

MATERIAL SUPPORTING THE AGENDA

VOLUME XL1a

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on

October 8, 1993
December 2, 1993

The material is divided according to the standing committees and the meetings that were held and is color coded as follows:

White paper - for documentation of all items that were presented before the deadline date.

Blue paper - all items submitted to the Executive Session and distributed only to the Regents, Chancellor and Executive Vice Chancellors of the System.

Yellow paper - emergency items distributed at the meeting.

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times some people get copies and some do not get copies. If the Executive Secretary was furnished a copy, then that material goes into the appropriate subject file.



**Material Supporting the Agenda
of the
Board of Regents
The University of Texas System**

Meeting No.: 873

Date: December 2, 1993

Location: Brownsville, Texas

BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Gorgas Board Room, Gorgas Hall
The University of Texas at Brownsville
80 Fort Brown
Brownsville, Texas

Host Institution: The University of Texas at Brownsville

Thursday, December 2, 1993

10:00 a.m.

Convene in Open Session with
recess to Executive Session
as per the agenda

See Pages B of R 1 - 6
Items A - P

Telephone Numbers

President Garcia's Office	(210) 544-8201
Fort Brown Hotel & Resort 1900 East Elizabeth	(210) 546-2201

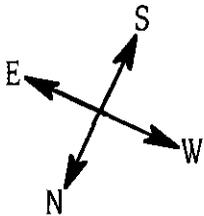
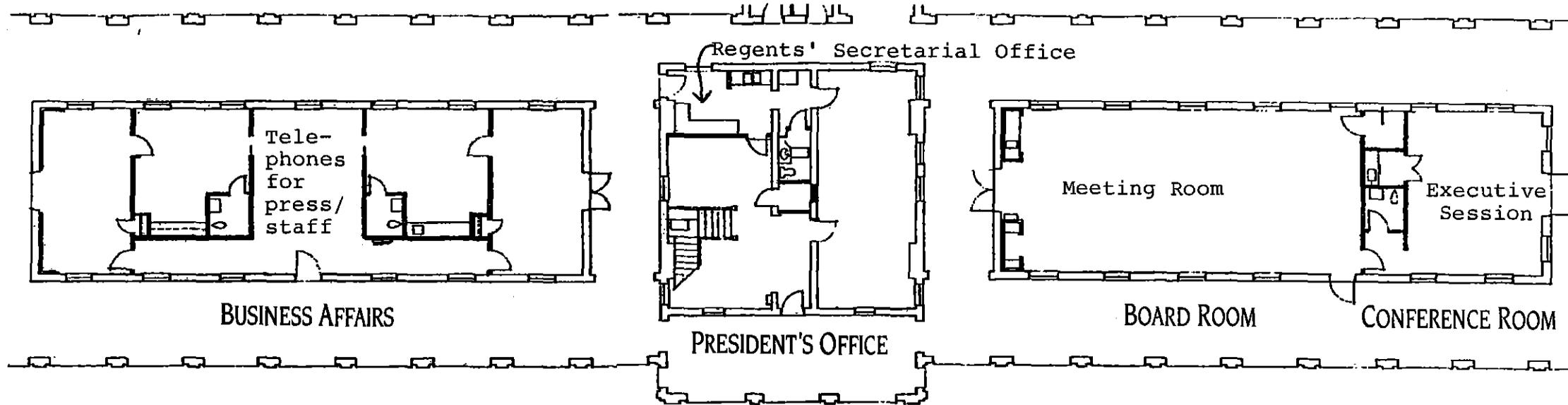
THE UNIVERSITY OF TEXAS AT BROWNSVILLE

In Partnership With

TEXAS SOUTHMOST COLLEGE

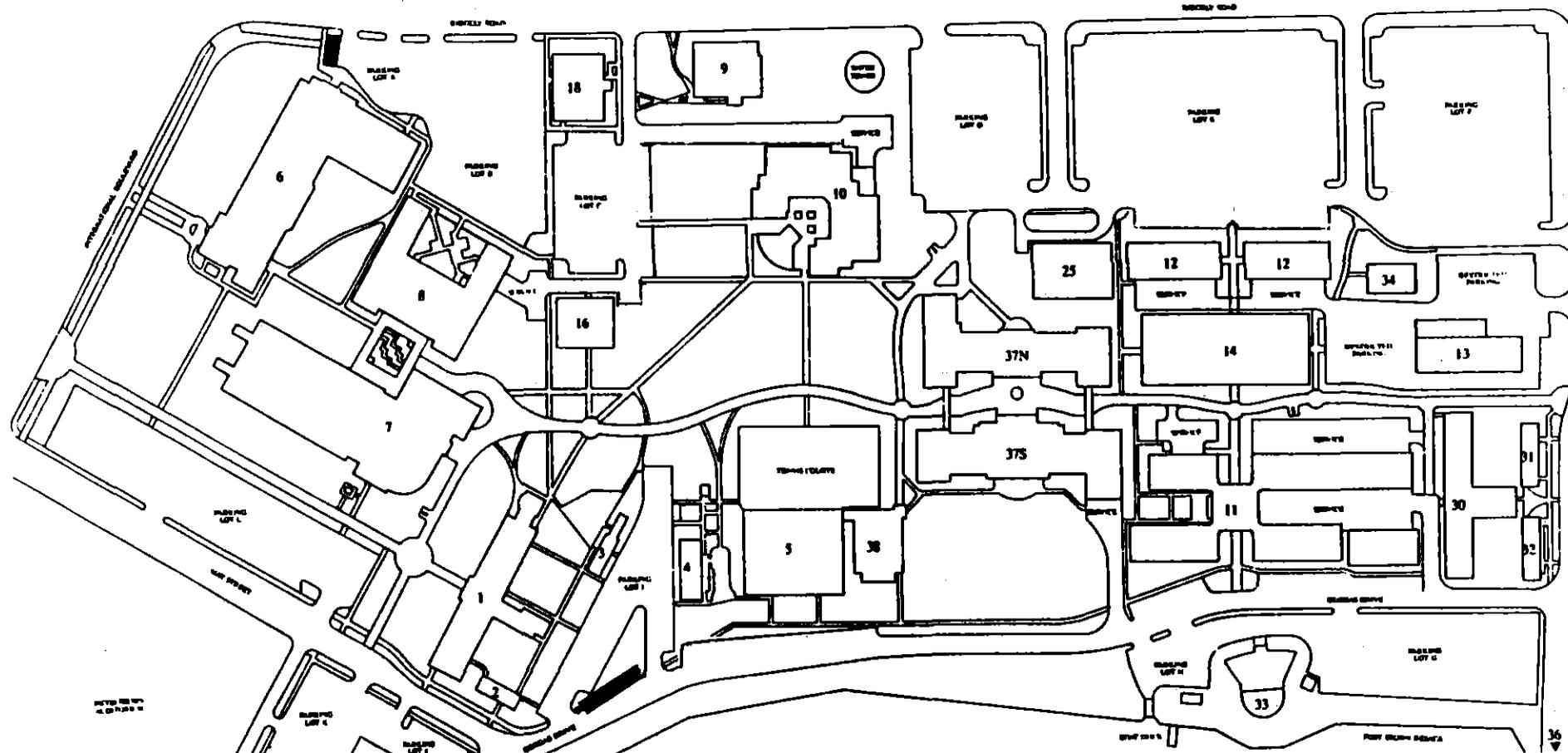
80 Fort Brown • Brownsville, Texas 78520

Gorgas Hall



THE UNIVERSITY OF TEXAS AT BROWNSVILLE

In Partnership with Texas Southmost College



- 1 Gorgas Hall
- 2 Champion Hall
- 3 Old Morgue
- 4 Art Building
- 5 Garza Gymnasium
- 6 Oliveira Library
- 7 Tandy Hall
- 8 Lightner Student Center
- 9 Catholic Campus Ministry
- 10 Eldman Hall
- 11 Rusteberg Hall

- 12 Vocational Trade Shops
- 13 Maintenance
- 14 Cortez Allied Health
- 16 Music Building
- 18 School of Education
- 19 Officers Quarters II
- 20 Officers Quarters III
- 21 Officers Quarters IV
- 23 ARA Housekeeping
- 25 Guerra Child Care
- 26 Commandant's Quarters

- 30 Cavalry Hall
- 31 Barracks I
- 32 Barracks II
- 33 Smith Amphitheatre
- 34 Central Plant
- 36 Continuing Education
- 37N North Hall
- 37S South Hall
- 38 Gymnasium Addition

Legend

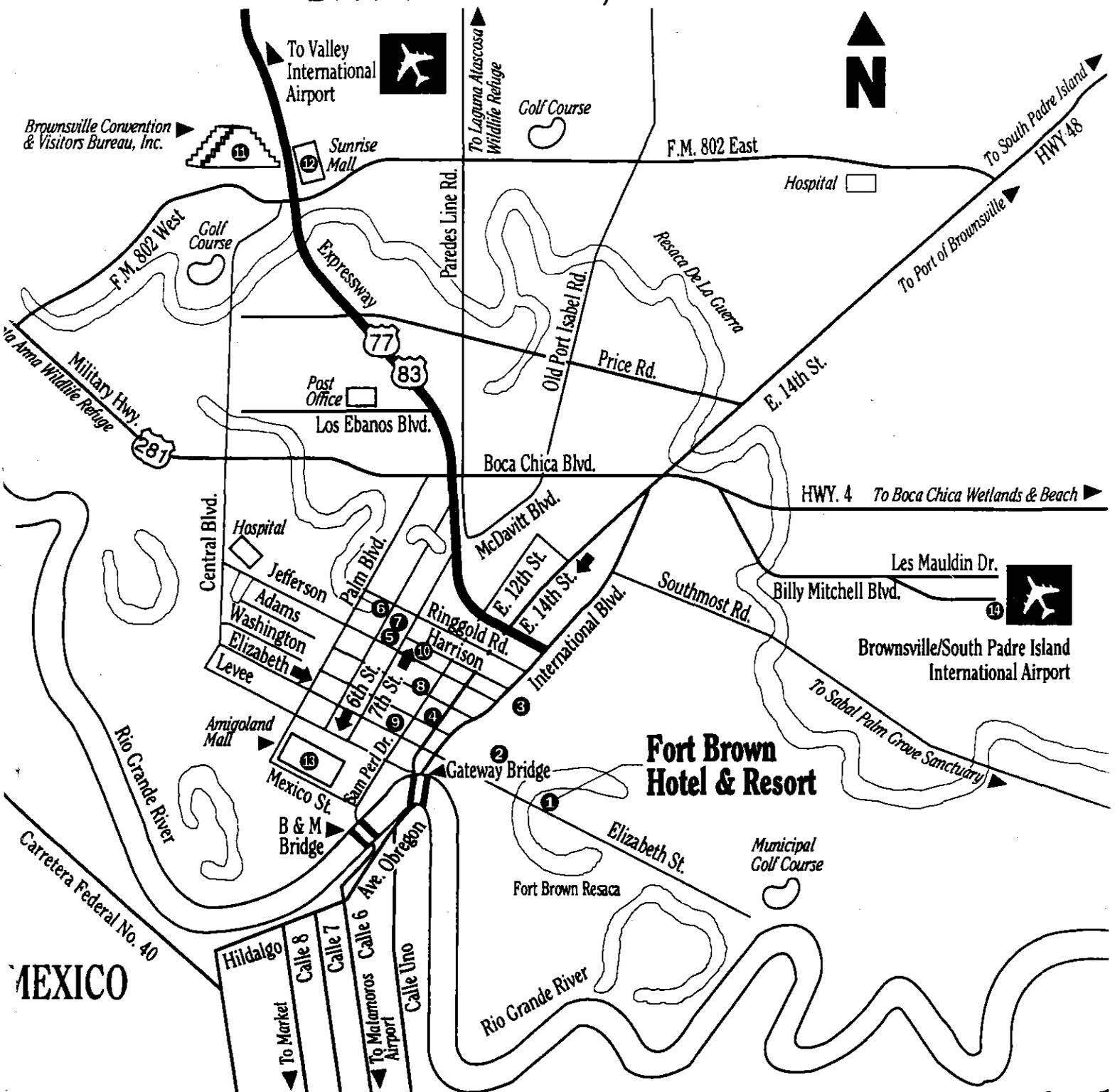
Parking

Legend

- Faculty
- Staff
- Students
- Visitors

Fort Brown Hotel & Resort

BROWNSVILLE, TEXAS



- | | |
|--|---|
| 1. Fort Brown Hotel & Resort | 8. City Hall |
| 2. Brownsville Chamber of Commerce | 9. Federal Courthouse |
| 3. Texas Southmost College
U.T. Pan American University | 10. County Courthouse |
| 4. Stillman House Museum | 11. Tourist Information Center |
| 5. Historic Brownsville Museum | 12. Sunrise Mall |
| 6. Gladys Porter Zoo | 13. Amigoland Mall |
| 7. Police Headquarters | 14. Confederate Air Force R.G.V. Museum |



1900 E. Elizabeth St. • Brownsville, Texas 78520
210-546-2201 • 1-800-582-3333

Meeting of the Board

AGENDA FOR MEETING
OF
BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Date: Thursday, December 2, 1993

Time: 10:00 a.m. Convene in Open Session with
recess to Executive Session
as per the agenda

Place: Gorgas Board Room (Open Session) and Gorgas
Conference Room (Executive Session), Gorgas Hall,
U. T. Brownsville

- A. CALL TO ORDER
- B. WELCOME BY PRESIDENT GARCIA
- C. APPROVAL OF MINUTES OF REGULAR MEETING HELD
OCTOBER 8, 1993
- D. SPECIAL ITEM

U. T. Board of Regents: Proposed Amendments to the
Regents' Rules and Regulations, Part One, Chapter I,
Section 8, Subsection 8.5, Subdivisions 8.53 and 8.55
(Communications by and to the Board).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Secretary to the Board and the Executive Vice Chancellors for Academic Affairs, Business Affairs, and Health Affairs that the Regents' Rules and Regulations, Part One, Chapter I, Section 8, Subsection 8.5, Subdivisions 8.53 and 8.55 regarding communications by and to the Board be amended as set forth below in congressional style:

- 8.53 All official material to be distributed to the Regents shall be transmitted through the Office of the Board of Regents. Copies of all official communications from administrative officers to the Regents shall be sent to the Executive Secretary. Communications from the Chancellor and Executive Vice Chancellors shall be exempt from this requirement but in such cases information copies shall be furnished to the Executive Secretary. The regular channel of communication from the faculty, staff, students and administration to the Board is through the chief administrative officer of the institution involved, the appropriate Executive Vice Chancellor and the Chancellor. A copy of any communication sent directly to a Board

member should be furnished to the Chancellor, the appropriate Executive Vice Chancellor and to the chief administrative officer of the institution involved.

Except for communications from the Chancellor, the Executive Vice Chancellors and the Executive Secretary to the Board, all communications to the Board from members of the university community should be in writing.

8.55

[~~Except for communications from the Chancellor, the Executive Vice Chancellors and the Executive Secretary to the Board, all communications to the Board from members of the faculty and staff should be in writing. The regular channel of communication from the faculty, staff, and administration to the Board is through the chief administrative officer of the institution involved, the Executive Vice Chancellors and the Chancellor. A copy of any communication sent directly to a Board member should be furnished to the Chancellor, the appropriate Executive Vice Chancellor and to the chief administrative officer of the institution involved.~~] A description of all matters to be considered by the Board or a standing committee of the Board at any meeting shall be mailed or delivered to each member of the Board or to each member of the appropriate standing committee of the Board and to designated officials at least five days in advance of the meeting at which they are to be considered, and insofar as possible, such material shall be mailed or delivered to each member of the Board or to each member of the appropriate standing committee of the Board and the designated officials at least ten days in advance of the meeting. Each such matter shall be accompanied by a summary of the facts pertaining thereto, the need for action thereon, and the recommendations of the Chancellor. Where contractual awards are involved, the summary shall show the method of competition, if any, the names and offers of all interested parties, and generally sufficient information to show the reasons for and fairness of each transaction. The recommendations of the Chancellor shall state whether they are fully concurred in by any Executive Vice Chancellor and chief administrative officer involved, and if not, their views and recommendations shall be included. Any matter not sent to the members of the Board or the members of a standing committee of the Board, documented as herein provided, at least five days in advance of the meeting at which it is to be considered, shall go over to the next meeting for consideration; provided,

however, that if sufficient emergency exists requiring immediate action and it appears that the delay was unavoidable, this requirement may be waived by a two-thirds vote of the Board or a standing committee of the Board.

BACKGROUND INFORMATION

The proposed housekeeping amendment to Section 8, Subsection 8.5, Subdivision 8.53 of the Regents' Rules and Regulations, Part One, Chapter I is intended to group all current text dealing with communications to the Board in Subdivision 8.53, leaving only text dealing with the Material Supporting the Agenda in Subdivision 8.55. The proposed amendment offers a reordering of and amendments to language formerly included in Subdivision 8.55.

E. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD

The Standing Committees of the Board of Regents of The University of Texas System will meet as set forth below to consider recommendations on those matters on the agenda for each Committee listed in the Material Supporting the Agenda. At the conclusion of each Standing Committee meeting, the report of that Committee will be formally presented to the Board for consideration and action.

Executive Committee: Chairman Rapoport
Vice-Chairman Temple, Vice-Chairman Lebermann
MSA Page Ex.C - 1

Business Affairs and Audit Committee: Chairman Loeffler, Regent Cruikshank, Regent Smiley
MSA Page BAAC - 1

Academic Affairs Committee: Chairman Holmes
Regent Lebermann, Regent Ramirez
MSA Page AAC - 1

Health Affairs Committee: Chairman Ramirez
Regent Cruikshank, Regent Temple
MSA Page HAC - 1

Facilities Planning and Construction Committee:
Chairman Temple, Regent Holmes, Regent Lebermann,
Regent Smiley
MSA Page FPCC - 1

Asset Management Committee: Chairman Cruikshank
Regent Loeffler, Regent Smiley
MSA Page AMC - 1

F. RECONVENE AS COMMITTEE OF THE WHOLE

G. ITEMS FOR THE RECORD

1. U. T. Dallas: Appointment of Advisory Committee for the Selection of a Chief Administrative Officer (President).--

REPORT

The membership of the Advisory Committee for the Selection of a Chief Administrative Officer (President) at The University of Texas at Dallas is herewith reported for the record. This committee has been constituted pursuant to the Regents' Rules and Regulations, Part One, Chapter II, Section 13:

Advisory Committee for the Selection
of a Chief Administrative Officer
for
The University of Texas at Dallas

System Administration Representatives

Chancellor William H. Cunningham
Executive Vice Chancellor for Academic Affairs
James P. Duncan (Chairman)

Board of Regents

Regent Zan W. Holmes, Jr.
Regent Lowell H. Lebermann, Jr.

Chief Administrative Officers

Dr. Ryan C. Amacher, President, The University
of Texas at Arlington
Dr. Juliet V. Garcia, President, The University
of Texas at Brownsville

Deans' Representative

Dr. David Dunn, Dean, School of Natural Sciences

Faculty Representatives - U. T. Dallas

Dr. Richard Caldwell, Professor of Natural Sciences
and Mathematics
Dr. Anthony Champagne, Professor of Social Sciences
Dr. Sandy Friel-Patti, Professor of Human
Development

Nonfaculty Representatives - U. T. Dallas

Ms. Gloria Williams, Special Services Coordinator
Dr. Marianne Woods, Director of Sponsored Projects

Student Representatives

Ms. Shirley Mann
Mr. Sanjeeb Samanta

U. T. Dallas Alumni Representative

Mr. James A. Parry

Community/External Representatives

Mr. Hollis Brashear
Ms. Diane Price
Mr. Pat Weber

2. U. T. Southwestern Medical Center - Dallas and U. T. Medical Branch - Galveston: Hunter Family Charitable Trust, Thomas R. Hunter, III Charitable Trust, Elizabeth Gail Hunter Charitable Trust, Thomas R. Hunter, III Income Trust, and the Elizabeth Gail Hunter Income Trust - Rescission of Previous Action to Accept and Establish These Trusts.--

REPORT

At the December 1979 meeting, the U. T. Board of Regents accepted the Hunter Family Charitable Trust, the Thomas R. Hunter, III Charitable Trust, the Elizabeth Gail Hunter Charitable Trust, the Thomas R. Hunter, III Income Trust, and the Elizabeth Gail Hunter Income Trust. The Trusts were to be funded from the Estate of Thomas R. Hunter, M.D. Upon termination of the Trusts, distributions from trust corpus were to be used to establish endowments at the U. T. Southwestern Medical Center - Dallas and the U. T. Medical Branch - Galveston.

It has recently become apparent that the Trusts will never be funded. Thus the December 1979 U. T. Board of Regents' action to accept and establish the several Trusts should be rescinded, and these Trusts removed from the official records.

- H. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS
- I. REPORT OF SPECIAL COMMITTEES
- J. OTHER MATTERS
- K. RECESS TO EXECUTIVE SESSION

The Board will 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 on Page Ex.S - 1 of the Material Supporting the Agenda.

- L. RECONVENE IN OPEN SESSION

M. CONSIDERATION OF ACTION ON ANY ITEMS DISCUSSED IN THE EXECUTIVE SESSION OF THE BOARD OF REGENTS PURSUANT TO V.T.C.S., ARTICLE 6252-17, SECTIONS 2(e), (f) AND (g)

1. Pending and/or Contemplated Litigation - Section 2(e)
 - a. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Claim
 - b. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Claim
 - c. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
 - d. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
 - e. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
 - a. U. T. Austin - Balcones Research Center: Request for Authorization to Sell Approximately 8.3 Acres of Land in Austin, Travis County, Texas
 - b. U. T. Medical Branch - Galveston: Request for Authorization to Acquire Real Estate Located in Galveston, Galveston County, Texas
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

N. SCHEDULED EVENTS

Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
February 10, 1994	U. T. M.D. Anderson Cancer Center
April 14, 1994	U. T. Health Center - Tyler
June 9, 1994	U. T. Permian Basin
August 11, 1994	No Host - Austin
October 7, 1994	U. T. Dallas
December 1, 1994	U. T. Pan American

O. OTHER BUSINESS

P. ADJOURNMENT

JANUARY 1994							FEBRUARY 1994								
S	M	T	W	T	F	S	S	M	T	W	T	F	S		
						1			1	2	3	4	5		
2	3	4	5	6	7	8	6	7	8	9	10	11	12		
9	10	11	12	13	14	15	13	14	15	16	17	18	19		
16	17	18	19	20	21	22	20	21	22	23	24	25	26		
23	24	25	26	27	28	29	27	28							
30	31														
MARCH 1994							APRIL 1994								
S	M	T	W	T	F	S	S	M	T	W	T	F	S		
			1	2	3	4	5						1	2	
6	7	8	9	10	11	12	3	4	5	6	7	8	9		
13	14	15	16	17	18	19	10	11	12	13	14	15	16		
20	21	22	23	24	25	26	17	18	19	20	21	22	23		
27	28	29	30	31			24	25	26	27	28	29	30		
MAY 1994							JUNE 1994								
S	M	T	W	T	F	S	S	M	T	W	T	F	S		
1	2	3	4	5	6	7				1	2	3	4		
8	9	10	11	12	13	14	5	6	7	8	9	10	11		
15	16	17	18	19	20	21	12	13	14	15	16	17	18		
22	23	24	25	26	27	28	19	20	21	22	23	24	25		
29	30	31					26	27	28	29	30				
JULY 1994							AUGUST 1994								
S	M	T	W	T	F	S	S	M	T	W	T	F	S		
					1	2			1	2	3	4	5	6	
3	4	5	6	7	8	9	7	8	9	10	11	12	13		
10	11	12	13	14	15	16	14	15	16	17	18	19	20		
17	18	19	20	21	22	23	21	22	23	24	25	26	27		
24	25	26	27	28	29	30	28	29	30	31					
31															
SEPTEMBER 1994							OCTOBER 1994								
S	M	T	W	T	F	S	S	M	T	W	T	F	S		
					1	2	3							1	
4	5	6	7	8	9	10	2	3	4	5	6	7	8		
11	12	13	14	15	16	17	9	10	11	12	13	14	15		
18	19	20	21	22	23	24	16	17	18	19	20	21	22		
25	26	27	28	29	30		23	24	25	26	27	28	29		
							30	31							
NOVEMBER 1994							DECEMBER 1994								
S	M	T	W	T	F	S	S	M	T	W	T	F	S		
			1	2	3	4	5						1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10		
13	14	15	16	17	18	19	11	12	13	14	15	16	17		
20	21	22	23	24	25	26	18	19	20	21	22	23	24		
27	28	29	30				25	26	27	28	29	30	31		

Executive Committee

EXECUTIVE COMMITTEE
Committee Chairman Rapoport

Date: December 2, 1993
Time: Following the convening of the Board of Regents
at 10:00 a.m.
Place: Gorgas Board Room, Gorgas Hall, U. T. Brownsville

Page
Ex.C

1. U. T. Austin: Request for Approval of Property Exchange Agreement with the City of Austin to Convey Land in Exchange for City-Owned Property and Request for Authorization to Execute Documents (Exec. Com. Letter 94-2) 2
2. U. T. M.D. Anderson Cancer Center - Request for Authorization to Sell a 3.604 Acre Tract of Land with Improvements in Houston, Harris County, Texas, and Request for Authorization to Execute Documents (Exec. Com. Letter 94-1) 15
3. U. T. M.D. Anderson Cancer Center - R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II (Project No. 703-770): Air Handling Unit Prepurchase - Recommended Award of Procurement Contract to Brod & McClung-PACE Co., Portland, Oregon (Exec. Com. Letter 94-1) 15

1. U. T. Austin: Request for Approval of Property Exchange Agreement with the City of Austin to Convey Land in Exchange for City-Owned Property and Request for Authorization to Execute Documents (Exec. Com. Letter 94-2).--

RECOMMENDATION

The Executive Committee concurs with the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for Asset Management, and President Berdahl that the U. T. Board of Regents authorize the property exchange agreement set out on Pages Ex.C 3 - 14 by and between U. T. Austin and the City of Austin. This agreement conveys an 8,856 square foot parcel of land near the Austin Convention Center which is valued at \$292,250 to the City of Austin in exchange for vacating 33,567 square feet of city-owned street right-of way which is valued at \$423,000 and is adjacent to University-owned land and allows the \$130,750 balance to be settled by exchanges of other properties between the parties over the next two years or payment of cash at the end of that period.

