

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

VOLUME XXXVIII - D

Meeting No. 853

March 18, 1991

Austin, Texas

and

Meeting No. 854

April 11, 1991

Galveston, Texas

Meeting No. 854

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

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Galveston, Texas

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MEETING NO. 854

THURSDAY, APRIL 11, 1991.--The members of the Board of Regents of The University of Texas System convened in regular session at 10:10 a.m. on Thursday, April 11, 1991, in the Caduceus Room on the sixth floor of the Administration Building at The University of Texas Medical Branch at Galveston, Galveston, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Beecherl, presiding
Vice-Chairman Ramirez
Vice-Chairman Cruikshank
Regent Barshop
Regent Holmes
Regent Moncrief
Regent Rapoport
Regent Temple

Absent

*Regent Loeffler

Executive Secretary Dilly

Chancellor Mark
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins
Executive Vice Chancellor Patrick

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

WELCOME BY THOMAS N. JAMES, M.D., PRESIDENT OF THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON.--Chairman Beecherl stated that the Board was pleased to be meeting at The University of Texas Medical Branch at Galveston as a part of that institution's Centennial activities. He then called on Thomas N. James, M.D., President of the U. T. Medical Branch - Galveston, for any welcoming remarks on behalf of the host institution.

On behalf of the faculty, staff, and students of the U. T. Medical Branch - Galveston, President James welcomed the members of the Board and other guests to Galveston.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON FEBRUARY 14, 1991, AND SPECIAL MEETING HELD ON MARCH 18, 1991.--Upon motion of Regent Barshop, seconded by Regent Moncrief and Vice-Chairman Cruikshank, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on February 14, 1991, in Austin, Texas, and the Minutes of the special meeting held on March 18, 1991, in Austin, Texas, were approved as distributed by the Executive Secretary. The official copies of these Minutes are recorded in the Permanent Minutes, Volume XXXVIII, Pages 953 - 1510.

*Regent Loeffler was excused because of prior business commitments.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 10:13 a.m., the Board recessed for the meetings of the Standing Committees and Chairman Beecherl 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 of those committees are set forth on the following pages.

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 3 - 7).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Beecherl 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. Board of Regents: Approval of Standing Committee Chairmen and Members of the Board for Lease of University Lands; and Report of Appointments to the Standing Committees, Special Committees, and Other Liaison Groups Effective Immediately (Exec. Com. Letter 91-15).--In accordance with the requirements of the Regents' Rules and Regulations, Part One, Chapter I, Section 7, Chairman Beecherl requested concurrence by the Board of the chairmen of the Standing Committees and the members of the Board for Lease of University Lands as set forth below. Upon recommendation of the Executive Committee, unanimous approval was given to his request.

Chairman Beecherl's appointments to the Standing Committees, Special Committees and other liaison groups, which do not require Regental approval, are set forth below. All are effective immediately.

1. STANDING COMMITTEES

Executive Committee

Mr. Louis A. Beecherl, Jr., Chairman
Mario E. Ramirez, M.D., Vice-Chairman
Mr. Robert J. Cruikshank, Vice-Chairman

Personnel and Audit Committee

Mr. Tom Loeffler, Chairman
Mr. Robert J. Cruikshank
Rev. Zan W. Holmes, Jr.

Academic Affairs Committee

Mr. Sam Barshop, Chairman
Rev. Zan W. Holmes, Jr.
Mario E. Ramirez, M.D.
Mrs. Ellen C. Temple

Health Affairs Committee

Mario E. Ramirez, M.D., Chairman
Mr. Robert J. Cruikshank
Mr. W. A. "Tex" Moncrief, Jr.
Mrs. Ellen C. Temple

Finance and Facilities Committee

Mr. W. A. "Tex" Moncrief, Jr., Chairman
Mr. Sam Barshop
Mr. Robert J. Cruikshank
Mr. Bernard Rapoport

Land and Investment Committee

Mr. Robert J. Cruikshank, Chairman
Mr. Louis A. Beecherl, Jr.
Mr. Tom Loeffler
Mr. Bernard Rapoport

2. BOARD FOR LEASE OF UNIVERSITY LANDS

Mario E. Ramirez, M.D.
Mr. Bernard Rapoport

3. SPECIAL COMMITTEES

Endowment Lands - Collin County, Texas (U. T. Dallas)

Mr. Louis A. Beecherl, Jr., Chairman
Mr. Robert J. Cruikshank

Joint Conference Committee of Board of Regents of The University of Texas System and Trustees of Hermann Hospital

Mario E. Ramirez, M.D., Chairman
Mr. Robert J. Cruikshank
Mr. W. A. "Tex" Moncrief, Jr.
Mrs. Ellen C. Temple

Santa Rita Award

Mr. Louis A. Beecherl, Jr., Chairman
Mr. Sam Barshop
Mr. W. A. "Tex" Moncrief, Jr.

4. REGENTAL REPRESENTATIVES

Association of Governing Boards of Universities and Colleges

All Members of the Board of Regents

General Assembly of Inter-University Council - North Texas Region

Mr. Louis A. Beecherl, Jr.

The University of Texas at Austin Development Board (Liaison)

Mr. Sam Barshop

Committee of Governing Boards, Texas Public Senior Colleges and Universities

Mr. Louis A. Beecherl, Jr.

Ex-Students' Association - The University of Texas at Austin (Liaison)

Mrs. Ellen C. Temple

Joint Administrative Affairs Committee of Dallas County Hospital District (U. T. Southwestern Medical Center - Dallas)

Mr. Louis A. Beecherl, Jr.

Bexar County Hospital District, San Antonio, Texas (Liaison) (U. T. Health Science Center - San Antonio)

Mr. Sam Barshop

2. U. T. System: Approval to Purchase a Portion of Lot Three (3) and All of Lots Four (4), Five (5), and Six (6), Block Eighty-Two (82), Original City of Austin, Travis County, Texas, and Improvements Thereon (Colorado Building); Authorization for Chancellor to Execute Documents Pertaining to the Purchase; and Appropriation Therefor (Exec. Com. Letter 91-13).--The University of Texas System Administration and the U. T. Board of Regents have considered acquisition of the Colorado Building for a number of years, because of the volume of space (48%) leased by the University and its proximity to the U. T. System complex of buildings. Only recently, as a result of foreclosure on this property by the Federal Deposit Insurance Corporation (FDIC), has the purchase price made this building an attractive option for meeting space needs of U. T. System Administration and The University of Texas at Austin.

Upon recommendation of the Executive Committee, the Board:

- a. Authorized the purchase of a portion of Lot Three (3) and all of Lots Four (4), Five (5), and Six (6), Block Eighty-Two (82), Original City of Austin, Travis County, Texas, and improvements located thereon, commonly referred to as the Colorado Building, for \$4,500,000
- b. Following review and approval by the Office of General Counsel, authorized the Chancellor or his designated representative to execute all documents pertaining to the purchase of this property
- c. Appropriated \$4,500,000 in Permanent University Fund Bond Proceeds for the purchase of this property.

Approval of this purchase amends the current Capital Improvement Plan and FY 1991 Capital Budget.

3. U. T. Southwestern Medical Center - Dallas - Aston Ambulatory Care Center - Additions and Renovations (Project No. 303-692): Award of Construction Contract to Lee Lewis Construction, Inc., Lubbock, Texas (Exec. Com. Letter 91-11).--The Executive Committee recommended and the Board awarded a construction contract for Aston Ambulatory Care Center - Additions and Renovations at The University of Texas Southwestern Medical Center at Dallas to the lowest responsible bidder, Lee Lewis Construction, Inc., Lubbock, Texas, for the Base Bid and Alternate Bid Nos. 1, 2, and 3 in the amount of \$18,245,000.

The authorized total project cost is composed of the following elements:

Construction Cost	\$18,245,000
Fees and Administrative Expenses	1,712,320
Furniture, Furnishings, and Equipment	4,421,680
Future Work (Testing and Air Balancing, Institutional Renovations)	1,386,000
Miscellaneous Expenses	135,000
Project Contingency	850,000
Total Project Cost	\$26,750,000

This project is included in the Capital Improvement Program approved in June 1989 and the FY 1991 Capital Budget approved in June 1990. The project was approved by the Texas Higher Education Coordinating Board in October 1990.

4. U. T. Southwestern Medical Center - Dallas - Alterations to A. W. Harris Faculty Club (Project No. FC9-2231): Appointment of Mr. George W. Overshiner as Hearing Officer for Disputed Claim Under Construction Contract with Multi-National Investments, Inc., dba Texas Metro Planners & Company (Multi-National), Dallas, Texas, and Authorization for Hearing Officer to Employ Personnel to Conclude Such Hearing and to Present Findings and Recommendations to the U. T. Board of Regents (Exec. Com. Letter 91-13).--The University of Texas Southwestern Medical Center at Dallas ("the Owner") awarded a construction contract dated September 21, 1989, in the amount of \$113,117.40 for alterations to the Owner's A. W. Harris Faculty Club. The Owner terminated for default the right of the contractor, Multi-National Investments, Inc., dba Texas Metro Planners & Company (Multi-National), Dallas, Texas, to proceed under the contract and called upon Indiana Lumbermens Mutual Insurance Company (the "Surety") under its performance bond to have the work completed by another contractor. The Surety had the work completed. The Owner charged liquidated damages of \$200 per day for 108 days of late completion for a total of \$21,600.

The Surety disputed the amount of liquidated damages assessed and claimed that the contract completion date should have been extended for 69 days and consequently the liquidated damages of \$21,600 should be reduced to \$13,800. The Surety's position was denied by Mr. R. S. Kristoferson, Director of the Office of Facilities Planning and Construction at The University of Texas System, in a decision under the Disputes clause of the contract. The denial was upheld on appeal to Chancellor Hans Mark of the U. T. System. The Surety then appealed to the U. T. Board of Regents.

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

- a. Appointed Mr. George W. Overshiner of Fort Worth, Texas, an attorney, as Hearing Officer to represent the Board to hear the claim under the Disputes clause of a construction contract with Multi-National Investments, Inc., dba Texas Metro Planners & Company ("Multi-National"), Dallas, Texas, for Alterations to the A. W. Harris Faculty Club at the U. T. Southwestern Medical Center - Dallas
- b. Empowered the Hearing Officer to adopt such rules of procedure for the hearing as he deems necessary and authorized the Hearing Officer, with the concurrence of the Vice Chancellor and General Counsel, to employ any personnel necessary to conclude such hearing in an expeditious manner
- c. Instructed the Hearing Officer, upon completion of testimony and receipt of all pertinent data, to present his findings and recommendations to the U. T. Board of Regents for a decision regarding the validity of the claim.

5. U. T. Southwestern Medical Center - Dallas - Research Building - Phase I North Campus Expansion - Bid Package Two "C" - Switchgear for Thermal Energy Plant Building (Project No. 303-702): Award of Procurement Contract to General Electric Company/ED&C Sales, Dallas, Texas (Exec. Com. Letter 91-12).--Upon recommendation of the Executive Committee, the Board awarded a procurement contract for the Research Building - Phase I North Campus Expansion - Bid Package Two "C" - Switchgear for Thermal Energy Plant Building at The University of Texas Southwestern Medical Center at Dallas to the lowest responsive and responsible bidder, General Electric Company/ED&C Sales, Dallas, Texas, for the Base Bid in the amount of \$1,009,233.

This project is included in the Capital Improvement Program approved in June 1989 and the FY 1991 Capital Budget. The project was approved by the Texas Higher Education Coordinating Board in October 1989.

