

1. U. T. Austin: Request for Approval of Infrastructure Fee to be Charged to Students to Provide Funding for Repair and Renovation and Essential Capital Budgets

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Faulkner that the U. T. Board of Regents approve the creation of an infrastructure fee to be charged to students beginning with the 2002–2003 academic year as authorized under Texas Education Code Section 55.16.

It is recommended that a flat fee be charged to all students for the fall and spring semesters only and that, during the 2002–2003 academic year, the fee be \$230 per semester for a student taking seven or more semester credit hours and \$115 per semester for a student taking at least one and no more than six semester credit hours. It is further recommended that authorization be granted for the fee to be increased annually by \$50 per semester through the 2006–2007 academic year.

BACKGROUND INFORMATION

U. T. Austin has conducted a detailed analysis of its past and current funding and funding projections for the next five years. This analysis focuses upon the U. T. Austin Core Budget, consisting of: the essential operating budget (funds the basic academic and administrative operating activities); the essential repair and renovation budget (funds repair and renovation activities, including those deferred to subsequent years); and the essential capital budget (funds capital improvement activities including construction and major renovations). The conclusion has been reached that the level of State financial support and fees raised from existing sources will no longer support either the maintenance of or the enhancement of U. T. Austin and its mission.

Over the last decade, U. T. Austin has largely funded the delivery of its mission by deferring plant maintenance, repair, and renovation; increasing student fees; granting below market salary increases; expanding research grants and contracts;

and increasing reliance on gifts and endowments. U. T. Austin must raise \$150.7 million in new annual recurring funding over the next five years to offset projected budget deficiencies. If U. T. Austin does not obtain substantial additional funding, significant structural changes would have to take place campus-wide, including operating under a continuing deficit, being nationally noncompetitive on salaries, reducing services and programs, allowing buildings to deteriorate, canceling or deferring essential building and safety projects, and contracting programs.

U. T. Austin will be pursuing a number of steps to increase revenues and to achieve greater efficiencies in operations. The proposed infrastructure fee is an important part of the funding plan. It will bring repair and renovation within a reasonable range over five years and will provide funding for half of the essential capital shortfall. Other funding actions will be necessary to address the programmatic issues and essential capital needs that are not resolved by the infrastructure fee (e.g., core budget deficit, salary adjustments, faculty start-up and expansion, and new program initiatives).

A substantial portion of U. T. Austin's buildings and other facilities, constructed during the 1950s through the 1980s, now require significant repair and renovation. Income from the fee will be approximately \$21.4 million during 2002–2003 growing to approximately \$40 million during 2006–2007. The fee income will be dedicated for the repair, renovation, and essential capital improvement of U. T. Austin's educational and general facilities. U. T. Austin will provide financial aid to cover the fee for teaching assistants, assistant instructors, and graduate fellows who receive paid tuition benefits and will fund additional scholarships in an amount equivalent to 15% of the annual fee income to cover additional costs for students in need. Approximately one-half of the infrastructure fee income will be dedicated to paying for essential repairs and renovations. The remainder of the infrastructure fee income will be bonded and used to pay debt service on essential capital projects funded by such bonding, many related to fire and life safety upgrades and water control and environmental health issues.

The proposed infrastructure fee at U. T. Austin is being processed as an Agenda item rather than a Docket item to allow needed time for additional campus-wide meetings and consultations. Dr. Faulkner has had several campus-wide meetings with students, faculty, and staff to discuss the fee proposal. Possible modifications to the proposal may be made to the proposal following these campus meetings.

2. U. T. Austin - Indoor Practice Facility: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project; Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Faulkner that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Indoor Practice Facility at U. T. Austin
- b. Approve design development plans
- c. Approve evaluation of alternative energy economic feasibility
- d. Approve a total project cost of \$4,000,000
- e. Appropriate funds and authorize expenditure of \$4,000,000 from Gifts and Grants.

BACKGROUND INFORMATION

The Indoor Practice Facility at U. T. Austin, to be located on a portion of the Frank Denius Fields at the southeast corner of the intersection of Red River and Dean Keeton Streets, involves the construction of a conditioned, all-weather enclosure for use by Intercollegiate Athletic teams such as the football and baseball teams. This facility will also provide a practice area for the marching band.

The project will be designed with consideration of the Capitol view corridors. The Texas Department of Transportation has indicated that there is a possibility within the next few years that IH-35 will be expanded and widened. This expansion will have an adverse effect on the Frank Denius Fields; these fields will have to be relocated.

