or greater than that of other comparable funds.

Given the income requirements on the Fund, the performance goal for fixed income securities (bonds) is recognized as imperfect and potentially inappropriate in situations where a substantial and prolonged change in the market level of interest rates occurs. A bond index is a useful comparative device, but income protection, maturity control and portfolio quality are other important performance indices as well as critical elements of portfolio strategy. Active trading of bonds is necessary to prevent deterioration of portfolio market value and may result in the realization of book losses from time to time.

PERFORMANCE MEASUREMENT

The investment performance of the Fund will be measured by an unaffiliated organization with recognized expertise in this field and compared against the stated performance goals of the Fund. Measurement will occur at least annually, and will be used to evaluate the results of the total Fund, major classes of investment assets, and individual management organizations.

INVESTMENT GUIDELINES

The Fund must be invested at all times in strict compliance with the State Constitution and other applicable law. The primary and constant standard for making investment decisions is the "Prudent Person Rule."

Investment restrictions include the following:

- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- Commercial paper and other short-term notes must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2) unless such obligations are PUF debt issued pursuant to Article 7, Section 18 of the Texas Constitution.
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased unless approved by the Vice Chancellor for Asset Management. Bonds rated below A3 or A- shall not constitute an excessive portion

of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Asset Management Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of bonds or preferred stocks rated below Baa3 or BBB-, unrated bonds, and unrated preferred stocks which have been purchased but have not been reviewed by the Asset Management Committee may not exceed 1% of the book value of the Fund.

- The weighted average maturity of the fixed income portfolio shall not exceed 17.5 years.
- Less than five percent of the voting securities of a corporation may be owned unless additional ownership is specifically authorized by the Vice Chancellor for Asset Management.
- No securities may be purchased or held which would jeopardize the Fund's tax-exempt status.
- No securities may be purchased on margin or leverage.
- No transactions in short sales will be made.
- Transactions in derivative instruments (other than those received as part of an investment unit) must be authorized by the Vice Chancellor for Asset Management and may occur only as part of a hedging, asset allocation, or other program authorized by the Asset Management Committee. For purposes of this policy, derivatives shall be defined as any instrument whose value is derived, in whole or part, from the value of any one or more underlying assets, or index of assets (such as stocks, bonds, commodities, interest rates, and currencies) and evidenced by forward, futures, swap, cap, floor, option, and other applicable contracts.
- Unaffiliated investment managers transacting solely within their assigned assets:
 - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
 - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
 - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio at cost in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
 - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

INVESTMENT MANAGEMENT FIRMS

Unaffiliated investment managers may be hired from time to time to provide the Fund with increased diversity through their unique style and approach to investing. Their purpose is to improve the Fund's return and to alter its volatility. Other than as limited by this Policy Statement, investment managers shall have complete investment discretion. In addition to performance, investment managers shall be monitored

for adherence to their investment style and shall be available as reasonably requested for open communication with the Board and The University of Texas System's investment and administrative staff.

FUND ADMINISTRATION

Administration of the Fund is recognized as vital to Fund stability and fulfillment of objectives. Areas of emphasis shall include record keeping, internal controls, protection of assets, cash management and processing efficiency.

Transaction and accounting records shall be complete and prepared on a timely basis with consideration at all times to the adequacy of an audit trail.

Internal controls will assure responsible separation of duties and diminish the real and prospective burden on individual employees.

Custody of the Fund's assets shall be in compliance with applicable law and arranged to provide as much security, trading speed and flexibility as possible. Adequate insurance levels will be maintained by any custodian or transportation agent employed by the Fund.

The daily cash position will be monitored to insure that non-interest bearing cash is minimized. The collection time of all dividend and interest payments will be accelerated to the extent possible.

Operational efficiency is imperative, and computer capabilities shall be extensively used to reduce manual processing and duplication of activities.

System investment and administrative staff will conduct business for the Fund with organizations which, after review, are believed to exercise professional integrity and have financial substance judged adequate in light of the size and nature of the business involved. Normal business entertainment of the staff is recognized as a customary medium for conducting this type of business. Acceptance of material gifts from unaffiliated vendors is prohibited.

Additionally, transactions to purchase or sell securities shall be entered into on the basis of "best execution," which normally means best realized net price for the security. Commissions may be paid for investment services rendered to the Fund including securities research.