6. U. T. M.D. Anderson Cancer Center: Approval to Employ Lockwood, Andrews and Newnam, Inc., Houston, Texas, to Perform a Utility Distribution Systems Study (Exec. Com. Letter 91-14).--The Executive Committee recommended and the Board approved employment of the engineering firm of Lockwood, Andrews and Newnam, Inc., Houston, Texas, to perform a study of utility distribution systems both external and internal to The University of Texas M.D. Anderson Cancer Center buildings at a cost not to exceed \$166,000.

This study will investigate external and internal utility systems in the area bounded by Holcombe Boulevard on the South, John Freeman Street on the East, Bertner Avenue on the West, and The University of Texas Dental Branch at Houston on the North. It will study the capacity and distribution of all utilities to assure adequacy to support the expansion contemplated in the foreseeable future. The utilities to be studied include: potable water, sanitary sewage, storm sewage, chilled water, steam, electricity, natural gas, and incineration of wastes. The study will consider existing capacities and reliabilities, expansion to meet future needs, possibilities for increasing reliabilities, and the possible benefits to be gained from relocating existing equipment and from purchasing certain utilities from external sources as opposed to generating them in-house.

REPORT AND RECOMMENDATIONS OF THE PERSONNEL AND AUDIT COMMITTEE (Pages 8 - 13).--In the absence of Committee Chairman Loeffler, Regent Cruikshank reported that the Personnel 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 Personnel and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Board of Regents: Authorization to Restructure U. T. System Audit Office and Approval of Amendments to the Regents' Rules and Regulations - (a) Part One, Chapter I, Section 7, Subdivision 7.15 (Duties of the Personnel and Audit Committee); (b) Part One, Chapter II, Section 3, Subsection 3.3 (Audit); and (c) Part Two, Chapter II, Section 3 (Auditing).--In order to comply with the Texas Internal Auditing Act (Article 6252-5d, Vernon's Texas Civil Statutes) and the interpretation of the State Auditor's Internal Audit Policy Statement published on September 24, 1990, the Board approved the restructuring of The University of Texas System Audit Office and amended the Regents' Rules and Regulations, Parts One and Two related thereto as follows:
 - a. Part One, Chapter I, Section 7, Subdivision 7.15 was amended to read as follows:
 - 7.15 Duties of the Personnel and Audit Committee.--The Personnel and Audit Committee shall:
 - 7.154 Obtain, review, and report to the Board on all State Auditor's Reports and Management Letters and System and institutional internal audit reports.
 - 7.155 Approve the System-wide internal audit plan.
 - 7.156 Transmit to the Chancellor, subject to the prior approval of the Board, such instructions as it deems necessary for the implementation of appropriate internal auditing practices.
 - 7.157 Initiate System and institutional audits as deemed necessary to ensure management control within The University of Texas System. (In this regard, the System Director of Audits reports to the Chairman of the Personnel and Audit Committee.)
 - b. Part One, Chapter II, Section 3, Subsection 3.3 was amended to read as follows:
 - 3.3 Audit.
The Chancellor, as chief executive officer of the System, is responsible for insuring the implementation of appropriate audit procedures for the System. Accordingly, the System Director of Audits prepares an executive summary of all internal audit activity by the System internal auditors and the institutional internal auditors for the Chancellor.

- 3.31 System Director of Audits.
The System Director of Audits is responsible for coordinating the effective auditing of the System as set out in Subdivision 3.312 of this Chapter. The System Director of Audits provides audit assistance to the Chancellor, the Executive Vice Chancellors and the Vice Chancellors in the exercise of their responsibilities.
- 3.311 Appointment and Tenure.
The System Director of Audits shall be appointed by the Board after nomination by the Chancellor. The System Director of Audits shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the System Director of Audits are subject to review and approval by the Board.
- 3.312 Duties and Responsibilities.
The primary responsibilities of the System Director of Audits include:
- 3.3121 Developing a System-wide internal audit plan based on a System-wide risk assessment and coordinating the implementation of this plan with the institutional internal auditors. This System-wide audit plan is submitted to the Personnel and Audit Committee for approval after the Chancellor's review and approval.
- 3.3122 Conducting audits of the System including the revenue produced from the Permanent University Fund lands.
- 3.3123 Formulating policies for the internal audit activity at each component institution.
- 3.32 The System internal auditors are the internal auditors for the System and augment the audit work of the institutional internal auditor and the State Auditors at the component institutions.

- c. Part Two, Chapter II, Section 3 was amended to read as follows:

Sec. 3. Auditing.

- 3.1 Internal auditors are responsible for reviewing, evaluating, and reporting on the institution's system of internal administrative and accounting controls and the efficiency and effectiveness of the operations when compared with established standards. The internal auditors are to have no authority or responsibility for the activities they audit. The objective of internal auditing is to assist the chief administrative officer in the effective discharge of his or her responsibilities by furnishing objective analyses, appraisals and recommendations concerning the activities reviewed. To accomplish these objectives, the internal auditor is authorized to have full, free and unrestricted access to all property, personnel and records. The examination of patient medical records must serve a genuine audit need; and individual patients should not be identified in any audit report. The Texas Internal Auditing Act, the Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors, Inc. and "College and University Business Administration" published by the National Association of College and University Business Officers shall serve as guidelines for internal audit activities.
- 3.2 Each institution is expected to maintain an internal audit staff unless otherwise exempt from this requirement by the Chancellor. The institutional internal auditor reports to the institutional chief administrative officer or the institutional audit committee. The institutional internal auditor submits an annual audit plan for approval by the chief administrative officer and forwards a copy to the appropriate Executive Vice Chancellor and the System Director of Audits.
- 3.3 The System Director of Audits shall seek input into the System-wide audit plan from the institutional internal auditors. The implementation of the System-wide internal audit plan will be coordinated with the institutional internal audit

plans to insure major risks are addressed yet duplication of effort is minimized.

- 3.4 The State Auditor's Office, as part of the legislative branch of state government, is the external independent auditor of The University of Texas System. The State Auditor's Office conducts financial and performance audits and makes recommendations for improving financial and management controls within The University of Texas System. The State Auditor's Office reviews The University of Texas System's internal control structure and operations to determine the scope of the examination and reliability of the entity's financial and nonfinancial data. The internal audit function is considered a part of the internal control structure of The University of Texas System.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter III, Section 1, Subsection 1.4 (Appointments); Section 2 (Classified Personnel Systems); Section 6, Subsection 6.(11) (Tenure, Promotion, and Termination of Employment); Section 10, Subsection 10.3 (Communications, Appeals, and Hearings); and Section 13, Subsection 13.7 (Outside Employment).--Upon recommendation of the Personnel and Audit Committee, the Board amended the Regents' Rules and Regulations, Part One, Chapter III as set forth below:

- a. Subsection 1.4 of Section 1 was amended to read as follows:

Sec. 1. Appointments.

- 1.4 The chief administrative officers of the component institutions shall not nominate or appoint, nor will the Board approve the appointment of, any person whose qualifications and conduct are not exemplary.

- b. Section 2 was amended by moving the current text of Section 6, Subsection 6.(11) to Section 2, renumbering Subsection 6.(11) as Subsection 2.4 and revising same, and adding a new Subsection 2.5 to read as follows:

Sec. 2. Classified Personnel Systems.

- 2.4 Procedures for dismissal, demotion, or suspension without pay of classified personnel are provided for by the "Policies and Procedures for Discipline and Dismissal of Employees" adopted by the U. T. Board of Regents.

2.5 Grievances of classified employees will be considered pursuant to the "Grievance Policy and Procedures" adopted by the U. T. Board of Regents.

- c. Section 6 was amended by renumbering the first paragraph of Subsection 6.(12) as Subsection 6.(11).
- d. Subsection 10.3 of Section 10 was deleted.
- e. Section 13, Subsection 13.7 was amended to read as follows:

Sec. 13. Outside Employment.

13.7 Every member of the faculty or staff who gives professional opinions must protect the System and its component institutions against the use of such opinions for advertising purposes. If the employee does work in a private capacity, the employee must make it clear to those who employ him or her that the work is unofficial and that the name of the System and its component institutions is not in any way to be connected with the employee's name, except when used to identify the employee as the author of work related to the employee's academic or research area and produced as books, pamphlets, articles in periodicals, and films, tapes or software.

3. U. T. Board of Regents - Regents' Rules and Regulations: Approval to Amend (a) Part One, Chapter III, Section 27, Subsection 27.3 (Power to Authorize Expenditures Out of System Funds); (b) Part Two, Chapter IV, Section 4 (Purchase of Supplies and Equipment) and Section 7 (Purchases by and from Employees); and (c) Part Two, Chapter VII, Section 8, Subsection 8.6 (Disposal of Property of the System).--Approval was given to amend the Regents' Rules and Regulations, Parts One and Two as set forth below:

- a. Subsection 27.3 of Section 27, Chapter III, Part One was deleted.
- b. Part Two, Chapter IV, Section 4 was amended to read as follows:

Sec. 4. Purchases of Supplies and Equipment.

4.1 The State Purchasing and General Services Act, Article 601b, Vernon's Texas Civil Statutes, shall govern the purchasing policies of the System.

- 4.2 The State Purchasing and General Services Act does not apply to purchases of supplies, materials, services, or equipment:
- (a) for resale;
 - (b) for Auxiliary Enterprises;
 - (c) for Organized Activities Relating to Instructional Departments; or
 - (d) from gifts or grants, including those in support of research.

- c. Part Two, Chapter IV, Section 7 was amended to read as follows:

Sec. 7. Purchases by or from Employees.--Purchases are not permitted from any officer or employee of the System unless the cost is less than that from any other known source and until approved by the component chief administrative officer and the appropriate Executive Vice Chancellor. Sealed bid purchases of equipment or property by employees may be made only after authorization by the chief administrative officer and the appropriate Executive Vice Chancellor. Details of such transactions shall be reported in the Dockets or Minutes of the Board. Approval and reporting are not required for purchases made at public auction.

- d. Part Two, Chapter VII, Section 8, Subsection 8.6 was amended to read as follows:

Sec. 8. Disposal of Property of the System.

8.6 Sales to employees are governed by the provisions of Part Two, Chapter IV, Section 7 of these Rules.

4. U. T. System: Recommendation to Amend the Policies and Procedures for Discipline and Dismissal of Employees (Deferred).--Regent Cruikshank reported that the item related to proposed amendments to the Policies and Procedures for Discipline and Dismissal of Employees for The University of Texas System was deferred for consideration at a future meeting.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 14 - 27).--Committee Chairman Barshop 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, Subsection 4.3, Subdivision 4.39 (Institutions and Entities Composing the System).--In order to reflect the administratively approved new name for the Institute of Urban Studies (the academic unit administering degrees in urban and public affairs) at The University of Texas at Arlington, the Board amended the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4, Subsection 4.3, Subdivision 4.39 (Institutions and Entities Composing the System) as set forth below:

<u>Full Title</u>	<u>Short Title</u>
4.3 The University of Texas at Arlington	U. T. Arlington
4.39 The University of Texas at Arlington School of Urban and Public Affairs	U. T. Arlington School of Urban and Public Affairs

The title of Institute of Urban Studies will be retained to refer to the special unit administered by the school for the purposes of carrying out research and public service activities as authorized by Section 75.01 et seq., Texas Education Code.