As is the case on all athletic projects, no State funds will be used on this project.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

This off-cycle Capital Improvement Project (CIP) has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

3. U. T. Permian Basin: Request for Authorization to Amend Lease with The Presidential Museum in Odessa, Ector County, Texas, to Add Approximately 2,500 Square Feet of Land for a Permanent Site for the Former Home of Presidents George Herbert Walker Bush and George Walker Bush, and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Watts that the U. T. Board of Regents grant authorization for the U. T. System Real Estate Office and the Office of General Counsel to take all steps necessary to amend the lease dated February 13, 2001, with The Presidential Museum, a Texas

nonprofit corporation, Odessa, Texas, to add approximately 2,500 square feet of land to the leased premises for a permanent site for the former home of Presidents George Herbert Walker Bush and George Walker Bush. All other provisions of the lease will remain unchanged.

It is further recommended that the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to execute all documents, instruments, and other agreements and to take all such further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

The 76th Texas Legislature appropriated \$2,500,000 in the General Appropriations Act for the purpose of constructing a building to house The Presidential Museum on a leased portion of the U. T. Permian Basin campus. Following the appropriation, it was determined that Permanent University Fund Bond Proceeds would be used to fund the construction project. The U. T. Board of Regents approved the change in funding, the lease, and the construction project at its regular meeting on August 10, 2000. The lease was executed on February 13, 2001, and the construction project is scheduled for completion in May 2002.

The Presidential Museum has purchased the residence, located at 916 East 17th Street in Odessa, that once was the home of the 41st president of the United States, George Herbert Walker Bush, and the current (43rd) president, George Walker Bush. The Presidential Museum would like to relocate the structure to the subject site early this spring to become a permanent exhibit. Approximately 2,500 additional square feet of land is required to accommodate the house on the site.

The lease currently covers 71,960 square feet (1.65 acres) of land. The proposed revised lease would cover approximately 74,460 square feet (1.71 acres) of land. The exact area of the leased property will be determined by a survey to be provided by The Presidential Museum after the final space requirements are determined. Based on an appraisal dated May 29, 2000, and prepared in anticipation of the original lease, the additional land is worth approximately \$3.10 per square foot, or \$7,750.

4. U. T. San Antonio - Student Housing Expansion - Phase I: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Romo that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Student Housing Expansion – Phase I project at U. T. San Antonio at a preliminary project cost of \$12,000,000 with funding from Revenue Financing System Bond Proceeds.

BACKGROUND INFORMATION

The Student Housing Expansion – Phase I project at U. T. San Antonio involves the construction of an apartment complex consisting of 515,625 gross square feet, capable of housing 500 students.

Each apartment would contain four private bedrooms with single person occupancy in a shared living space. Internet connectivity will be provided in each bedroom and in the shared space. In addition, the facility will provide resident advisor administrative spaces, lounges, meeting rooms, and study rooms.

There is a strong demand for additional University-owned and operated apartment units on campus. At the beginning of the Fall Semester 2000, there was a 99% rate of occupancy for existing housing. This is the first of four phases to be proposed for construction of campus housing at U. T. San Antonio.

This off-cycle Capital Improvement Project (CIP) has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

5. U. T. Tyler - Student Resident Home: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Mabry that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Student Resident Home at U. T. Tyler at a preliminary project cost of \$1,400,000 with funding from Revenue Financing System Bond Proceeds.

BACKGROUND INFORMATION

The Student Resident Home project at U. T. Tyler involves the construction of a residence of approximately 10,000 gross square feet, capable of housing 34 students.

The facility is the first residence type home to be constructed on campus and will be designed with 16 bedrooms housing two students each and two single bedrooms. In addition, the residence will provide living quarters for an advisor, three lounge/parlor/study areas, a kitchen, and laundry facilities.

Additional student housing is needed for the Fall Semester 2003 due to the removal of legislative caps on student enrollment at U. T. Tyler.

This off-cycle Capital Improvement Project (CIP) has been approved by U. T. System staff and meets the criteria for inclusion in the CIP.

INFORMATIONAL REPORT

U. T. System: Report on Institutional Accountability Portfolios for the Academic Components

REPORT

Dr. Mike Kerker, Director of Research and Policy Analysis in the Office of Academic Affairs, will report on the Institutional Accountability Portfolios for the academic components.