It is further recommended that the Executive Director of Endowment Real Estate be authorized to execute all documents pertaining to the exchange following approval of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for Asset Management, and the Office of General Counsel.

BACKGROUND INFORMATION

U. T. Austin plans to begin construction of its new football practice and soccer fields as soon as possible in order to complete the fields for use beginning in the Fall 1994. The new fields are to be built in the northeast portion of the campus between Red River Street and Interstate Highway 35. Most of the land which is needed for this project has been assembled by U. T. Austin through the purchase of privately-owned parcels of land and the no cost vacation of some streets by the City of Austin. In order to complete the assemblage of the site, it is necessary to acquire the remaining portions of East 24th Street and Cole Street which bisect the property. City of Austin policy no longer permits the vacation of streets without compensation. Thus representatives of U. T. Austin and the City of Austin have negotiated the recommended land exchange agreement.

In exchange for vacating 33,567 square feet of city-owned street right-of-way valued at \$423,000, the University will convey an 8,856 square foot parcel of trust real estate adjacent to the Austin Convention Center to the City. The University-owned parcel to be traded, which is part of a 1985 gift of real estate by Borden-Superior Dairies, is currently held as an unrestricted trust property and is valued at \$292,250. The agreement allows the \$130,750 balance which is due the City to be settled by exchanges of other properties between the parties over the next two years. In the event that either the University or the City owes the other any money at the end of the two-year period, the account may be settled by the payment of cash or the agreement may be extended by mutual consent of the parties. Upon completion of the transaction, the right-of-way acquired will become part of the U. T. Austin campus.

- DRAFT -

PROPERTY EXCHANGE AGREEMENT

This agreement ("Agreement") is made and entered into by and between The University of Texas at Austin ("UT") and the City of Austin, Texas, a Texas municipal corporation (the "City").

This Agreement is based upon the desire of the parties hereto to exchange ownership of the properties described herein as Property A ("Property A"), owned by City, and Property B ("Property B"), owned by UT.

1. **Property A** - Property A consists of those portions of East 24th Street and Cole Street found east of Red River Street and west of I-35, being a total area of 33,567 square feet ("SF"). City values this property at \$423,000. A metes and bounds description of each street area is attached.

2. **Property B** - Property B consists of that portion of the former Borden (Superior Dairy) site, known as the UT Triangle, found east of Red River Street and north of Waller Creek, adjacent to the Austin Convention Center, being a total area of 8,856 SF. UT values this property at \$292,250. A metes and bounds description of this property is attached.

3. **Method of Valuation** - Each property is valued by appraisal of the subject property, or adjoining properties, by staff or independent appraisers or by the Travis Central Appraisal District, and agreed to by both parties.

The City has valued Property A at \$423,000. This is 90% of the value of \$470,000 calculated on the basis of the appraised value placed on adjoining properties by the Travis Central Appraisal District. UT owns the adjoining property, portions of which are valued at \$20/SF while other portions are valued at \$8.50/SF. The value is calculated by multiplying the area of 33,567 SF by \$14.00/SF, equal to \$469,938, rounded to \$470,000. UT has requested vacation of the streets, easements and rights-of-way from City. The reduction in value of \$47,000, from \$470,000 to \$423,000, is due to the City retaining a utility easement to cover existing utilities.

These easements can be released without additional charges if UT relocates utilities at its own expense.

UT has valued Property B at \$292,250. This is calculated by multiplying the area of 8,856 SF by the value of \$33/SF.

4. **Balance After Exchange** - Upon completion of the exchange of ownership of the above described properties, the difference of \$130,750 between the values of A and B will represent a balance due to the City by UT. This balance may be adjusted by other real property transactions between the parties, including, but not limited to, vacation of rights-of-way and streets, the release of easements, the conveyance of easements, rights-of-way, and fee title, and such other real property transactions as the parties may later agree to include during the term of this agreement. The method of determining the appraised value of any such conveyance will be as described herein. Interest will not accrue on any balance due either party. For purposes of this Agreement the term, "Property", shall refer to the land transactions described in this paragraph.

5. **Designated Liaison** - Throughout the term of this agreement, each party shall have a designated representative who shall act as the contact person ("Liaison") regarding transactions which come under this agreement. The Liaisons shall be the principal source of contact and communication between the parties as to all matters included in or related to this agreement. The following persons are initially designated as Liaisons:

a. For the City:

Joseph Morahan
Manager, Real Estate Services Division
Department of Public Works and Transportation
P. O. Box 1088
Austin, Texas 78767-8839
(512) 499-7036

b. For The University:

Jerry DeCamp
Assistant Vice President for Business Affairs
P. O. Box 8179
Austin, Texas 78713-8179
(512) 471-4411

Whenever a party changes its Liaison, it shall inform the other party, in writing, of the name, address and phone number of the new Liaison, within a reasonable period of time after the change.

6. Exchange of Other Properties - In the event a party to this Agreement desires to acquire Property from the other, the Liaison shall contact the Liaison for the other party and describe in writing the interest they wish to acquire, including the location, intended use and other pertinent information. Upon receipt of the request the Liaison shall initiate inquiries within the party as to whether the contemplated transaction is feasible.

7. Feasibility of Request - The parties hereto understand and agree that Property exists, or may exist, which cannot be feasibly exchanged. Examples include, but are not limited to: Property owned for a trust fund where the intent of the donor or the fiduciary responsibility of the fund cannot be met by the exchange; Property that has previously been incorporated into a planned usage prohibiting said exchange; Property that is subject to legal restrictions prohibiting said exchange; Property, the value of which or the use of which would be adversely affected by the intended use by the requesting party; and other good faith reasons which will be clearly communicated to the requesting party. The party receiving the request will make a good faith effort to accommodate the intended purposes of the requesting party in some other manner if a property requested cannot be feasibly exchanged. The determination of feasibility shall be completed and a written notice thereof sent to the requesting party within thirty (30) days following receipt of the request.

8. Balance on Completion of Exchange and Closing - When an exchange has been approved by the parties, the party requesting the Property shall pay all expenses of the vacation, transfer, conveyance, etc. pertaining to the Property it is receiving, including the costs for surveys, title policies, etc. Upon Closing, the value of the Property agreed upon by the parties will be entered on the Property Exchange Transaction Log ("Transaction Log"), maintained by both Liaisons, as shown on the attached example.

9. Term and Termination of Agreement - This Agreement shall continue in effect for two (2) years following the date of the agreement unless continuation of the

agreement for an additional specified period is agreed upon by both parties. The ledger balance will be evaluated at the end of the two (2) year period, or the end of the continuation period, and if it has not been balanced, the party owing the balance has one additional year to pay the balance or convey additional property or both. The parties will make good faith effort to balance the ledger in the two (2) year period.

10. Entire Agreement - This agreement represents the entire agreement between the parties hereto as to the subject matter hereof, superseding any and all prior agreements, oral or written, and cannot be varied except by written agreement signed by the parties.

11. Successors and Assigns - This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors, legal representatives and assigns.

12. Governing Laws - This Agreement shall be governed by the laws of the State of Texas and of the United States of America. To the extent permitted by applicable law, the parties agree that any legal proceeding arising out of or in connection with this Agreement shall be brought in the district courts of Travis County, Texas or in the United States District Court for the Western District of Texas, Austin Division.

Executed this _____ day of _____, 1993

UT:

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By: _____

Name: G. Charles Franklin

Title: Vice President for Business Affairs

CITY:

CITY OF AUSTIN, TEXAS, a municipal corporation

By: _____

Name: Joseph Morahan

Title: Manager of Real Estate Services

Attachments:

1. Property Exchange Transaction Log
2. Metes and bounds description of Property A
3. Metes and bounds description of Property B

PROPERTY EXCHANGE AGREEMENT
Draft Example of Property Exchange Transaction Log

Log of Property exchange transactions between The University of Texas at Austin ("UT") and the City of Austin, Texas, a Texas municipal Corporation ("City").

December 6, 1993	Transfer of Property A from City to UT	\$423,000
December 6, 1993	Transfer of Property B from UT to City	\$292,250
	Balance in favor of City	\$130,750

January 17, 1994	Balance in favor of City	\$130,750
January 17, 1994	Transfer of Property C from UT to City	\$371,160
	Balance in favor of UT	\$240,410

February 3, 1994	Balance in favor of UT	\$240,410
February 3, 1994	Transfer of Property D from City to UT	\$ 50,960
	Balance in favor of UT	\$189,450

TransLog-MS Word-JDC-9/30/93

0.314 Of One Acre

DESCRIPTION

DESCRIPTION OF 0.314 OF ONE ACRE OR 13,657 SQUARE FEET OF LAND, SAME BEING A PORTION OF COLE STREET, AS DEDICATED IN CHRISTIAN & FELLMAN'S SUBDIVISION, A SUBDIVISION IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, OF RECORD IN BOOK 1, PAGE 73, PLAT RECORDS OF TRAVIS COUNTY, TEXAS; SAID 0.314 OF ONE ACRE OF LAND SURVEYED BY MCGRAY & MCGRAY LAND SURVEYORS, INC. AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2 inch iron rod found at the southwest corner of this tract, same being the southeast corner of Lot 10, of Block 57 of said Christian & Fellman's Subdivision, same being the intersection of the north right-of-way line of East 24th Street and the west right-of-way line of Cole Street;

THENCE, with the west line of this tract, and of Cole Street, same being the east line of said Block 57, N16°00'48"E 284.98 feet to a brass disk (with punch hole) in concrete found at the northwest corner of this tract, same being the intersection of the south right-of-way line of East 26th Street and the west right-of-way line of Cole Street, same being the northeast corner of the remainder of said Block 57;

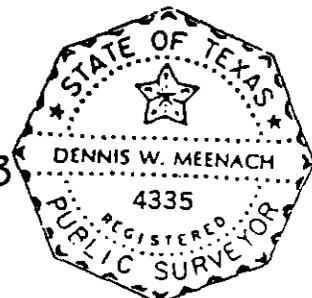
THENCE, with the north line of this tract, same being the south right-of-way line of East 26th Street, S48°30'07"E 55.40 feet to a 5/8 inch iron rod found in concrete at the northeast corner of this tract, same being at the intersection of the south right-of-way line of East 26th Street and the east right-of-way line of Cole Street, same being the northwest corner of the remainder of Block 58 of said Christian & Fellman's Subdivision;

THENCE, with the east line of this tract and of Cole Street, same being the west line of said Block 58, S15°59'45"W 260.78 feet to an "X" cut found in a concrete sidewalk at the southeast corner of this tract, same being the southwest corner of said Block 58, same being the intersection of the north right-of-way line of East 24th Street and the east line of Cole Street;

THENCE, with the south line of this tract, same being the north right-of-way line of East 24th Street, N74°24'07"W 50.09 feet to the POINT OF BEGINNING and containing 0.314 of one acre of land within these metes and bounds.

SURVEYED BY: McGRAY & McGRAY LAND SURVEYORS, INC.
3301 Hancock Drive, Suite 6
Austin, Texas 78731 451-8591

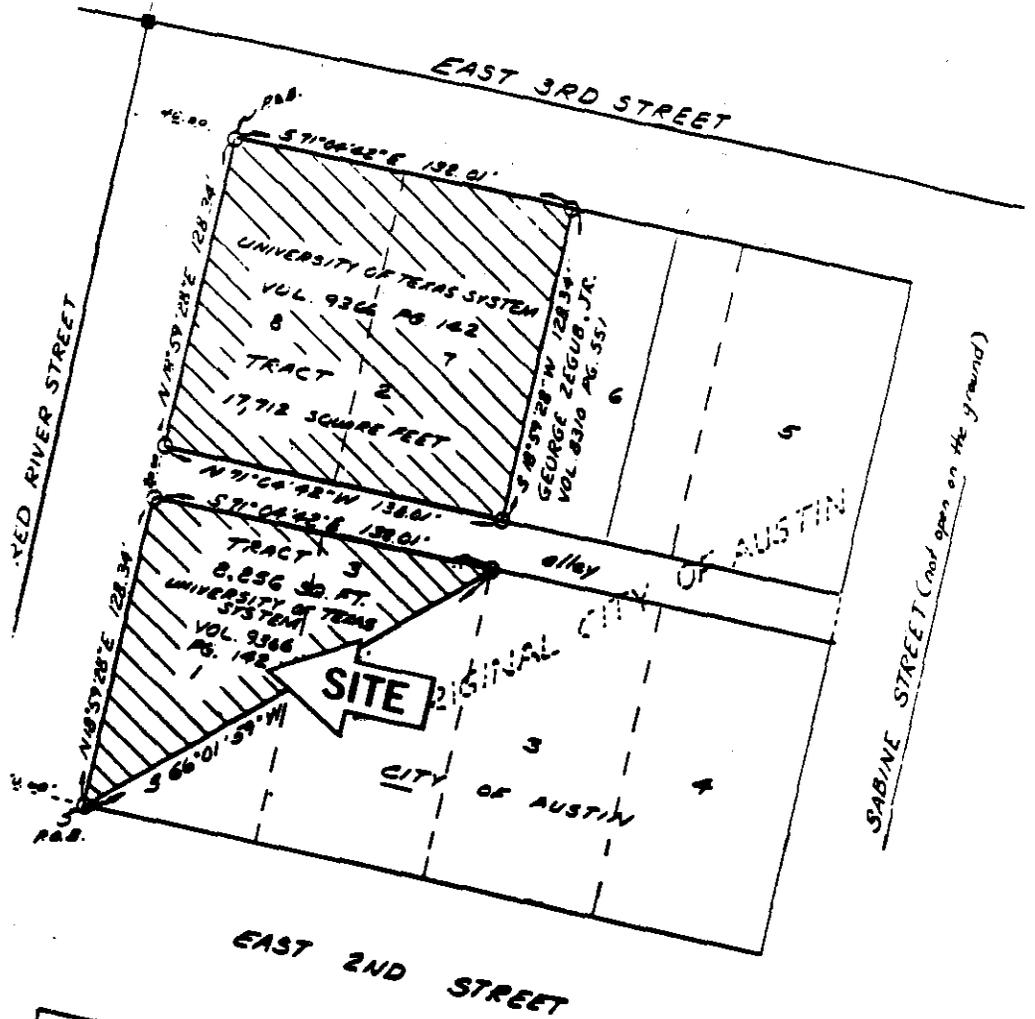
Dennis W. Meenach 3.25.88
Dennis W. Meenach, Registered Public Surveyor No. 4335 Date



88042BB

Exhibit "1"

SKETCH TO ACCOMPANY FIELD NOTES
SHEET 2 OF 2



LEGEND

- CONCRETE MONUMENT FOUND
- GALVANIZED BOLT SET
- R-SS BEARING BASIS
-  AREA TO BE ACQUIRED

SCALE 1" = 50'

STATE OF TEXAS
PUBLIC SURVEYOR
 W. J. [Signature]
 6/20/09

EXHIBIT B

Attachment #2 to Property
Exchange Agreement Between
The University of Texas at Austin
and the City of Austin
Description of Property A (4 Pages)

0.457 of One Acre

DESCRIPTION

DESCRIPTION OF 0.457 OF ONE ACRE OR 19,910 SQUARE FEET OF LAND, SAME BEING A PORTION OF EAST 24TH STREET, SAME BEING DEITRICH STREET AS DEDICATED IN CHRISTIAN & FELLMAN'S SUBDIVISION, A SUBDIVISION IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, OF RECORD IN BOOK 1, PAGE 73, PLAT RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.457 OF ONE ACRE OF LAND SURVEYED BY MCGRAY & MCGRAY LAND SURVEYORS, INC. AND BEING MORE PARTICULARLY DESCRIBED BY FOLLOWS:

BEGINNING at a 1/2 inch iron rod found at the northwest corner of this tract, same being the southwest corner of Lot 1, Block 57, and of said Christian & Fellman's Subdivision, same being the intersection of the north right-of-way line of East 24th Street and the east right-of-way line of Red River Street, same being Swisher Street as dedicated in said Book 1, Page 73, Plat Records of Travis County, Texas;

THENCE, with the north line of this tract, and of East 24th Street, same being the south line of said Block 57, S74°12'46"E 276.03 feet to a 1/2 inch iron rod found at the southeast corner of said Block 57, same being the intersection of the north right-of-way line of East 24th Street and the west right-of-way line of Cole Street;

THENCE, continuing with the north line of this tract and of East 24th Street, same being the south line of Cole Street, S74°24'07"E 50.09 feet to an X cut found in a concrete sidewalk at the southwest corner of Lot 1, of Block 58, of said Christian & Fellman's Subdivision, same being the intersection of the east right-of-way line of Cole Street and the north line of East 24th Street;

THENCE, continuing with the north line of this tract and of East 24th Street, same being the south line of said Lot 1, Block 58, S74°15'00"E 78.35 feet to an X cut found in a concrete sidewalk at the northeast corner of this tract, same being the intersection of the north right-of-way of East 24th Street and the west right-of-way line of Interregional Highway 35;

THENCE, with the east line of this tract, same being the west right-of-way of Interregional Highway 35, S30°57'09"W 52.09 feet to a 1/2 inch iron rod found at the southeast corner of this tract, same being at the intersection of the south right-of-way line of East 24th Street and the west right-of-way line of Interregional Highway 35, same being in the north line of Lot 5, Block 46, of said Christian & Fellman's Subdivision;

THENCE, with the south line of this tract and of East 24th Street, same being the north line of said Lot 5, Block 46, the north line of a portion of Cole Street, and the north line of Block 47, of said Christian & Fellman's Subdivision, N74°12'11"W 390.78 feet to a 3/8 inch

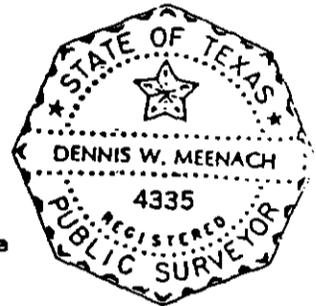
0.457 of One Acre
Page Two

Iron rod found at the southwest corner of this tract, same being the northwest corner of said Block 47, same being the intersection of the south right-of-way line of East 24th Street and the east right-of-way line of Red River Street;

THENCE, with the west line of this tract, same being the east right-of-way line of Red River Street, N15°43'00"E 49.99 feet to the POINT OF BEGINNING and containing 0.457 of one acre of land within these metes and bounds.

SURVEYED BY: McGRAY & McGRAY LAND SURVEYORS, INC.
3301 Hancock Drive, Suite 6
Austin, Texas 78731 451-8591

Dennis W. Meenach 3.25.88
Dennis W. Meenach, Registered Public Surveyor No. 4335 Date



88042aBB

EXHIBIT "3"

Attachment #3 to Property
Exchange Agreement Between The
University of Texas at Austin and
the City of Austin.
Description of Property B (3 pages)

That certain 8,856 square feet of land and being a portion of
Lots 1 and 2, Block 13 in the original City of Austin with metes
and bounds as follows:

BEGINNING at a galvanized bolt set at the intersection of the
east right-of-way line of Red River Street with the north
right-of-way line of East 2nd Street, same being the southwest
corner of Lot 1, Block 13 in the original City of Austin, which
point is the southwest corner of the herein described tract of
land;

THENCE, with said east right-of-way line of Red River Street
N 18°59'28" E 128.34 feet to a galvanized bolt set at the
northwest corner of said Lot 1, same being the northwest corner of
the herein described tract of land, which point is in the south
line of an alley twenty (20) feet in width;

THENCE, with the south line of said alley twenty (20) feet in
width, S 71°04'42" E at 69.00 feet passing the northeast corner of
Lot 1, same being the northwest corner of Lot 2, in all a distance
of 138.01 feet to a galvanized bolt set at the northeast corner of
said Lot 2, same being the northeast corner of the herein
described tract of land;

THENCE, in a southwesterly direction across said Lots 1 and
2, S66°01'59" W 188.57 feet to the point of beginning.

2. U. T. M.D. Anderson Cancer Center - Request for Authorization to Sell a 3.604 Acre Tract of Land with Improvements in Houston, Harris County, Texas, and Request for Authorization to Execute Documents (Exec. Com. Letter 94-1).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President LeMaistre that the U. T. Board of Regents authorize the sale by U. T. M.D. Anderson Cancer Center of 3.604 Acres, Lot 2, Block F, Devonshire Place Subdivision, Houston, Harris County, Texas, to Mr. Ken E. Kruse, Houston, Harris County, Texas, for \$760,000.

It is further recommended that the Executive Vice President for Administration and Finance or his delegate, on behalf of the U. T. M.D. Anderson Cancer Center, be authorized to execute all documents pertaining to the sale following approval of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Office of General Counsel.

BACKGROUND INFORMATION

The real property at 7000 Staffordshire, Houston, Harris County, Texas, is currently used as the residence of the President of the U. T. M.D. Anderson Cancer Center. Due to the age and escalating maintenance costs of the improvements, this property was placed on the market in the summer of 1993. An MAI appraisal by Mr. Robert F. Gonsoulin, Jr. of Houston, Texas, which was dated August 20, 1991, indicated a value of \$750,000 for the property. This value was confirmed again the summer of 1993 via multiple opinions from real estate brokers and a verbal update by Mr. Gonsoulin.

3. U. T. M.D. Anderson Cancer Center - R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II (Project No. 703-770): Air Handling Unit Prepurchase - Recommended Award of Procurement Contract to Brod & McClung-PACE Co., Portland, Oregon (Exec. Com. Letter 94-1).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President LeMaistre that the U. T. Board of Regents award a procurement contract for Air Handling Unit Prepurchase for the R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II project at the U. T. M.D. Anderson Cancer Center to the lowest responsible bidder, Brod & McClung-PACE Co., Portland, Oregon, for the Base Bid and Alternate Bid Nos. 1, 3, and 4 in the amount of \$970,219.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1993, bids for the first stage of construction for the R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II project at U. T. M.D. Anderson Cancer Center were received on August 31, 1993, as shown on Pages Ex.C 17 - 18.

The project for Phase II of the R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems is divided into two stages: Air Handling Unit Prepurchase and Upgrading and Expansion of Mechanical and Utility Systems - Phase II. This first stage is for the prepurchase of air handling equipment for the R. E. "Bob" Smith Research Building.

Bids for the next stage will be received at a future date and recommendations for contract award will be presented to the U. T. Board of Regents for separate consideration. The recommended contract award to Brod & McClung-PACE Co., Portland, Oregon, in the amount of \$970,219 for the Base Bid and Alternate Bid Nos. 1, 3, and 4 can be made within the authorized total project cost of \$6,000,000.

The R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget for a total project cost of \$6,000,000 from Educational and General Funds. This is a purchase contract for equipment from a limited number of national manufacturers and not a general construction contract. Therefore, there was not an opportunity for participation by Historically Underutilized Businesses.

This project was approved by the Texas Higher Education Coordinating Board in October 1993.