2. U. T. Arlington: Establishment of Differential Graduate Tuition Rates for the College of Business Administration, College of Engineering, School of Architecture, and School of Social Work Effective with the Fall Semester 1991 (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, the Board, upon recommendation of the Academic Affairs Committee, approved the establishment of differential graduate tuition rates for the College of Business Administration, College of Engineering, School of Architecture, and School of Social Work at The University of Texas at Arlington and authorized increases in the per semester credit hour tuition charges from \$20 to \$40 for resident students and from \$128 to \$148 for nonresident students effective with the Fall Semester 1991.

Priority uses of the additional funds derived from all differential graduate tuition charges are to provide scholarship assistance to students who could not otherwise meet new tuition costs and for faculty salaries or other academic program needs in the school or college from which the revenues are generated.

It was ordered that the next appropriate catalog published at U. T. Arlington be amended to conform to this action.

3. U. T. Arlington: Approval of Changes in Student Parking Permit Fees Effective with the Fall Semester 1991 (Catalog Change).--The Academic Affairs Committee recommended and the Board approved a standard charge of \$36.00 annually for regular student parking permits at The University of Texas at Arlington effective with the Fall Semester 1991 irrespective of type of vehicle or enrollment classification. Annual parking permit fees are reduced if purchased for the Spring Semester and/or the Summer Session(s) only.

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

4. U. T. Arlington: Approval of Rental Rates for University-Owned Residence Halls (Dormitories) and Apartments Effective with the Fall Semester 1991 (Catalog Change).-- Upon recommendation of the Academic Affairs Committee, the Board approved the rate schedule set forth below for University-owned residence halls (dormitories) and apartments at The University of Texas at Arlington effective with the Fall Semester 1991 and ordered the next appropriate catalog published at U. T. Arlington to be amended to conform to this action:

The University of Texas at Arlington
Rate Schedule for 1991-92

University-Owned Residence Halls (Dormitories)

	<u>1991-92</u> <u>Rate</u>
<u>LONG SESSION</u>	
Lipscomb (North)	\$1,300
Lipscomb (South)	1,300
Trinity	1,300
Brazos	1,140
Pachl	1,140
<u>SUMMER SESSION</u>	
Lipscomb (North)	440
Lipscomb (South)	440
Trinity	440
Brazos	440
Pachl	440
Summer Groups	\$10 per night per person

Apartments

<u>Complex</u>	<u>No. of Units</u>	<u>Monthly Rates 1991-92 (Maximum)</u>
Border West		
1 bedroom	18	\$325
2 bedroom	19	431
Cooper South		
1 bedroom	14	325
2 bedroom	15	431
West		
1 bedroom	7	263*
2 bedroom	7	378*
Pisces		
1 bedroom	58	289
3 bedroom	1	431
Capricorn		
1 bedroom	48	305
1 bedroom	4	315
Campus		
1 bedroom	28	263*
3 bedroom	1	368*
San Suz		
1 bedroom	22	237*
2 bedroom	1	363*
Del Mar		
1 bedroom	12	220*
Shelmar North		
1 bedroom	12	220*
Shelmar South		
1 bedroom	7	273
2 bedroom	1	305
University Village		
1 bedroom (2 people)	80	305*
1 bedroom (2 people)	28	325*
1 bedroom (2 people)	12	320*
1 bedroom (2 people)	4	347*
1 bedroom (3 people)	4	347*
Warwick II		
1 bedroom	6	305
1 bedroom	12	315
Warwick III		
1 bedroom	14	305
Warwick V		
Efficiency	1	220
1 bedroom	3	325
1 bedroom	8	336

*Tenant pays electric bill.

<u>Complex</u>	<u>No. of Units</u>	<u>Monthly Rates 1991-92 (Maximum)</u>
Keys		
1 bedroom	70	\$268
1 bedroom	2	273
2 bedroom	8	378
2 bedroom	4	383
Libra		
Efficiency	10	190*

*Tenant pays electric bill.

5. U. T. Austin: Initial Appointments to Endowed Academic Positions in the (a) College of Fine Arts, (b) College of Liberal Arts, and (c) College of Natural Sciences Effective as Indicated.--The Board approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective as indicated with the understanding that the individuals would vacate any currently held endowed positions on the effective date of the new appointment unless otherwise specified:

a. College of Fine Arts effective September 1, 1991

- (1) Dr. John R. Clarke, Professor in the Department of Art, to the Annie Laurie Howard Regents Professorship in Fine Arts
- (2) Professor Richard M. Isackes, Lee Hage Jamail Regents Professor in Fine Arts, Department of Theatre and Dance, to the Joanne Sharp Crosby Regents Chair in Design and Technology
- (3) Ms. Phyllis Young, Professor in the Department of Music, to the Parker C. Fielder Regents Professorship in Music
- (4) Dr. Suzan L. Zeder, Professor in the Department of Theatre and Dance, to the Theatre for Youth Chair

b. College of Liberal Arts effective September 1, 1991

Dr. Rodolfo O. de la Garza, Professor in the Department of Government, to the Mike Hogg Professorship in Community Affairs

c. College of Natural Sciences effective immediately

Dr. Robert E. Boyer, holder of the Robert E. Boyer Chair in Natural Sciences and Dean, College of Natural Sciences, to the J. Nalle Gregory Regents Professorship in Geological Sciences.

Dean Boyer will retain his appointment to the Robert E. Boyer Chair in Natural Sciences.

6. U. T. Austin: Approval of Changes in Parking Permit Fees Effective with the Fall Semester 1991 (Catalog Change).--In order to generate income required to amortize revenue bonds for construction of Parking Garage No. 2 at The University of Texas at Austin, the Board approved changes in parking permit fees at U. T. Austin effective with the Fall Semester 1991 as set out below:

	<u>1991-92</u> <u>Fees</u>
<u>Faculty/Staff Permits</u>	
Class A (unreserved)	\$ 37.00
Class D (disabled)	92.00
Class F (reserved)	92.00
Class M (motorcycle)	9.00
Class O (administrator)	138.00
<u>Special Use Permits</u>	
Class E (exercise fitness programs)	13.00
Class R (recreational sports)	13.00
<u>Student Permits</u>	
Class A (health)	13.00
Class C (students)	13.00
Class D (disabled)	13.00
Class G (graduate students)	22.00
Class M (motorcycle)	9.00

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

It was ordered that the next appropriate catalog published at U. T. Austin be amended to conform to this action.

7. U. T. Austin: Authorization to Increase the Compulsory Texas Union Fee Effective with the Fall Semester 1991 (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board authorized an increase in the compulsory Texas Union Fee at The University of Texas at Austin from \$28.00 per semester or summer session to not more than \$37.44 per long session semester and \$18.97 for each summer session to be effective with the Fall Semester 1991.

The actual fee to be charged, within the limits prescribed above, will be determined after bids for the Texas Union repair and maintenance project have been received and reviewed.

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

8. U. T. Austin: Establishment of Differential Graduate Tuition Rates for the College of Pharmacy and Approval of Changes in Previously Approved Differential Graduate Tuition Rates for the School of Architecture, Graduate School of Business, and College of Engineering Effective with the Fall Semester 1991 (Catalog Change).--In accordance with Section 54.008 of the Texas Education Code, which 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, the Board established differential graduate tuition rates for the College of Pharmacy at The University of Texas at Austin effective with the Fall Semester 1991 as shown below.

In addition, the Board approved certain changes in the per semester credit hour charges for previously approved differential graduate tuition rates for the School of Architecture, Graduate School of Business, and the College of Engineering at U. T. Austin to be effective with the Fall Semester 1991 as shown below:

	<u>Graduate Tuition Rates for 1991-92*</u>
<u>College of Pharmacy</u>	
Resident	\$ 40
Nonresident	158
<u>School of Architecture</u>	
Resident	40
Nonresident	158
<u>Graduate School of Business</u>	
Resident	40
Nonresident	158
<u>College of Engineering</u>	
Resident	40
Nonresident	158
<u>School of Law**</u>	
Resident	97
Nonresident	187

*Dollars per semester credit hour of registration.

**These rates remain unchanged for 1991-92.

Priority uses of the additional funds derived from all differential graduate tuition charges are to provide scholarship assistance to students who could not otherwise meet new tuition costs and for faculty salaries or other academic program needs in the school or college from which the revenues are generated.

It was ordered that the next appropriate catalog published at U. T. Austin be amended to conform to this action.

9. U. T. Dallas: Approval to Establish Differential Tuition Rates for Graduate Programs in the Erik Jonsson School of Engineering and Computer Science and the School of Management Effective with the Fall Semester 1991 (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.

The Board, upon recommendation of the Academic Affairs Committee, approved the establishment of differential graduate tuition rates for the Erik Jonsson School of Engineering and Computer Science and the School of Management at The University of Texas at Dallas and authorized increases in the per semester credit hour tuition charges from \$20 to \$40 for resident students and from \$128 to \$148 for nonresident students effective with the Fall Semester 1991.

Priority uses of the additional funds derived from differential graduate tuition charges are to provide scholarship assistance to students who could not otherwise meet new tuition costs and for faculty salaries or other academic program needs in the school or college from which the revenues are generated.

The next appropriate catalog published at U. T. Dallas will be amended to conform to this action.

10. U. T. El Paso: Authorization to Participate in a Research Consortium with New Mexico State University, Arizona State University, and the University of Utah to Form the Southwest Environmental Research Center and Authorization for Executive Vice Chancellor for Academic Affairs to Execute Memorandum of Understanding to Effect Consortium.--Authorization was given for The University of Texas at El Paso to participate in a consortium with New Mexico State University, Arizona State University, and the University of Utah to form the Southwest Environmental Research Center, a public-private consortium for environmental research in the Southwest.

Further, the Executive Vice Chancellor for Academic Affairs was authorized, on behalf of the U. T. Board of Regents, to execute the memorandum of understanding set out on Pages 21 - 23 to effect this consortium, with the understanding that any and all specific agreements arising from the memorandum are to be submitted for prior administrative review and subsequent approval as required by the Regents' Rules and Regulations.

MEMORANDUM OF UNDERSTANDING

SOUTHWEST ENVIRONMENTAL RESEARCH CENTER A Public-Private Consortium for Environmental Research in the Southwest

1. Formation of the Consortium

Acute air, water quality, and hazardous waste problems plague the U.S.-Mexico border region of the southwest. To find solutions to these problems a comprehensive plan is needed, encompassing substantial programs of research in engineering and in the physical, biological, and health sciences. The challenges are so great, however, that the resources of any one research institution are insufficient to mount the effort required.

In consideration of the above, the below-named universities, resident in the states of Texas, New Mexico, Arizona, and Utah, hereby form the Southwest Environmental Research Consortium, a public-private consortium for environmental and policy considerations in the Southwest border region of the United States. The Consortium will facilitate the formulation and implementation of cooperative activities that build upon the resources presently in place. It is recognized, however, that each university also remains free to pursue its own research and educational efforts either as part of the Consortium or independently of the Consortium, depending upon which arrangement is deemed to promise the greater results.

2. Objectives of the Consortium

The objectives of the Consortium are to:

- a) Develop a comprehensive plan that includes research and policy recommendations to address the environmental issues of the Southwestern United States including the U.S.-Mexico border region,
- b) Avoid unnecessary duplication of effort by Consortium members in providing solutions to the issues identified above,
- c) Identify the opportunities for activities that can be enhanced by cooperative efforts,
- d) Prepare plans and proposals for funding cooperative efforts,
- e) Agree upon procedures of implementing cooperative efforts, and
- f) Develop means of encouraging corporate participation in the Consortium.