INVESTOR RESPONSIBILITY

The Fund supports higher education, which has a special and unique role in society. It follows that, subject to the "Prudent Person Rule," investment of the Fund must be sensitive to major issues affecting its constituency including the State of Texas and supporters of higher education.

As a significant shareholder, the Fund has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the Fund.

The primary basis for all investment decisions is the "Prudent Person Rule" (see Investment Guidelines). The Fund shall not be invested to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

RECONVENE.--At 3:45 p.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEMS FOR THE RECORD

1. U. T. Austin - Clara M. Parker Delta Kappa Gamma Scholarship and the Maggie C. Murchison Delta Kappa Gamma Scholarship: Amendment to Minute Order of June 5, 1986, to Reflect Correct Administration of the Scholarship Endowment Funds.--At the June 1986 meeting, the U. T. Board of Regents, at the request of The University of Texas at Austin, granted approval to enlarge the scope of eligible awardees for scholarships endowed by the Delta Kappa Gamma Society International to include qualified students accepted for enrollment at any component institution of The University of Texas System.

The Clara M. Parker Delta Kappa Gamma Scholarship and the Maggie C. Murchison Delta Kappa Gamma Scholarship were funded by the Alpha Chapter of Delta Kappa Gamma, located in Travis County, Texas, with the intention that these two scholarships benefit students at U. T. Austin. Thus the June 1986 Board action is hereby amended to reflect this designation.

2. U. T. Austin - Kelly H. Stevens Room (Room 3.335) in the Harry Ransom Humanities Research Center: Report on Change of Room Designation from Room 3.335 to Room 3.312.--It was reported that at the April 1994 meeting, the U. T. Board of Regents approved changing the designation of the Kelly H. Stevens Room from Room 7.308 to Room 3.335 in the Harry Ransom Humanities Research Center at The University of Texas at Austin. The relocation of the Kelly H. Stevens collection was recommended to make the Stevens material more accessible and to allow Room 7.308 to be used for other materials. The collection consists of furniture, paintings, sculptures, and other objects of art.

Subsequent to that approval, the art curator at the Harry Ransom Humanities Research Center suggested that the Stevens Room be relocated to an interior room to avoid light damage to the art works. As a result, administrative approval has been given to designate Room 3.312 in the Harry Ransom Humanities Research Center as the Kelly H. Stevens Room rather than Room 3.335 as previously approved.

3. U. T. Austin and U. T. San Antonio - Lot 1, Section Three, Oak View Subdivision, Austin, Travis County, Texas: Amendment to Minute Order of June 9, 1994, to Reflect Correct Description of the Parcel as Lot 1, Balcones Subdivision, Austin, Travis County, Texas.-- The U. T. Board of Regents, at the June 1994 meeting, authorized The University of Texas at Austin to sell a parcel of land in Austin, Travis County, Texas, to The University of Texas at San Antonio which in turn was authorized to sell the property to Miller Bros. of San Antonio, Texas. Unfortunately, the legal description of the parcel to be sold was listed incorrectly. Rather than "Lot 1, Section Three, Oak View Subdivision, Austin, Travis County, Texas," the parcel should have been

described as "Lot 1, Balcones Subdivision, Austin, Travis County, Texas." The parcel is the same, but the name was changed when the property was resubdivided. Thus the June 1994 Board action was amended to reflect the correct name of the subdivision.

4. U. T. Pan American: Report on Private Development Fund Campaign for Support of Engineering Programs.--It was reported that the Private Development Fund Campaign for Support of Engineering Programs at The University of Texas - Pan American authorized by the U. T. Board of Regents at the December 1990 meeting has been successfully concluded with the commitment of gifts, pledges, and legislative authorizations totalling \$30,567,621.

Scholarship gifts of \$1,273,253 have been pledged with \$200,786 received. Gifts to support endowed faculty positions total \$1,029,647 with \$521,147 received. Total support for equipment is \$1,872,061 with \$1,470,886 received.

Commitments in support of construction total \$26,040,000, including \$26 million in tuition revenue bond authority under the South Texas/Border Initiative. In addition, unrestricted gifts total \$352,660 with \$95,934 received.