AIR HANDLING UNIT PREPURCHASE
R. E. "BOB" SMITH RESEARCH BUILDING
UPGRADING AND EXPANSION OF MECHANICAL AND UTILITY SYSTEMS - PHASE II
THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
Bids Received August 31, 1993

BIDDER	<u>Brod & McClung-PACE Co. Portland, Oregon</u>	<u>Industrial Sheet Metal and Mechanical Corporation Rockingham, North Carolina</u>	<u>Temtrol, Inc. C/O Vicon Equipment, Inc. Houston, Texas</u>
BASE BID	\$820,207	\$ 944,456	\$1,169,000
Add Alt. #1 - Add heat reclaim system	\$ 76,452	\$ 62,083	\$ 126,000
Add Alt. #2 - Provide ductwork jacketing	\$ 82,620	\$ 10,901	No Bid
Add Alt. #3 - Provide discharge plenum	\$ 91,560	\$ 95,078	\$ 91,000
Deduct Alt. #4 - Provide alternate fan type and configuration	(\$ 18,000)	(\$ 7,880)	No Bid
 Recommended Contract Award - Base Bid Plus Alternate Bid Nos. 1, 3, and 4	 \$970,219	 \$1,093,737	 \$1,386,000

AIR HANDLING UNIT PREPURCHASE
 R. E. "BOB" SMITH RESEARCH BUILDING
 UPGRADING AND EXPANSION OF MECHANICAL AND UTILITY SYSTEMS - PHASE II
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
 Bids Received August 31, 1993

BIDDER	<u>QDT, Ltd.</u> <u>Dallas, Texas</u>	<u>Miller-Picking Corp.</u> <u>Johnstown, Pennsylvania</u>
BASE BID	\$1,271,400	\$1,581,363
Add Alt. #1 - Add heat reclaim system	\$ 92,000	\$ 18,916
Add Alt. #2 - Provide ductwork jacketing	\$ 29,100	\$ 80,219
Add Alt. #3 - Provide discharge plenum	\$ 149,900	\$ 154,032
Deduct Alt. #4 - Provide alternate fan type and configuration	No Bid	No Bid
Recommended Contract Award - Base Bid Plus Alternate Bid Nos. 1, 3, and 4	\$1,513,300	\$1,754,311

Business Affairs & Audit Committee

BUSINESS AFFAIRS AND AUDIT COMMITTEE
Committee Chairman Loeffler

Date: December 2, 1993
Time: Following the meeting of the Executive Committee
Place: Gorgas Board Room, Gorgas Hall, U. T. Brownsville

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3. U. T. Board of Regents: Proposed Adoption of Resolution to Authorize the Call for Redemp- tion Prior to Maturity of \$4,710,000 in Aggre- gate Principal Amount Outstanding of Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston, Endowment and Hospital Revenue Bonds, Series 1972; and \$2,245,000 in Aggregate Principal Amount Out- standing of Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston, Hospital Revenue Bonds, Subordinate Lien Series 1976; Appoint McCall, Parkhurst and Horton, Dallas, Texas, as Bond Counsel; and Authorize Appropriate Officials to Execute Documents Relating Thereto	4
4. U. T. System: Recommendation to Renew the (a) Automobile Liability Insurance Policy with United Community Insurance Company, Albany, New York, (b) Comprehensive Boiler and Machin- ery Insurance Policy with Arkwright Mutual Insurance Company, Waltham, Massachusetts, and (c) Directors and Officers Executive Liability and Indemnification Policy with National Union Fire Insurance Company, Pittsburgh, Pennsylvania	7
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8. U. T. Southwestern Medical Center - Dallas - Rolm CBX and Voice Mail System: Request for Authorization of Project and Appropriation of Funds and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 30

INFORMATIONAL ITEM

- U. T. System: Progress Report for Fiscal Year 1993 on the Historically Underutilized Business (HUB) Program 33

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 73.--

RECOMMENDATION

It is recommended that Chancellor's Docket No. 73 be approved.

It is requested that the committee confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to the officer or official executing same.

2. U. T. Board of Regents: Proposed Amendment to the Regents' Rules and Regulations, Part Two, Chapter III, Section 4, Subsection 4.1, Subdivision 4.11 (Local Institutional Funds).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and the Vice Chancellor for Asset Management that the Regents' Rules and Regulations, Part Two, Chapter III, Section 4, Subsection 4.1, Subdivision 4.11 be amended as set forth below in congressional style:

Sec. 4. Local Institutional Funds.

- 4.1 All institutional funds not required to be deposited in the State Treasury must be deposited in official depository banks for safekeeping or invested as specified by law and by the applicable Rules and Regulations, Business Procedure Memoranda and Investment Policy Statements.
 - 4.11 Funds held in demand deposits, time deposits, or non-negotiable certificates of deposit shall be deposited or invested only in banks with which the Board has a depository agreement. Depository and custody agreements may be negotiated and executed by the Vice Chancellor for Asset Management or the Executive Vice Chancellor for Business Affairs when such depository agreements are in substantially the same form as a standard depository agreement approved by the Board or, for other agreements, in a form approved by the Office of General Counsel and are with banks meeting the then current policies of the Board. Each chief administrative officer and

chief business officer of a component institution or the Executive Vice Chancellor for Business Affairs may negotiate and execute contracts for banking services with banks which have entered into a depository agreement with the Board if the contract has been approved by the Office of General Counsel and the Office of Business Affairs.

BACKGROUND INFORMATION

The proposed amendment provides the proper alignment of authority with responsibility by authorizing the negotiation and execution of depository agreements by the Executive Vice Chancellor for Business Affairs in addition to the Vice Chancellor for Asset Management.

3. U. T. Board of Regents: Proposed Adoption of Resolution to Authorize the Call for Redemption Prior to Maturity of \$4,710,000 in Aggregate Principal Amount Outstanding of Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston, Endowment and Hospital Revenue Bonds, Series 1972; and \$2,245,000 in Aggregate Principal Amount Outstanding of Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston, Hospital Revenue Bonds, Subordinate Lien Series 1976; Appoint McCall, Parkhurst and Horton, Dallas, Texas, as Bond Counsel; and Authorize Appropriate Officials to Execute Documents Relating Thereto.--

RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President LeMaistre that the U. T. Board of Regents:

- a. Adopt a resolution substantially in the form set out on Page BAAC - 6 to authorize the call for redemption prior to maturity of \$4,710,000 in aggregate principal amount outstanding of the Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston, Endowment and Hospital Revenue Bonds, Series 1972; and \$2,245,000 in aggregate principal amount outstanding of the Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston, Hospital Revenue Bonds, Subordinate Lien Series 1976

- b. Appoint McCall, Parkhurst & Horton, Dallas, Texas, as bond counsel
- c. Authorize the officers and employees of the Office of Business Affairs to take any and all steps necessary to carry out the intentions of the U. T. Board of Regents to complete these transactions.

BACKGROUND INFORMATION

On February 1, 1994, in accordance with Section 5 of the Resolution for the M.D. Anderson Endowment and Hospital Revenue Bonds, Series 1972, the bonds of this Series may be redeemed prior to their scheduled maturities for a redemption price equal to par plus accrued interest. On January 1, 1994, in accordance with Section 5 of the Resolution for the M.D. Anderson Hospital Revenue Bonds, Subordinate Lien Series 1976, the bonds of this Series may be redeemed prior to their scheduled maturities for a redemption price equal to par plus accrued interest.

U. T. M.D. Anderson Cancer Center has requested the early retirement of these bonds, from funds on hand in the related bond reserve fund and interest and sinking fund accounts, in order to release excess funds in the approximate amount of \$28,000,000. U. T. M.D. Anderson Cancer Center plans to expend the excess funds to pay for a portion of the Bertner Complex.

THE STATE OF TEXAS

THE UNIVERSITY OF TEXAS SYSTEM

WHEREAS, there is currently outstanding \$4,710,000 in aggregate principal amount of the Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Hospital and Tumor Institute at Houston, Endowment and Hospital Revenue Bonds, Series 1972 (the "Series 1972 Bonds") which are callable for redemption on February 1, 1994 at a redemption price equal to par plus accrued interest to the redemption date and \$2,245,000 in aggregate principal amount of the Board of Regents of The University of Texas System, The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston, Hospital Revenue Bonds, Subordinate Lien Series 1976 (the "Series 1976 Bonds") which are callable for redemption on January 1, 1994 at a redemption price equal to par plus accrued interest to the redemption date; and

WHEREAS, amounts are on hand in the funds securing such bond issues sufficient to pay the redemption price.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM THAT:

Section 1. The Board of Regents of The University of Texas System, The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston, Endowment and Hospital Revenue Bonds, Series 1972, dated August 1, 1972 are hereby called for redemption on February 1, 1994 at a redemption price equal to par plus accrued interest to the redemption date. The Board of Regents of The University of Texas System, The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston, Hospital Revenue Bonds Subordinate Lien Series 1976, dated July 1, 1976 are hereby called for redemption on January 1, 1994 at a redemption price equal to par plus accrued interest to the redemption date.

Section 2. The officers and employees of the Office of Business Affairs are hereby authorized and directed to take such actions as are necessary to carry out the intent of this resolution.

Section 3. McCall, Parkhurst & Horton L.L.P. is hereby appointed to serve as bond counsel in connection with the redemption.

4. U. T. System: Recommendation to Renew the (a) Automobile Liability Insurance Policy with United Community Insurance Company, Albany, New York, (b) Comprehensive Boiler and Machinery Insurance Policy with Arkwright Mutual Insurance Company, Waltham, Massachusetts, and (c) Directors and Officers Executive Liability and Indemnification Policy with National Union Fire Insurance Company, Pittsburgh, Pennsylvania.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that authorization be given to renew U. T. System insurance policies as described below:

- a. Renew the U. T. Systemwide Automobile Liability Insurance Policy with the United Community Insurance Company of Albany, New York, from November 1, 1993 through October 31, 1994, at an annual premium of \$284,428
- b. Renew the U. T. Systemwide Comprehensive Boiler and Machinery Insurance Policy with Arkwright Mutual Insurance Company of Waltham, Massachusetts, from October 1, 1993 through October 1, 1996, at an annual premium of \$60,674
- c. Renew the U. T. Systemwide Directors and Officers Executive Liability and Indemnification Policy with National Union Fire Insurance Company of Pittsburgh, Pennsylvania, from September 1, 1993 through September 1, 1994, at an annual premium of \$75,000.

BACKGROUND INFORMATION

Automobile Liability Insurance Policy

The U. T. System is authorized to purchase Motor Vehicle Liability Insurance for its officers' and employees' use and operation of vehicles owned and operated by the U. T. System. This coverage has been provided since 1970. Rates and premium discount are prescribed by the State Board of Insurance based on the loss experience modifier as published by the State Insurance Services Office.

Formal bid packages were distributed to fifty-three insurance agents in the State of Texas. Six responses were received as indicated below:

Alexander & Alexander of Texas, Inc. agent for United Community Insurance Company (UCIC) Albany, New York	\$284,428
Anco Insurance of Houston, Inc. agent for United States Fire Insurance Company Morristown, New Jersey	\$519,117
PCL Insurance Agency Inc.	No bid
Patti Staha Insurance Agency (Historically Underutilized Business) agent for EMC Insurance Companies Des Moines, Iowa	Partial bid of \$315,629
Milton C. Godwin Insurance Agent	No bid
Time Insurance Agency agent for Zurich Insurance Company Schaumburg, Illinois	\$325,000

It is recommended that the U. T. System Automobile Liability Insurance Policy be continued with the low bidder, United Community Insurance Company. Limits of \$250,000 per person, \$500,000 per occurrence for bodily injury and \$100,000 property damage, with a \$2,500 deductible per occurrence, will be continued.

Comprehensive Boiler and Machinery Insurance Policy

A continual survey of the insurance market does not reveal the availability of a rate lower than that offered by the current insurer. Terms and conditions are to remain the same for the renewal policy. The annual premium for October 1, 1992 through October 1, 1993 coverage was \$60,674. The premium will be adjusted for any changes in values of property, but the rate charged will remain the same.

Policy Limits/Deductibles:

1. \$25,000,000 property damage
2. \$100,000 limit for Expediting Expense
3. \$100,000 limit for Hazardous Substance Limitation
4. \$100,000 limit for Ammonia Contamination
5. \$100,000 limit for Extra Expense coverage (medical school locations only)
6. \$250,000 deductible for 36,180 KW Gas Turbine/Generator for the U. T. Austin Central Power Plant
7. \$100,000 deductible for the 14,000 KW Gas Turbine/Generator for the U. T. Austin Central Power Plant

It is recommended that this three-year policy, with annual billings, be continued with Arkwright Mutual Insurance Company of Waltham, Massachusetts, through October 1, 1996.

Directors and Officers Executive Liability and Indemnification Policy

Directors and officers liability coverage has been acquired since 1976. National Union Fire Insurance Company of Pittsburgh, Pennsylvania, has offered a continuance of the policy with the same terms, conditions, limits (\$10,000,000) and deductible (\$100,000) with an annual premium of \$75,000. This policy offers the broadest policy form available. A review of the market did not indicate the possibility of a lower premium with this same coverage.

It is recommended that this policy be continued with National Union Fire Insurance Company through September 1, 1994.

5. U. T. System: Proposed Amendments to Resolution Establishing Qualifications for Commissioned Law Enforcement Personnel.--

RECOMMENDATION

The Chancellor recommends that the qualifications for U. T. System commissioned law enforcement personnel, as specified in a Resolution adopted by the U. T. Board of Regents at its January 1971 meeting and subsequently amended in February 1974, December 1985, April 1988, and February 1991 be amended to read as set forth below in congressional style:

QUALIFICATIONS FOR
COMMISSIONED LAW ENFORCEMENT PERSONNEL

- I. The applicant must meet the citizenship requirement as prescribed by current statute [be-a-citizen-of-the United-States] and must meet the Minimum Standards for Appointment as required by the Rules and Regulations of the Texas Commission on Law Enforcement Officer Standards and Education.
- II. The applicant must have reached his or her 21st birthday but not his or her 45th birthday ON DATE OF COMMISSIONING.
- III. The applicant for admission to the U. T. System Police Academy must have a high school diploma or a GED and must have a minimum of sixty (60) semester college hours. The applicant may fulfill this college requirement by substituting one (1) of the following:
- Thirty (30) semester college hours and one (1) year of continuous employment as a police guard, dispatcher, telecommunications operator, or parking controller by a component institution within The University of Texas System;
- Thirty (30) semester college hours and two (2) years of active military service.
- [~~Two-(2)-years-of-continuous-employment-as-a-police guard-for-a-component-institution-within-The-University-of-Texas-System~~]

~~[Two-(2)-years-of-active-military-service-and
one-(1)-year-of-continuous-employment-as-a
police-guard-by-a-component-institution-within
The-University-of-Texas-System.]~~

IV. Physical requirements are as follows:

A. VISION:

VISUAL ACUITY - Maximum uncorrected visual acuity of 20/200 and correctable or corrected as follows: 20/30 through 20/100 - correctable to 20/30 in each eye and binocularly.

In excess of 20/100 through 20/200 - must be corrected to 20/30 in each eye and binocularly by means of regular eyeglasses or contact lenses and accompanied by a statement from an ophthalmologist that no ocular disease exists.

FIELD OF VISION - Horizontal 60-85 degrees temporarily from a central fixation point.

MUSCULAR IMBALANCE - Zero vertical deviation, horizontal - 10 prism diopter esophoria at twenty (20) feet.

OTHER VISUAL FACTORS - Applicants will be rejected for color deficiencies as determined by the Director of Police after examination by an approved ophthalmologist. Chronic inflammation of the eye and adnexa, permanent abnormalities of either eye, or loss of either eye will be grounds for rejection.

B. HEARING - Applicant must be able to hear ordinary conversation from at least fifteen (15) feet with each ear.

C. GENERAL HEALTH - Applicant must pass the physical agility/fitness test and be [in-good physical-condition] capable of performing all [strenuous-physical-exertion-and-have-no-physical-disabilities-which-would-interfere-with] police duties specified in the current job description.

BACKGROUND INFORMATION

There are three changes contained in the revised qualifications. The change in the citizenship requirement is intended to conform to Attorney General's Opinion No. DM-105 (1992) striking down the citizenship requirement previously contained in the administrative rules issued by the Texas Commission on Law Enforcement Officer Standards and Education.

The amendment in educational requirements is intended to upgrade the educational standards for entry-level police officers by requiring a minimum of thirty (30) semester college hours and indicating a preference for sixty (60) hours of semester college hours. This will increase the quality of the entry-level applicant pool and the future applicant pool for supervisory positions.

The change in the general health requirements will require a physical agility/fitness test as a formal means of determining the physical ability of an applicant to meet the police duties specified in the job description.

6. U. T. System: Recommended Approval of the System-wide Internal Audit Plan for Fiscal Year 1993-94.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the U. T. System Administration Internal Audit Committee that the proposed System-wide Internal Audit Plan for Fiscal Year 1993-94 be approved for the U. T. System as set forth on Pages BAAC 12 - 25. The development of the System-wide Audit Plan is based on a System-wide risk assessment. The implementation of the plan will be coordinated with the institutional auditors to ensure coverage without duplication of effort.

BACKGROUND INFORMATION

The Texas Internal Auditing Act passed by the 71st Legislature requires in Section 4(1) that an annual audit plan, which identifies the individual audits to be conducted during the year, be prepared using risk assessment techniques. The Act further specifies in Section 6(2) that the internal auditor shall develop an annual audit plan which shall be approved by the governing board of the agency or its designee or by the administrator of an agency without a governing board.

The U. T. System is committed to compliance with the Texas Internal Auditing Act. The System Audit Office internal audit plan for Fiscal Year 1993-94 was approved by the U. T. System Administration Internal Audit Committee on October 12, 1993. It is organized into three major categories: System Administration, Academic Components, and Health Components. The U. T. System components' internal audit plans have been previously approved by their presidents and Internal Audit Committees.

**THE UNIVERSITY OF TEXAS
SYSTEM AUDIT OFFICE**

**SYSTEM-WIDE
INTERNAL AUDIT PLAN
for
FISCAL YEAR 1993-94**

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OVERVIEW

The Texas Internal Auditing Act, Article 6252-5d, Vernon's Texas Civil Statutes, passed by the Seventy-first Legislature established guidelines for a program of internal auditing. The intent was to assist agency administrators by furnishing independent analyses, appraisals, and recommendations concerning agency operations. The act also mandated that the internal audit program conform to the Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors (IIA).

IIA Standards require that internal auditors develop an audit plan based on assignment of risk. The System Audit Office conducted a risk assessment on the audit universe, which is a listing of all the areas considered auditable. In defining the universe, the risk assessments and audit plans of the component institutions were reviewed, and input from the component internal audit directors and top-level management, as well as input from mid- and top-level management at System Administration, was solicited and evaluated. Each area was ranked based on certain risk factors, which included materiality, strategic plan/mission objectives, public/management "expectations," laws and regulations, and management interest. After carefully assessing the risk of each area, and considering management's input, the following areas were selected for review at the component institutions:

- Auxiliary Enterprises/Designated Funds
- MSRDP and Hospital Accounts Receivable Collections (medical components)
- Hazardous Waste (UT Austin and UTD)
- State Appropriations for Third-Year Clerkships (medical components)
- NCAA Programs (UTSA, UTEP, UTA, and UTPA)
- Internal Audit Work (UTPB and UTB)
- State Appropriations for South Texas Border Initiatives (UTB, UTPA, UTEP, UTSA, and UTHSCSA)
- Follow-Up on Prior Year Audit Recommendations

The Standards for the Professional Practice of Internal Auditing address the scope of work as follows:

"The scope of work should include the examination and review of the adequacy and effectiveness of the system of internal control, and the quality of performance in carrying out responsibilities. Internal auditors should:

- review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and should determine whether the organization is in compliance.²
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- appraise the economy and efficiency with which resources are employed.
- review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

The planned scope of each of the audits listed above is described under "System Administration Audit Plan."

BUDGET AND STAFFING

The budget for the System Audit Office was prepared in accordance with System Administration guidelines and was approved at the August 1993 Board of Regents' meeting.

Degrees and certifications held by the staff includes 4 auditors with advanced degrees and 10 auditors with CPA certifications. Career development for the staff is a strategic goal of the System Audit Office, and it is the Director's intent to create a working environment that will facilitate career opportunities for the audit staff within and outside the office. In the past six months, the Office has successfully placed three of the audit staff in job positions either within the UT System or within another university system. These placements indicate that the UT System Audit Office is perceived by the components and other institutions of higher education as a valuable resource for recruitment of quality professional personnel. The Office will continue its efforts towards developing current staff to its fullest potential through the performance of operational audits, exposure to higher levels of management, and training targeted at non-traditional audit areas.

SYSTEM ADMINISTRATION AUDIT PLAN

FISCAL YEAR 1993 - 1994

SYSTEM ADMINISTRATION AUDITS

Bonds Payable - The scope of this audit includes economy and efficiency of operations, compliance, and reliability and integrity of data. The audit will include a review of the decision-making process for issuance of long-term debt/refinancing, selection of bond counsel, tests of debt payments, and tests of selected financial information.

Employee Group Insurance Program - The scope of this audit includes reliability and integrity of data, compliance, safeguarding of assets, and economy and efficiency of operations. The audit will include tests of payments to providers and participants and premiums remitted by component institutions.

Permanent University Fund/Available University Fund - The scope of this audit includes reliability and integrity of data, compliance, and safeguarding of assets. The review will include the testing of transactions, controls, and policies and procedures.

Medical Liability Fund - The scope of this audit includes reliability and integrity of data, compliance, and safeguarding of assets. This audit will include tests of account balances and control processes to assess and resolve malpractice claims.

Workers' Compensation Insurance and Unemployment - The scope of this audit includes reliability and integrity of data, compliance, program results, and safeguarding of assets. The audit will include procedures to follow-up on recommendations made in the previous audit.

West Texas Vineyard and Winery - The scope of this audit includes reliability and integrity of data, and compliance. The audit will include procedures to follow-up on recommendations made in the previous audit.

Endowment and Non-Endowment Real Estate - The scope of this audit includes reliability and integrity of data, compliance, and safeguarding of assets. The audit will include tests of remittances made by lessees for leased property.

Oil and Gas Audits - The scope of this audit includes reliability and integrity of data, compliance, and safeguarding of assets. The audits will include tests of stock inventory and accuracy of royalties received, as well as tests for compliance with lease provisions.

UT System Self-Assessments - The scope of this audit includes economy and efficiency, and program results and will include a review of selected operations to identify opportunities for process improvements.

COMPONENT INSTITUTION AUDITS

Auxiliary Enterprises/Designated Funds - The scope of these audits includes economy and efficiency, program results, compliance, and reliability and integrity of data. The audits will include a review of the decision-making process for outsourcing operations (where applicable), compliance with contractual provisions for outsourced operations, and a review of vendor performance.

MSRDP and Hospital Accounts Receivable Collections (medical components) - The scope of these audits includes economy and efficiency, program results, and reliability and integrity of data. These audits will include an evaluation of the billing, collection, and write-off processes.

Hazardous Waste (UT Austin and UTD) - The scope of these audits includes economy and efficiency, program results, and compliance. The audits will include a review of the programs in place to manage hazardous waste.

State Appropriations for Third-Year Clerkships (medical components) - The scope of these audits will be compliance with legislative requirements and will include tests of funding sources for expenditures related to Third-Year Clerkships.

NCAA Programs (UTSA, UTEP, UTA, and UTPA) - These audits consist of agreed-upon procedures regarding internal controls, revenues, expenditures, and Booster Club activity related to intercollegiate athletics programs.

State Appropriations for South Texas Border Initiatives (UTB, UTPA, UTEP, UTSA, and UTHSCSA) - The scope of these audits will be compliance with legislative requirements and will include tests of expenditures from funds appropriated for construction activity.

Internal Audit Work (UTPB and UTB) - The scope of internal audit work at these components will include safeguarding of assets, economy and efficiency, program results, compliance, and reliability and integrity of data.

COMPONENT AUDIT PLANS

FISCAL YEAR 1993 - 1994

ACADEMIC INSTITUTIONS

THE UNIVERSITY OF TEXAS AT ARLINGTON

Payroll and Fringe Benefits

Inventories - Sales

Cash - Change/Purchase Funds

State and Local Compliance:

Surplus Equipment

Faculty Sick Leave

Compensatory Time Documentation

Faculty Teaching Workload

Entertainment and Food

EDP:

PC Software

Electronic Transcripts

LANs Provided by ACS

USAS Interface Controls

Application Reviews

Performance:

Telephone L/D

Center for Professional and Executive Development

Learning Resource Center

University Center/Vendor Income

Bits and Bytes

Development Office

Federal Compliance:

Disbursements/Purchasing

Cost Sharing

Payroll and Accounts Receivable

Travel

Internal Control Environment:

Review Internal Controls System and Update Documentation

Finding Follow-up

Departmental Audits:

Campus Printing

Recreational Sports

Student Health Center

Academic Computing

Other Areas:

Management Request Audits

Assist State/System Auditors

THE UNIVERSITY OF TEXAS AT AUSTIN

Cash:

- Retail Operations**
- Petty Cash**
- Cash Receipts**
- Training**

Internal Control, Compliance, Federal:

- Continuing Education Program Funding**
- Development Office**
- Spot-Check Audits: campus-wide tests on payroll, student fees, inventory, travel**

EDP

Federal

Unplanned Projects:

- Investigations**
- Management Requests**

Follow-up Audits

Performance Reviews

THE UNIVERSITY OF TEXAS AT BROWNSVILLE

The audit plan for UTB is currently being developed by the UT System Audit Office. The component has posted a position for an Internal Auditor.