3. Organization of the Consortium

- a) The governing body of the Consortium shall consist of a Management Committee, composed of equal numbers of members appointed by the Presidents of the four

universities. A Chairman will be elected on a rotating basis for a one-year term. No single institutional representative will serve more than a one-year term as Chairman prior to the completion of one-year terms by representatives of each institution.

- b) No specific contractual obligations are stipulated by this memorandum of understanding. Any of the four higher education institutions of the Consortium may serve as the fiscal agent for a grant or contract in support of Consortium activities.
- c) The Consortium's Management Committee may invite other persons or organizations, including state and community governments and private firms, to participate in its environmental research and policy development activities.

4. Termination

This agreement may be terminated by each or all of the parties thereto upon written notification to others involved.

5. Ratification

The provisions of the Memorandum of Understanding will be in effect when signed by the Presidents of The University of Texas at El Paso, New Mexico State University, Arizona State University, and the University of Utah.

11-20-90
Date

W. J. Nadel
President
The University of Texas at El Paso

12-21-90
Date

Leas J. Nitzgen
President
New Mexico State University

1/22/91
Date

John P. ...
President
Arizona State University

1/29/91
Date

Chas Peterson
President
University of Utah

FORM APPROVED:

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM:

W. H. Hood
Office of General Counsel
The University of Texas System

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

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Memorandum of Understanding was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 19____ and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

Executive Secretary, Board of Regents
The University of Texas System

11. U. T. Pan American: Establishment of a Generic Bachelor of Science in Nursing (BSN) Degree Program and Authorization to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--The Board, upon recommendation of the Academic Affairs Committee, established a generic Bachelor of Science in Nursing (BSN) degree program at The University of Texas - Pan American and authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and approval.

U. T. Pan American currently offers a specialized, nontraditional Bachelor of Science in Nursing (BSN) degree program for students who have already received an Associate Degree in Nursing (ADN) or certification as a Registered Nurse (RN). The University also offers a two-year Associate Degree in Nursing program. The generic four-year Bachelor of Science in Nursing (BSN) degree program, which will be administered within the Division of Health Related Professions by the Department of Nursing, is designed to simplify and improve the degree path for students who are focused on receiving a baccalaureate education in a coordinated four-year sequence of study. The new generic BSN degree program will replace the existing nontraditional BSN program but will include an "alternate pathway" for students who have an ADN or RN certification. The two-year Associate Degree in Nursing will also continue to be offered.

The program will include 60 semester credit hours of general education requirements, 17 semester credit hours of a pre-nursing core, and 55 hours of BSN core requirements.

New faculty will be required to have a minimum of a master's degree (doctoral degree preferred) with at least 12 hours of graduate work in nursing, demonstrated research strength, and teaching experience at the appropriate level.

Because the current two-year ADN program will be left in place and an "alternate pathway" incorporated into the four-year BSN to replace the current nontraditional BSN, only 25% of expected resource needs can be met by reallocating existing resources. New personnel needed during the first five years of the degree program will include a coordinator, secretary, six faculty, five graduate assistants, and one laboratory instructor. Support for the additional staff will come from enrollment growth formula-generated funds, grant funds, and a special item appropriation. Current library holdings are sufficient to begin the BSN program.

It is estimated that total cost for the first five years will be slightly over two million dollars. Of this amount, approximately \$850,000 is expected to come from special item state funding and approximately \$880,000 from formula-generated funding. The remainder would be realized from reallocations of existing resources. U. T. Pan American has already received some special item funds for the development of several nursing enhancement programs, including the generic BSN (used mainly to upgrade medical holdings in the library).

This degree program is consistent with the U. T. Pan American strategic plan and is within the approved Table of Programs.

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

12. U. T. Pan American (Brownsville): (a) Approval in Concept to Establish a Partnership with Texas Southmost College and Authorization to Submit to the Coordinating Board for Approval; (b) Approval of Appointments to Partnership Advisory Committee; (c) Authorization to Negotiate Partnership Agreement; and (d) Endorsement of Change of Name to The University of Texas at Brownsville.--Following opening remarks by Executive Vice Chancellor for Academic Affairs Duncan and upon recommendation of the Academic Affairs Committee, the Board:

- a. Approved in concept the establishment of an educational partnership between The University of Texas - Pan American (Brownsville) and Texas Southmost College as authorized by Section 51.661 et seq. of the Texas Education Code and authorized submission of the conceptual partnership agreement to the Texas Higher Education Coordinating Board for approval
- b. Authorized the Chairman of the Academic Affairs Committee to select three members of that Committee to serve as the Partnership Advisory Committee pursuant to Section 51.662 of the Texas Education Code and authorized the Executive Vice Chancellor for Academic Affairs to assist the Committee in the discharge of its responsibilities.

In compliance therewith, Committee Chairman Barshop appointed the following members of the Academic Affairs Committee to the Partnership Advisory Committee:

Regent Barshop
Regent Ramirez
Regent Temple

- c. Authorized representatives of The University of Texas System Administration under the leadership of the Executive Vice Chancellor for Academic Affairs to work with Texas Southmost College and U. T. Pan American (Brownsville) representatives as a task force to prepare a detailed partnership agreement for subsequent review and approval by the U. T. Board of Regents, the Texas Southmost College Board of Trustees, and the Texas Higher Education Coordinating Board
- d. Endorsed changing the name of U. T. Pan American (Brownsville) to The University of Texas at Brownsville.

U. T. Pan American (Brownsville) and Texas Southmost College propose to establish a partnership agreement combining most administrative and academic functions of the two institutions in order to provide a seamless four-year undergraduate experience for those students

who seek a bachelor's degree. Not only would admissions, financial aid, and registration functions be combined, academic departments would also be combined where academic duties are similar. While it is intended that all existing academic programs for both the community college and the university will be maintained, there would be much greater flexibility in the use of faculty to meet the program requirements.

U. T. Pan American (Brownsville) was established as an educational center for Pan American University by the 65th Legislature in 1977. It is an upper-level and graduate institution located on the campus of Texas Southmost College. As an upper-level institution located on the campus of a community college, it meets the conditions for an agreement which permits the establishment of a partnership to combine functions such that a single organizational entity may provide 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. The law also requires that all of the statutory responsibilities must continue to be met and that the community college's assets including real property must be retained by the trustees.

The specific terms of a proposed agreement will require negotiation at U. T. System Administration level. Upon approval of the concept, a joint task force will be established to draft the terms of the detailed agreement for review and approval by the U. T. Board of Regents, the Texas Southmost College Board of Trustees, and the Texas Higher Education Coordinating Board. Approval by all three bodies is required prior to implementation. Some of the elements of the partnership could be put in place as early as the Fall Semester 1991; however, most implementation is likely to be scheduled for the Fall Semester 1992.

The effect of the partnership when fully implemented will be to serve the Lower Rio Grande Valley region with a coordinated and combined effort containing the best features of a comprehensive university within the U. T. System and the best features of a locally governed community college. On a single campus and from a single operating entity, the community will have access to adult and continuing education, one and two year occupational/technical programs, two-year associate degree programs, four year baccalaureate programs, and master's degree programs. This can be accomplished with no increase in either State appropriations or local taxes except as may be necessary to accommodate the normal enrollment growth which is anticipated in this area.

Executive Vice Chancellor Duncan commended Dr. Homer Pena, President of U. T. Pan American (Brownsville), and Dr. Juliet Garcia, President of Texas Southmost College, for their efforts in proposing the establishment of this educational partnership between the two entities.

Regent Ramirez noted that he and the citizens of the Lower Rio Grande Valley were very supportive of this program.

13. U. T. Permian Basin: Approval of Changes in Parking Permit and Enforcement Fees Effective with the Fall Semester 1991 (Catalog Change).--In order to provide revenue for the enforcement of parking regulations and maintenance of parking lots at The University of Texas of the Permian Basin, the Board approved changes in parking permit and enforcement fees effective with the Fall Semester 1991 as set out below:

	<u>1991-92</u> <u>Fees</u>
<u>Parking Permits and Fees</u>	
Faculty/Staff	\$ 15.00
Students	15.00
Motorcycles, motorscooters, mopeds, and motor-assisted bicycles	15.00
Temporary (monthly)	3.00
Replacement or additional vehicle permit	5.00
<u>Enforcement Fees</u>	
Code 1000 Nonmoving Violations	
First Offense	5.00
Second Offense	10.00
Third or Subsequent Offense	15.00
Code 2000 Nonmoving Violations	15.00
Code 3000 Moving Violations	15.00
Late Charge (If not paid within ten calendar days)	3.00

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

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 28 - 29).--Committee Chairman Ramirez reported that the Health Affairs Committee had met in open session to consider those items 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: Approval to Increase Premium Rates for Professional Medical Liability Self-Insurance Plan Effective September 1, 1991.--Upon recommendation of the Health Affairs Committee, the premium rates for The University of Texas System Professional Medical Liability Self-Insurance Plan were increased effective September 1, 1991, as follows:

<u>Risk Class</u>	<u>Premium Rates</u>	
	<u>Staff</u>	<u>Resident</u>
1	\$ 2,628	\$ 1,764
2	4,404	2,916
3	7,512	5,004
4	12,204	8,124
5	20,292	13,488

This 5% increase in Self-Insurance Plan premiums will result in rates remaining well below those charged by commercial carriers and other self-insurance plans.

2. U. T. Health Science Center - Houston (U. T. Nursing School - Houston): Establishment of Differential Graduate Tuition Rates Effective with the Fall Semester 1991 (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, the Board established differential graduate tuition rates for the U. T. Nursing School - Houston at The University of Texas Health Science Center at Houston effective with the Fall Semester 1991 as shown below:

	<u>Graduate Tuition Rates for 1991-92*</u>
<u>School of Nursing</u>	
Resident	\$ 22
Nonresident	141

*Dollars per semester credit hour of registration

Priority uses of the additional funds derived from all differential graduate tuition charges are to provide scholarship assistance to students who could not otherwise meet new tuition costs and for faculty salaries or other academic program needs in the school or college from which the revenues are generated.

It was ordered that the next appropriate catalog published at the U. T. Health Science Center - Houston be amended to conform to this action.

3. U. T. M.D. Anderson Cancer Center: Appointment of Gabriel Hortobagyi, M.D., as Initial Holder of the Nylene Eckles Professorship in Breast Cancer Research Effective May 1, 1991.--The Board, upon recommendation of the Health Affairs Committee, approved the appointment of Gabriel Hortobagyi, M.D., Professor of Medicine and Chief of the Section of Breast Medical Oncology, as initial holder of the Nylene Eckles Professorship in Breast Cancer Research at The University of Texas M.D. Anderson Cancer Center effective May 1, 1991.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND FACILITIES COMMITTEE (Pages 30 - 41).--Committee Chairman Moncrief reported that the Finance and Facilities Committee had met in open session to consider those items 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 Finance and Facilities Committee and approved in open session and without objection by the U. T. Board of Regents:

I. FINANCE MATTERS

1. U. T. System: Approval of Chancellor's Docket No. 57 (Catalog Change).--Upon recommendation of the Finance and Facilities Committee, the Board approved Chancellor's Docket No. 57 in the form distributed by the Executive Secretary. It is attached following Page 54 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.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Approval of Amendments to Chapter XI (Contracts and Grants for Research, Training, and Educational Services, Including Institutional Support Grants).--In order to acknowledge the name change for the Office of Budget and Fiscal Policy of The University of Texas System approved by the U. T. Board of Regents at the February 1991 meeting and to implement minor streamlining for processing procedures for contracts and grants, the Board amended the Regents' Rules and Regulations, Part Two, Chapter XI (Contracts and Grants for Research, Training, and Educational Services, Including Institutional Support Grants) to read as set out below:

CHAPTER XI

CONTRACTS AND GRANTS

- Sec. 1. Initial contracts, grants, and agreements from or with outside agencies including institutional support grants (except as provided in Subsections 1.1 and 1.2 below) shall be approved by the chief administrative officer and ratified by the Board via the institutional dockets. Subsequent institutional dockets should include only the changes in these initial contracts, grants, and agreements that involve changes in funds over \$10,000. It is not necessary

to report contract extensions, amendments, modifications, changes in investigators or other changes in the institutional dockets unless they increase or decrease the total original contract by more than \$10,000.