A final report from development consultants Ketchum, Inc., Pittsburgh, Pennsylvania, providing detail on the gifts and pledges is on file in the Office of Academic Affairs at The University of Texas System Administration.

Chairman Rapoport congratulated President Nevárez for his leadership role in the success of this private development fund campaign.

5. U. T. Southwestern Medical Center - Dallas: Kent Waldrep Center for Basic Neuroscience Research - Amendment to Minute Order of April 14, 1994, to Reflect Name as the Kent Waldrep Foundation Center for Basic Neuroscience Research.--At the April 1994 meeting, the U. T. Board of Regents established the Kent Waldrep Center for Basic Neuroscience Research at The University of Texas Southwestern Medical Center at Dallas. The word "Foundation" was inadvertently omitted from the name of the honoree in the title of the Center.

Thus the April 1994 Board action was amended to reflect the name of the Center as the Kent Waldrep Foundation Center for Basic Neuroscience Research.

6. U. T. Health Science Center - San Antonio: Philip A. Deffer, M.D. Lecture Series - Amendment to Minute Order of October 8, 1993, to Reflect Endowment Name as the Philip A. Deffer, Sr., M.D. Lecture Series.--At the October 1993 meeting, the U. T. Board of Regents, at the request of The University of Texas Health Science Center at San Antonio, established the Philip A. Deffer, M.D. Lecture Series. The abbreviated title "Sr.," which is consistent with the correct name of the honoree, was inadvertently omitted from the endowment title by the U. T. Health Science Center - San Antonio.

Accordingly, the October 1993 Board action was amended to reflect the endowment name as the Philip A. Deffer, Sr., M.D. Lecture Series.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Rapoport reported that the Board had met in Executive Session in Room 1.130 of the Commons Building at the J. J. Pickle Research Campus to discuss matters in accordance with Texas Government Code, Chapter 551, Sections 551.071, 551.072, and 551.074. In response to Chairman Rapoport's inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Southwestern Medical Center - Dallas, U. T. Medical Branch - Galveston, and U. T. Health Center - Tyler: Settlements of Medical Liability Litigation.--Regent Ramirez reported that the Board heard presentations from The University of Texas System Administration officials concerning the four medical liability matters listed in the agenda.

Based on these presentations, Regent Ramirez moved that the Chancellor and the Office of General Counsel be authorized to settle the following medical liability litigation matters in accordance with the individual proposals presented in Executive Session:

- a. On behalf of The University of Texas Southwestern Medical Center at Dallas the medical liability litigation filed by Kathie Burdick, et al.
- b. On behalf of The University of Texas Medical Branch at Galveston the medical liability litigation filed by Donald E. Cook, et al.
- c. On behalf of The University of Texas Health Center at Tyler:
 - The medical liability litigation filed by Terrie Martin Vega, et al.
 - The medical liability litigation filed by Kenneth E. Walker, et al. vs. American Regent, et al.

Vice-Chairman Lebermann seconded the motion which prevailed without objection.

2. U. T. System, U. T. Medical Branch - Galveston, U. T. M.D. Anderson Cancer Center, and U. T. Health Center - Tyler, et al.: Settlement of Litigation Related to a Claim by American Health Advisors and William Phillips.--Chairman Rapoport reported that since the distribution of the Material Supporting the Agenda an additional item related to the possible settlement of litigation involving a claim against The University of Texas System and three of the health-related components had been posted with the Secretary of State.

Upon motion of Vice-Chairman Temple, seconded by Vice-Chairman Lebermann, the Board authorized the Chancellor and the Office of General Counsel, with the concurrence of the chief administrative officers of The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University

of Texas Health Center at Tyler, et al., to settle the litigation related to a claim by American Health Advisors and William Phillips in accordance with the parameters outlined in Executive Session.

3. U. T. Brownsville: Approval to Sell Property Located at 25 Calle Jacaranda, Brownsville, Cameron County, Texas, and Authorization for the Executive Vice Chancellor for Business Affairs to Execute Documents Related Thereto.--Regent Holmes moved that the Office of Endowment Real Estate, on behalf of The University of Texas at Brownsville, be authorized to complete negotiations for the sale of the property located at 25 Calle Jacaranda in Brownsville, Cameron County, Texas, according to the parameters outlined in Executive Session and that the Executive Vice Chancellor for Business Affairs or his delegate be authorized to execute all documents pertaining to the sale following approval by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel.