THE UNIVERSITY OF TEXAS AT DALLAS

Lena Callier Trust

Follow-up Audits

Inventories

Cash Counts

Discretionary Funds

Special Requests

Payroll and Personnel

Information Resources - Software Review and Access Controls

Financial Aid and Student Loans

Property Administration

Telecommunication Services

Appropriations/State Compliance

Journal Entries/IDTs

Physical Plant

Central Receiving/Central Stores

Quality Assurance Review

AFR Review

Excellence Funds

Agency Funds
Arts and Humanities
Research Centers

THE UNIVERSITY OF TEXAS AT EL PASO

Athletics
Follow-up Audits
Computer Center
Special Audit Requests
General Accounting
Performance Audits
Bursar's Office
Materials Management
Assist State/System Auditors

THE UNIVERSITY OF TEXAS - PAN AMERICAN

Follow-up Audits
Cash Counts
Cash Receipts/Handling
EDP Application Review - Financial Records System
Bookstore
School of Education
EDP- System Development
Travel
Admissions and Records
Compliance- State Appropriations
EDP - Access Controls
Quality Assurance Review
Print Shop
Physical Plant and Maintenance
Computer Center
Texas Academic Skills Program

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

The audit plan for UTPB was developed by the UT System Audit Office, which will provide internal auditing services for UTPB. Areas to be audited include:

- Student Financial Aid
- State Appropriations
- Federal and State Contracts and Grants
- Accounts Receivable and Payables
- Inventories
- Follow-up Audits

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

- Scientific Equipment Repair Services
- Cash Handling Procedures
- Inventories
- Physical Plant
- Texas Folklife Festival
- Office of Admissions and Registrar
- NCAA - Athletics
- Institute of Texan Cultures
- Campus Printing/Copying Services
- Police Department
- Payroll/Personnel
- Student Financial Aid
- Vehicle Operations
- Special Projects

THE UNIVERSITY OF TEXAS AT TYLER

- Deferred Revenues
- Refunds
- Work Study Administration
- Enrollment Reporting Practices - Fall 1993 and Spring 1994
- School of Education and Psychology
- School of Sciences and Mathematics
- School of Liberal Arts
- School of Business Administration
- Data Processing Center
- Inventory
- Petty Cash and Change Funds
- Million Dollar Hole-In-One Contest
- Follow-up Audits
- Assist State/System Auditors

HEALTH INSTITUTIONS

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS

MSRDP
Physical Plant
Human Resources
Medical School
Payroll
Revenues/Cash Receipts
Expenditures\Cash Disbursements
EDP
Fixed Assets
General Services
University Police
Service Departments
Administrative Departments - Performance Audits
Student Financial Aid
Allied Health
Inventory
Auxiliary Enterprises
Annual Financial Report

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

HRMS
Hospital Information System
General Ledger
Student Information System
Pharmacy
PARS
Clinical Lab
Cash Receipts/Handling
Family Practice Residency Program
Bookstore
TDC Contract
Risk Management
MSRDP Financial Audit
Ophthalmology - MSRDP
Dermatology - MSRDP
OB/GYN - MSRDP
PBS Abstracting
UTMB Network
Follow-up Audits
Special Projects

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

Survey of Outside Remuneration
Inventory Adjustments
Time Reports
Inventories
Development Office Operational Review
Cash Receipts
Controlled Substances and Dangerous Drugs
Residency Program Review
Hermann Hospital Special Funds Review
Payment/Contract Analysis
Hermann Hospital Contract Review
Application and Award Process
Indirect Cost Review
Budget and Cost Management Operational Review
Hazardous Material Review
Follow-up Audits
Special Request Audits
Assist State/System Auditors
EDP:
 Mainframe Upgrade Acquisition Review
 Information Resources Risk Analysis Review
 Student Information System Acquisition Review
 System Management Facility Review
 Administrative LAN Applications Licenses Review
MSRDP:
 Medical School Development Fund Operational Review
 Financial Audit
 Internal Medicine Operational Review
 OB/GYN Operational review
 Ophthalmology Operational Review
HCPC:
 Nursing Services Review
 Medical Records Review

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

Planning Office
Cash and Investments
Equipment Inventory
Appropriations
Accounts Payable
Petty Cash
Bursar

Payroll
Federal Grants and Contracts
State and Local Contracts
Human Resource
Communications Technology
Computing Resources - Academic and Administrative Services
Computing Resources - General Controls, Physical Security
MSRDP Central Office
MSRDP/DSRDP Financial Review
Institutional Safety
Vehicle Maintenance and Usage
Environmental and Conservation Issues
Telecommunication Services
Laboratory Animals Resources
Student Services
Occupational Therapy
Community Dentistry
Clinical Laboratory Resources
General Practice
Pediatric Dentistry
Physiology
Institute of Biotechnology
Continuing Medical Education
Anesthesiology
Family Practice Residency Program
Medicine
Rehabilitation Medicine
Radiology
Research Imaging Center
University Cooperative Research Center

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

Drug Protocol - Clinical trials
Grants and Contracts - Private
Annual Financial Report - Balance Sheet Support
Human Resources
Physicians' Referral Service
Pediatric/Volunteer Services
Lab - Stat
Lab - Chemistry
Lab - Hematology
Genitourinary Oncology
Inventory
Payroll Delivery

Leukemia
Cardiopulmonary
Melanoma/Sarcoma
Dental Oncology
Urology Diagnostic Imaging
Ambulatory Treatment Center
Infusion Therapy
Lymphoma/Bone Marrow Transplant
Follow-up Audits
Petty Cash Counts
EDP:

Information Systems Change Controls, Data Processing Controls, Physical Security, Voice
Communication System

Financial Systems Administration Accounts Payable/Purchasing, Inventory Systems

Medicus Scheduling System

Physicians' Referral Service

Development Monitoring:

Information Systems Data Security, Disaster Recovery, LAN General Controls

Enterprise Systems Payroll/Human Resources, Time and Attendance

Finance Systems Administration Electronic Data Interchange

Finance Systems Administration General Ledger/USAS

Patient Care Information Systems

Departmental Manual

Design and Construction

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER

The audit plan for UTHCT is currently being developed. The component's internal audit committee is studying the risk assessment process further before providing input into the plan.

7. U. T. Austin: Recommendation to Approve Proposed Amendment to Shuttle Bus Contract with Capital Metropolitan Transportation Authority (Capital Metro), Austin, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Berdahl that the U. T. Board of Regents approve an amendment to the shuttle bus service contract between the U. T. Board of Regents, for and on behalf of U. T. Austin, and Capital Metropolitan Transportation Authority (Capital Metro), Austin, Texas, as set out on Pages BAAC 27 - 29.

The proposed amendment provides Capital Metro a service contract extension for an additional year (September 1, 1994 through August 31, 1995) at the current per revenue service hour rate (\$26.00).

BACKGROUND INFORMATION

The present contract for shuttle bus service was approved by the U. T. Board of Regents in June 1988 and was amended at the December 1992 meeting to provide an extension through August 31, 1994.

The existing shuttle bus agreement requires Capital Metro to subcontract the actual operations of the bus service to a private operator. U. T. Austin Administration and the Shuttle Bus Committee, composed of students and faculty, are working with Capital Metro staff members to develop a new contract approach based on performance standards. To allow time to negotiate this new contract approach, another one-year extension is recommended.

Under the proposed amendment, the present contract would be extended one year through August 31, 1995. The cost of service for the seventh year would remain constant at \$26.00 per revenue service hour. None of the other provisions of the contract with Capital Metro will be changed.

The proposed amendment has been reviewed and approved by the Office of General Counsel.

SECOND AMENDMENT TO
AGREEMENT BETWEEN THE BOARD OF REGENTS
OF THE UNIVERSITY OF TEXAS SYSTEM
AND THE CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY

This Second Amendment to the Agreement between the Board of Regents of The University of Texas System and the Capital Metropolitan Transportation Authority is made and entered into this 2nd day of December, 1993 by and between the Board of Regents of The University of Texas System ("BOARD"), an agency of the State of Texas, and the Capital Metropolitan Transportation Authority ("CAPITAL METRO"), a public body corporate and politic located in Austin, Texas.

WHEREAS, on September 1, 1988, BOARD and CAPITAL METRO entered into that certain Agreement for the provision of shuttle bus service for the use and benefit of The University of Texas at Austin ("UNIVERSITY"); and

WHEREAS, on December 3, 1992, the parties amended that Agreement to extend its term an additional year; and

WHEREAS, the parties to the aforementioned Agreement do now desire again to amend that Agreement to extend the term an additional year as more fully set forth in this Second Amendment.

For and in consideration of the premises and mutual covenants hereinafter set forth, BOARD and CAPITAL METRO agree as follows:

1. Section II of the Agreement after the heading shall be deleted and the following substituted in lieu thereof:

"The term of this Agreement shall begin September 1, 1988 and end August 31, 1995."

2. Section IV of the Agreement after the heading shall be deleted and the following substituted in lieu thereof:

"CAPITAL METRO shall maintain operational control of the shuttle bus service. Prior to August 31, 1989, CAPITAL METRO, through a competitive process, will select a private entity ("CONTRACTOR"), to provide supervisory service, drivers and maintenance support for the designated bus fleet for the period September 1, 1989 through August 31, 1995. CONTRACTOR will be an independent contractor responsible for its own employees who shall not be considered employees of CAPITAL METRO or UNIVERSITY."

3. Section VIII of the Agreement shall be modified by adding a new paragraph (c)(2) to be inserted between paragraphs (c)(1) and paragraph (d) as follows:

"(c)(2) In Year Seven (September 1, 1994 to August 31, 1995), UNIVERSITY shall pay CAPITAL METRO the sum of Three Million Five Hundred Eighty-eight Thousand Dollars (\$3,588,000), plus the charge of Twenty-Six Dollars (\$26.00) per service hour for additional service hours, if any, as prescribed in Section VIII (a) above."

4. Except as specifically amended hereby, all of the terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Second Amendment has been executed as of the day and year first above written.

ATTEST:

CAPITAL METROPOLITAN TRANSPORTATION
AUTHORITY

By: _____

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS SYSTEM

Executive Secretary

By: _____
Executive Vice Chancellor for
Academic Affairs

CONTENT APPROVED:

By: _____
Vice President for Business
Affairs
The University of Texas at Austin

FORM APPROVED:

By: _____
Office of General Counsel
The University of Texas System

8. U. T. Southwestern Medical Center - Dallas - Rolm CBX and Voice Mail System: Request for Authorization of Project and Appropriation of Funds and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the U. T. Board of Regents:

- a. Authorize a project in the amount of \$1,944,000 for the purchase of a Rolm CBX and Voice Mail System for the U. T. Southwestern Medical Center - Dallas
- b. Appropriate \$485,978 from Unexpended Plant Funds for initial costs and authorize \$1,944,000 from Revenue Bond Proceeds in reimbursement thereof and to complete the remaining funding for the project.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Wildenthal that, 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, amended February 14, 1991 and October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page BAAC - 32, the U. T. Board of Regents resolve that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. Southwestern Medical Center - Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$1,944,000 for the purchase of a Rolm CBX and Voice Mail System
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

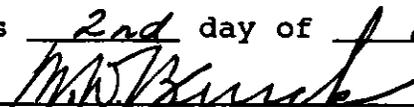
The main campus switch location at U. T. Southwestern Medical Center - Dallas will reach capacity in the first quarter of Fiscal Year 1994. Based on current voice/data configuration, capacity on the main campus is 5,396 devices. As of January 1993, there were 5,019 telephone devices. With an average monthly growth of 35 telephone devices, capacity will be reached by September 1995.

At the October 8, 1993 meeting, the U. T. Board of Regents ratified via the docket a lease purchase agreement between the U. T. Southwestern Medical Center - Dallas and IBM Credit Corporation with ratification contingent upon Texas Bond Review Board approval. The request for approval was withdrawn since the Revenue Financing System Commercial Paper Program offers a less expensive means of purchasing the equipment. Per an agreement with the Office of Business Affairs, the notes issued for the project will be retired over a five-year period.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on April 12, 1990 (the "Master Resolution"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the Rolm telephone switch upgrade at U. T. Southwestern Medical Center - Dallas, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution.

EXECUTED this 2nd day of November, 1993



Executive Vice Chancellor for Business Affairs

INFORMATIONAL ITEM

U. T. System: Progress Report for Fiscal Year 1993
on the Historically Underutilized Business (HUB)
Program.--

Mr. Lewis Wright, Associate Vice Chancellor for Business Affairs, will present a progress report for Fiscal Year 1993 on the U. T. System Historically Underutilized Business (HUB) Program.

Academic Affairs Committee

ACADEMIC AFFAIRS COMMITTEE
Committee Chairman Holmes

Date: December 2, 1993
Time: Following the meeting of the Business Affairs and
Audit Committee
Place: Gorgas Board Room, Gorgas Hall, U. T. Brownsville

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2. U. T. Brownsville: Request for Permission for Individual to Serve as a Member of the Governor's Council on Workforce and Economic Competitiveness [Regents' <u>Rules and Regulations</u> , Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)]	4
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1. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsections 9.2 and 9.4 (Official Seal, Colors, Flag, and Mascot).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that the Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsections 9.2 and 9.4 be amended as set forth below in congressional style:

Sec. 9. Official Seal, Colors, Flag, Logo, and Mascot.

. . . .

9.2 The official colors for the System shall be orange and white; provided, however, that a component institution may adopt one additional color [~~other-colors~~] to be used [~~only~~] in connection with athletic and other activities of the institution when approved by the Board upon recommendation of the chief administrative officer of the component institution, the appropriate Executive Vice Chancellor and the Chancellor.

. . . .

9.4 Each component institution may adopt a theme, a logo and a mascot [~~to-be-used-in-connection with-athletic-activities~~], provided same are [~~is~~] approved by the Board upon recommendation of the chief administrative officer of the component institution, the appropriate Executive Vice Chancellor and the Chancellor.

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

The proposed amendments to Subsection 9.2 of Section 9 of the Regents' Rules and Regulations, Part Two, Chapter I are intended to provide an additional option in the choice of school colors. The proposed authorization is consistent with trademark licensing and quality controls.

The proposed amendment to Subsection 9.4 makes clear that adoption of a logo requires approval by the U. T. Board of Regents.

2. U. T. Brownsville: Request for Permission for Individual to Serve as a Member of the Governor's Council on Workforce and Economic Competitiveness [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs that approval be given for Dr. Juliet V. Garcia, President of U. T. Brownsville, to serve as a member of the Governor's Council on Workforce and Economic Competitiveness through September 1, 1999.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Dr. Garcia is of benefit to the State of Texas and (2) there is no conflict between Dr. Garcia's position at U. T. Brownsville and her membership on this Council.

BACKGROUND INFORMATION

Dr. Garcia has been appointed by the Governor to serve on the Council on Workforce and Economic Competitiveness. This Council was created by S. B. 642 passed by the 73rd Legislature to develop and recommend to the Governor and the Legislature a plan for consolidating all workforce development programs in the state.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

3. U. T. Brownsville: Recommendation to Approve Mascot for Athletic Activities (Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsection 9.4).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that the U. T. Board of Regents approve the adoption of the "Scorpion" as the designated mascot for athletic activities at U. T. Brownsville. This request is in accordance with the Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsection 9.4 relating to approval of official mascots.

BACKGROUND INFORMATION

The "Scorpion" mascot has been used as the mascot for Texas Southmost College since the early 1950's. Following implementation of the educational partnership between U. T. Brownsville and Texas Southmost College, a committee of students, faculty, and staff reviewed an appropriate mascot for U. T. Brownsville which had not previously adopted a mascot.

A graphic representation of the "Scorpion" mascot as redesigned and approved by the Office of General Counsel is set out on Page AAC - 6 and will be submitted for trademark registration as a mascot and/or logo.

THE UNIVERSITY OF
TEXAS
AT BROWNSVILLE



4. U. T. Brownsville: Recommendation to Establish Parking Permit and Enforcement Fees Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that the U. T. Board of Regents approve the establishment of initial parking permit and enforcement fees at U. T. Brownsville effective with the Fall Semester 1994 as set out below:

1994-95
Proposed Annual Fees

Parking Classifications

Class A - Faculty and Staff	\$60.00
Class B - Students	60.00
Class C - Disabled	No Charge*
Class D - Afternoon Students (access from 1:00-4:30 p.m. only)	6.00

Replacement Permits

Replacement Fee	1.00
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Enforcement Fees

General Parking Violations	10.00
No Permit	25.00
Firelane, Disabled, Grass areas, etc.	35.00
Immobilizer Charge	10.00
Late Payment Charge (60 days)	25.00

Parking permit fees are prorated if purchased for the Fall, Spring, and Summer Session(s) individually.

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

Upon Regental approval, the Minute Order will reflect that the next appropriate catalog published by U. T. Brownsville will be amended to conform to this action.

BACKGROUND INFORMATION

In the past, parking services and traffic control were provided by Texas Southmost College but with approval of new Parking and Traffic Rules and Regulations and as authorized by an amended interagency agreement, U. T. Brownsville will administer the parking and traffic services and assess and collect related fees. The special minimal fee pricing for afternoon students is being tested to encourage enrollment from 1:00-4:30 p.m. when classroom and facility usage is lowest. The Class "D" afternoon permits will be repriced in the future if appropriate.

Additional nonsubstantive changes to the model parking and traffic regulations approved by the U. T. Board of Regents at the February 1992 meeting have been proposed by U. T. Brownsville for inclusion in institutional parking and traffic regulations to be effective with the Fall Semester 1994. The proposed changes have been reviewed and approved by the Office of General Counsel and will be included in the next appropriate institutional docket.

5. U. T. Brownsville: Request for Authorization to Establish Bachelor of Arts Degrees in Art, Music, Psychology, Chemistry, and Physics and to Submit the Proposed Degree Programs to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that authorization be granted to establish Bachelor of Arts Degrees in Art, Music, Psychology, Chemistry, and Physics at U. T. Brownsville and to submit the proposals to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed Bachelor of Arts Degrees in Psychology and Chemistry are consistent with U. T. Brownsville's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs. In addition, the Coordinating Board will be asked to change the U. T. Brownsville Table of Programs to reflect authorization of the proposed degree programs of Bachelor of Arts in Art, Music, and Physics. These programs are consistent with U. T. Brownsville's mission and its plans for offering quality degree programs to meet student needs. Descriptions of these degree programs are included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The Bachelor of Arts Degrees in Art, Music, and Psychology will be administered by the Departments of Fine Arts and Behavioral Sciences within the College of Liberal Arts. The Bachelor of Arts Degrees in Chemistry and Physics will be administered by the Department of Physical Sciences within the College of Natural Sciences and Mathematics.

The degree programs resemble, in large measure, similar undergraduate liberal arts and science programs offered by regional universities elsewhere in Texas. These Bachelor of Arts programs are grouped together for, in all cases, they build upon the curricular base of the core curriculum. In all cases except physics, these proposals will build upon existing minors where a substantial number of faculty members are already in place.

Need

The students served by these programs will be similar to those served by other baccalaureate programs at other universities. These students are representative of the bilingual, bicultural community which comprises the university's service region. Most students must work part or full time while attending the university in order to meet personal and family financial obligations. For an overwhelming majority, relocating to another city or commuting long distances on a daily basis is not feasible. The University's students need to have these core baccalaureate programs located in Brownsville if they are to have practical access to them.

The graduates of these liberal arts and science baccalaureate programs will serve the public in many ways. Many students will major in the arts and sciences to gain a liberal education to prepare for entry into graduate or professional training in a variety of fields. Others will use these majors to develop skills and understandings which will enrich their lives and facilitate their entry into a variety of professional fields. Majors from each field will contribute to the University's region as well as to the state and nation. Art and Music majors, as well as Chemistry and Physics majors, are desperately needed to teach within the schools of this region. Each of these fields also has potential employment opportunities outside of education. The region has a substantial leisure industry base which provides numerous employment opportunities for Art and Music majors. The very substantial and rapidly growing manufacturing economy of the Valley offers employment opportunities in both Physics and Chemistry. On a more fundamental basis, the region, state and the nation have need for graduates from this region in each of these disciplines for Hispanics are underrepresented nationally in each of the professional fields they represent.

Student demand is clearly present for the Bachelor of Arts programs in Art, Music, and Psychology. Surveys conducted in the region's schools and the enrollments in the undergraduate courses indicate the presence of a substantial number of students interested in these majors. It is anticipated that by the year 1998, when these three programs are fully implemented, there will be an enrollment of 125 students in Art, 71 in Music, and 264 in Psychology. These programs will enroll students starting in Fall 1994.

The programs in Chemistry and Physics are based less upon large student demand than upon the need students in this region have to gain access to these programs and upon the need of the schools of the region to encourage as many students as possible to consider majoring in and teaching in these fields. It is expected that by the year 2000, when the programs in Chemistry and Physics are fully operational, there will be 19 majors in Chemistry and 21 majors in Physics. Chemistry and Physics will enroll their first upper-division majors in the Fall of 1996, when new facilities have become available.

Quality

The curriculum of each program will be comparable to Bachelor of Arts programs at other regional institutions of similar size within Texas. The admission requirements will be the same as those for other baccalaureate programs within the University. The programs will build upon the faculty base which serves the current minors and core curriculum offerings.

Faculty currently on staff will make significant contributions to these proposed programs. Faculty currently available to teach in these programs include four faculty members in Art, five in Music, and five in Psychology. In the sciences, there are three faculty members in Chemistry and one in Physics.

Cost

The cost of implementing the Bachelor of Arts programs will vary by discipline. Art, Music, and Psychology will each require one additional faculty member during the early stages of implementation. These major programs of study will achieve a self-supporting status by the time they are fully implemented.

The major programs in Chemistry and Physics will have to be supported by other disciplines to some degree on a continuing basis. Both disciplines play an important role in the core curriculum, a role which will expand substantially due to their service role to other disciplines. The University's planned expansion in Engineering Technology will require a substantial service effort from the disciplines in the Physical Sciences. While it is not expected that Physics and Chemistry will achieve self support under the formula, they will approach it because of the strong service role they will play at the lower-division level. During the first five years of program development, the University expects to add two faculty positions in Physics.

The cost associated with these additional positions which are not covered by revenues resulting from the funding formula will be covered during the remainder of this biennium and the two subsequent biennia by the anticipated continuance of the recently granted special legislative appropriation for program development. When the program is in full operation, faculty salaries and departmental expenses will be met by formula revenue.

U. T. Brownsville is committed to a major library enhancement effort which will strengthen collections for these and other disciplines. As a part of that effort, the University has initiated a partnership with the General Libraries of U. T. Austin to initiate a "library of the future" which will use a variety of current and emerging technologies to meet the needs of students and faculty within these programs.

The Bachelor of Arts programs in Physics and Chemistry will be housed in a new facility, support for which was appropriated during the last legislative session. The costs associated with the facilities and equipment needed to launch these programs will be covered by that \$23 million appropriation.

Summary

U. T. Brownsville is requesting authorization to establish Bachelor of Arts Degrees in Art, Music, Psychology, Chemistry, and Physics and to submit the proposed degree programs to the Texas Higher Education Coordinating Board for approval. There is a strong need for these degrees in the region. The proposed degrees will help to fill this need and to fulfill the desire by U. T. Brownsville to meet the educational needs of students and community constituents in its region.

A copy of the proposals for the Bachelor of Arts Degrees in Art, Music, Psychology, Chemistry, and Physics is on file in the U. T. System Office of Academic Affairs.

6. U. T. Brownsville: Request for Authorization to Establish Master in Education Degrees in Curriculum and Instruction, Early Childhood Education, Educational Technology, English as a Second Language, and Special Education and to Submit the Proposed Degree Programs to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that authorization be granted to establish Master in Education Degrees in Curriculum and Instruction, Early Childhood Education, Educational Technology, English as a Second Language, and Special Education at U. T. Brownsville and to submit the proposals to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed Master in Education Degrees in Curriculum and Instruction, Early Childhood Education, Educational Technology, English as a Second Language, and Special Education are consistent with U. T. Brownsville's approved Table of Programs and institutional plans for offering quality degree programs to meet students' needs. Descriptions of these degree programs are included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The Master in Education Degrees in Curriculum and Instruction, Early Childhood Education, Educational Technology, English as a Second Language, and Special Education will each require 36 credit hours of graduate work. The programs will be administered by the Department of Education within the School of Education. General policy oversight is provided by the Director for Graduate Studies within the Office of the Vice President for Academic Affairs.

The degree programs resemble, in large measure, similar programs offered by regional universities elsewhere in Texas. However, there are two distinctive curricular features. The University serves a region which is characterized by a population which is both bicultural and bilingual. Graduate programs in education must be sensitive to these facts if they are to provide effective professional development for in-service teachers and improve the quality of teaching and learning in the Lower Rio Grande Valley. Consequently, all master's candidates must develop "work place biliteracy skills." A second unique feature of these programs is the intent to "field-base" as much of the training as is feasible. These graduate programs will be conducted in an environment as realistically related to actual practice in the field as is possible.

The Curriculum and Instruction (C&I) degree will be the largest of the proposed programs and is of particular importance to the University's strategic plan. It is formed around a field-based graduate program of professional development planned in cooperation with area school districts. The C&I program will be a primary tool for the development of the professional staffs of jointly selected model schools. Over a three-year period, model school teachers will be students in the graduate program. They will be pursuing the development of their professional skills and understandings through their graduate course work. At the same time, they will be working to create model school sites where best practice is understood and exemplified, where undergraduate teachers are trained in an environment which exemplifies excellence, and where professionals from other schools will receive in-service professional development. After three years, the initial set of model schools will be fully developed and become diffusion sites. The C&I program will move to new sites and begin the development process again.

The proposed Master of Education degrees will serve practicing professionals, most of whom will enroll on a part-time basis during the regular academic year and during summer sessions. A survey of teachers within the University's service region indicates there is a strong demand for the programs. The programs will enroll the initial group of students in June 1994.

Need

The need for teachers at the master's degree level is acute in the Lower Rio Grande Valley. Within the University's service region, only 15% of the teachers hold master's degrees, a marked contrast to the statewide average of 30%. This lack of graduate training has a clear impact upon the effectiveness of instruction at all levels in the public schools. The lack of graduate program availability is reflected in the large number of teachers and other professionals within the school systems operating on temporary credentials.

It is expected that the students in this program will be practicing professionals who teach full time and enroll on a part-time basis during the regular academic year and during the summer. Based upon a survey conducted in the University's service region and upon this fall's graduate enrollment of approximately 400, it is clear that there is strong student demand as well as a public need for these additional graduate programs. It is expected that when these programs are in full operation in 1998, the headcount enrollment will be 39 graduate students in English as a Second Language, 46 in Early Childhood Education, 71 in Curriculum and Instruction, 44 in Educational Technology, and 45 in Special Education.

Quality

The curriculum for each program will be comparable to Master of Education programs in these fields at other institutions within Texas. The admission requirements will be the same as the current University requirements for other graduate programs -- a 3.0 GPA and a minimum composite GRE score of 600 or a GMAT score above 350 for unrestricted admission.