- 1.1 Contracts or agreements with foreign governments or agencies thereof and with institutions, enterprises or individuals subject to the jurisdiction of foreign governments shall be submitted through the appropriate Executive Vice Chancellor for prior review sufficiently in advance of the proposed effective date to allow for prior approval of the Board, if required. Grants from such foreign entities will be submitted for approval via institutional docketing procedures.
- 1.2 The Vice Chancellor for Business Affairs will issue special instructions for those contracts and grants requiring special approvals other than as provided in this Section.
- 1.3 Funds shall not be encumbered or expended under any contract or grant prior to the approval of the contract or grant as indicated above.
- 1.4 Institutional support grants include NSF Institutional Grants for Science, NIH General Research Support Grants, Health Professions Education Improvement and/or Capitation Grant Programs, and other such grants awarded on a formula basis rather than a budgeted project basis.

- Sec. 2. Proposals for such contracts, grants, and agreements, whether with government agencies, industry, foundations, or other private granting agencies, shall be initiated by the faculty member (or other appropriate official who will direct the work) and shall be approved by designated administrative officials, including the chief administrative officer. The chief business officer at each component institution is responsible for the business aspects of the proposals.
- Sec. 3. Copies of contracts, grants, and agreements specified in Section 1 of this Chapter, or sufficient information to document the fiscal aspects of the contract, grant, or agreement, shall be filed with the Executive Secretary to the Board as part of the docket support process.
- Sec. 4. Detailed budgets are generally included in the proposals that result in a contract or grant for a specific research, training, or educational project, and expenditures should conform to such budgets, unless amended by authorized procedures.

- Sec. 5. Proposals as to overhead rates and specialized rates for fringe benefits, computers, and other facilities chargeable to cost-reimbursement contracts and other government contracts and grants shall be worked out in preliminary form by the chief business officer concerned and shall be reviewed and approved by the Director of the Office of Budget and Fiscal Policy before being submitted. Subject to approval of the Vice Chancellor for Business Affairs, the Director of the Office of Budget and Fiscal Policy shall coordinate efforts between component institutions and cognizant agencies to negotiate such rates.
- Sec. 6. Information as to overhead and specialized rates applicable to the type of contract, grant, or agreement to be entered into shall be secured from the Director of the Office of Budget and Fiscal Policy via the business officers and/or the appropriate research administration officer.
- Sec. 7. To the extent that indirect cost recoveries from the application of overhead rates are derived from use charges for buildings, other improvements, or equipment, the funds so derived shall be designated for renewals and replacements of plant fund assets or for other purposes specified and approved in the budgetary processes as related to the indirect cost recoveries.

II. FACILITIES MATTERS

1. U. T. Austin - Expansion of the Animal Resources Center (Project No. 102-707): Approval to Increase Estimated Total Project Cost and Additional Appropriation Therefor; Approval of Preliminary Plans; and Authorization to Prepare Final Plans.--Following opening remarks by President Cunningham, Mr. James D. Budd and Mr. Charles Hunter, representing the Project Architect, The White Budd VanNess Partnership, Austin, Texas, presented the preliminary plans for the Expansion of the Animal Resources Center at The University of Texas at Austin to the Finance and Facilities Committee.

Based upon this presentation and the recommendation of the Finance and Facilities Committee, the Board:

- a. Approved an increase in the estimated total project cost for Expansion of the Animal Resources Center at U. T. Austin from \$2,900,000 to \$3,300,000 with an additional \$400,000 in funding from U. T. Austin General Fee Balances
- b. Approved the preliminary plans and specifications for Expansion of the Animal Resources Center at an estimated total project cost of \$3,300,000

- c. Authorized the Project Architect to prepare final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting.

This project is included in the Capital Improvement Program approved in June 1989 and the FY 1991 Capital Budget in the amount of \$2,900,000. The increase in the estimated total project cost from \$2,900,000 to \$3,300,000 will adjust the Capital Improvement Program and the FY 1991 Capital Budget accordingly.

Total funding for this project will be \$1,900,000 from Permanent University Fund Bond Proceeds and \$1,400,000 from U. T. Austin General Fee Balances.

2. U. T. Austin - Central Chilling Station No. 5 - Phase III Building Construction and Equipment Installation (Project No. 102-551): Acceptance of Findings and Recommendations of Hearing Officer. --Upon recommendation of the Finance and Facilities Committee, the Board accepted the findings and recommendations of the Hearing Officer, Judge James R. Meyers (Ret.), with regard to claims by Kunz Construction Company, Inc., San Antonio, Texas (the "Contractor"), for additional compensation associated with Phase III Building Construction and Equipment Installation of Central Chilling Station No. 5 at The University of Texas at Austin.

Judge Meyers recommended that Chancellor Mark's decision against additional payment by The University of Texas System which was being appealed should be upheld in its entirety and, in addition, that the liquidated damages charged against the Contractor may be increased by \$5,500 because eleven days of time extension were granted to which the Contractor was not entitled.

A copy of Judge Meyers' report dated February 1, 1991, is on file in the Office of the Board of Regents.

3. U. T. Austin - Student Health Center: Authorization for Project; Appointment of Cox/Croslin and Associates, Austin, Texas, as Project Architect to Prepare Preliminary Plans; and Appropriation Therefor. --The Board, upon recommendation of the Academic Affairs and Finance and Facilities Committees:

- a. Authorized a project for the construction of a new Student Health Center at The University of Texas at Austin at an estimated total project cost of \$11,616,000
- b. Appointed the firm of Cox/Croslin and Associates, Austin, Texas, as Project Architect to prepare preliminary plans and a detailed cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriated \$275,000 from Auxiliary Enterprise Balance for fees and administrative expenses through the completion of preliminary plans to be refunded when revenue bonds are sold.

Over the past year, U. T. Austin has secured legislative and Regental approval to collect a Student Health Services Building Fee to provide financing for the renovation, improvement, or replacement of the Student Health Center Building.

With the assistance of an architectural consultant, input from a committee of students, staff, and faculty, and in consultation with the Office of Facilities Planning and Construction, a programmatic assessment and evaluation of the options had been prepared. The conclusion was that construction of a new facility rather than renovation of the existing building will better serve the present and future needs of the students. The significant advantages associated with this option include:

- a. A new facility can be designed to more effectively provide the future health care needs of the students.
- b. Service in the existing building can continue without disruption while the new facility is under construction.
- c. The new facility can be constructed within the funds available from the revenue bonds financed by the Student Health Services fee and other local sources.
- d. The existing building, when vacated, will provide space for consolidation of other student services in a single central campus location.

A combined Student Health Center and Counseling and Mental Health Services facility will be constructed on a site to be selected north of 26th Street between University Avenue and Wichita Street.

The funding source for this \$11,616,000 project is a combination of \$7,000,000 from revenue bonds financed by the Student Health Services Building Fee, \$1,215,000 from the Health Center's Maintenance and Equipment Reserve Fund, and \$3,401,000 from General Fee Balances. Since legislative authorization for the fee was not received prior to preparation of the current Capital Improvement Program and the FY 1991 Capital Budget, this action will amend both documents.

4. U. T. Tyler: Authorization to Expand the Scope of the Phased Space Completion and Renovation Project (Project No. 802-607).--The Finance and Facilities Committee recommended and the Board authorized the expansion of the Space Completion and Renovation project at The University of Texas at Tyler to include:
 - a. Relocation of art and music laboratories from the Hudnall, Pirtle and Roosth Building to a separate facility
 - b. Renovation of the vacated laboratories
 - c. Renovation of the Business Administration Building
 - d. Replacement of academic equipment at no increase in previously authorized funding.

As originally authorized in December 1985, this \$3,800,000 phased project included work on four campus buildings: University Center, Administration Building, the Library, and the Physical Plant Complex. Cost savings from the first phases leave sufficient funds in the project account to relocate art and music practice laboratories from the Hudnall, Pirtle and Roosth Building to a new small building to be located near the ceramics and sculpture laboratory in the Physical Plant Complex and to renovate the existing laboratories as classrooms, thereby removing a source of noise and chemical pollution from the Hudnall, Pirtle and Roosth Building, a general purpose classroom building. The estimated cost of relocating the art and music laboratories and renovating the vacated space is \$550,000.

Approximately \$50,000 of remaining project funds are to be used to repair the air-conditioning system in the Business Administration Building and remaining funds, currently estimated at \$116,800, will be used to replace academic equipment, primarily equipment in the chemistry and biology laboratories originally acquired in the late 1970s. Renovation work remaining to be done in the original four buildings will receive priority over these repairs and acquisitions. Remaining work and the estimated costs are as follows:

Physical Plant Space Completion and Storage Tank Retrofit	\$119,100
University Center Renovation	209,100
Administration Building Renovation	<u>16,000</u>
Subtotal	\$344,200

Total funds remaining in the project are \$1,061,000. The existing contract with Project Architect Charles Potter, Jr., Architect, Tyler, Texas, will be extended as required to complete this work. Although expansion of the project scope is involved, no increase in funds is required.

5. U. T. Medical Branch - Galveston: Acceptance of Gift from Mr. and Mrs. Ralph Spence, Tyler, Texas, and Authorization to Establish the Gleaves James Centennial Rose Garden (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--The Board, upon recommendation of the Finance and Facilities Committee, accepted a gift from Mr. and Mrs. Ralph Spence, Tyler, Texas, to establish a rose garden to be located between William C. Levin Hall and the Moody Medical Library on The University of Texas Medical Branch at Galveston campus.

Further, at the donors' request and 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 Board designated the garden as the Gleaves James Centennial Rose Garden with an appropriate plaque recognizing the gift.

The naming of this garden is in honor of Mrs. Gleaves James, wife of Thomas N. James, M.D., President of U. T. Medical Branch - Galveston.

Final approval of the plans for the garden and the commemorative plaque will be the responsibility of the U. T. Medical Branch - Galveston Administration.

6. U. T. Medical Branch - Galveston - Keiller Building Renovation and Reroofing - Phase II - Renovation (Project No. 601-664): Approval of Final Plans and Authorization to Advertise for Bids and for the Executive Committee to Award Contracts.--The Finance and Facilities Committee recommended and the Board:

- a. Approved the final plans for Phase II Renovation of the Keiller Building at The University of Texas Medical Branch at Galveston at an estimated Phase II project cost of \$13,718,000 (Phase I - Reroofing has been completed at a cost of \$626,700.)
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost.

Phase II will include the complete renovation of approximately 100,000 gross square feet within the five-level building originally constructed in 1925. This project will allow the building to meet current life safety and building codes and provide highly sophisticated laboratory-based research facilities for the Department of Pathology.

Total funding for this project in the amount of \$14,344,700 includes the Phase I - Reroofing which has been completed at a cost of \$626,700. Funding is from the U. T. Medical Branch - Galveston Educational and General Funds - Unappropriated Balance.