Vice-Chairman Lebermann seconded the motion which carried without objection.

4. U. T. Health Science Center - Houston: Rejection of Findings of Hearing Tribunal Regarding Tenured Faculty Member and Termination of Employment of William E. Walker, M.D., Effective August 11, 1994.--Regent Cruikshank reported that the findings, recommendations, and transcript of the Faculty Hearing Tribunal had been distributed to the Board in advance of the meeting and that in Executive Session the Board had heard presentations from and asked questions of William E. Walker, M.D., who appeared without legal counsel, and Mr. W. O. Shultz II, who appeared on behalf of The University of Texas Health Science Center at Houston.

Based upon the Board's review of the record and the oral presentations and responses, Regent Cruikshank moved that the Board reject the findings of the hearing tribunal that insufficient cause exists to terminate Dr. William E. Walker's employment as a tenured member of the faculty at the U. T. Health Science Center - Houston.

Regent Cruikshank further moved that based upon the record from the hearing before the hearing tribunal on April 5, 1994, the Board find:

- a. That at all times during Dr. Walker's employment the Bylaws of the Medical Service, Research and Development Plan of the U. T. Medical School - Houston of the U. T. Health Science Center - Houston contained the following provisions:
 - (1) Section 3.11 requiring full-time clinical faculty of the Medical School to be members of the Plan
 - (2) Section 4.11 establishing an Institutional Trust Fund for the receipt and disbursement of Plan income

- (3) Section 4.21 requiring that each member's contract with the U. T. Health Science Center - Houston for participation in the Plan require each member to assign all professional income to the Plan
 - (4) Section 4.32 defining professional income to include "fees for all court appearances, depositions, or legal consultations."
- b. That on July 28, 1980, Dr. Walker signed an agreement to become a member of the Plan and to comply with the Bylaws of the Plan as currently in effect and as amended. By the terms of the agreement, Dr. Walker assigned to the University all fees charged and received by him for professional services from whatever source and acknowledged that his failure to deliver such fees to the University could result in his dismissal.
 - c. That an investigation by the University's Office of Internal Auditing disclosed at least eight depositions given by Dr. Walker during the period from 1987 through January 1993. From the deposition testimony of Dr. Walker concerning his hourly rates, the Office of Internal Auditing estimated that during that period Dr. Walker earned \$99,250.00 in professional fees that were not delivered to the University or the Plan.
 - d. That Dr. Walker's failure to deliver professional fees received from his depositions and court appearances to the University or the Plan as required by the Bylaws of the Plan and the agreement signed by Dr. Walker in 1980 is good cause for the termination of his employment as a member of the faculty of the U. T. Health Science Center - Houston.

Regent Cruikshank further moved that, in view of these findings, William E. Walker, M.D., be terminated from the faculty effective at 5:00 p.m. on August 11, 1994.

Vice-Chairman Temple seconded the motions which carried by unanimous vote.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regents Rapoport and Lebermann, as members of the Board for Lease of University Lands, submitted the following report on behalf of that Board:

Report

The Board for Lease of University Lands has not met since its last meeting on May 10, 1994.

The 86th Oil and Gas Lease Sale of Permanent University Fund lands has been set for November 10, 1994, at the Center for Energy and Economic Diversification near the Midland airport. Nominations by the oil and gas industry for the tracts to be offered for this lease sale should be received in the Midland office by July 19, 1994.

SCHEDULED MEETINGS.--Chairman Rapoport announced that the next scheduled meeting of the U. T. Board of Regents would be held on October 7, 1994, at The University of Texas at Dallas.

It was ordered that the meetings of the U. T. Board of Regents for the calendar year 1995 be scheduled as set forth below:

<u>Dates</u>	<u>Locations/Hosts</u>
February 9, 1995	U. T. Austin
April 13, 1995	U. T. Medical Branch - Galveston
June 8, 1995	U. T. San Antonio
August 10, 1995	Regents' Room - No Host
October 13, 1995	U. T. Arlington
December 7, 1995	U. T. Health Science Center - Houston

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:55 p.m.

/s/ Arthur H. Dilly
Executive Secretary

August 19, 1994