The programs build upon the faculty base which serves the University's current well-established group of Master of Education degree programs. U. T. Brownsville currently offers the Masters of Education degree in Elementary Education, Bilingual Education, Counseling and Guidance, Educational

Administration, and Supervision and Reading. Current graduate faculty available to contribute to the new programs include three faculty members in English as a Second Language, two in Early Childhood Education, three in Curriculum and Instruction and two in Special Education. While there are a number of faculty members within the University prepared to contribute to the Education Technology program, they are so fully occupied with other demands that they will not be able to make substantial initial contributions to the program. Consequently, the Educational Technology program will be built around persons newly recruited to the University.

Cost

The increased cost to the School of Education above current levels of expenditures will be substantial. However, it is expected that the proposed programs, when fully implemented, will be cost-effective. The School of Education currently offers graduate course work relevant to each of the proposed degree programs. Surveys indicate that the institution of the additional programs in Master of Education Degrees in Curriculum and Instruction, Early Childhood Education, Educational Technology, English as a Second Language, and Special Education will result in a very substantial increase in graduate enrollment. This will increase current class size, making existing courses more cost-effective, while new courses will become cost-effective in a short period of time. During the first two years of the operation of these programs, the University expects to add one additional faculty member in English as a Second Language, two in Early Childhood Education, two in Educational Technology and two in Special Education. Any costs associated with these additional positions not covered by revenues resulting from the funding formula will be covered during the remainder of this biennium and the two subsequent biennia by the anticipated continuance of the special legislative appropriation for program development. When the programs are in full operation, it is expected that the faculty salary and departmental expense funding formulas will cover the direct cost of these programs.

U. T. Brownsville is committed to a major library enhancement effort which will strengthen collections for these and other disciplines. As part of that effort, the University has initiated a partnership with the General Libraries of U. T. Austin to create a "library of the future" which will use a variety of existing and emerging technologies to meet the needs of students and faculty. The library of the future will be well suited to deliver library resources to field-based programs.

Summary

U. T. Brownsville is requesting authorization to establish Master of Education Degrees in Curriculum and Instruction, Early Childhood Education, Educational Technology, English as a Second Language, and Special Education and to submit the proposed degree programs to the Texas Higher Education Coordinating Board for approval. There is a strong need for these degrees in the region. The proposed degrees will help to fill this need and to fulfill the desire by U. T. Brownsville to meet the educational needs of students and community constituents in its region.

A copy of the proposals for the Master in Education Degrees in Curriculum and Instruction, Early Childhood Education, Educational Technology, English as a Second Language, and Special Education is on file in the U. T. System Office of Academic Affairs.

7. U. T. Brownsville: Request for Authorization to Establish a Bachelor of Science Degree in Engineering Technology and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that authorization be granted to establish a Bachelor of Science in Engineering Technology with specialties in Manufacturing, Mechanical, and Electrical Engineering Technology at U. T. Brownsville and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. In addition, the Coordinating Board will be asked to change the U. T. Brownsville Table of Programs to reflect authorization of the proposed degree program. The proposed Bachelor of Science in Engineering Technology is consistent with U. T. Brownsville's mission and its plan for offering quality degree programs to meet student needs. A description of this degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The Bachelor of Science in Engineering Technology will require 136 credit hours for the manufacturing specialty, 137 credit hours for the mechanical specialty, and 137 credit hours for the electronic specialty. The program will be administered by a newly created Department of Engineering Technology within the College of Natural Sciences and Mathematics.

The Engineering Technology program will initially have three specialties: Manufacturing, Mechanical, and Electrical. The University plans to later add at least two additional specialties: Environmental Engineering Technology and Materials Engineering Technology. The Engineering Technology curriculum is based in mathematics and science with a strong focus upon applications. The field falls between the design function of engineering education and the tasks orientation of occupational/technical training. The Engineering Technology program at U. T. Brownsville forms a strategic complement to the traditional engineering programs being offered at U. T. Pan American and the more task-oriented nonscience and mathematics-based two-year occupational/technical programs offered at Texas State Technical College at Harlingen.

A unique feature of the curriculum is that all students will be required to develop biliteracy skills in English and Spanish appropriate to their technical specialty. These "work place biliteracy skills" will be a part of all new baccalaureate and graduate education in professional fields at U. T. Brownsville. The requirement is intended to increase the

effectiveness and employability of the University's graduates not only in the Valley but also in the many other parts of the nation and hemisphere where both English and Spanish are used in production and management activities.

Students for the Engineering Technology program will be recruited from throughout the Valley. The new magnet High School of Technology will provide a fine initial source of students. The University will develop cooperative programs with the magnet high school to facilitate student recruitment. Close relationships will be maintained with U. T. Pan American and Texas State Technical College to facilitate student movement between the institutions as they seek programs appropriate to their skills and interests. The first students will enroll in the program in the fall of 1996. This entering class will correspond to the completion of the science and technology facility which will house the program.

Need

The need for this program has been clearly established by a comprehensive and detailed survey of manufacturers within the Rio Grande Valley. That survey indicated that the need for engineering technology skills is of critical importance to the expansion of the region's economy. The lack of engineering technology graduates, who can work effectively in a bicultural and bilingual environment, is exerting a drag upon the ambitious plans for economic growth held by 55 firms which participated in the survey. The role served by the graduates of engineering technology programs is closely related to production. The technologist connects the design function of the engineers with the applied world of actual production on the factory floor. The technologist has an education which combines science and mathematics with extensive training in applications so that he or she can effectively function in both of these environments.

The University anticipates large enrollments in this program and expects graduates to be successful in gaining employment within the region and to be recruited by firms nationally and internationally. Their language and cultural knowledge combined with their applied technical skill will make them attractive to employers. The University expects to initiate the program in the Fall of 1996 with an initial freshman class of 110. The program will be in full operation after five years with an anticipated enrollment of 578 students in all classes. These forecasts are based upon established regional needs and the student interest which will be generated by the attractiveness of the salaries which graduates of the Engineering Technology program will be able to command.

Quality

The curriculum for each of the specialties within the Engineering Technology program is drawn to meet the requirements of the Technology Accreditation Commission of the Accreditation Board for Engineering and Technology (TAC/ABET). ABET is the organization in the United States which accredits programs in engineering and engineering technology. Accredited programs are well recognized by industry for meeting appropriate threshold standards for curriculum, qualified faculty, facilities and laboratory equipment, and employer satisfaction with graduates. The curriculum is planned to produce a graduate well prepared to be a contributor in the first position he or she holds in industry and equipped with the analytical skills

and knowledge needed to assimilate new information and apply new technology through self-directed study and observations on the job. The admission standards will be the same as those applied to the students within the University. In addition, formal admissions to each of the three engineering technology specialties will require the student to pass, with a C or better, threshold courses in General Chemistry, English Composition, Analytic Geometry, Physics, and Computer Science, as well as some initial technology courses.

The faculty for this program will be recruited to the University for that purpose. It is not expected that current faculty will be assigned to the program. Faculty will be sought who have significant, relevant industry experience and appropriate academic credentials. All faculty will meet TAC/ABET requirements of a master's degree in Engineering or a closely related field and will have proven applied skills. The majority of the faculty will hold doctorates appropriate to their field of specialty. Faculty members should be able to communicate on technical subjects in both English and Spanish or be willing to commit themselves to make progress toward the development of work place technical biliteracy skills. When the program is in full operation, with the three proposed specialties, it is expected to have 14 faculty members.

Cost

When in full operation, the program will serve 578 students with a total program faculty of 14. The faculty will be phased in with each additional class of students. Prior to opening the program to students, the department head and two faculty members will be recruited to handle the initial development of the program. During the first two years of the program, four additional faculty members will be added. Three faculty members will be recruited during each semester of the third year of the program, and the final two faculty members will be recruited during the fourth year of the program.

When in full operation, the program will be cost-effective and will receive revenue from the funding formula to support the projected faculty. From its initiation through its first five years, the program's fiscal support is premised upon the continuance of the special legislative appropriation for program development and for technology.

The Bachelor of Science in Engineering Technology program will be housed in a new facility, support for which was appropriated during the last legislative session. The costs associated with the facilities and equipment needed to launch this program will use a substantial portion of the \$23 million appropriation. The need for this program was so well understood locally that the Greater Brownsville Incentive Corporation granted the University \$2 million to help equip the new facilities.

U. T. Brownsville is committed to a major library enhancement effort which will strengthen collections for these and other disciplines. As a part of that effort, the University has initiated a partnership with the General Libraries of U. T. Austin to create a "library of the future" which will use a variety of existing and emerging technologies to meet the needs of students and faculty. The library of the future will be well suited to deliver library resources to support teaching research and service in this rapidly changing field.

Summary

U. T. Brownsville is requesting authorization to establish a Bachelor of Science in Engineering Technology degree with specialties in Manufacturing Engineering Technology, Mechanical Engineering Technology, and Electrical Engineering Technology and to submit the proposed degree program to the Texas Higher Education Coordinating Board for approval. There is a strong need for this degree in the region. The proposed degree in Engineering Technology will help to fill this need and to fulfill the desire by U. T. Brownsville to meet the educational needs of students and community constituents in its region.

A copy of the proposal for the Bachelor of Science in Engineering Technology is on file in the U. T. System Office of Academic Affairs.

8. U. T. Brownsville: Request for Authorization to Establish Master of Arts Degrees in English, History and Spanish and to Submit the Proposed Degree Programs to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that authorization be granted to establish Master of Arts degrees in English, History and Spanish at U. T. Brownsville and to submit the proposals to the Texas Higher Education Coordinating Board for review and appropriate action. In addition, the Coordinating Board will be asked to change the U. T. Brownsville Table of Programs to reflect authorization of the proposed degree programs. The proposed Master of Arts degrees in English, History and Spanish are consistent with U. T. Brownsville's mission and its plans for offering quality degree programs to meet student needs. Descriptions of these degree programs are included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The Master of Arts degrees in English, History and Spanish will each require 36 credit hours of graduate work. They will be administered by the departments of English, Social Studies and Modern Languages. Each of these departments is within the College of Liberal Arts. General policy oversight is provided by the Director for Graduate Studies within the Office of the Vice President for Academic Affairs.

The College of Liberal Arts currently offers the Master of Arts in Interdisciplinary Studies (MAIS). This degree has areas of concentration in English, Government, History, Sociology and Spanish. The University seeks approval to move

three of these areas of concentration to degree status in order to more effectively meet student demands and regional needs. The curriculum of the Master of Arts programs in English, History and Spanish will be similar in most respects to counterpart programs at other regional universities in Texas. The University intends to retain the MAIS degree to meet the needs of students whose disciplinary interests are not met by the proposed programs or whose primary interests are in interdisciplinary studies.

Need

The proposed Master of Arts degrees will serve practicing professionals, who will enroll on a part-time basis during the regular year and during summer sessions. A survey of teachers within the University's service region indicates there is a demand for the programs. The programs will enroll the initial group of students in June 1994.

The need for teachers trained at the master's degree level is acute in the Lower Rio Grande Valley. Within the University's service region, only 15% of the teachers hold master's degrees, a marked contrast to the statewide average of 30%. This lack of graduate training has a clear impact upon the effectiveness of instruction at all levels in the public schools. It is expected that almost all of the students in this program will be practicing professionals who teach full time and enroll on a part-time basis. Based upon a survey conducted in the University's service region, as well as upon the current enrollment in the relevant MAIS courses, the University expects to have headcount enrollments of 43 students in English, 34 in History and 39 in Spanish by the Fall of 1998, when these programs are in full operation.

Quality

The curriculum of each program is comparable to Master of Arts programs at other institutions within Texas. The admission requirements will be the same as the current University requirements for other graduate programs -- a 3.0 GPA and a minimum composite GRE score of 600 or a GMAT score above 350 for unrestricted admission.

The programs will be built upon the faculty base which serves the strong and well-established undergraduate majors and MAIS concentrations in these three fields. The current graduate faculty available to the programs include eight faculty members in English, six in History and four in Spanish.

Cost

The cost to the Departments of English, History and Spanish above current levels of expenditures will be negligible. Each department is currently committed to graduate offerings through the MAIS program. The new degree programs will make those offerings more cost-effective by adding students to currently low-enrollment classes. When the programs are in full operation, it is expected that the faculty salary and departmental expense funding formulas will cover the direct costs of these programs. No new faculty members will need to be added as a consequence of the programs. As additional faculty are needed to support growth in undergraduate enrollment, they will bring strength to the graduate faculty and contribute to the graduate programs.

U. T. Brownsville is committed to a major library enhancement effort which will strengthen collections for these and other disciplines. As a part of that effort, the University has

initiated a partnership with the General Libraries of U. T. Austin to initiate a "library of the future" which will use a variety of existing emerging technologies to meet the needs of students and faculty within these programs.

Summary

U. T. Brownsville is requesting authorization to establish Master of Arts degrees in English, History and Spanish and to submit the proposed degree programs to the Texas Higher Education Coordinating Board for approval. There is a strong need for these degrees in the region. The proposed degrees will help to fill this need and to fulfill the desire by U. T. Brownsville to meet the educational needs of students and community constituents in its region.

A copy of the proposals for the Master of Arts degrees in English, History and Spanish is on file in the U. T. System Office of Academic Affairs.

9. U. T. Permian Basin: Proposed Appointment to the Mr. and Mrs. Louis Rochester Professorship in Fine Arts Effective January 1, 1994.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that Ms. Pam Price, Professor of Art at U. T. Permian Basin, be appointed as initial holder of the Mr. and Mrs. Louis Rochester Professorship in Fine Arts effective January 1, 1994.

BACKGROUND INFORMATION

Professor Price joined the U. T. Permian Basin faculty in 1974 and currently chairs the Art Department. She has received numerous nominations and awards for excellence in the classroom and art laboratory and is noted for her unique interpretation of animals. Professor Price's oil and acrylic work has been exhibited throughout the country and is displayed in several significant permanent corporation and public collections.

The Mr. and Mrs. Louis Rochester Professorship in Fine Arts was established by the U. T. Board of Regents at the December 1981 meeting and was redesignated at the October 1993 meeting.

10. U. T. Permian Basin: Proposed Appointment of Ashbel Smith Professor Effective January 1, 1994.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that Dr. J. Michael Robinson, Professor of Chemistry, be appointed Ashbel Smith Professor at U. T. Permian Basin effective January 1, 1994.

BACKGROUND INFORMATION

Dr. Robinson joined the U. T. Permian Basin faculty in 1976 and has chaired the Chemistry Department for the past several years. He is a member of several professional societies and is a former recipient of the National Institutes of Health (NIH) Postdoctoral Fellowship Award. Dr. Robinson is the author or coauthor of a number of refereed publications and has a United States patent related to biomass conversion currently in process.

In April 1980, the U. T. Board of Regents authorized the establishment of nonendowed Ashbel Smith or Ashbel Smith type professorships at all component institutions similar to the Ashbel Smith Professorships previously established at U. T. Austin and the U. T. Medical Branch - Galveston. U. T. Permian Basin was allotted one of the nonendowed professorships. This proposed appointment will be the initial appointment to the Ashbel Smith Professorship at U. T. Permian Basin.

11. U. T. San Antonio: Request for Authorization to Establish a Bachelor of Arts Degree in Communication and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that authorization be granted to establish a Bachelor of Arts degree in Communication at U. T. San Antonio and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. In addition, the Coordinating Board will be asked to change the U. T. San Antonio Table of Programs to reflect authorization for the proposed degree program. The proposed degree program is consistent with U. T. San Antonio's mission and its plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The proposed Bachelor of Arts degree in Communication is a 120 semester credit hour degree with four areas of concentration: speech communication, document production, electronic media, and public relations. The program will be administered by the Division of English, Classics, and Philosophy in the College of Fine Arts and Humanities. The Bachelor of Arts in Communication, building on a strong foundation in the liberal arts, will combine principles of communication theory with practical training for careers in communication. The program will also allow students to develop a strong background in business studies through interdisciplinary cooperation with existing programs in the College of Business. The curriculum emphasizes both the acquisition and the development of critical skills for problem solving in an information age. Strong oral and written components provide the basis for the program's four concentrations. It is anticipated that the first students will be enrolled in the program in the fall of 1994. It is estimated that the number of majors will be 30 in the first year of implementation, rising to 75 in the second year and increasing to 500 in the fifth year.

Need

A clear need exists for a communication program. The Division regularly receives an estimated 100 telephone calls per semester from prospective students inquiring about a major in communication. The Admissions Office reports a similar number of inquiries. Locally and statewide, the visitor-related industries and tourism continue to grow in importance. The communication program is expected to supply qualified graduates for positions in management, marketing, advertising, community relations, and guest relations for the many hospitality industries that support tourism. Increasing trade with Mexico makes the need for bilingual communication specialists most desirable to contribute to economic development. The labor force in Bexar County (the San Antonio metropolitan area) is projected to more than double between 1980 and 2010. Employment projections indicate that 40% of new jobs created (238,000) during those years will be in service fields. Many of these service jobs will be in communication.

U. T. San Antonio's Division of English, Classics, and Philosophy has well-established writing programs but an equally strong body of course work in oral and electronic communication has been lacking. Based on extensive research and a survey of national and local experts, U. T. San Antonio has chosen to develop a program without broadcast and mass media concentrations, as those concentrations are expensive to implement and are available elsewhere in the region and the State. No institution in Texas currently offers the concentrations in Document Production or Electronic Media which U. T. San Antonio will be offering, and only two Texas institutions offer a concentration in Public Relations (neither in South Texas). Of the concentrations to be offered at U. T. San Antonio, only the Speech Communication concentration, a necessary foundation for all communication work, is offered widely.

Program Quality

U. T. San Antonio's Communication degree will be an interdisciplinary one, drawing upon existing strengths and will provide students with the knowledge and training for the jobs of the twenty-first century. The communication program's set of concentrations will form a unique degree program, offering a combination of educational opportunities not available elsewhere in the State. The new program will support U. T. San Antonio's objective of high academic quality to serve the professional aspirations of the U. T. San Antonio student body and the economic needs of San Antonio, South Texas, and the State as a whole.

Retention and graduation rates will be carefully analyzed. In years 3 and 5, tracking surveys of graduates will determine their success in obtaining employment. Employers will be asked to assess each graduate's performance. The Division will maintain contact with professional organizations to help keep abreast of job developments and career trends, assist in the review of the performance of graduates, and suggest modifications of the program and curriculum. The presence of a skilled and experienced faculty will allow the implementation of the degree program to proceed on schedule. In addition to their academic preparation, a number of these faculty members bring extensive job experience to the classroom. By the third year, the majority of the nontenure-track faculty will be replaced by tenure-track faculty.

Cost

In the first five years, seven new tenure-track faculty, one technical staff assistant I, a one-half time student development specialist, and a technical staff assistant V will be required to offer the program and accommodate projected enrollments. Library resources are not sufficient to support the programs. A one-time allotment of \$11,500 would be desirable to acquire some monographs and journal backfiles before the program begins. An estimated \$5,800 per year in additional funding would be required to support this program, \$3,500 for monographs and \$2,300 in journal subscriptions. Equipment for the Technical Communication Lab totals \$81,011. Renovation of existing facilities totals \$8,000. Total cost for the first five years of the program is estimated to be \$1,010,361. Funding will be provided through regular State Appropriations, Program Development Funding, and the campus-based Strategic Initiative Funding.

Summary

U. T. San Antonio is requesting authorization to establish a Bachelor of Arts in Communication and to submit the proposed degree program to the Texas Higher Education Coordinating Board for approval. There is a strong need for this degree in the region. The proposed degree will help to fill this need and will fulfill the desire by U. T. San Antonio to meet the education needs of students and community constituents in the region.

A copy of the proposal for the Bachelor of Arts in Communication is on file in the U. T. System Office of Academic Affairs.

INFORMATIONAL ITEM

U. T. System: Progress Report on Activities Related
to the South Texas/Border Initiative Program.--

Dr. Mario Gonzalez, Associate Vice Chancellor for South Texas/
Border Area Development, will present a progress report on the
current activities related to the U. T. System South Texas/
Border Initiative Program.

Health Affairs Committee

HEALTH AFFAIRS COMMITTEE
Committee Chairman Ramirez

Date: December 2, 1993
Time: Following the meeting of the Academic Affairs
Committee
Place: Gorgas Board Room, Gorgas Hall, U. T. Brownsville

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1. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Endowed Academic Positions Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the following initial appointments to endowed academic positions at the U. T. Southwestern Medical Center - Dallas be effective immediately:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
John W. Burnside, M.D. Professor of Internal Medicine and Associate Dean	The Irene Wadel and Robert Atha, Jr. Professorship of Internal Medicine, in Honor of John W. Burnside, M.D. See Item <u>34</u> on Page <u>AMC - 30</u> for establishment of this Professorship.
L. David Hillis, M.D. Professor of Internal Medicine and Vice Chairman of the Department for House Staff Affairs	James M. Wooten Chair in Cardiology; established October 1993

BACKGROUND INFORMATION

Dr. Burnside has served on the faculty at U. T. Southwestern Medical Center - Dallas since 1987. He is a distinguished physician and teacher who is widely regarded as an exceptional role model for students interested in the primary care specialties.

Dr. Hillis joined the faculty at U. T. Southwestern Medical Center - Dallas in 1978, and is a distinguished cardiologist, teacher, and investigator who serves as Director of Clinical Cardiology and Vice Chairman for House Staff Affairs in the Department of Internal Medicine. He also serves as Director of the Cardiac Catheterization Laboratory at Parkland Memorial Hospital.

2. U. T. Medical Branch - Galveston: Recommendation to Name Laboratories in the Department of Anesthesiology (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the Department of Anesthesiology Cerebrovascular and Cardiovascular Basic Science Laboratories at the U. T. Medical Branch - Galveston be named The Charles R. Allen Research Laboratories. This recommendation is 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.

BACKGROUND INFORMATION

The proposed naming of the laboratories is in honor of Charles R. Allen, M.D., a former Chairman of the Department of Anesthesiology at the U. T. Medical Branch - Galveston. Dr. Allen joined the faculty in 1942 and was instrumental in developing the department's research activities. He served as Professor and Chairman of the Department of Anesthesiology from January 1953 to July 1977. In view of his professional leadership and academic contributions prior to his retirement in 1993, it is fitting to honor Dr. Allen's outstanding dedication and service to The University of Texas System and the U. T. Medical Branch - Galveston.

3. U. T. Health Science Center - San Antonio (U. T. Allied Health Sciences School - San Antonio): Request for Approval of a Program Change to Offer a Master of Physical Therapy (MPT) Degree Program to Replace the Bachelor of Science (BSPT) Degree Program within the Department of Physical Therapy and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that approval be granted to change the scope of the Physical Therapy program in the U. T. Allied Health Sciences School - San Antonio at the U. T. Health Science Center - San Antonio from a baccalaureate degree (BSPT) to a Master of Physical Therapy (MPT). Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, the starting date for admission of the first Master's students will be the Fall Semester 1995.

BACKGROUND INFORMATION

The U. T. Allied Health Sciences School - San Antonio is currently authorized to award a Bachelor of Science degree in Physical Therapy (BSPT). The proposal is to change the scope of the program to a Master of Physical Therapy (MPT). Current trends have elevated the educational requirements for entry into the physical therapy profession to the Master's level. In addition, twenty-five states, including Texas, have passed forms of legislation granting physical therapists direct access to patients. Graduates of a graduate level program in Physical Therapy will be eligible in all states to sit for licensure examinations. The rapid expansion of information, technology and practice techniques will require mastery of theory and skill in practice and research methodologies beyond the traditional baccalaureate level. The MPT degree program is designed to provide the comprehensive academic and clinical education required for physical therapists to meet these expanded roles.

The current program has 40 students enrolled and it is expected that each new Master's level class will also train 40 students. Students enrolled in the current baccalaureate level program will continue in the prescribed course and graduate in May 1996. Students will begin enrolling for the new Master's level program in the Fall of 1995, with the first graduate degrees to be awarded in 1998, causing minimum disruption to students currently enrolled. There will not be a graduating class in 1997.

Developed as a "three plus three" program, students will enter the program having completed a minimum of 90 semester hours (three years) of prescribed undergraduate course work. The undergraduate course work will include prescribed courses in English, History, Government, Social and Behavioral Sciences, as well as Biological and Physical Sciences. The Professional Phase of the curriculum will require three years to complete and will include instruction in Biological and Clinical Sciences related to Physical Therapy. In addition, the curriculum will provide instruction in Research Methodology and essential Physical Therapy clinical experiences. Experience has proven that many students, particularly minority students, prefer to enter a program close to home. The ability to take all prerequisite undergraduate work for this program at local community and four-year colleges will aid in making the program more accessible to students from the South Texas area.

Since the proposed MPT program will replace the current BSPT program, no change in the organizational structure of the Physical Therapy Department will be required and no additional state funds will be required to support the program.

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

A copy of the proposal is on file in the Office of Health Affairs.

4. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Pledge and to Waive the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1 (Naming of Buildings) and to Name the Patient Care Facility of the Bertner Complex.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents accept a pledge in the amount of \$30 million from Mr. Albert B. Alkek of Victoria, Texas, to be applied toward the construction of the patient care facility of the Bertner Complex at the U. T. M.D. Anderson Cancer Center.

In addition, it is recommended that the U. T. Board of Regents waive the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, which requires that the person honored by the naming of a building "shall have been deceased at least five years," and approve the naming of the facility as "The Albert B. and Margaret M. Alkek Hospital."