This project was approved by the Coordinating Board in October 1990 and is included in both the Capital Improvement Program and the FY 1991 Capital Budget.

7. U. T. Medical Branch - Galveston: Medical Research Building - Completion of Shell Floors Five, Six, and Seven and Addition of Four Shell Floors - Authorization for Project; Appointment of 3D/International, Houston, Texas, as Project Architect to Prepare Final Plans; Approval to Submit to the Coordinating Board; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; Appropriation Therefor; and Approval to Issue Revenue Financing System Parity Debt in an Amount Not to Exceed \$33,000,000, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--Upon recommendation of the Finance and Facilities Committee, the Board:

- a. Authorized a project for the Completion of Shell Floors Five, Six, and Seven and Addition of Four Shell Floors in the Medical Research Building at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$14,125,000
- b. Appointed the firm of 3D/International, Houston, Texas, as Project Architect to prepare final plans and specifications
- c. Authorized submission of the project to the Texas Higher Education Coordinating Board

- d. Subject to approval by the Coordinating Board, 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 related to this project within the authorized total project cost
- e. Appropriated \$4,125,000 from Permanent University Fund Bond Proceeds and \$10,000,000 from Revenue Financing System Bond Proceeds for total project funding.

Further, following a presentation by Executive Vice Chancellor for Asset Management Patrick with regard to the qualifications of this project for The University of Texas System Revenue Financing System and in compliance with Section 5 of the Master Resolution Establishing The University of Texas System Revenue Financing System approved by the U. T. Board of Regents in April 1990, and amended and restated in February 1991, and the delivery of the Certificate of an Authorized Representative as set out on Page 39, the Board resolved that:

- a. Parity Debt shall be issued to pay \$10,000,000 of the project cost and \$23,000,000 for the purchase of hospital replacement equipment, Emergency Room and Trauma Center equipment, start-up costs in equipment for Dr. Sam Wilson and other equipment
- 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. Medical Branch - Galveston, 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 Parity Debt in an amount not to exceed \$33,000,000.

In February 1989, the U. T. Board of Regents awarded a construction contract for the seven-story Medical Research Building at U. T. Medical Branch - Galveston with floors five through seven constructed as shell space. At that time, construction of the project was estimated to be completed in April 1991.

Through its strategic planning process, U. T. Medical Branch - Galveston identified a shortage in research space exceeding the amount of space to be added through the new Medical Research Building. Completion of shell floors five, six, and seven and addition of four more shell floors will assist in overcoming this shortage and will support the needs of the basic and clinical sciences departments.

When it became apparent that there would be a need to add four more floors to the building to support research activities, the staff of the Office of Facilities Planning and Construction became concerned over the difficulties involved in keeping research laboratories in operation while construction activities take place on top of the building. It is a distinct hazard to construction workers to be bathed in exhaust fumes while adding floors. It is also undesirable to close down fume hoods in the building while the frame of the building is being extended.

This project is included in the Capital Improvement Program approved in June 1989 for a total project cost of \$8,250,000. The increase in the estimated total project cost from \$8,250,000 to \$14,125,000 will adjust the Capital Improvement Program and amend the FY 1991 Capital Budget accordingly. Total funding for this project in the amount of \$14,125,000 will be \$4,125,000 from Permanent University Fund Bond Proceeds and \$10,000,000 from Revenue Financing. Revenue Financing System Parity Debt proceeds in the amount of \$33,000,000 will be issued to fund \$10,000,000 of the total \$14,125,000 for the completion of shell floors five, six, and seven and addition of four shell floors in the Medical Research Building and to fund the purchase of \$23,000,000 for equipment in other facilities of the U. T. Medical Branch - Galveston. The Parity Debt will be retired with funds from a grant awarded for this purpose by The Sealy & Smith Foundation for the John Sealy Hospital. Under the terms of the grant, \$6.6 million will be paid annually over a five-year period beginning in 1992. The U. T. Medical Branch - Galveston will pay interest and issuance costs associated with the Parity Debt issued for this purpose. Interest payments and other costs will be budgeted and paid from hospital income.

PARITY DEBT CERTIFICATE OF U.T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Asset Management of The University of Texas System, a U.T. System Representative under the Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on April 12, 1990 and amended and restated on February 14, 1991 (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 costs of completing shell floors five, six, and seven of the seven-story Research Building, the addition of four shell floors, and for the purchase of equipment at the U.T. Medical Branch - Galveston, and do hereby certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution and in the First Supplemental Resolution Establishing an Interim Financing Program and is not in default of any of the terms, provisions and conditions in said Master Resolution or First Supplemental Resolution.

EXECUTED this *11TH DAY OF APRIL, 1991.*



Executive Vice Chancellor for
Asset Management

8. U. T. Medical Branch - Galveston - Expansion of Thermal Energy Plant - Cogeneration Project: Authorization for Project; Appointment of Lockwood, Andrews and Newnam, Inc., Houston, Texas, as Project Engineer to Complete Final Plans; Approval to Submit to the Coordinating Board; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Authorization to Negotiate Operating Agreement with Lone Star Energy Company, Dallas, Texas; and Approval of Funding.--In accordance with the authorization given by the U. T. Board of Regents in June 1987, final plans and specifications for the expansion of the Thermal Energy Plant serving The University of Texas Medical Branch at Galveston were prepared by the Project Engineer, Lockwood, Andrews and Newnam, Inc., Houston, Texas. The expansion program is now complete with the exception of the cogeneration system.

At the June 1987 meeting, the U. T. Board of Regents authorized \$2,000,000 of Permanent University Fund Bond Proceeds to be used for the installation and related construction of the cogeneration system provided additional funds were available from the distribution of oil overcharge funds. The Legislature established a revolving loan program funded from those funds and management of the program is by the Governor's Energy Management Center. The loans can only be used for projects that demonstrate they conserve energy and thus reduce utility cost.

As part of the Expansion of the Thermal Energy Plant project, Lockwood, Andrews and Newnam, Inc. made an in-depth study of the thermal and electrical loads on the plant. Their study found that a cogeneration system used to generate power for an electrically driven chiller in conjunction with generated steam from the waste heat would have a simple payback period of 5.32 years.

The U. T. Medical Branch - Galveston made an application to the Governor's Energy Management Center for a loan in the amount of \$4,000,000 for the installation of the cogeneration system. The loan has now been approved. The method of repayment is through utility appropriations by the Legislature using savings from the cogeneration system.

Therefore, the Board, upon recommendation of the Finance and Facilities Committee:

- a. Authorized a Cogeneration Project as part of the Expansion of the Thermal Energy Plant at the U. T. Medical Branch - Galveston at an estimated total project cost of \$6,150,000
- b. Appointed the firm of Lockwood, Andrews and Newnam, Inc., Houston, Texas, as Project Engineer to complete final plans and specifications
- c. Authorized submission of the project to the Texas Higher Education Coordinating Board
- d. Subject to approval by the Coordinating Board, 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. Authorized the Vice Chancellor for Business Affairs, in conjunction with the Office of Facilities Planning and Construction and the Office of General Counsel, to negotiate an operating agreement with Lone Star Energy Company, Dallas, Texas, to be presented to the U. T. Board of Regents at a future meeting
- g. Approved \$6,150,000 for total project funding (\$2,000,000 from Permanent University Fund Bond Proceeds previously appropriated for Expansion of Thermal Energy Plant, a \$4,000,000 loan from the Governor's Energy Management Center, and a grant of \$150,000 from the U. S. Department of Energy).

The Thermal Energy Plant serving the U. T. Medical Branch - Galveston is owned and operated by Lone Star Energy Company, Dallas, Texas. The existing agreement between the U. T. Board of Regents and Lone Star Energy Company will be amended to cover the cogeneration system.

Approval of this project will amend the Capital Improvement Program approved in June 1989 and the FY 1991 Capital Budget.

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 41 - 51).--Regent Cruikshank reported that the Land and Investment 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 Land and Investment 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 January and February 1991 and Report on Oil and Gas Development as of February 28, 1991.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for January and February 1991 and (b) Oil and Gas Development as of February 28, 1991, were submitted by the Vice Chancellor for Business Affairs:

Permanent University Fund	<u>January 1991</u>	<u>February 1991</u>	<u>Cumulative Through February of this Fiscal Year (1990-1991)</u>	<u>Cumulative Through February of Preceding Fiscal Year (1989-1990)</u>	<u>Per Cent Change</u>
Royalty					
Oil	\$ 5,359,716.05	\$ 6,553,197.07	\$38,650,992.11	\$25,767,281.45	50.00%
Gas	2,123,161.40	1,999,163.03	11,107,116.29	9,550,044.35	16.30%
Sulphur	0.00	0.00	0.00	193,919.75	--
Water	93,145.60	48,037.63	351,380.69	438,567.28	-19.88%
Brine	6,020.62	5,735.93	34,962.42	30,675.32	13.98%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	105,813.10	11,149.06	417,035.88	657,799.48	-36.60%
Other	2,077.18	(844.53)	2,732.65	35,962.65	-92.40%
Sale of Sand, Gravel, Etc.	0.00	15,325.00	23,802.75	1,151.10	--
Total University Lands Receipts Before Bonuses	<u>7,689,933.95</u>	<u>8,631,763.19</u>	<u>50,588,022.79</u>	<u>36,675,401.38</u>	<u>37.93%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	0.00	2,160,415.16	--
Amendments and Extensions to Mineral Leases	<u>3,686.07</u>	<u>3,423.13</u>	<u>90,931.84</u>	<u>160.00</u>	<u>--</u>
Total University Lands Receipts	<u>7,693,620.02</u>	<u>8,635,186.32</u>	<u>50,678,954.63</u>	<u>38,835,976.54</u>	<u>30.49%</u>
Gain or (Loss) on Sale of Securities	<u>980,032.73</u>	<u>3,192,311.82</u>	<u>(47,402,111.04)</u>	<u>27,981,977.95</u>	<u>-269.40%</u>
TOTAL CLEARANCES	<u>\$ 8,673,652.75</u>	<u>\$11,827,498.14</u>	<u>\$ 3,276,843.59</u>	<u>\$66,817,954.49</u>	<u>-95.10%</u>

Oil and Gas Development - February 28, 1991

Acreage Under Lease - 654,067

Number of Producing Acres - 539,625

Number of Producing Leases - 2,147

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. System: Acceptance of Gifts from Mr. James W. McCartney, Houston, Texas, Ms. Catherine McCartney Miller, Austin, Texas, Ms. Susan McCartney Finnegan, Houston, Texas, and Mr. James W. McCartney, Houston, Texas, and Establishment of The Catherine Terrell McCartney Fund.--The Land and Investment Committee recommended and the Board accepted a \$22,000 gift from Mr. James W. McCartney, Houston, Texas, and gifts of \$1,000 each from Ms. Catherine McCartney Miller, Austin, Texas, Ms. Susan McCartney Finnegan, Houston, Texas, and Mr. James W. McCartney, Houston, Texas, for a total of \$25,000 and established The Catherine Terrell McCartney Fund for The University of Texas System.

Ninety percent of the income earned from the endowment will be for the unrestricted use of the Chancellor. The remaining ten percent of income earned will be reinvested in the endowment corpus.

2. U. T. Arlington: Acceptance of Gifts from Family and Friends of Dr. Arthur R. Poor and Establishment of The Arthur R. Poor Graduate Scholarship in Civil Engineering.--The Board accepted \$7,500 in gifts from the family and friends of Dr. Arthur R. Poor and a \$2,500 transfer of current restricted funds from the Construction Research Center at The University of Texas at Arlington for a total of \$10,000 and established The Arthur R. Poor Graduate Scholarship in Civil Engineering at U. T. Arlington.