This proposed recommendation is subject to any statutory requirements related to the naming of public buildings as may be appropriate.

BACKGROUND INFORMATION

The U. T. Board of Regents approved construction of Phase I of the Bertner Complex at the June 1992 meeting and Phase II was approved at the October 1993 meeting. The tower portion of the patient care facility, which is the largest component of the Bertner Complex, will include nursing, comprehensive critical care and support units, as well as private patient rooms with space for family members to spend the night. Construction began in February 1993 with an estimated completion date of August 1994.

A pledge in the amount of \$30 million has been received from Mr. Albert B. Alkek of Victoria, Texas, to be applied toward the cost of this facility. Mr. Alkek served on the Board of Visitors of the University Cancer Foundation for the U. T. M.D. Anderson Cancer Center in 1986 and 1987. He is currently a member of The President's Council, The President's Associates and The Chancellor's Council. His daughter, Margaret Alkek Williams, is currently serving as an associate member of the Board of Visitors of the University Cancer Foundation. In recognition of this generous gift and Mr. Alkek's long history of support of various educational, health care and cultural institutions, the naming of this building to honor him and his wife, Margaret, seems appropriate.

INFORMATIONAL ITEM

U. T. M.D. Anderson Cancer Center: Status Report on
the Outreach Program in the South Texas/Border Area.--

President LeMaistre will present a status report on the current activities related to the U. T. M.D. Anderson Cancer Center Outreach Program in the South Texas/Border Area.

**Facilities, Planning & Construction
Committee**

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
Committee Chairman Temple

Date: December 2, 1993
Time: Following the meeting of the Health Affairs
Committee
Place: Gorgas Board Room, Gorgas Hall, U. T. Brownsville

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1. U. T. Arlington - Student Housing: Recommendation to (a) Authorize Conclusion of Negotiations on Private Development Proposal and (b) Authorize Execution of Related Necessary Documents.--

RECOMMENDATION

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

- a. Authorize U. T. Arlington, the Office of Academic Affairs, the Office of Business Affairs, and the Office of General Counsel to conclude negotiations with a private developer related to construction of student housing on the U. T. Arlington campus
- b. Authorize the Chairman of the U. T. Board of Regents to execute related necessary documents in a form substantially similar to documents to be provided to the Board prior to the December meeting upon review and recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Office of General Counsel.

BACKGROUND INFORMATION

Pursuant to action in October 1993, the U. T. Board of Regents approved in concept initiation of a project for student housing on the U. T. Arlington campus and solicitation of proposals from developers to construct and manage the Phase I complex.

Proposals from four private developers were recently received. After a careful review of the proposals and prior to the December Board meeting, President Amacher will make a recommendation for selection of a developer who will provide the best total project package.

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

SUPPLEMENTAL MATERIAL

DECEMBER 2, 1993

1. U. T. Arlington - On-Campus Housing, Apartment Complex (Phase I): Recommendation to (a) Authorize Conclusion of Negotiations on a Proposed Ground Lease with Century Development, a Texas Limited Partnership, Houston, Texas, as Limited Partner and Owner of General Partnership Entity in Arlington Housing Partnership I, Ltd., a Texas Limited Partnership, Houston, Texas, Proposed Lessee, (b) Authorize Alternate Negotiations, if Needed, and (c) Authorize Execution of Related Necessary Documents.--

RECOMMENDATION

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

- a. Authorize U. T. Arlington and the U. T. System Administration Offices of Academic Affairs, Business Affairs, and General Counsel to conclude negotiations with Century Development, a Texas limited partnership, Houston, Texas, on a proposed Ground Lease for on-campus housing with Arlington Housing Partnership I, Ltd., a Texas limited partnership, Houston, Texas, comprised of Century Development as sole limited partner and Arlington Housing Corp., Houston, Texas, a Texas for-profit corporation, and wholly owned subsidiary of Century Development, as sole general partner
- b. Authorize, if needed, alternate negotiations with Texas Campus Developers, L.C., Austin, Texas, a subsidiary of American Campus Lifestyles, L.L.C., Austin, Texas, on behalf of Texas Campus Properties, L.C., Austin, Texas
- c. Authorize the Chairman of the U. T. Board of Regents to execute related necessary documents including a Ground Lease in a form substantially similar to ground leases previously approved by the U. T. Board of Regents upon review and recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Office of General Counsel, with the understanding that major modifications to the lease will also require approval via Executive Committee Letter prior to signature by the Chairman.

BACKGROUND INFORMATION

Pursuant to action in October 1993, the U. T. Board of Regents approved in concept initiation of a project for a student apartment complex on the U. T. Arlington campus and solicitation of proposals from developers to construct and possibly manage Phase I of the complex.

Proposals from four private developers were received on October 25, 1993. Following careful review of the proposals, President Amacher has determined that it appears that Century Development (Century) will provide the best total project package.

The apartments will contain 200 units which will range from efficiency (approximately 495 square feet) to four-bedroom style suites (approximately 873 square feet) units. While the exact configuration has not been determined, the project should accommodate approximately 500 residents and will include a clubhouse, laundry facility, and parking lot. The exact number and style of each type of unit will be established during negotiations with Century.

U. T. Arlington seeks authority to conduct negotiations with Century Development, a Texas limited partnership, on behalf of Arlington Housing Corp., a wholly owned subsidiary of Century. Century owns a 99% interest in the partnership and is the sole limited partner; Arlington Housing Corp. owns a 1% interest in the partnership and is the sole general partner. The partnership will build and manage the facility pursuant to a long-term Ground Lease and an operating agreement with Century Property Management Company, a wholly owned subsidiary of Century and a Texas for-profit corporation. The negotiations and proposed Ground Lease for the land and completed facility will be coordinated with the Office of Academic Affairs, the Office of Business Affairs, and the Office of General Counsel. No contractual obligations will be incurred until the proposed Ground Lease is signed by the Chairman of the U. T. Board of Regents. The working draft of the proposed Ground Lease has a term of 40 years and currently contains the following provisions:

- Partnership is to complete construction in time for occupancy by August 15, 1994
- U. T. Board of Regents receives title to the apartment complex upon completion of the construction, subject to Partnership's leasehold interest
- U. T. Board of Regents receives base rental of \$100.00 per year and a percentage rental beginning with operation
- Subject to Texas Higher Education Coordinating Board approval requirements, U. T. Board of Regents has a right of first refusal and an option to purchase Partnership's leasehold interest at any time
- U. T. Board of Regents has first right of refusal to match bonafide third party offer to purchase leasehold interest.

Alternatively, should negotiations with Century not result in a satisfactory arrangement, U. T. Arlington seeks authority to conduct negotiations with Texas Campus Developers, L.C., (TCD) a subsidiary of American Campus Lifestyles Companies, L.L.C., on behalf of Texas Campus Properties, L.C. The TCD proposal is based upon a different business plan and includes a twenty-five year lease term; negotiations with TCD will make clear that U. T. Arlington does not assume financial risk, either direct or implied, and review and approval of proposed legal documents will be consistent with the primary authorization. Use of the alternate structure proposed by TCD would require approval via Executive Committee Letter before signature of the Ground Lease by the Chairman.

Although neither development entity is a historically underutilized business (HUB), both developers will be expected to provide practical opportunities for HUBs to participate in the development, construction, management, maintenance, and operation of the project. The percentages of HUB subcontracting will be included in negotiations.

The proposed project is consistent with "Guidelines for Private Development on Campus" of the Texas Higher Education Coordinating Board. Although this project was not included in the Capital Improvement Plan (CIP) approved in August 1993, the October 1993 Board of Regents' conceptual authorization of the project technically updated the CIP.

2. U. T. El Paso - Liberal Arts/Science Renovation Projects - Physical Science Building Renovation: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Authorize a project for the Physical Science Building Renovation at U. T. El Paso at an estimated total project cost of \$2,645,000 to be funded from Tuition Revenue Bonds
- b. Appoint a Project Architect from the list set forth on Page FPCC - 4 to prepare preliminary plans, specifications and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$120,000 from Tuition Revenue Bonds and Notes issued under the Revenue Financing System for fees and administrative expenses through completion of preliminary plans.

BACKGROUND INFORMATION

The 73rd Session of the Texas Legislature authorized the financing of Liberal Arts/Science Renovation Projects at U. T. El Paso through Tuition Revenue Bonds in the amount of \$8,000,000 as part of the South Texas/Border Initiative. The \$8,000,000 will be divided among five campus buildings housing Liberal Arts and Science programs. The Physical Science Building houses all the Chemistry and Physics teaching and research space at U. T. El Paso. The laboratory space is now over 25 years old and is not well suited to graduate programs and associated research activities that have been developed in Chemistry and Physics in recent years. Sponsored research activities have grown rapidly, more than doubling in the past five years. In addition, U. T. El Paso is now implementing a new Ph.D program in Materials Science and Engineering, which will draw heavily upon the teaching and research activities of Chemistry and Physics faculty. Their ability to further expand research efforts are seriously hampered by inadequate and outdated laboratory facilities.

The project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget to be funded by Tuition Revenue Bonds.

List of Firms for Consideration

Project Architect

Carroll Dusang and Rand,
El Paso, Texas

SMS Architects,
El Paso, Texas

Perspectiva,
El Paso, Texas

Representative Projects

U. T. El Paso: Engineering/
Science Complex; Dormitory
Complex; Remodel Old Library
for Geology Department

Texas Tech University Health
Science Center: Clinical
Education Building

Socorro I.S.D.: Sanchez Middle
School; Williams Slider Middle
School

El Paso Community College:
Advanced Technology Buildings #1
and #2; Student Services Center

Clint I.S.D.: East El Paso
Middle School; Horizon City
Middle School; Mountain View
High School

Socorro I.S.D.: Educational
Center

City of El Paso: East Regional
Command Center; Plaza Theatre
Historic Preservation and
Renovation; Northeast Transit
Terminal

Hotel Casa Grande, Chihuahua,
Mexico

General Electric Manufacturing
Plant, Chihuahua, Mexico
(Individual Experience)

3. U. T. San Antonio - Chisholm Hall Student Dormitory Complex - Proposed Assignment by Bach Enterprises, Austin, Texas, Current Lessee and Operator, to Century Development, a Texas Limited Partnership, Houston, Texas, or its Approved Affiliate: Recommendation for Authorization to Review Proposed Terms of Assignment and Qualifications of Assignee and Authorization to Execute Approval Letter and Related Documents.--

RECOMMENDATION

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

- a. Authorize U. T. San Antonio, the Office of Academic Affairs, and the Office of General Counsel to review the terms and conditions of the proposed assignment by Bach Enterprises, Austin, Texas, of its rights as lessee and operator of the U. T. San Antonio Dormitory Complex (Chisholm Hall) under Ground Leases and Management Agreements with the U. T. Board of Regents to Century Development, a Texas Limited Partnership, Houston, Texas, or an approved affiliate of Century
- b. Authorize U. T. San Antonio, the Office of Academic Affairs, and the Office of General Counsel to review the qualifications of Century Development, or its approved affiliate, to assume the duties of lessee and operator of the Chisholm Hall Student Dormitory Complex at U. T. San Antonio
- c. Authorize the Executive Vice Chancellor for Academic Affairs to execute an approval letter and related documents to evidence the consent of the U. T. Board of Regents to the proposed assignment of the Chisholm Hall Ground Leases and Management Assignments from Bach Enterprises to Century Development, or its approved affiliate, upon review and recommendation by the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Office of General Counsel.

BACKGROUND INFORMATION

The Chisholm Hall Student Dormitory and its adjacent Recreation Center at U. T. San Antonio are presently owned and operated by Bach Enterprises under Ground Leases and Management Agreements with the U. T. Board of Regents dated December 1, 1985. Bach Enterprises has recently reached an agreement with Century Development, Houston, Texas, a limited partnership, to assign the interests of Bach Enterprises as lessee and operator under the Ground Leases and Management Agreements to Century or an approved affiliate of Century. Bach Enterprises has requested approval from the U. T. Board of Regents to consummate the proposed assignment.

Century Development, through its affiliate, University Oaks Housing Partnership I, has developed and currently operates University Oaks student apartments (Phases I and II) at U. T. San Antonio, under a Ground Lease from the U. T. Board of Regents. Pursuant to action in August 1993, the U. T. Board of Regents authorized negotiation of an agreement with Century Development for Phase III of the University Oaks apartment project.

Assignment of the Chisholm Hall leasehold and operating rights to Century Development, or an approved affiliate, will provide for unified operation of all privately-owned housing at U. T. San Antonio by a single lessee/operator.

4. U. T. Health Science Center - San Antonio - Health Sciences Building Program - School of Nursing Addition and Renovation: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the U. T. Board of Regents:

- a. Authorize a project for the School of Nursing Addition and Renovation as part of the Health Sciences Building Program at the U. T. Health Science Center - San Antonio at an estimated total project cost of \$6,500,000 to be funded with \$6,000,000 from Tuition Revenue Bonds and \$500,000 from Gifts
- b. Appoint a Project Architect from the list set forth on Page FPCC - 8 to prepare preliminary plans and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$200,000 from Tuition Revenue Bonds and Notes issued under the Revenue Financing System for fees and administrative expenses through completion of preliminary plans.

BACKGROUND INFORMATION

The 73rd Session of the Texas Legislature authorized the financing of a Health Sciences Building Program at the U. T. Health Science Center - San Antonio to be funded through Tuition Revenue Bonds in the amount of \$25,000,000 as part of the South Texas/Border Initiative. The first project of the building program will be the School of Nursing Addition and Renovation at an estimated total project cost of \$6,500,000.

The U. T. Health Science Center - San Antonio is an emerging national and international health-care institution. In addition to serving the San Antonio community, the Health Science Center has a strong commitment in the Rio Grande Valley. The Health Science Center offers family practice residency training and nursing, dental and emergency care programs to the underserved areas of South Texas.

The U. T. Nursing School - San Antonio has a strong faculty, good staff complement and has been one of the most innovative schools in relation to program development. The flexible process option was initiated in 1978 for any individual with a nursing background and demonstrated skill (LVN, medics, ADN, diploma nurses, etc.) to earn a baccalaureate degree. This option was highlighted nationally by the National League for Nursing as a program to be emulated to encourage individuals who want to progress in the nursing profession. The School of Nursing initiated part-time options for students in 1980, and in 1988 started the ADN/Diploma to MSN program for outstanding nurses with credentials to move forward with masters education, earning a BSN en route. It presently offers the only Ph.D in Nursing in South Texas.

The project will be the first significant construction for the School of Nursing since the structure was built in 1974 with a student enrollment of 300 and 47 faculty. Today, student enrollment is 800 with 70 faculty members. The new addition will contain approximately 41,000 gross square feet for student learning laboratory demonstration areas, faculty research space and faculty and student computer expansion. Faculty offices will be added along with expansion of space for staff, administration and student locker/lounge areas.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget to be funded by Tuition Revenue Bonds. Approval of this agenda item will amend the FY 1994-1999 Capital Improvement Plan and FY 1994 Capital Budget to reflect a project for the School of Nursing Addition and Renovation at a total project cost of \$6,500,000 to be funded with \$6,000,000 from Tuition Revenue Bonds and \$500,000 from Gifts, and a project for Allied Health, Public Health and Research Facilities for \$19,000,000 to be funded by Tuition Revenue Bonds. The project for Allied Health, Public Health and Research Facilities will be presented to the U. T. Board of Regents for consideration at a future meeting.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
Garza/Bomberger & Associates San Antonio, Texas	U. T. Health Science Center - San Antonio: School of Nursing Veterans Administration: V.A. Medical Center, San Antonio, Texas, Various Projects Southwest Texas Methodist Hospital, San Antonio, Texas Southwest Research Institute: Research Facility
Chumney and Associates San Antonio, Texas	U. T. Health Science Center - San Antonio: Expansion of Research Laboratory Facilities Alamo Community College District: New Classroom Building, Palo Alto College State of Texas: Old General Land Office Building Restoration, Austin, Texas
José Luis Hernandez/ Architects, Inc. San Antonio, Texas	Alamo Community College District: St. Phillips College Campus, Art & Sciences Building South San Antonio Independent School District: Forty-four Classroom Additions to Four Schools VIA Metropolitan Transit, San Antonio, Texas: Alamodome Transit Facility

5. U. T. M.D. Anderson Cancer Center - Transformers and Associated Switchgear: Request for Project Authorization; Appointment of Project Engineer to Prepare Final Plans; Authorization for Institution to Manage Project; and Appropriation Therefor.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents:

- a. Authorize a project for Transformers and Associated Switchgear at the U. T. M.D. Anderson Cancer Center at an estimated total project cost of \$5,500,000
- b. Appoint Affiliated Engineers, Inc., Madison, Wisconsin, as Project Engineer with authorization to prepare final plans, specifications and cost estimates to be presented to the U. T. Board of Regents at a future meeting
- c. Authorize the U. T. M.D. Anderson Cancer Center Administration to manage the project in consultation with the Office of Facilities Planning and Construction
- d. Appropriate \$550,000 from Educational and General Fund Balances for fees and administrative expenses through completion of final plans.

BACKGROUND INFORMATION

There is a need to replace thirty-year old transformers and associated switchgear in the central plant which services some of the oldest areas in the main hospital facility at the U. T. M.D. Anderson Cancer Center. Tests have been performed on the existing electrical equipment which have revealed potential problems relating to safety and reliability. Also the current equipment is operating at maximum capacity with no room for expansion.

This project has been included in the overall Capital Renewal/Deferred Maintenance Program and was included on the Campus Master Plan recently submitted to the Texas Higher Education Coordinating Board.

The project is estimated to cost \$5,500,000 over a two-year period. Engineering services are required to prepare the necessary systems designs and specifications for material, equipment, and other elements. Engineering services will also be necessary to prepare bid documents and to provide supervision and consultation during the installation process.

In collaboration with the Office of Facilities Planning and Construction, U. T. M.D. Anderson Cancer Center has determined that the cost for such engineering services on a project of this magnitude would not exceed \$550,000. Funds have been set aside out of Educational and General Fund Balances to pay for the engineering fees and the first costs of the project.

The firm of Affiliated Engineers, Inc., Madison, Wisconsin, is recommended for appointment as Project Engineer because of its familiarity with existing conditions.

Approval of this project will amend the FY 1994-1999 Capital Improvement Plan and FY 1994 Capital Budget accordingly.

6. U. T. Health Center - Tyler - Ambulatory Care Center Addition and Renovation (Project No. 801-789): Request for Approval of Final Plans; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; and Appropriation Therefor.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Director Hurst that the U. T. Board of Regents:

- a. Approve the final plans and specifications for the Ambulatory Care Center Addition and Renovation at the U. T. Health Center - Tyler at an estimated total project cost of \$11,300,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost
- c. Appropriate an additional sum of \$10,735,000 which, together with \$565,000 previously appropriated from Gifts and Grants, will fund the total project cost of \$11,300,000. The additional sum will be provided by \$5,000,000 from Permanent University Fund Bond Proceeds, \$935,000 from Gifts and Grants, and \$4,800,000 from Educational and General Fund Balances.

BACKGROUND INFORMATION

This new facility will accommodate significant growth in ambulatory care services, a family practice residency center, and clinic space for improved patient access and convenience. The additional space will provide for the outpatient oncology service, which acts as a regional center for the Texas Community Oncology Network in cooperation with the U. T. M.D. Anderson Cancer Center. The Ambulatory Care Center Addition and Renovation project will also allow for the expansion of outpatient surgery, radiology and pathology services.

The plans provide for a facility of approximately 80,000 gross square feet within a total project cost of \$11,300,000. Funding for the project is provided by \$5,000,000 in Permanent University Fund Bond Proceeds, \$1,500,000 in Gifts and Grants, and \$4,800,000 in Educational and General Fund Balances. Under a Memorandum of Understanding dated December 3, 1992, the U. T. Board of Regents accepted the proposal of the U. T. Health Center - Tyler to provide to the U. T. Board of Regents an amount of funds equal to the debt service on Permanent University Fund Bond Proceeds (PUF) issued to provide the allocated PUF support of the project. Payment of these funds is contingent upon the annual income results of the Permanent University Fund. The intent of the agreement was to allow an exception for the U. T. Health Center - Tyler of the requirements of the Available University Fund Spending Policy.

The project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget and has been approved by the Texas Higher Education Coordinating Board.

Asset Management Committee

ASSET MANAGEMENT COMMITTEE
Committee Chairman Cruikshank

Date: December 2, 1993
Time: Following the meeting of the Facilities Planning
and Construction Committee
Place: Gorgas Board Room, Gorgas Hall, U. T. Brownsville

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I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTERS

1. Report on Clearance of Monies to the Permanent University Fund for September and October 1993 and Report on Oil and Gas Development as of October 31, 1993.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for September and October 1993 and (b) Oil and Gas Development as of October 31, 1993, are submitted by the Executive Vice Chancellor for Business Affairs:

	September 1993	October 1993	Cumulative Through October of this Fiscal Year (1993-1994)	Cumulative Through October of Preceding Fiscal Year (1992-1993)	Percent Change
Permanent University Fund					
Royalty					
Oil	\$3,219,982.94	\$3,096,980.73	\$ 6,316,963.67	\$ 8,636,223.41	-26.86%
Gas	1,537,271.08	1,469,391.38	3,006,662.46	2,641,635.38	13.82%
Sulphur	0.00	0.00	0.00	0.00	--
Water	154,143.05	57,302.25	211,445.30	174,082.84	21.46%
Brine	10,301.11	8,882.85	19,183.96	17,146.48	11.88%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Lease	1,342.57	33,382.05	34,724.62	136,176.47	-74.50%
Other	452.00	400.00	852.00	(5,012.30)	--
Sale of Sand, Gravel, Etc.	0.00	0.00	0.00	0.00	--
Total University Lands Receipts Before Bonuses	4,923,492.75	4,666,339.26	9,589,832.01	11,600,252.28	-17.33%
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	0.00	69,887.70	--
Amendments and Extensions to Mineral Leases	0.00	35,481.00	35,481.00	0.00	--
Total University Lands Receipts	4,923,492.75	4,701,820.26	9,625,313.01	11,670,139.98	-17.52%
Gain or (Loss) on Sale of Securities	360,901.13	4,453,913.34	4,814,814.47	6,925,093.14	-30.47%
TOTAL CLEARANCES	\$5,284,393.88	\$9,155,733.60	\$14,440,127.48	\$18,595,233.12	-22.35%

Oil and Gas Development - October 31, 1993
Acreage Under Lease - 709,765

Number of Producing Acres - 523,133

Number of Producing Leases - 2,452

2. Permanent University Fund: Report on Investments for the Fiscal Year Ended August 31, 1993.--

RECOMMENDATION

Under separate bound cover, the Vice Chancellor for Asset Management presents a report on Permanent University Fund investments for the fiscal year ended August 31, 1993. During the fiscal year, periodic reports of investment transactions made for the Fund were submitted to the U. T. Board of Regents for approval. The present report summarizes the investment transactions for the fiscal year and indicates the status of the Fund's portfolio as of August 31, 1993.

The Permanent University Fund asset value and investment earnings during the year are shown below:

	<u>Fiscal Year Ended 8/31</u>		<u>Increase (Decrease)</u>	
	<u>1992</u>	<u>1993</u>	<u>Amount</u>	<u>%</u>
Book Value	\$3,656,917,262	\$4,044,284,360	\$387,367,098	10.59%
Market Value	\$4,145,368,809	\$4,468,746,378	\$323,377,569	7.80%
Investment Income	\$ 256,553,548	\$ 250,251,366	(\$ 6,302,182)	(2.46%)

The Chancellor recommends that the formal report be approved in order that copies may be distributed to the Governor, members of the Legislature, and other State Officials, as required by Section 66.05 of the Texas Education Code.

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Arlington: Recommendation to Accept Bequest from the Estate of John Walter Edmonds, Dallas, Texas, and Transfer of Funds to Establish the Samuel Thomas Hughes, Jr. Professorship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that a bequest of \$88,110 from the Estate of John Walter Edmonds, Dallas, Texas, and an \$11,890 transfer of previously reported gifts from current restricted funds for a total of \$100,000 be accepted to establish the Samuel Thomas Hughes, Jr. Professorship in the School of Nursing at U. T. Arlington.

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

BACKGROUND INFORMATION

At the June 1992 meeting, the U. T. Board of Regents accepted a bequest of book royalties from the Estate of Samuel Thomas Hughes, Jr., Dallas, Texas, to be used to support ongoing programs in the School of Nursing at U. T. Arlington. In his Will, Dr. Hughes intended to establish the Samuel Thomas Hughes, Jr. Professorship in the School of Nursing at U. T. Arlington. When it was determined that the total funds from the bequest were not sufficient to endow a professorship, the monies were designated for current purpose use by U. T. Arlington.

In his Will, Mr. John Walter Edmonds, Dallas, Texas, a long-time friend of Dr. Hughes, provided for a bequest of the sum of money required to bring the total of the proposed Samuel Thomas Hughes, Jr. Professorship at U. T. Arlington to \$100,000. Therefore, this bequest from the Edmonds Estate will establish the endowment and the \$11,890 transfer of funds, which includes \$4,435 received from the Hughes Estate and gifts from various donors given in memory of Dr. Hughes, will be used to increase the endowment to full funding.

2. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish the Oscar G. Brockett Endowed Graduate Fellowship in Theatre History and Criticism in the College of Fine Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift and a \$15,000 pledge, payable by August 31, 1996, from Dr. Oscar G. Brockett, Austin, Texas, for a total of \$25,000 be accepted to establish the Oscar G. Brockett Endowed Graduate Fellowship in Theatre History and Criticism in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide support to outstanding graduate students in theatre history and criticism.

BACKGROUND INFORMATION

Dr. Oscar G. Brockett, Austin, Texas, who joined the U. T. Austin faculty in 1978 as Dean of the College of Fine Arts and Ashbel Smith Professor of Drama, currently holds the Z. T. Scott Family Chair in Drama and has been Director of the Center for Dramatic and Performance Studies at U. T. Austin since 1989.

3. U. T. Austin: Barbara Conrad Endowed Scholarship in Fine Arts in the College of Fine Arts - Recommendation to Accept Additional Gifts and Transfer of Funds and Redesignate as the Barbara Smith Conrad Endowed Presidential Scholarship in Fine Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$61,916.66 in gifts from Mr. Ray D. Woods, Austin, Texas, and various donors and a \$30,958.33 transfer of funds from President's designated funds for a total of \$92,874.99 be accepted for addition to the Barbara Conrad Endowed Scholarship in Fine Arts in the College of Fine Arts at U. T. Austin for a total endowment of \$103,265.99 and that the Scholarship be redesignated as the Barbara Smith Conrad Endowed Presidential Scholarship in Fine Arts.

BACKGROUND INFORMATION

At the August 1986 meeting, the U. T. Board of Regents accepted \$10,000 in gifts from various donors to establish the Barbara Conrad Endowed Scholarship in Fine Arts. Ms. Barbara Conrad, New York, New York, received her Bachelor's degree in Music in 1959 from U. T. Austin. Ms. Conrad, formerly a Mezzo-Soprano with the Metropolitan Opera in New York, was awarded the Distinguished Alumnus Award in 1985 from The Ex-Students' Association.

4. U. T. Austin: Noble Doss, Sr. Endowed Scholarship in the Department of Intercollegiate Athletics for Men - Recommendation to Redesignate as the Noble and Dorothy Doss, Sr. Endowed Scholarship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the Noble Doss, Sr. Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin be redesignated as the Noble and Dorothy Doss, Sr. Endowed Scholarship.

This recommendation is being made in accordance with the donor's request.

BACKGROUND INFORMATION

The Noble Doss, Sr. Endowed Scholarship was established at the December 1992 meeting of the U. T. Board of Regents with a \$25,000 gift from Mr. Noble Doss, Sr., Austin, Texas, and a \$12,500 transfer of Second Century Fund matching funds.

Mr. Doss has requested this redesignation to honor his wife, Dorothy. Mr. Doss received his B.S. in Physical Education from U. T. Austin in 1942 and Mrs. Doss attended U. T. Austin in 1939. Both are longtime supporters of U. T. Austin.

5. U. T. Austin: Recommendation to Accept Bequest from the Estate of William H. Emis III, Temple, Texas, to Establish the William H. Emis III Traveling Scholarship in Architecture in the School of Architecture.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a bequest of the residue of the Estate of William H. Emis III, comprised of cash and interests in Temple Commercial Joint Venture I and Temple Properties Incorporated common stock valued at \$91,881.21, be accepted to establish a quasi-endowment in the School of Architecture at U. T. Austin to be named the William H. Emis III Traveling Scholarship in Architecture.

Income earned from the endowment will be used to provide support to students in the School of Architecture for study travel in Europe and Asia.

BACKGROUND INFORMATION

Mr. William H. Emis III received his B.Arch. in 1977 from U. T. Austin. The funding of this endowment is an appropriate memorial to his life and fulfillment of his wishes. In his Last Will and Testament, Mr. Emis specified that his bequest be used "to benefit student study travel in Europe or Asia."

6. U. T. Austin: Recommendation to Accept Bequest from the Estate of Olivia Jeanette Leary Gibbs, Alvarado, Texas, to Establish the John Calvin Leary Memorial Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a bequest of a remainder percentage in an undivided one-half interest in two tracts of land in Crosby County, Texas, more fully described as 640 acres, being Survey No. 2, Block A, Cert. 1781 and 313 acres, being the West one-half of Survey No. 7, Abstract 5, Cert. 1512, valued at \$108,630 from the Estate of Olivia Jeanette Leary Gibbs, Alvarado, Texas, be accepted to establish an endowment at U. T. Austin to be named the John Calvin Leary Memorial Scholarship Fund.

Income earned from the endowment will be used to support students of any academic major and any classification, based on financial need and academic merit.

BACKGROUND INFORMATION

Mrs. Olivia Jeanette Leary Gibbs, Alvarado, Texas, received her B.A. from U. T. Austin in 1929. In her Will, Mrs. Gibbs bequeathed her interest in two tracts of land in Crosby County, Texas, "to the Regents of the University of Texas" to be used to establish a scholarship fund in memory of her father, John Calvin Leary. Although the bequest does not specifically identify U. T. Austin as the intended beneficiary of the Scholarship, the U. T. System Office of General Counsel has determined that it is appropriate to interpret Mrs. Gibbs' intent to be to benefit students of that campus.

7. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish the Alan and Nancy Hamm Endowed Presidential Scholarship in the College of Pharmacy.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$15,000 gift and a \$10,000 pledge, payable by August 31, 1995, from Mr. and Mrs. Alan W. (Nancy) Hamm, Bedford, Texas, for a total of \$25,000 be accepted to establish the Alan and Nancy Hamm Endowed Presidential Scholarship in the College of Pharmacy at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to students in the College of Pharmacy, with first preference being given to students from the Birdville Independent School District or the Hurst-Eules-Bedford School District and second preference to students from the Fort Worth area.

BACKGROUND INFORMATION

Mr. and Mrs. Alan W. (Nancy) Hamm, Bedford, Texas, are members of the Littlefield Society and The Ex-Students' Association. Mr. Hamm is a member of The Chancellor's Council and the Pharmaceutical Foundation Advisory Council and is the Honoree of the Alan W. Hamm Centennial Fellowship in Pharmacy. He received his B.S. in Pharmacy in 1954 from U. T. Austin.

8. U. T. Austin: F. Earl Ingerson Graduate Research Assistance Fund in Geochemistry in the College of Natural Sciences - Recommendation to Accept Bequest from the Estate of Fred Earl Ingerson, Sr., Austin, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a bequest of \$25,364 from the Estate of Dr. Fred Earl Ingerson, Sr., Austin, Texas, be accepted for addition to the F. Earl Ingerson Graduate Research Assistance Fund in Geochemistry in the Department of Geological Sciences, College of Natural Sciences, at U. T. Austin for a total endowment of \$40,000.

BACKGROUND INFORMATION

The F. Earl Ingerson Graduate Research Assistance Fund in Geochemistry was established at the February 1985 meeting of the U. T. Board of Regents with gifts totalling \$10,100 from various donors. Interim gifts and reinvested income increased the endowment to \$14,636. In his Last Will and Testament, Dr. Fred Earl Ingerson, Sr. requested that sufficient funds be distributed to bring the Ingerson Fund to a total of \$40,000. Dr. Ingerson had a long and varied career in the field of geology before coming to U. T. Austin in 1958, where he served as a professor in the Department of Geology until his retirement in 1977.

9. U. T. Austin: Recommendation to Accept Gift to Establish the Kent Kennan Endowed Graduate Fellowship in Music Composition or Theory in the College of Fine Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from Dr. Kent Kennan, Austin, Texas, be accepted to establish the Kent Kennan Endowed Graduate Fellowship in Music Composition or Theory in the Department of Music, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to recruit and retain exceptional graduate students in music composition or theory.

BACKGROUND INFORMATION

This endowment is being funded by Dr. Kent Kennan, Austin, Texas, Professor Emeritus of the Department of Music at U. T. Austin. Dr. Kennan taught several areas of musical study at U. T. Austin from 1949 to 1983. He is a member of The Chancellor's Council, the Littlefield Society, and the Retired Faculty/Staff Association.

10. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish the Legends of Pharmacy Golf Tournament Endowed Presidential Scholarship in Pharmacy in the College of Pharmacy.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift and a \$15,000 pledge, payable by August 31, 1996, from the College of Pharmacy Alumni Association, Austin, Texas, for a total of \$25,000 be accepted to establish the Legends of Pharmacy Golf Tournament Endowed Presidential Scholarship in Pharmacy in the College of Pharmacy at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to students in the College of Pharmacy.

BACKGROUND INFORMATION

Each year for the past four years, the College of Pharmacy Alumni Association has hosted the Legends of Pharmacy Golf Tournament to raise funds for endowed scholarships within the College of Pharmacy. The Association plans to continue with this successful event in support of this endowment.

11. U. T. Austin: Recommendation to Accept Gifts, Pledges, and Transfer of Funds to Establish the Ken McIntyre Professorship for Excellence in School Leadership in the College of Education.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the following gifts, pledges, and transfer of funds totalling \$100,000 be accepted to establish the Ken McIntyre Professorship for Excellence in School Leadership in the College of Education at U. T. Austin:

- a. Gifts totalling \$57,751.28 from various donors

- b. A \$7,500 gift from the Texas Association of School Administrators, Austin, Texas
- c. Gifts and pledges totalling \$15,000 comprised of \$7,000 in proceeds received from a dinner in tribute to Dr. Kenneth McIntyre, Austin, Texas, and \$8,000 in pledges, payable by February 1, 1994, all from the College of Education Continuing Education Program's annual Principals' Conference
- d. A \$19,748.72 transfer of College of Education Dean's Associates discretionary funds.

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

BACKGROUND INFORMATION

This endowment is being funded by the many friends, colleagues, and former students of Dr. Kenneth McIntyre, Austin, Texas, Professor Emeritus of Educational Administration in the College of Education, who retired in 1983 after a long career at U. T. Austin which began in 1952. Dr. McIntyre developed much of the curriculum in the educational administration area at U. T. Austin, including the Foundations of Educational Administration program, recognized as one of the nation's most prestigious preparation programs for the school principal.

12. U. T. Austin: Recommendation to Accept Gifts and Pledge to Establish the Leon O. Morgan Fellowship in the College of Natural Sciences.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$15,280 in gifts from various donors and a \$9,720 pledge, payable by August 31, 1996, from A. Boyd Morgan, M.D., Austin, Texas, for a total of \$25,000 be accepted to establish the Leon O. Morgan Fellowship in the Department of Chemistry and Biochemistry, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to provide fellowship support to graduate students within the Department of Chemistry and Biochemistry.

BACKGROUND INFORMATION

This endowment is being funded in honor of Dr. Leon O. Morgan, Austin, Texas, by his son, A. Boyd Morgan, M.D., Austin, Texas, and various donors. Dr. Leon O. Morgan, Professor Emeritus of the Department of Chemistry and Biochemistry, recently retired after a long and distinguished career at U. T. Austin which began in 1947. He received his M.A. in Chemistry from U. T. Austin in 1943.

13. U. T. Austin: The Carl H. Pforzheimer Endowment for the Harry Ransom Humanities Research Center - Recommendation to Accept Additional Gift and Pledge and Eligibility for Matching Funds Under The Regents' Endowment Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift and a \$25,000 pledge, payable by August 31, 1994, from The Carl and Lily Pforzheimer Foundation, Inc., New York, New York, for a total of \$50,000 be accepted for addition to The Carl H. Pforzheimer Endowment for the Harry Ransom Humanities Research Center at U. T. Austin for a total endowment of \$1,010,000.

This gift is made specifically to support, from endowment income, lectures on the Pforzheimer Collection. The Pforzheimer Lecture Series will provide a forum for scholarly review of the collection, in accordance with the original intent of the endowment.

It is further recommended that \$25,000 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$1,035,000.

BACKGROUND INFORMATION

The Carl H. Pforzheimer Endowment was established at the February 1986 meeting of the U. T. Board of Regents with a \$750,000 gift from The Carl and Lily Pforzheimer Foundation, Inc., New York, New York.

14. U. T. Austin: Regents Research Professorship in Bankruptcy Law and Practice in the School of Law - Recommendation to Redesignate as the Arthur L. Moller Regents Chair in Bankruptcy Law and Practice.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the Regents Research Professorship in Bankruptcy Law and Practice in the School of Law at U. T. Austin be redesignated as the Arthur L. Moller Regents Chair in Bankruptcy Law and Practice.

BACKGROUND INFORMATION

The Regents Research Professorship in Bankruptcy Law and Practice was established at the October 1990 meeting of the U. T. Board of Regents with gifts and pledges totaling \$278,000 from various donors. Matching funds of \$83,950 were allocated under The Regents' Endowed Teachers and Scholars Program and used to increase the endowment to a total of \$361,950.

The University of Texas Law School Foundation has received gifts of \$20,985 and pledges of \$225,800 from various donors for addition to and redesignation of this Professorship. The new gifts and pledges will be held and administered by The University of Texas Law School Foundation (an external foundation).

This endowment is being redesignated to honor Judge Arthur L. Moller, Houston, Texas, for his many contributions to the field of bankruptcy law. Judge Moller received his LL.B. in 1937 and his B.A. in 1938 from U. T. Austin.

15. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the San Antonio Pharmacists Endowed Presidential Scholarship in the College of Pharmacy.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$11,300 in gifts and \$13,700 in pledges, payable by August 31, 1996, from various donors for a total of \$25,000 be accepted to establish the San Antonio Pharmacists Endowed Presidential Scholarship in the College of Pharmacy at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to students in the College of Pharmacy.

BACKGROUND INFORMATION

This endowment is being funded by the Bexar County Pharmaceutical Association and several of its members, Mr. John R. Carson, Mr. C. Moody Armstrong, Mr. Tim L. Vordenbaumen, Ms. Yolanda M. Laurel, and Ms. Nora Laurel, all of San Antonio, Texas, Ms. Anita Laurel Ramirez, McAllen, Texas, and Ms. Sylvia Laurel Vela, Laredo, Texas.

16. U. T. Austin: Recommendation to Accept Remainder Interest in The Luisa G. G. Sanchez Charitable Remainder Trust and to Accept Appointment as Trustee.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the remainder interest in The Luisa G. G. Sanchez Charitable Remainder Trust, initially funded with a gift of real estate, described as a part of Lot No. Nine (9) and all of Lot Nos. Ten (10), Eleven (11), and Twelve (12), Pedernales Subdivision No. 2, Travis County, Texas, valued at \$74,000 from Dr. Luisa G. G. Sanchez, Austin, Texas, be accepted for the benefit of U. T. Austin. Additionally, it is recommended that the U. T. Board of Regents accept appointment as Trustee of the Trust.

The trust agreement provides for the annual distribution of the lesser of the trust income for the taxable year and five percent of the net fair market value of the trust assets, valued as of the first day of the taxable year to be paid quarterly to Dr. Luisa G. G. Sanchez during her lifetime. If the trust income for any taxable year exceeds the annual distribution otherwise payable for such year, the Trustee shall also pay to Dr. Sanchez such excess income to the extent that the aggregate of the amounts paid to Dr. Sanchez in prior years is less than five percent of the aggregate fair market value of the trust assets for such years.

Upon termination of the Trust, the corpus of the Trust shall be distributed to the U. T. Board of Regents for the benefit of U. T. Austin, specifically to be added to the George I. Sanchez Centennial Professorship in Liberal Arts in the College of Liberal Arts.

BACKGROUND INFORMATION

Dr. Luisa G. G. Sanchez, Austin, Texas, former Supervisor of Support Services for the Austin Independent School District, received her M.A. in Spanish in 1949 and her Ph.D. in Education in 1954 from U. T. Austin.

The George I. Sanchez Centennial Professorship in Liberal Arts was established at the August 1984 meeting of the U. T. Board of Regents, in memory of Dr. Luisa G. G. Sanchez's husband, Dr. George I. Sanchez, who was a Professor at U. T. Austin from 1940 until his death in 1972.

17. U. T. Austin: Marietta Daniels Shepard Memorial Scholarship Fund in the Graduate School of Library and Information Science - Recommendation to Accept Additional Gifts and Redesignate as the Marietta Daniels Shepard Memorial Endowed Presidential Scholarship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that an \$8,807 gift from the Seminar on the Acquisition of Latin American Library Materials, Inc., Madison, Wisconsin, and \$9,053.29 in gifts from various donors for a total of \$17,860.29 be accepted for addition to the Marietta Daniels Shepard Memorial Scholarship Fund in the Graduate School of Library and Information Science at U. T. Austin for a total endowment of \$36,161.88 and that the endowment be redesignated as the Marietta Daniels Shepard Memorial Endowed Presidential Scholarship.

BACKGROUND INFORMATION

At the February 1987 meeting, the U. T. Board of Regents established the Marietta Daniels Shepard Memorial Scholarship Fund with a \$15,000 gift from the Seminar on the Acquisition of Latin American Library Materials, Inc., Madison, Wisconsin. Additional gifts and reinvested income have increased the endowment to well over the amount needed for this redesignation.

18. U. T. Austin: Carl and Agnes Stockard Memorial Endowment Fund in the Colleges of Education, Fine Arts, and Natural Sciences - Recommendation to Release Investment Restrictions and Adopt Investment Policy.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the original investment restrictions for the Carl and Agnes Stockard Memorial Endowment in the Colleges of Education, Fine Arts, and Natural Sciences at U. T. Austin be released and that a policy of investing in the U. T. System Common Trust Fund be adopted for the endowment.

These recommendations are being made in accordance with a request from the donor dated October 4, 1993, pursuant to authorization granted in Section 163.008 of the Texas Property Code. The proposed release of investment restrictions has been reviewed and approved by the U. T. System Office of General Counsel.

BACKGROUND INFORMATION

The Carl and Agnes Stockard Memorial Endowment Fund was established at the August 1981 meeting of the U. T. Board of Regents with a \$21,300 gift from Mr. James G. Stockard, Alexandria, Virginia. Through subsequent donations, Mr. Stockard has increased the gift value of this endowment to \$100,000. Mr. Stockard originally requested that his gifts be invested in safe, high-yielding U. S. Government securities or U. S. Government-backed securities, such as certificates of deposit issued by banks and savings and loan associations with FDIC or FSLIC insurance protection, or high-grade corporate bonds. This investment policy has been followed in relation to all of Mr. Stockard's gifts to this endowment. Mr. Stockard is now desirous of releasing the original investment requirements and allowing the endowment principal to be invested with other funds held by the U. T. Board of Regents, provided that such investments are prudent under conditions of the time and are not speculative or high risk in nature. The release is consistent with provisions of the Uniform Management of Institutional Funds Act, as amended by the 73rd Legislature.

19. U. T. Austin: Recommendation to Establish the Thompson, Coe, Cousins & Irons, L.L.P. Endowed Presidential Scholarship in Law in the School of Law.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the Thompson, Coe, Cousins & Irons, L.L.P. Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin be established. The funds for the endowment will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

Income earned from the endowment will be used to provide scholarship support to students in the School of Law.

BACKGROUND INFORMATION

The University of Texas Law School Foundation has received \$12,500 in gifts from the law firm of Thompson, Coe, Cousins & Irons, L.L.P., Dallas, Texas, and various other donors, and has pledged to allocate \$12,500 in matching funds for a total of \$25,000 to establish this endowment in the School of Law. Gifts to fund this endowment were given in memory of Mr. David B. Irons, a shareholder of Thompson, Coe, Cousins & Irons, L.L.P. Mr. Irons received his LL.B. from U. T. Austin in 1938.

20. U. T. Austin: Recommendation to Accept Bequest from the Estate of Jacqueline Eckert Timm, Longwood, Florida, to Establish the Jacqueline Eckert Timm Endowed Scholarship in Government in the College of Liberal Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a bequest of a one-fifth interest in a total of \$60,000 of certificates of deposits, valued at \$12,000, from the Estate of Jacqueline Eckert Timm, Longwood, Florida, be accepted to establish a quasi-endowment in the Department of Government, College of Liberal Arts, at U. T. Austin to be named the Jacqueline Eckert Timm Endowed Scholarship in Government.

Income earned from the endowment will be used to provide scholarship support to outstanding junior and senior students majoring in government.

BACKGROUND INFORMATION

In her Will, Dr. Jacqueline Eckert Timm, Longwood, Florida, made this bequest to the Liberal Arts Foundation at U. T. Austin. Members of the College of Liberal Arts Foundation Advisory Council have determined that the best use of these funds would be to establish this endowment in Dr. Timm's memory. Dr. Timm received her B.A. in 1933, her M.A. in 1934, and her Ph.D. in 1939 in Government from U. T. Austin.

21. U. T. Austin: Recommendation to Accept Gift to Establish the Sonia Wolf Wilson Regents Administrative Professorship in Human Ecology in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowment Program (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$100,000 gift from Wilson Oxygen and Supply Company, Austin, Texas, be accepted to establish the Sonia Wolf Wilson Regents Administrative Professorship in Human Ecology in the Department of Human Ecology, College of Natural Sciences, at U. T. Austin.

It is further recommended that \$50,000 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$150,000.

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

BACKGROUND INFORMATION

This endowment is being funded in honor of Mrs. Sonia Wolf Wilson, Austin, Texas, wife of Mr. Sam A. Wilson, owner and President of Wilson Oxygen and Supply Company, Austin, Texas, in recognition of her interest and long dedication to the College of Natural Sciences and the Department of Human Ecology in particular. Mrs. Wilson, an active civic leader in Austin, Texas, for many years, received her B.S. in Home Economics from U. T. Austin in 1954 and has been actively involved with the College of Natural Sciences Foundation Advisory Council and the Department of Human Ecology Visiting Committee.

NO PUBLICITY

22. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish The Maxine and Jack Zarrow Foundation Endowed Presidential Scholarship in Education in the College of Education.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift and a \$15,000 pledge, payable by August 31, 1996, from The Maxine and Jack Zarrow Foundation, Tulsa, Oklahoma, for a total of \$25,000 be accepted to establish The Maxine and Jack Zarrow Foundation Endowed Presidential Scholarship in Education in the College of Education at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to deserving students who intend to pursue careers in education.

BACKGROUND INFORMATION

The Maxine and Jack Zarrow Foundation, Tulsa, Oklahoma, was founded by Mr. and Mrs. Jack (Maxine) Zarrow, Tulsa, Oklahoma, longtime supporters of U. T. Austin. Mr. Zarrow, a Director of the Zarrow Foundation and President of Prime Actuator Control Systems, Inc., Tulsa, Oklahoma, received his B.S. in Petroleum Engineering in 1947 from U. T. Austin. Mrs. Zarrow, a Director of the Zarrow Foundation, received her B.S. in Elementary Education in 1946 from U. T. Austin.

23. U. T. Austin: Recommendation to Accept an Undivided One-Sixth (1/6) Interest in and to 108.5 Acres Out of the A. G. Reynolds Survey, Abstract 21, Galveston County and Abstract 121 in Brazoria County, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl to accept a gift of land from the Texas Longhorn Education Foundation, Austin, Travis County, Texas, conveying an undivided one-sixth (1/6) interest in and to 108.5 acres, more or less, out of the A. G. Reynolds Survey, Abstract 21, in Galveston County, and Abstract 121 in Brazoria County, Texas, for the benefit of U. T. Austin. Any proceeds from the sale or lease of this property will be used for current purposes by U. T. Austin as approved at the August 1992 U. T. Board of Regents' meeting in accepting other Texas Longhorn Education Foundation assets.

BACKGROUND INFORMATION

The Texas Longhorn Education Foundation (TLEF) was a nonprofit corporation established in 1974 as a 501(c)3 organization to benefit U. T. Austin through the provision of funds to promote and assist in the education of students. TLEF was dissolved on June 9, 1993, and gifted this remaining asset to benefit U. T. Austin prior to its dissolution. The mission of TLEF was to advance the educational mission of The University of Texas at Austin.

At its August 1992 meeting, the U. T. Board of Regents accepted several gifts from TLEF and approved the use of funds to assist in the education of students, to assist in establishing and funding scholarships and faculty and staff positions, and to carry out the purposes of the Two Hundred Horns Club, which is a division of the Longhorn Foundation with bylaws approved by a five-member board appointed by the Longhorn Foundation Advisory Council.

24. U. T. Austin and U. T. M.D. Anderson Cancer Center: Recommendation to Accept Remainder Interests in the Harry Crockett Marital Trust, Smithville, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellors for Academic Affairs and Health Affairs and Presidents Berdahl and LeMaistre that a fifty percent remainder interest, benefitting U. T. Austin, and a ten percent remainder interest, benefitting the U. T. M.D. Anderson Cancer Center, in the Harry Crockett Marital Trust, initially valued at \$560,000, funded by the Estate of Harry Crockett, Smithville, Texas (to be held in trust by Mrs. Silky Ragsdale Crockett and Mr. Yerger Hill, III, both of Smithville, Texas), be accepted.

The trust agreement provides for the annual distribution of the net income of the Trust, to be paid quarterly to Mrs. Silky Ragsdale Crockett during her lifetime.

BACKGROUND INFORMATION

The Harry Crockett Marital Trust, Smithville, Texas, was established for the lifetime benefit of Mr. Crockett's wife, Mrs. Silky Ragsdale Crockett, Smithville, Texas. Upon the death of Mrs. Crockett, the Trust will terminate and fifty percent of the remaining balance will be distributed to the U. T. Board of Regents for the benefit of U. T. Austin.

Of the distribution to U. T. Austin, thirty-five percent will be used to establish a scholarship in Varsity Football, thirty-five percent will be used to establish a scholarship in Varsity Ladies Basketball, fifteen percent will be used to establish a scholarship in Varsity Baseball, and fifteen percent will be used to establish a scholarship in the School of Law.