Income earned from the endowment will be used to award scholarships to qualified graduate students in the Department of Civil Engineering, with preference given to applicants with an active interest in construction with the intent to pursue a career in the construction industry.

3. U. T. Austin: Approval to Modify Administrative Guidelines of the Florence Ralston Brooke Austin High School Athletic Cup and Scholarship Fund.--Approval was given to amend the administrative guidelines of the Florence Ralston Brooke Austin High School Athletic Cup and Scholarship Fund at The University of Texas at Austin, in line with the donor's original intention, to allow the reinvestment of all current and future endowment earnings into the corpus of the endowment until such time as the endowment earnings are sufficient to provide a full tuition and fees award.

Further, the U. T. Board of Regents assigned to U. T. Austin the authority to monitor the endowment's performance and at the appropriate time request payout of earnings to facilitate awarding the scholarship and to administer the scholarship award process in coordination with the principal of Stephen F. Austin High School, Austin, Texas.

4. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the Thomas M. Burke Student Job Program Endowment in the College of Natural Sciences.--The Land and Investment Committee recommended and the Board accepted a \$10,278.59 transfer of previously reported gifts from current restricted funds and established the Thomas M. Burke Student Job Program Endowment in the Department of Geological Sciences, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to provide jobs for undergraduate and graduate students in the Department of Geological Sciences which will involve these students in geologic work related to faculty research.

5. U. T. Austin: Acceptance of Remainder Interest in the L. L. and Ethel E. Dean Testamentary Trust and Establishment of the L. L. and Ethel E. Dean Honors Program Endowment.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$1,061,133 remainder interest in the L. L. and Ethel E. Dean Testamentary Trust and established the L. L. and Ethel E. Dean Honors Program Endowment at The University of Texas at Austin.

Income earned from the endowment will be used to support a program for U. T. Austin honor students. The program will offer faculty lectures, seminars, films, and related activities designed to enrich the academic experience of these students and will be managed from a central honors office to be located in one of the U. T. Austin residence halls. The lecture/seminar series will bear the Dean name in recognition of this gift. Additionally, an appropriate area of the residence hall chosen to house the program office shall be named for the Deans.

6. U. T. Austin: Authorization to Accept Gift from the Hispanic Chamber of Commerce of Travis County, Austin, Texas, and to Establish the Hispanic Chamber of Commerce of Travis County Endowed Scholarship in Education in the College of Education.--Authorization was granted to accept a \$23,000 gift from the Hispanic Chamber of Commerce of Travis County, Austin, Texas, and a \$2,000 transfer of previously reported gifts from designated funds for a total of \$25,000 and to establish the Hispanic Chamber of Commerce of Travis County Endowed Scholarship in Education in the College of Education at The University of Texas at Austin.

Income earned from the endowment will be used to support scholarships for students from Travis County, Texas, who are pursuing a degree in Education or teacher certification, and who demonstrate a high degree of commitment to a career in education, with preference given to incoming freshmen.

7. U. T. Austin: Acceptance of Gifts from The Prudential Foundation, Newark, New Jersey, J. C. Penney Company, Inc., Dallas, Texas, and Rockwell Fund, Inc., Houston, Texas, and Establishment of the Barbara Jordan Scholars Program in the Lyndon B. Johnson School of Public Affairs.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts from the following donors for a total of \$30,000 and established the Barbara Jordan Scholars Program in the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin:

<u>Donor</u>	<u>Gift</u>
The Prudential Foundation Newark, New Jersey	\$10,000
J. C. Penney Company, Inc. Dallas, Texas	10,000
Rockwell Fund, Inc. Houston, Texas	10,000

Income earned from the endowment will be used to support outstanding students of the Lyndon B. Johnson School of Public Affairs through two academic years and a required summer internship.

8. U. T. Austin: Approval to Dissolve the Gustavus Pfeiffer Centennial Fellowship in Pharmacology and the Louise Pfeiffer Centennial Fellowship in Pharmacy and to Establish the Gustavus and Louise Pfeiffer Professorship in Toxicology in the College of Pharmacy Effective September 1, 1991, and Acceptance of Gift and Pledge from the Gustavus and Louise Pfeiffer Research Foundation, Redlands, California.--Approval was given to dissolve the Gustavus Pfeiffer Centennial Fellowship in Pharmacology and the Louise Pfeiffer Centennial Fellowship in Pharmacy with the funding of \$50,023 for each Fellowship to be combined for a total of \$100,046 to establish the Gustavus and Louise Pfeiffer Professorship in Toxicology in the College of Pharmacy at The University of Texas at Austin effective September 1, 1991.

Further, a \$15,000 gift and a \$15,000 pledge, payable by February 29, 1992, from the Gustavus and Louise Pfeiffer Research Foundation, Redlands, California, and a \$20,000 transfer of previously reported gifts from current restricted funds for a total of \$50,000 were accepted for addition to this endowment for a total of \$150,046.

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

9. U. T. Austin: Acceptance of Gifts from the Women's Golf Association of Barton Creek Country Club, Mrs. Joan Whitworth, Both of Austin, Texas, and Various Donors and Establishment of The Betsy Rawls Scholarship in the Department of Intercollegiate Athletics for Women.--The Board accepted a \$6,120.72 gift from the Women's Golf Association of Barton Creek Country Club, Austin, Texas, a \$3,448.53 gift from Mrs. Joan Whitworth, Austin, Texas, and \$430.75 from various donors for a total of \$10,000 and established The Betsy Rawls Scholarship for the benefit 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 a member of the women's golf team at U. T. Austin who has completed eligibility but requires financial assistance to remain at U. T. Austin to complete an undergraduate degree.

10. U. T. Austin: Authorization to Accept Gift from Dr. and Mrs. Cecil H. Hale, Austin, Texas, and to Establish the Sheila Rice "Challenge to Excellence" Lecture Series Endowment in the Department of Intercollegiate Athletics for Women.--Authorization was granted to accept a \$25,000 gift from Dr. and Mrs. Cecil H. Hale, Austin, Texas, and to establish the Sheila Rice "Challenge to Excellence" Lecture Series Endowment in the Department of Intercollegiate Athletics for Women at The University of Texas at Austin.

Income earned from the endowment will be used annually to sponsor lectures for student athletes on the topics of academic, career, or personal excellence.

11. U. T. Austin: Acceptance of Gifts from Dr. Phyllis Richards, Austin, Texas, and Various Donors and Establishment of the Phyllis Richards Professional Development Fund in the College of Natural Sciences.--The Land and Investment Committee recommended and the Board accepted a \$7,000 gift from Dr. Phyllis Richards, Austin, Texas, gifts totalling \$1,708 from various donors, and a \$2,000 transfer of previously reported gifts from current restricted funds for a total of \$10,708 and established the Phyllis Richards Professional Development Fund in the Department of Human Ecology, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment is to be used to support students and faculty in the Department of Human Ecology. Uses may include assistance related to both teaching and research activities.

12. U. T. Austin: Acceptance of Bequest from the Estate of Mary Shackelford Rouse, Austin, Texas, and Establishment of the Thomas A. Rouse Memorial Fund in the College of Communication.--Upon recommendation of the Land and Investment Committee, the Board accepted a one-seventh share of the residue of the Estate of Mary Shackelford Rouse, Austin, Texas, totalling \$19,150.47 and a transfer of previously reported gifts from current restricted funds, comprised of cash and notes receivable, and established the Thomas A. Rouse Memorial Fund in the Department of Speech, College of Communication, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships in the Department of Speech.

13. U. T. Austin: Redesignation of the Teeple Properties, Inc. Lectureship in Business Administration in the College of Business Administration and the Graduate School of Business as the Congress International, Inc. Lectureship in Business Administration.--In accordance with the donor's request, approval was given to redesignate the Teeple Properties, Inc. Lectureship in Business Administration in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin as the Congress International, Inc. Lectureship in Business Administration.

14. U. T. Austin: Acceptance of Gift from the Texas Cowboys, Austin, Texas, and Establishment of the Texas Cowboys Endowment for UT Students.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$10,000 gift from the Texas Cowboys, a student organization at The University of Texas at Austin, and established the Texas Cowboys Endowment for UT Students at U. T. Austin.

Income earned from the endowment will be used to award scholarships to students who have made a significant personal contribution through service to the Austin community or the campus community. Recipients should be a sophomore, junior, or senior, have a minimum grade point average of 2.50, and may be of any academic major.

15. U. T. Austin: Acceptance of Gift from The Ex-Students' Association, Austin, Texas, and Establishment of the James W. Winkel Memorial Scholarship.--The Land and Investment Committee recommended and the Board accepted a \$100,000 gift from The Ex-Students' Association, Austin, Texas, and established the James W. Winkel Memorial Scholarship at The University of Texas at Austin.

Income earned from the endowment will be used to provide scholarship support for students under the provisions of The Ex-Students' Association program of Texas Excellence Awards for Scholarship and Leadership.

16. U. T. Dallas: Acceptance of Pledge from Mr. Cecil H. Green, Dallas, Texas, and Establishment of the Cecil and Ida Green Center for the Study of Science and Society Endowment.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$2,200,000 pledge, toward an endowment goal of \$6,500,000, from Mr. Cecil H. Green, Dallas, Texas, and established the Cecil and Ida Green Center for the Study of Science and Society Endowment at The University of Texas at Dallas. The endowment will support the operation of the Center. The pledge will be paid in three equal consecutive annual installments, with the first installment to be paid within sixty (60) days following the commencement of construction of the facility to house the Center.

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

On behalf of the Board, Committee Chairman Cruikshank expressed appreciation to Mr. Green for this very significant pledge and for his most generous and continuing support of the component institutions of The University of Texas System.

17. U. T. El Paso: Approval to Accept Partial Remainder Interest in the Peter and Margaret B. de Wetter Charitable Remainder Unitrust Funded by Mr. and Mrs. Peter de Wetter, El Paso, Texas.--Approval was given to accept a remainder interest equal to the greater of \$500,000 or fifty percent of the distributable funds in the Peter and Margaret B. de Wetter Charitable Remainder Unitrust, funded by Mr. and Mrs. Peter de Wetter, El Paso, Texas (to be held in trust by the U. S. Trust Company of California, N.A., Los Angeles, California), and to establish an endowment at The University of Texas at El Paso upon termination of the Trust.

18. U. T. El Paso: Acceptance of Gift from Mr. and Mrs. Vernon G. Hunt, Tyler, Texas, and Establishment of the Vernon G. and Joy Hunt Endowed Scholarship Fund in Geology.--The Board accepted a \$20,000 gift from Mr. and Mrs. Vernon G. Hunt, Tyler, Texas, and established the Vernon G. and Joy Hunt Endowed Scholarship Fund in Geology at The University of Texas at El Paso.

Income earned from the fund will be used for an annual scholarship to a graduate student in Geological Sciences who meets the basic scholarship requirements established at U. T. El Paso, subject to approval by the Chairman of the Department of Geology.

19. U. T. El Paso: Approval to Accept Gift from Mr. and Mrs. Jeffrey B. Keckley, El Paso, Texas, and to Establish the A. Bruce and Dorothy B. Keckley Endowed Library Fund.--The Land and Investment Committee recommended and the Board accepted a \$10,000 gift from Mr. and Mrs. Jeffrey B. Keckley, El Paso, Texas, and established the A. Bruce and Dorothy B. Keckley Endowed Library Fund at The University of Texas at El Paso.

Income earned from the endowment will be used to supplement the needs of the Reference Department of the U. T. El Paso Library.

20. U. T. El Paso: Acceptance of Gift from the Rho Sigma Tau Association, El Paso, Texas, and Establishment of the Rho Sigma Tau-Robert L. Schumaker Endowed Professorship in Physics.--Authorization was granted to accept a \$100,000 gift from the Rho Sigma Tau Association, El Paso, Texas, and to establish the Rho Sigma Tau-Robert L. Schumaker Endowed Professorship in Physics at The University of Texas at El Paso.

Income earned from the endowment will be used to recognize and reward a faculty member from the Department of Physics who will be chosen solely for his or her excellence in teaching, with all other considerations of professional achievement being secondary to a record of meritorious and effective teaching.

21. U. T. El Paso: Acceptance of Gifts from Texas Commerce Bank-El Paso, El Paso, Texas, and Establishment of the Texas Commerce Bank Professorship in Business Administration.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totalling \$101,021.99 from Texas Commerce Bank-El Paso, El Paso, Texas, and established the Texas Commerce Bank Professorship in Business Administration at The University of Texas at El Paso.

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

22. U. T. El Paso: Acceptance of Gift from Mrs. Beulah Herbold, El Paso, Texas, and Various Other Family Members and Establishment of the Dr. E. A. Thormodsgaard Vocal Music Fund.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$10,000 gift from Mrs. Beulah Herbold, El Paso, Texas, and various other family members and established the Dr. E. A. Thormodsgaard Vocal Music Fund in the Department of Music at The University of Texas at El Paso.

Income earned from the endowment will be used to provide resources for the UTEP Vocal Music program, at the discretion of the Chairman of the Department of Music and the Director of Vocal Music at U. T. El Paso.

23. U. T. El Paso: Acceptance of Gifts from the UTEP Alumni Association and the UTEP Student Association, Both of El Paso, Texas, and Establishment of the UTEP Alumni Association-Student Association Endowed Scholarship Fund.--Approval was given to accept \$10,000 in gifts from the UTEP Alumni Association and the UTEP Student Association, both of El Paso, Texas, and to establish the UTEP Alumni Association-Student Association Endowed Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment will be used for an annual scholarship for a junior or senior student who has demonstrated service to U. T. El Paso and the City of El Paso through involvement in student and community activities and who meets the basic scholarship requirements at U. T. El Paso.

24. U. T. Tyler: Acceptance of Gift from Mr. and Mrs. John E. (Jack) White, Jr., Tyler, Texas, and Corporate Matching Funds from the ARCO Foundation, Los Angeles, California, and Establishment of The Brady H. White Endowed Presidential Scholarship.--The Land and Investment Committee recommended and the Board accepted a \$12,500 gift from Mr. and Mrs. John E. (Jack) White, Jr., Tyler, Texas, and \$12,500 in corporate matching funds from the ARCO Foundation, Los Angeles, California, for a total of \$25,000 and established The Brady H. White Endowed Presidential Scholarship at The University of Texas at Tyler.

Income earned from the endowment will be used to award scholarships according to the criteria of the Presidential Scholarship Program at U. T. Tyler.

25. U. T. Medical Branch - Galveston: Acceptance of Gift from Dr. and Mrs. William J. McGanity, Galveston, Texas, and Establishment of the William J. and Mary K. McGanity Awards.--The Board accepted a \$10,100 gift from Dr. and Mrs. William J. McGanity, Galveston, Texas, and established the William J. and Mary K. McGanity Awards at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to support an annual presentation of student awards in the Physician's Assistant Studies Program and the Medical Technology Program.

26. U. T. Medical Branch - Galveston: Acceptance of Transfer of Funds and Establishment of the School of Allied Health Sciences Annual Scholarship Awards.--Authorization was granted to accept a \$32,000 transfer of previously reported gifts from designated funds and to establish a quasi-endowment to be named the School of Allied Health Sciences Annual Scholarship Awards at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to support scholarships in The University of Texas School of Allied Health Sciences at Galveston.

27. U. T. M.D. Anderson Cancer Center: Acceptance of Pledge from the John S. Dunn Research Foundation, Houston, Texas, and Establishment of the John S. Dunn, Sr. Endowment for the International Bone Marrow Transplantation Center.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$500,000 pledge, payable by March 1, 1993, from the John S. Dunn Research Foundation, Houston, Texas, as a challenge grant on behalf of The University of Texas M.D. Anderson Cancer Center. In accordance with the terms of the challenge grant, it is the intent of the U. T. M.D. Anderson Cancer Center to raise private funds of \$509,351 for a total of \$1,009,351.

Further, the funds will be used to establish the John S. Dunn, Sr. Endowment for the International Bone Marrow Transplantation Center at the U. T. M.D. Anderson Cancer Center.

Income earned from the endowment will be used to support an International Bone Marrow Transplantation Center.

28. U. T. M.D. Anderson Cancer Center: Acceptance of Gift from Mr. W. A. "Tex" Moncrief, Jr., Fort Worth, Texas.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$1,000,000 gift from Mr. W. A. "Tex" Moncrief, Jr., Fort Worth, Texas, for the benefit of The University of Texas M.D. Anderson Cancer Center. A designation for the use of funds will be made at a later date. The funds will be held in a separate account at the U. T. M.D. Anderson Cancer Center.

On behalf of the Board, Committee Chairman Cruikshank expressed appreciation to Regent Moncrief for this very significant gift and for his most generous support of the component institutions of The University of Texas System and particularly the U. T. M.D. Anderson Cancer Center.

III. OTHER MATTER

Permanent University Fund: Authorization for a Study Related to Divestment of Investments in Tobacco Related Companies.--At the conclusion of the Land and Investment Committee meeting, Regent Rapoport moved that the U. T. Board of Regents authorize a study relative to the divestment of investments in tobacco related companies held in The University of Texas Permanent University Fund and suggested that the study be initiated immediately with the results to be reported to the Board at the June 1991 meeting.

Regent Rapoport acknowledged that the Board has many responsibilities. First and foremost is to administer the investments of the Permanent University Fund to maximize returns with emphasis on prudent and conservative approaches. Secondly, within the constraints referenced above, there should be concern about social issues. He pointed out that The University of Texas System must continue to provide moral and ethical leadership for the State.

Regent Rapoport noted that mature judgment must prevail at all times, and in these precarious times, any investment policy that is not flexible can be disastrous. He concluded by emphasizing that categorical judgments cannot and must not be a guiding rule vis-à-vis investment policies of the U. T. Board of Regents.

Regent Moncrief seconded the motion for the study which prevailed without objection.

Chairman Beecherl instructed Chancellor Mark to proceed with the study and report the findings to the Board.

Reconvene.--At 11:10 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regent Ramirez, Vice-Chairman 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 the last Board of Regents' meeting in February 1991. The Board will meet on June 27, 1991, in Midland, Texas, to hold an oil and gas lease sale. The Board will be offering 42,248 acres of Permanent University Fund land for oil and gas leasing.

There have been two new members appointed to the Board for Lease. The new members are Regent Bernard Rapoport of The University of Texas System and Regent Billy Clayton of The Texas A&M University System. The returning members are Garry Mauro, Land Commissioner, and myself.

OTHER MATTERS

U. T. System: Report from Student Advisory Group on Benefits of and Need for Biomedical Animal Research.--At the request of Chairman Beecherl, Chancellor Mark reported that representatives of The University of Texas System Student Advisory Group would make a presentation regarding its efforts on behalf of biomedical animal research. Dr. Mark then introduced Mr. Jack Johnston of The University of Texas at El Paso who serves as Chairman of the U. T. System Student Advisory Group.

Mr. Johnston thanked the Board for the opportunity to make a presentation and reiterated that the main issues of interest to the Student Advisory Group are transferability of courses from one component to another, student misconduct and discipline, library enhancement proposals, course scheduling, minority recruitment and scholarships, student health insurance, and final exam policy.

Mr. Johnston then recognized Ms. Malu Tansey and Ms. Blair Taylor, members of the Student Advisory Group from The University of Texas Southwestern Medical Center at Dallas and The University of Texas Health Science Center at San Antonio, respectively.

On behalf of the Student Advisory Group and with the aid of slides, Ms. Tansey and Ms. Taylor briefed the Board on the importance of biomedical animal research within The University of Texas System. Ms. Tansey noted that biomedical research is responsible for the therapies utilized in modern human and veterinary medicine. By integrating animal and nonanimal models, scientists continually expand the pool of knowledge from which these therapies are developed. Ms. Tansey acknowledged that public support of biomedical research has waned during the last decade, due in part to the multimillion dollar media campaigns sponsored by animal rights organizations, coupled with the lack of a comparable effort from the scientific community.

Ms. Tansey pointed out that one of the largest animal rights organizations in the United States is People for the Ethical Treatment of Animals (PETA), and the animal rights activists employ three major tactics to reinforce their opposition to animal research:

- a. Vandalism of research laboratories
- b. Intimidation of scientists
- c. Disinformation campaigns.

Ms. Tansey stated that in line with the goals of the strategic plan, the Faculty and Student Advisory Groups have adopted a proposal to develop public service announcements designed to educate the citizens of Texas on the necessity and benefits of biomedical animal research. Ms. Taylor previewed one of these announcements for the Board.

On behalf of the Board, Chairman Beecherl thanked the Student Advisory Group for this very informative report. For the benefit of the new members of the Board, Chairman Beecherl pointed out that the Faculty and Student Advisory Groups have been in operation for approximately two years and have presented some very interesting issues to the Board.

In conclusion, Chancellor Mark encouraged members of the Board to attend meetings of the Student and Faculty Advisory Groups and advised that the next meeting of the Student Advisory Group would be held on June 7-8, 1991, in Austin, Texas.

RECESS TO EXECUTIVE SESSION.--At 11:35 a.m., the Board recessed to convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out in the Material Supporting the Agenda.

RECONVENE.--At 2:10 p.m., the Board reconvened in open session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Beecherl reported that the Board had met in Executive Session in Suite 621A of the Administration Building to discuss matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes. In response to Chairman Beecherl's inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Southwestern Medical Center - Dallas: Settlement of Medical Liability Litigation - Honorio Arguelles and Carol Arguelles, Individually and as Next Friend of Jennifer Arguelles.--Vice-Chairman Ramirez moved that the Chancellor and the Office of General Counsel be authorized to settle on behalf of The University of Texas Southwestern Medical Center at Dallas the medical liability lawsuit filed by Honorio Arguelles and Carol Arguelles, individually and as next friend of Jennifer Arguelles, deceased minor child, in accordance with the proposal presented in Executive Session.


Regent Barshop and Vice-Chairman Cruikshank seconded the motion which prevailed without objection.

2. U. T. San Antonio: Approval of the Findings and Recommendations of the Hearing Tribunal Regarding Non-reappointment of Dr. Mark Kauderer, a Nontenured Faculty Member.--Regent Barshop moved that the findings and recommendations of the faculty hearing tribunal with respect to Dr. Mark Kauderer's allegations concerning his non-reappointment to the faculty at The University of Texas at San Antonio be approved.

Regent Rapoport seconded the motion which carried by unanimous vote.

SCHEDULED MEETING.--Chairman Beecherl announced that the next meeting of the U. T. Board of Regents would be held on June 6, 1991, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:12 p.m.


Arthur H. Dilly
Executive Secretary

April 18, 1991