Ten percent of the remaining balance of the Trust will be distributed to the U. T. Board of Regents to establish an endowment at the U. T. M.D. Anderson Cancer Center to support the U. T. M.D. Anderson Science Park in Smithville, Texas.

Mrs. Crockett is a member of The Chancellor's Council, the Littlefield Society, and Friends of the Science Park.

25. U. T. Dallas: Report on Final Distribution from the Estate of Ida M. Green and Recommendation to Name Quasi-Endowment and to Designate Use of Endowment Funds.--

REPORT AND RECOMMENDATION

The Chancellor reports that the final distribution from the Estate of Ida M. Green (Mrs. Cecil H.), Dallas, Texas, comprised of cash and securities, has been received for a total bequest of \$1,326,000.79 for the benefit of U. T. Dallas.

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that the quasi-endowment previously established with the bequest from Mrs. Green's Estate be named the Ida M. Green Endowment.

Income earned from the endowment will be used to fund educational excellence at U. T. Dallas.

BACKGROUND INFORMATION

The U. T. Board of Regents accepted a three percent residual bequest from the Estate of Ida M. Green at the April 1987 meeting of the U. T. Board of Regents. A quasi-endowment was established with the endowment title and a designation of use of the funds to be recommended following receipt of final distribution from the Estate. The immediate planned use for the income from the named quasi-endowment will be for the support of the Cecil and Ida Green Center and to support the continuing education functions of that Center.

26. U. T. Dallas: Recommendation to Accept Gifts to Establish the James B. Urban Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that gifts totalling \$10,000 from various donors be accepted to establish the James B. Urban Scholarship Fund at U. T. Dallas.

Seventy-five percent of the income earned from the endowment will be used to award scholarships to students in the Geosciences Program at U. T. Dallas. The remaining twenty-five percent of income earned will be reinvested in the corpus of the endowment.

BACKGROUND INFORMATION

A memorial fund was created at U. T. Dallas in 1980 with gifts from friends and colleagues of Dr. James B. Urban. Dr. Urban was an Adjunct Associate Professor in the Geosciences Program at U. T. Dallas at the time of his death in October 1980. He had been the Head of the Science Education Program and Acting Head of the Institute for Geological Sciences Program during his nearly 13 year tenure at U. T. Dallas. The memorial fund has now grown to the \$10,000 required to create an endowment.

27. U. T. Dallas: Recommendation to Accept Bequest from the Estate of Mary Sue Wilhelm, Dallas, Texas, to Establish the Dr. Oscar Wilhelm Memorial Student Research Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that the residue of the Estate of Mary Sue Wilhelm, Dallas, Texas, comprised of cash and securities valued at \$116,139.89, be accepted to establish an endowment at U. T. Dallas to be named the Dr. Oscar Wilhelm Memorial Student Research Fund.

Income earned from the endowment will be used to assist graduate students in the Geoscience Program through loans or grants in connection with travel expenses, field trip expenses, mapping and the expenses incident to the drafting, preparation, reporting, and delivering of theses and dissertations and other research papers not covered by tuition which further such students' learning and research.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mrs. Mary Sue Wilhelm's husband, Dr. Oscar Wilhelm. Dr. Wilhelm retired from Shell Oil Company in 1962 after 40 years of service with the Royal Dutch Shell Group. In May 1975, he was made an honorary member of the Dallas Geological Society in recognition of his 53 years of service as a petroleum geologist. Dr. Wilhelm contributed in a major way to the science of petroleum geology, not merely through his ability and his interest in the areas in which he worked, but also in his willingness to pass on his knowledge to those who were fortunate enough to be associated with him.

In addition to cash and securities, U. T. Dallas received numerous maps, books, and other printed materials from the Wilhelm Estate for the Geoscience Program. The U. T. Southwestern Medical Center - Dallas also received a \$2,000 specific bequest from Mrs. Wilhelm's Estate for its fund known as "Various Donors for Research in Urology."

28. U. T. El Paso: Recommendation to Accept Gift to Establish the Bob and Mary Lou Heasley Endowed Excellence Fund In Honor of President Diana Natalicio.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a gift of a paid-up life insurance policy with a cash surrender value of \$19,650 from Mr. and Mrs. Bob (Mary Lou) Heasley, El Paso, Texas, be accepted to establish the Bob and Mary Lou Heasley Endowed Excellence Fund In Honor of President Diana Natalicio at U. T. El Paso.

Income earned from the endowment will be used at the discretion of the President of U. T. El Paso to support activities and programs which enable U. T. El Paso to remain responsive to community needs.

BACKGROUND INFORMATION

Mr. and Mrs. Bob (Mary Lou) Heasley, El Paso, Texas, have given generously of their time, energy, and resources to their alma mater, U. T. El Paso. Mr. Heasley received his B.A. in Business from U. T. El Paso in 1953. He is a member of The Chancellor's Council and the U. T. El Paso Development Board and was chosen the U. T. El Paso Outstanding Ex-Student in 1988. Mrs. Heasley received her B.A. in Physical Education in 1953 from U. T. El Paso.

29. U. T. El Paso and U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequests from the Estate of Anna Martha Powell, Smithville, Texas, and to Establish the George B. Powell Nova Memorial Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellors for Academic Affairs and Health Affairs and Presidents Natalicio and LeMaistre that a \$25,000 bequest from the Estate of Anna Martha Powell, Smithville, Texas, be accepted to establish an endowment at U. T. El Paso to be named the George B. Powell Nova Memorial Fund and a \$150,000 bequest from the Estate be accepted for capital improvements at the U. T. M.D. Anderson Science Park of the U. T. M.D. Anderson Cancer Center.

Income earned from the George B. Powell Nova Memorial Fund will be used to support the U. T. El Paso quarterly magazine, Nova. The bequest intended for the U. T. M.D. Anderson Cancer Center will be used to support the library facility at the U. T. M.D. Anderson Science Park.

BACKGROUND INFORMATION

Mrs. Anna Martha Powell, a native El Pasoan, was the widow of Mr. George B. Powell, one of the first coaches at U. T. El Paso. Mrs. Powell was an active civic leader in the Bastrop County, Texas, area and an honorary member of the Friends of the Science Park in Smithville, Texas. She made numerous contributions for programs and the capital development campaign at the U. T. M.D. Anderson Science Park.

30. U. T. San Antonio: Recommendation to Accept Gifts to Establish the Mark Bruchmiller, Derek Steinbruck and Lance Mullins Memorial Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that \$23,227 in gifts from friends and family of Mr. Mark Bruchmiller, Mr. Derek Steinbruck, and Mr. Lance Mullins be accepted to establish the Mark Bruchmiller, Derek Steinbruck and Lance Mullins Memorial Scholarship Fund at U. T. San Antonio.

Income earned from the endowment will be used to award an annual scholarship to individuals who have participated in a high school, junior college, or university golf program and who meet scholastic eligibility requirements.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Mark Bruchmiller, Mr. Derek Steinbruck, and Mr. Lance Mullins by family, friends, and U. T. San Antonio students. At the time of their deaths, all three men were students at U. T. San Antonio and members of the U. T. San Antonio intercollegiate golf team.

31. U. T. San Antonio: Recommendation to Accept Gifts to Establish the Joseph Gdovin Memorial Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that \$10,000 in gifts from Mr. and Mrs. Matthew Gdovin and Mr. and Mrs. Joe Gdovin, all of West Lebanon, New Hampshire, and other family and friends of Mr. Joseph Gdovin be accepted to establish the Joseph Gdovin Memorial Scholarship Fund at U. T. San Antonio.

Income earned from the endowment will be used to provide scholarships to eligible students.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Joseph Gdovin, West Lebanon, New Hampshire, who was a student at U. T. San Antonio at the time of his death in 1986. Mr. Gdovin was an exemplary student who participated in student government and was selected to "Who's Who Among Students in American Universities and Colleges."

32. U. T. San Antonio - U. T. Institute of Texan Cultures - San Antonio: Recommendation to Accept Gifts and Transfer of Funds to Establish The Reagan Houston III Memorial.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that \$5,200 in gifts from various donors and a \$4,800 transfer of designated funds for a total of \$10,000 be accepted to establish an endowment to benefit the U. T. Institute of Texan Cultures - San Antonio at U. T. San Antonio to be named The Reagan Houston III Memorial.

Income earned from the endowment will be used to provide support for the U. T. Institute of Texan Cultures - San Antonio.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Reagan Houston III, a former Chairman of the Development Board at the U. T. Institute of Texan Cultures - San Antonio. Mr. Houston was a business and civic leader in San Antonio and his service to the State of Texas spanned forty years. He received his LL.B. from U. T. Austin in 1940 and was a member of The Chancellor's Council.

33. U. T. San Antonio - U. T. Institute of Texan Cultures - San Antonio: Recommendation to Accept Gifts and Transfer of Funds to Establish the John R. McGiffert Endowment for Multidisciplinary Research and Education.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that \$8,929 in gifts from various donors and a \$1,071 transfer of designated funds for a total of \$10,000 be accepted to establish the John R. McGiffert Endowment for Multidisciplinary Research and Education to benefit the U. T. Institute of Texan Cultures - San Antonio at U. T. San Antonio.

Income earned from the endowment will be divided equally for use between multidisciplinary research and educational programs at the U. T. Institute of Texan Cultures - San Antonio.

BACKGROUND INFORMATION

This endowment is being funded by friends, staff members, and Development Board members of the U. T. Institute of Texan Cultures - San Antonio in honor of Lieutenant General John R. McGiffert who retired as Executive Director of the U. T. Institute of Texan Cultures - San Antonio in 1991. After a

distinguished Army career, General McGiffert joined the U. T. Institute of Texan Cultures - San Antonio in 1983 as its Administrator and became Executive Director in 1987.

34. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Allocate Funds from the Private Fund Development Campaign to Establish The Irene Wadel and Robert Atha, Jr. Professorship of Internal Medicine, in Honor of John W. Burnside, M.D. and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a gift comprised of 300 shares of Pfizer, Inc. common stock, 400 shares of PepsiCo, Inc. common stock, and 500 shares of Southwest Airlines Company common stock, with a total value of \$51,612.50 from Mrs. Irene Wadel, Dallas, Texas, be accepted to establish The Irene Wadel and Robert Atha, Jr. Professorship of Internal Medicine, in Honor of John W. Burnside, M.D. at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$51,612.50 in matching funds be allocated from the \$12,500,000 challenge fund established with MSRDP funds at the U. T. Southwestern Medical Center - Dallas as part of the Private Fund Development Campaign and be used to increase the endowment to a total of \$103,225.

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

Additionally, it is recommended that the actual income that will be earned on the \$51,612.50 gift be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

Mrs. Irene Wadel, Dallas, Texas, is a local civic leader with a longstanding interest in the U. T. Southwestern Medical Center - Dallas.

John W. Burnside, M.D., Dallas, Texas, is a distinguished physician and teacher who is widely regarded as an exceptional role model for general primary care. Dr. Burnside joined the faculty of the U. T. Southwestern Medical Center - Dallas in 1987 as Professor of Internal Medicine and Associate Dean.

See Item 1 on Page HAC - 2 related to a proposed appointment to this Professorship.

35. U. T. Medical Branch - Galveston: Recommendation to Accept Gift, Pledge, and Transfer of Funds to Establish The Rose Nelle Anderson Academic Scholarship for Medical School Students.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$17,600 gift and a \$7,400 pledge, payable by August 31, 1995, from Garland D. Anderson, M.D., Galveston, Texas, and a \$25,000 transfer of current restricted funds for a total of \$50,000 be accepted to establish The Rose Nelle Anderson Academic Scholarship for Medical School Students at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to provide an annual scholarship to underrepresented students based on the scholarship criteria.

BACKGROUND INFORMATION

This endowment is being funded by Garland D. Anderson, M.D., Galveston, Texas, in honor of his mother, Mrs. Rose Nelle Anderson, Gainesboro, Tennessee, who has served as an inspiration to those struggling for scholastic achievement under adverse economic and sociological conditions.

36. U. T. Medical Branch - Galveston: Recommendation to Accept Gift to Establish The Harry K. Davis Research and Educational Development Fund for Physician's Assistant Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$20,000 gift from Harry K. Davis, M.D., Coronado, California, be accepted to establish an endowment at the U. T. Medical Branch - Galveston to be named The Harry K. Davis Research and Educational Development Fund for Physician's Assistant Program.

Income earned from the endowment will be used to support research, procurement of instructional materials, and faculty enrichment programs for the Physician's Assistant Program within the U. T. Allied Health Sciences School - Galveston.

BACKGROUND INFORMATION

Harry K. Davis, M.D., Coronado, California, a retired psychiatrist, received his M.D. in 1949 from the U. T. Medical School - Galveston. He is an active member of the U. T. Medical Branch - Galveston Development Board and a life member of the U. T. Medical Branch - Galveston Alumni Association.

37. U. T. Medical Branch - Galveston: Recommendation to Accept Transfer of Funds and Accumulated Earnings to Establish the Arthur J. King Endowment for Pediatric Rehabilitation Services.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$164,500 transfer of current restricted funds and \$335,500 in accumulated earnings for a total of \$500,000 be accepted to establish a quasi-endowment at the U. T. Medical Branch - Galveston to be named the Arthur J. King Endowment for Pediatric Rehabilitation Services.

Income earned from the endowment will be used to support programs of the Pediatric Rehabilitation Services at the U. T. Medical Branch - Galveston.

BACKGROUND INFORMATION

The Moody State School for Cerebral Palsied Children was created by the Texas State Legislature in 1951, at which time the School's control and management was vested in the U. T. Board of Regents for the use and benefit of the U. T. Medical Branch - Galveston.

At the December 1975 meeting, the U. T. Board of Regents accepted the residue of the Estate of Mr. Arthur J. King, Houston, Texas, for the benefit of the Moody State School for Cerebral Palsied Children, to be used exclusively for the children who were students or patients of the school.

The Moody State School for Cerebral Palsied Children has evolved into what is now known as the Pediatric Rehabilitation Services.

38. U. T. Medical Branch - Galveston: Recommendation to Accept a Gift of Real Property Located in West Columbia, Brazoria County, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James to accept a gift of real property from Mrs. Emma Beatrice Moyar Womack, West Columbia, Texas, described as Lot 8, Block 3, Black's Subdivision of Outlots 91 and 92, J. H. Bell 1-1/2 League Grant, Abstract 40, Brazoria County, Texas, as same appears of record in Volume 5, Page 254, Plat Records, Brazoria County, Texas, together with improvements located thereon for a value of \$26,420 for the benefit of the U. T. Medical Branch - Galveston.

BACKGROUND INFORMATION

Mrs. Emma Beatrice Moyar Womack, West Columbia, Texas, is an active community leader and has donated this property in memory of her husband, Mr. Edwin P. Womack and son, Mr. John Edwin Womack. The real property consists of a three-bedroom house and land located in West Columbia, Brazoria County, Texas. The house will be known as the "Reveille House UTMB" and will serve as a residence for medical, nursing and allied health science students doing clerkships and preceptorships in West Columbia, Texas. Mrs. Womack has requested that if in the future for any reason the house is no longer needed to support the West Columbia preceptorship program that the property be sold and the proceeds used to establish an endowed scholarship in memory of her husband and son and that preference be given to Texas A&M graduates attending the U. T. Medical Branch - Galveston.

39. U. T. Medical Branch - Galveston: Recommendation to Accept Gift and Accumulated Income to Establish The Vini Ogra, M.D. Pediatric Enrichment Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$10,000 gift from Pearay L. Ogra, M.D., Galveston, Texas, and \$300 in accumulated income for a total of \$10,300 be accepted to establish an endowment at the U. T. Medical Branch - Galveston to be named The Vini Ogra, M.D. Pediatric Enrichment Fund.

Income earned from the endowment will be used to assist the Department of Pediatrics in enhancing its education and training programs for health care personnel.

BACKGROUND INFORMATION

This endowment is being funded by Pearay L. Ogra, M.D., Galveston, Texas, in memory of his wife, Swtantarta Seekree (Vini) Ogra, M.D. Dr. Vini Ogra was an outstanding educator and clinician, devoting much time to the education of underprivileged teenagers and young mothers.

Dr. Pearay L. Ogra is Chairman of the Department of Pediatrics at the U. T. Medical Branch - Galveston.

40. U. T. Medical Branch - Galveston: Recommendation to Accept Gift to Establish The Katherine Shuberg Oppermann Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$10,500 gift from Mr. and Mrs. Gus J. V. Oppermann, IV, Galveston, Texas, be accepted to establish The Katherine Shuberg Oppermann Scholarship Fund at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to provide scholarships for students enrolled in the U. T. Nursing School - Galveston undergraduate and graduate nursing programs.

BACKGROUND INFORMATION

This endowment is being funded by Mr. and Mrs. Gus J. V. Oppermann, IV, Galveston, Texas, in memory of Mr. Oppermann's mother, Mrs. Katherine Shuberg Oppermann, and in honor of her love for nursing and her devotion to her patients and the community.

Mrs. Katherine Shuberg Oppermann was a 1929 graduate of the U. T. Nursing School - Galveston. Mr. Oppermann is a member of the U. T. Medical Branch - Galveston's administration. His wife, Mrs. Corinne Oppermann, is a 1982 graduate of the U. T. Nursing School - Galveston and a member of the faculty.

41. U. T. Health Science Center - San Antonio: Recommendation to Accept Gift and Pledge to Establish the Thomas Walthall Folbre, M.D. Endowed Professorship in Otolaryngology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that a gift of 2,000 shares of Abbott Laboratories common stock, valued at \$52,250 and a pledge of \$50,000, payable by January 31, 1994, from Mrs. Pauline McShane Folbre, San Antonio, Texas, for a total of \$102,250 be accepted to establish the Thomas Walthall Folbre, M.D. Endowed Professorship in Otolaryngology at the U. T. Health Science Center - San Antonio.

It is the donor's intention to make additional donations to the endowment with the goal of establishing a Chair. Income earned from the endowment will be reinvested in the corpus of the endowment until a future date.

It is further recommended that the actual income that will be earned on the \$52,250 gift and \$50,000 pledge, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

This endowment is being funded by Mrs. Pauline McShane Folbre, San Antonio, Texas, in memory of her husband, Thomas Walthall Folbre, M.D.

42. U. T. Health Science Center - San Antonio: Recommendation to Accept Gifts to Establish the Dr. J. Kent Trinkle Endowment in Cardiothoracic Surgery.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that \$10,000 in gifts from J. Kent Trinkle, M.D., San Antonio, Texas, be accepted to establish the Dr. J. Kent Trinkle Endowment in Cardiothoracic Surgery at the U. T. Health Science Center - San Antonio.

It is the donor's intention to contribute additional gifts to the endowment with the goal of establishing an endowed academic position. Until that time, all income earned from the endowment will be reinvested in the corpus of the endowment.

BACKGROUND INFORMATION

This endowment is being funded by J. Kent Trinkle, M.D., San Antonio, Texas, a Professor in the Department of Surgery at the U. T. Health Science Center - San Antonio.

43. U. T. Health Science Center - San Antonio: The University of Texas Health Science Center at San Antonio Development Board Endowed Fund in Clinical Dentistry - Recommendation to Accept Additional Gifts and Transfer of Funds and to Redesignate as the Development Board Professorship in Clinical Dentistry and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that \$36,750.34 in gifts from various donors and a \$24,575.66 transfer of funds from the President's Council Fund for a total of \$61,326 be accepted for addition to The University of Texas Health Science Center at San Antonio Development Board Endowed Fund in Clinical Dentistry at the U. T. Health Science Center - San Antonio for a total endowment of \$100,000 and that the endowment be redesignated as the Development Board Professorship in Clinical Dentistry.

It is further recommended that the actual income that will be earned on the \$100,000 in gifts and transfer of funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

The University of Texas Health Science Center at San Antonio Development Board Endowed Fund in Clinical Dentistry was established at the October 1991 meeting of the U. T. Board of Regents with \$31,924 in gifts and \$6,750 in pledges from various donors for a total of \$38,674.

44. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Remainder Interests and Accumulated Earnings from the Gwin C. Blair Trust, Houston, Texas, and the Ann T. Blair Trust, Houston, Texas, and to Accept Bequest from the Estate of Gwin C. Blair, Houston, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the remainder interest in the Gwin C. Blair Trust, Houston, Texas, in the amount of \$993,547.17, the remainder interest in the Ann T. Blair Trust, Houston, Texas, in the amount of \$724,257.55, accumulated earnings from the Trusts in the amount of \$2,520.12, and the residue of the Estate of Gwin C. Blair, Houston, Texas, in the amount of \$1,814.23 for a total of \$1,722,139.07 be accepted to be used to support the construction of a specialized unit to prepare medical, surgical, and protected environment equipment for outpatient care, operating rooms, a bone marrow transplant unit, and other services at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

Although Mr. and Mrs. Gwin C. (Ann T.) Blair, Houston, Texas, had no known affiliation with the U. T. M.D. Anderson Cancer Center, they were interested in the furtherance of cancer care and research as evidenced by their generous bequest.

45. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Fanchon Leahe Matthews, El Paso, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that twenty-five percent of the residue of the Estate of Fanchon Leahe Matthews, El Paso, Texas, in the amount of \$98,531 be accepted to be used for cancer research at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

Although Mrs. Fanchon Leahe Matthews, El Paso, Texas, had no known affiliation with the U. T. M.D. Anderson Cancer Center, she was interested in furthering the programs of the U. T. M.D. Anderson Cancer Center as evidenced by her generous bequest.

III. OTHER MATTERS

1. U. T. System: Recommendation to Reappoint a Member to the Investment Advisory Committee.--

RECOMMENDATION

The Chancellor concurs with the recommendation of the Vice Chancellor for Asset Management and the Asset Management Committee that the U. T. Board of Regents approve the reappointment for a second term of Mr. L. Lowry Mays, San Antonio, Texas, to the Investment Advisory Committee. The reappointment will be for a three-year period from September 1, 1993 to August 31, 1996.

BACKGROUND INFORMATION

Mr. L. Lowry Mays is the President and Chief Financial Officer of Clear Channel Communications, Inc. of San Antonio, Texas. He is a former member of the Board of Regents of The Texas A&M University System.

With approval of this recommended reappointment, the Investment Advisory Committee members and their respective terms will be as follows:

<u>Members</u>	<u>Term Expires</u>
Barbara Sublett Guthery	8/31/94
J. Luther King, Jr.	8/31/94
Carol Lott	8/31/95
L. Lowry Mays	8/31/96
Robert E. Wise	8/31/95
Unfilled term	8/31/95
Unfilled term	8/31/96

2. U. T. System: Proposed Amendment to the Investment Guidelines Section of the Permanent University Fund Investment Policy Statement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the Investment Guidelines section of the Permanent University Fund Investment Policy Statement be amended as set forth on Pages AMC 39 - 40 in congressional style.

INVESTMENT GUIDELINES

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

Investment restrictions include the following:

- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- No investments may be made in securities of the South African government, its government agencies, or firms headquartered in South Africa.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased unless approved by the Vice Chancellor for Asset Management. Bonds rated below A3 or A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Asset Management Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of bonds or preferred stocks rated below Baa3 or BBB-, unrated bonds, and unrated preferred stocks which have been purchased but have not been reviewed by the Asset Management Committee may not exceed 1% of the book value of the Fund.
- The weighted average maturity of the fixed income portfolio shall not exceed 17.5 years [~~±2-years~~].
- Less than five percent of the voting securities of a corporation may be owned unless additional ownership is specifically authorized by the Vice Chancellor for Asset Management.
- No securities may be purchased or held which would jeopardize the Fund's tax-exempt status.
- No securities may be purchased on margin or leverage.

- No transactions in short sales will be made.
- Transactions in financial futures and options (other than those received as part of an investment unit) may only occur as part of a hedging program authorized by the Asset Management Committee.
- Unaffiliated investment managers transacting solely within their assigned assets:
 - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
 - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
 - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio at cost in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
 - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

BACKGROUND INFORMATION

The Permanent University Fund Investment Policy Statement was initially adopted by the U. T. Board of Regents on April 9, 1986, and was last amended on December 3, 1992. This amendment to the Permanent University Fund Investment Policy Statement is proposed in response to a consensus at the September 23, 1993, joint briefing of the Investment Advisory Committee and the Asset Management Committee. Extension of the maximum weighted average maturity of the PUF fixed income portfolio to 17.5 years is recommended in order to minimize volatility of PUF income year to year. A 17.5 year limit will enable the Office of Asset Management to level portfolio maturities over a 30-year term and thereby reduce reinvestment risk in any given year. It is expected that weighted average portfolio maturity will range from 12.5 to 17.5 years as the fixed income portfolio is restructured over time.

Executive Session of the Board

BOARD OF REGENTS
EXECUTIVE SESSION
Pursuant to Vernon's Texas Civil Statutes
Article 6252-17, Sections 2(e), (f) and (g)

Date: December 2, 1993

Time: Following the meeting of the Asset Management Committee

Place: Gorgas Board Room (Open Session) and Gorgas Conference Room (Executive Session), Gorgas Hall, U. T. Brownsville

1. Pending and/or Contemplated Litigation - Section 2(e)
 - a. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Claim
 - b. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Claim
 - c. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
 - d. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
 - e. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation

2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
 - a. U. T. Austin - Balcones Research Center: Request for Authorization to Sell Approximately 8.3 Acres of Land in Austin, Travis County, Texas
 - b. U. T. Medical Branch - Galveston: Request for Authorization to Acquire Real Estate Located in Galveston, Galveston County, Texas

3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees