

MATERIAL SUPPORTING THE AGENDA

VOLUME XLa

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

October 9, 1992
November 4-6, 1992
December 3, 1992

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.: 866

Date: December 3, 1992

Location: Austin, Texas



BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Regents' Meeting Room, Ninth Floor
Ashbel Smith Hall
201 West Seventh Street
Austin, Texas

Thursday, December 3, 1992

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 - N

Telephone Numbers

Office of the Board of Regents	(512) 499-4402
Chancellor Cunningham	(512) 499-4201
Executive Vice Chancellor Burck	(512) 499-4560
Executive Vice Chancellor Duncan	(512) 499-4233
Executive Vice Chancellor Mullins	(512) 499-4224

**Meeting of
the Board**

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

Date: Thursday, December 3, 1992

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

Place: Regents' Meeting Room (Open Session) and
Regents' Conference Room (Executive Session)
Ninth Floor, Ashbel Smith Hall

A. CALL TO ORDER

B. APPROVAL OF MINUTES OF REGULAR MEETING HELD
OCTOBER 9, 1992, AND SPECIAL MEETING HELD
NOVEMBER 4-6, 1992

C. SPECIAL ITEMS

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

RECOMMENDATION

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

8.5 Communications by and to the Board.

. . .

- 8.52 Except upon invitation of the Board, the Chairman of the Board, the Chancellor, or the appropriate Executive Vice Chancellor, no person shall appear before the Board or any committee thereof unless that person files with the Executive Secretary to the Board a written request explaining the purpose of [for] such appearance at least six [ten] days before the date of such appearance and unless the Chairman of the Board, or a majority of the whole Board, shall approve the request. It is understood [provided], however, that the chief administrative officer, or his or her delegate, and/or the president of the students' association, or his or her delegate, [of-any-component-institution,] may appear without prior notice or request

[but-subject-to-such-time-limitation-as-may-be prescribed-by-the-Chairman-or-a-majority-of-the Board-(or-by-the-chairman-or-a-majority-of-the committee),-may-appear] before the Board or any committee [thereof] whenever the matter under consideration [by-the-Board-or-committee] directly affects the component institution represented by such person [chief-administrative-officer-and/or-student-president]. Persons requesting to appear must identify the subject of their remarks, which must be directly related to a matter on the Agenda for consideration by the Board. Whenever time and other circumstances permit, the person making the request [the-president-of-the-students' association,-or-his-or-her-delegate,-of-such component-institution,-] shall first consult with the chief administrative officer, or his or her delegate, of such institution regarding the purpose of the appearance [said-"matter under-consideration"] prior to the meeting of the Board or committee. Insofar as possible, any person who appears before the Board [pursuant-to-the-ten-day-notice-provision-or-without-notice-pursuant-to-the-provisions-of-this-paragraph] shall provide a written statement of the substance of such person's presentation to the Board, and [,-insofar-as-possible,-] such written statement shall be delivered to the Executive Secretary to the Board in sufficient time for copies to be distributed to the Regents prior to the meeting. Any person appearing before the Board or a committee shall be subject to restrictions on time, place and manner as may be prescribed by the Chairman or a majority of the Board or by the Chairman or a majority of a committee. The Chairman or a majority of the Board may prescribe sanctions against any person exceeding established time, place or manner limits; disrupting a meeting of the Board or a committee of the Board; or violating any provision of the Regents' Rules and Regulations. Sanctions may include the refusal to allow such person to speak again to the Board or committees of the Board for up to one year.

BACKGROUND INFORMATION

The proposed changes to the Regents' Rules and Regulations, Part One, Chapter I, Section 8, Subsection 8.5 are intended to clarify the procedures for public presentations or comments upon matters on the Agenda for consideration by the U. T. Board of Regents. One proposed amendment to Subdivision 8.52 makes the request procedure more flexible by allowing requests to speak to be made six days before the meeting rather than ten days ahead as currently required. Additional proposed amendments would require the potential speaker to identify the subject of the remarks, which must be directly related to a matter on the Board's Agenda. The proposed amendments specifically recite the well-established authority of the U. T. Board of Regents to regulate the time, place and manner of speech as already covered in other sections of the

Regents' Rules and Regulations and authorize potential sanctions for speakers violating the time, place or manner regulations, disrupting meetings, or violating provisions of the Regents' Rules and Regulations.

The proposed changes have been reviewed by the Office of General Counsel and found to be consistent with the authority of the U. T. Board of Regents and established law.

2. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter II, Section 4 (Executive Vice Chancellor for Academic Affairs) and Section 13 (Chief Administrative Officers of Component Institutions).--

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 One, Chapter II, Section 4 regarding the Executive Vice Chancellor for Academic Affairs and Section 13 regarding chief administrative officers of component institutions be amended as set forth below in congressional style:

- a. Amend Section 4, Subsection 4.2 as follows:

- 4.2 Duties and Responsibilities.

The Executive Vice Chancellor for Academic Affairs shall have as a prime responsibility the maintenance of high academic quality in the general academic components of the System. Through the chief administrative officers of the component institutions, he or she shall have responsibility for the budgets, academic planning and programs, facilities planning and construction, and personnel (both academic and nonacademic) of those components. In consultation with the Chancellor, the Executive Vice Chancellor for Academic Affairs shall prepare recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board and the Board of Regents. The Board through its policies, procedures, and Rules and Regulations maintains its governance responsibilities and acknowledges the importance of maintaining accreditation for the general components and academic programs, as appropriate. Because of the complexity and diversity of the System, the Executive Vice Chancellor for Academic Affairs is delegated the responsibility for ensuring the governance requirements for accreditation not specifically covered elsewhere in these policies, procedures, and Rules and Regulations are met. The Executive Vice Chancellor for Academic Affairs will report the accreditation status to the Board on a periodic basis.

b. Amend Section 13, Subsection 13.31(12) as follows:

13.31(12) Develop and implement plans and policies to ensure that the institution [hospitals, clinics,--and-patient-care-facilities-of the-health-components] remains in compliance with any accreditation requirements appropriate to the component or its programs, including, for the health components and those academic components with student health services, the accreditation of hospitals, clinics and patient-care facilities.

BACKGROUND INFORMATION

The proposed changes to the Regents' Rules and Regulations are to clearly detail the responsibility delegated to the Executive Vice Chancellor for Academic Affairs and to the chief administrative officers for ensuring appropriate accreditation requirements are met.

At the August 1992 meeting, the U. T. Board of Regents approved similar changes to the Regents' Rules and Regulations related to the Executive Vice Chancellor for Health Affairs.

D. 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 Beecherl
Vice-Chairman Ramirez, Vice-Chairman Cruikshank
MSA Page Ex.C - 1

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

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

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

Facilities Planning and Construction Committee:
Chairman Moncrief, Regent Barshop, Regent
Cruikshank, Regent Rapoport
MSA Page FPCC - 1

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

- E. RECONVENE AS COMMITTEE OF THE WHOLE
- F. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS
- G. REPORT OF SPECIAL COMMITTEES
- H. OTHER MATTERS
 - 1. U. T. Board of Regents: Status Report on the Educational Economic Policy Center from Regent Temple
 - 2. U. T. System: Report on Development of the Intellectual Property Program
 - 3. U. T. System: Report on Activities of the Faculty Advisory Council
- I. 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.

- J. RECONVENE IN OPEN SESSION
- K. 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 Litigation
 - b. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Litigation
 - c. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
 - d. U. T. Health Science Center - Houston: 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)
 - U. T. Austin: Request for Authorization to Purchase the Lake Austin Centre Building, Austin, Travis County, Texas, from the U. T. System Common Trust Fund
 - 3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

L. SCHEDULED EVENTS

1. Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
February 11, 1993	Austin - No Host
April 1, 1993	U. T. Health Science Center - San Antonio
June 10, 1993	U. T. El Paso
August 12, 1993	Austin - No Host
October 8, 1993	U. T. Southwestern Medical Center - Dallas
December 2, 1993	U. T. Brownsville

2. Other Events

March 11, 1993	U. T. M.D. Anderson Cancer Center: Dedi- cation of the Jesse H. Jones Rotary House International
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May 7, 1993	U. T. Southwestern Medical Center - Dallas: 50th Anni- versary Celebration
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M. OTHER BUSINESS

N. ADJOURNMENT

1993

January 1993						
S	M	T	W	T	F	S
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February 1993						
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March 1993						
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April 1993						
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May 1993						
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June 1993						
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July 1993						
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August 1993						
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September 1993						
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October 1993						
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November 1993						
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December 1993						
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**Executive
Committee**

EXECUTIVE COMMITTEE
Committee Chairman Beecherl

Date: December 3, 1992

Time: Following the convening of the Board of Regents
at 10:00 a.m.

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

- | | <u>Page</u>
<u>Ex.C</u> |
|---|----------------------------|
| 1. U. T. Medical Branch - Galveston - Medical Research Building - Phase II - Completion of Shell Floors Five, Six, and Seven and Addition of Four Floors (Project No. 601-765): Recommended Award of Construction Contract to Centex Bateson Construction Company, Inc., Dallas, Texas (Exec. Com. Letter 93-1) | 2 |
| 2. U. T. Medical Branch - Galveston - Installation of Chilled Water Lines (Project No. 601-786): Recommended Award of Construction Contract to Gregory-Edwards, Inc., Houston, Texas (Exec. Com. Letter 93-2) | 6 |
| 3. U. T. M.D. Anderson Cancer Center - Holcombe Boulevard Linear Park Plaza - Master Plan and Phase I (Project No. 703-788) - Holcombe Boulevard Linear Park Plaza - Phase I: Recommended Award of Construction Contract to D. L. Meacham Construction Company, Inc., Houston, Texas (Exec. Com. Letter 93-2) | 7 |

1. U. T. Medical Branch - Galveston - Medical Research Building - Phase II - Completion of Shell Floors Five, Six, and Seven and Addition of Four Floors (Project No. 601-765): Recommended Award of Construction Contract to Centex Bateson Construction Company, Inc., Dallas, Texas (Exec. Com. Letter 93-1).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President James that the U. T. Board of Regents award a construction contract for Completion of Shell Floors Five, Six, and Seven and Addition of Four Floors - Medical Research Building - Phase II at the U. T. Medical Branch - Galveston to the lowest responsible bidder, Centex Bateson Construction Company, Inc., Dallas, Texas, for the Base Bid including Trench Safety Systems and Additive Alternate Bid Nos. 1, 2, 3, 4, and 5 in the amount of \$28,120,000.

BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents in April 1991, bids for the Completion of Shell Floors Five, Six, and Seven and Addition of Four Floors - Medical Research Building - Phase II at the U. T. Medical Branch - Galveston were received on September 17, 1992, as shown on Pages Ex.C 3 - 5.

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

The recommended award to Centex Bateson Construction Company, Inc., Dallas, Texas, in the amount of \$28,120,000 can be made within the authorized total project cost of \$33,600,000 (excluding scientific equipment). The authorized total project cost is composed of the following elements:

Construction Cost	\$28,120,000
Fees and Administrative Expenses	2,497,000
Furniture and Equipment	843,000
Future Work and Miscellaneous Expenses	1,180,000
Project Contingency	<u>960,000</u>
Total Project Cost	\$33,600,000

Total project funding is \$4,125,000 from Permanent University Fund Bond Proceeds, \$20,000,000 in gifts from The Sealy & Smith Foundation for the John Sealy Hospital, and \$9,475,000 in Unappropriated Balances for \$33,600,000 in total project funding. This project is included in the June 1991 Capital Improvement Plan and the FY 1993 Capital Budget approved by the U. T. Board of Regents.

This project was approved by the Texas Higher Education Coordinating Board in January 1992.

COMPLETION OF SHELL FLOORS FIVE, SIX, AND SEVEN
 AND ADDITION OF FOUR FLOORS
 MEDICAL RESEARCH BUILDING - PHASE II
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 Bids Received September 17, 1992

<u>BIDDER</u>	<u>Centex Bateson Construction Company, Inc. Dallas, Texas</u>	<u>Turner Construction Company of Texas Houston, Texas</u>	<u>Dal-Mac Construction Company Richardson, Texas</u>
BASE BID including Trench Safety Systems	\$25,575,000	\$25,989,000	\$26,450,100
Alt. Bid #1 - 10th Floor Equipment	507,000	596,000	370,000
Alt. Bid #2 - 11th Floor Finish-Out	1,283,000	1,366,000	1,240,000
Alt. Bid #3 - 11th Floor Equipment	541,000	606,000	532,000
Alt. Bid #4 - Bridge	160,000	181,000	185,000
Alt. Bid #5 - Floors 2, 3, and 4 Sink Replacement	<u>54,000</u>	<u>51,000</u>	<u>47,000</u>
Recommended Contract Award Base Bid Plus Alternates	\$28,120,000	\$28,789,000	\$28,824,100

COMPLETION OF SHELL FLOORS FIVE, SIX, AND SEVEN
 AND ADDITION OF FOUR FLOORS
 MEDICAL RESEARCH BUILDING - PHASE II
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 Bids Received September 17, 1992

EX. C - 4

<u>BIDDER</u>	<u>Blount, Inc.</u> <u>Montgomery, Alabama</u>	<u>Morganti Texas, Inc.</u> <u>Houston, Texas</u>	<u>Charter Builders, Inc.</u> <u>Dallas, Texas</u>
BASE BID including Trench Safety Systems	\$26,734,000	\$26,988,000	\$27,061,000
Alt. Bid #1 - 10th Floor Equipment	499,000	506,000	510,000
Alt. Bid #2 - 11th Floor Finish-Out	1,404,000	1,278,000	1,270,000
Alt. Bid #3 - 11th Floor Equipment	499,000	546,000	552,000
Alt. Bid #4 - Bridge	129,500	194,000	179,000
Alt. Bid #5 - Floors 2, 3, and 4 Sink Replacement	<u>53,000</u>	<u>55,000</u>	<u>52,000</u>
Recommended Contract Award Base Bid Plus Alternates	\$29,318,500	\$29,567,000	\$29,624,000

COMPLETION OF SHELL FLOORS FIVE, SIX, AND SEVEN
AND ADDITION OF FOUR FLOORS
MEDICAL RESEARCH BUILDING - PHASE II
THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
Bids Received September 17, 1992

EX.C - 5

<u>BIDDER</u>	<u>Lee Lewis Construction, Inc. Lubbock, Texas</u>	<u>Spaw-Glass, Inc. Houston, Texas</u>	<u>Miner-Dederick Constructors, Inc. Houston, Texas</u>
BASE BID including Trench Safety Systems	\$27,445,000	\$27,802,000	\$29,112,000
Alt. Bid #1 - 10th Floor Equipment	455,000	540,000	495,000
Alt. Bid #2 - 11th Floor Finish-Out	1,252,000	1,300,000	1,417,000
Alt. Bid #3 - 11th Floor Equipment	487,000	570,000	525,700
Alt. Bid #4 - Bridge	175,000	200,000	239,000
Alt. Bid #5 - Floors 2, 3, and 4 Sink Replacement	<u>56,000</u>	<u>100,000</u>	<u>81,300</u>
Recommended Contract Award Base Bid Plus Alternates	\$29,870,000	\$30,512,000	\$31,870,000

2. U. T. Medical Branch - Galveston - Installation of Chilled Water Lines (Project No. 601-786); Recommended Award of Construction Contract to Gregory-Edwards, Inc., Houston, Texas (Exec. Com. Letter 93-2).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President James that the U. T. Board of Regents award a construction contract for Installation of Chilled Water Lines at the U. T. Medical Branch - Galveston to the lowest responsible bidder, Gregory-Edwards, Inc., Houston, Texas, for the Base Bid in the amount of \$694,880.

BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents in December 1991, bids for the Installation of Chilled Water Lines at the U. T. Medical Branch - Galveston were received on September 10, 1992, as listed below:

<u>Bidder</u>	<u>Base Bid</u>
Gregory-Edwards, Inc., Houston, Texas	\$ 694,880
Way Engineering Company, Inc., Houston, Texas	697,241
R.E.C. Industries, Inc., Bryan, Texas	767,000
TDMechanical, Houston, Texas	769,900
Har-Con Corporation, Houston, Texas	792,800
Natkin & Company, Houston, Texas	813,000
The James Letsos Company, Houston, Texas	893,811

This project entails installation of 24" chilled water supply and return mains from the existing Thermal Energy Plant west to a location east of the Graves Building. The piping will be installed on the existing overhead stanchions running east to west along the north side of the campus.

The recommended award to Gregory-Edwards, Inc., Houston, Texas, in the amount of \$694,880 can be made within the authorized total project cost of \$1,000,000. The authorized total project cost is composed of the following elements:

Construction Cost	\$ 694,880
Fees and Administrative Expenses	75,840
Future Work and Miscellaneous Expenses	38,000
Project Contingency	<u>191,280</u>
Total Project Cost	\$1,000,000

Total project funding is \$1,000,000 from U. T. Medical Branch - Galveston Unexpended Plant Funds. This project was included in the June 1991 Capital Improvement Plan and the FY 1992 Capital Budget as amended by the U. T. Board of Regents in December 1991.

This project was approved by the Texas Higher Education Coordinating Board in June 1992.

3. U. T. M.D. Anderson Cancer Center - Holcombe Boulevard Linear Park Plaza - Master Plan and Phase I (Project No. 703-788) - Holcombe Boulevard Linear Park Plaza - Phase I: Recommended Award of Construction Contract to D. L. Meacham Construction Company, Inc., Houston, Texas (Exec. Com. Letter 93-2).--

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 construction contract for the Holcombe Boulevard Linear Park Plaza - Phase I at the U. T. M.D. Anderson Cancer Center to the lowest responsible bidder, D. L. Meacham Construction Company, Inc., Houston, Texas, for the Base Bid in the amount of \$407,777.

BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents in December 1991, bids for the Holcombe Boulevard Linear Park Plaza - Phase I were received on September 1, 1992, as shown on Page Ex.C - 9.

The Holcombe Boulevard Linear Park Plaza project at the U. T. M.D. Anderson Cancer Center will extend along the south side of Holcombe Boulevard from Fannin Street on the west to Braes Bayou on the east, a distance of about 3,000 linear feet. The Linear Park is planned to be developed in four phases. The preparation of a Master Plan as a part of Phase I will guide development of all four phases of the Linear Park. It is important that the Phase I project, consisting of about three and three-quarters acres, be completed at the same time as the Jesse H. Jones Rotary House International project which is scheduled for completion in late 1992. The landscaping of the site for the Rotary House International is planned to be a part of the Linear Park.

The recommended award to D. L. Meacham Construction Company, Inc., Houston, Texas, in the amount of \$407,777 can be made within the authorized total project cost of \$525,000. The authorized total project cost is composed of the following elements:

Construction Cost	\$407,777
Fees and Administrative Expenses	90,700
Miscellaneous Expenses	20,000
Project Contingency	<u>6,523</u>
Total Project Cost	\$525,000

Phase I project funding is \$75,000 from the U. T. M.D. Anderson Cancer Center's Educational and General Capital Reserves and \$450,000 from gifts and grants for a total of \$525,000 in project funding. This project is included in the FY 1991 Capital Improvement Plan and the FY 1993 Capital Budget at a total project cost of \$2,100,000 for all phases as amended by the U. T. Board of Regents in December 1991.

This project was approved by the Texas Higher Education Coordinating Board in April 1992.

HOLCOMBE BOULEVARD LINEAR PARK PLAZA - PHASE I
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
 Bids Received September 1, 1992

EX.C - 9

<u>BIDDER</u>	D. L. Meacham Construction Company, Inc. <u>Houston, Texas</u>	Gulf Coast Landscape Services, Inc. <u>Houston, Texas</u>	Mission Constructors, Inc. <u>Houston, Texas</u>	Mesa Southwest Construction Corporation <u>Houston, Texas</u>
BASE BID	\$407,777	\$414,438	\$418,350	\$439,884
Alt. #1 - West Terrace of Rotary House International	13,849	13,300	19,250	10,120
Alt. #2 - Precast Identification Sign				
Labor	4,500	7,500	12,000	815
Materials	5,593	17,500	12,500	762
Alt. #3 - Additional Furniture	11,769	10,350	10,900	8,698
Alt. #4 - Additional Plant Material	7,422	10,525	7,700	11,041
Alt. #5 - Substitute Stone for Concrete	12,600	28,000	6,500	17,094
Alt. #6 - Decomposed Granite Path	6,500	6,650	5,100	4,149
Alt. #7 - Planting & Irrigation for Rotary House International Parking	<u>8,200</u>	<u>12,675</u>	<u>10,500</u>	<u>4,725</u>
Recommended Contract Award Base Bid	\$407,777	\$414,438	\$418,350	\$439,884

**Business Aff.
and Audit Com.**

BUSINESS AFFAIRS AND AUDIT COMMITTEE
Committee Chairman Loeffler

Date: December 3, 1992
Time: Following the meeting of the Executive Committee
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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INFORMATIONAL ITEM

U. T. System: Report by Executive Vice Chancellor for Business Affairs on Minority and Woman-Owned Business Enterprises for the Fiscal Year 1991-92

64

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 67.--

RECOMMENDATION

It is recommended that Chancellor's Docket No. 67 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: Recommendation to Amend the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 6 (Professional Services).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 6 (Professional Services) be amended as set forth below in congressional style:

- Sec. 6. Professional Services.--Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of \$50,000 for projects previously approved for implementation in accordance with Section 4 or Subsection 5.2 above, [with-the-approval-of-the-Executive-Vice-Chancellor-for-Academic-Affairs-or-Health-Affairs-as-appropriate,-the-Executive-Vice-Chancellor-for-Business-Affairs-and-the-Chancellor] on recommendation of the chief administrative officer and the chief business officer. Authorization for such services not previously approved for implementation in accordance with Section 4 or Subsection 5.2 above will require the approval of the Executive Vice Chancellor for Academic Affairs or Health Affairs, as appropriate, and the Executive Vice Chancellor for Business Affairs.

BACKGROUND INFORMATION

Component institutions are authorized to build projects which add new space, provided that the total project cost is less than \$300,000 and the project has been approved through standard U. T. System budgetary procedures. Similar authority exists for remodeling projects which have a total project cost less than \$600,000. It is frequently necessary to hire outside professional services to prepare plans and specifications for such projects. When the U. T. Board of Regents has already approved an institutional project through the standard budgetary process, it is appropriate that the authority

granted should also encompass the use of professional services necessary to produce the bid documents. Professional services for projects not already included in the budgetary process will still need approval at the U. T. System level.

3. U. T. Board of Regents: Recommendation to Authorize the Reduction of the \$150 Million Amended and Restated Credit Agreement Related to The University of Texas System Permanent University Fund Variable Rate Notes, Series A, Dated December 7, 1989 and Amended October 11, 1991, with Morgan Guaranty Trust Company of New York, New York, and Authorize the Executive Vice Chancellor for Business Affairs to Complete the Transactions.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents:

- a. Authorize the reduction of the \$150 million Amended and Restated Credit Agreement related to The University of Texas System Permanent University Fund Variable Rate Notes, Series A, dated December 7, 1989 and amended October 11, 1991, with Morgan Guaranty Trust Company of New York, New York, to zero
- b. Authorize the Executive Vice Chancellor for Business Affairs of the U. T. System to take any and all steps necessary to carry out the intentions of the U. T. Board of Regents to complete the transactions.

BACKGROUND INFORMATION

On October 11, 1991, the U. T. Board of Regents authorized the reduction of the Amended and Restated Credit Agreement ("Credit Agreement") related to the U. T. System Permanent University Fund Variable Rate Notes, Series A, dated December 7, 1989, with Morgan Guaranty Trust Company of New York, New York, to an amount of \$150 million. The Credit Agreement provides a backstop liquidity facility for the Permanent University Fund Variable Rate Notes, Series A, at a cost of .08% or .125% depending on the amount of Notes outstanding. Currently, there are no such Notes outstanding and no further Notes are expected to be issued during the current fiscal year. New variable rate debt is projected for Fiscal Year 1994. Prior to issuance, arrangements will be negotiated so that sufficient liquidity is available. Both self liquidity and a renewed credit agreement will be considered. Early in 1993, the arrangement will be discussed with the rating agencies to ensure that the rating of the Notes will be maintained with the use of either arrangement. A proposal to the U. T. Board of Regents is planned prior to the end of the current fiscal year.

4. U. T. Board of Regents: Recommendation to Authorize the Restructure of the Permanent University Fund Refunding Bonds, Series 1992A Escrow Account; Appoint Vinson & Elkins, Austin, Texas, as Bond Counsel, and Ernst & Young, Tucson, Arizona, as Escrow Verification Agent; and Authorize the Executive Vice Chancellor for Business Affairs to Complete All Transactions.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents:

- a. Authorize the restructure of the Permanent University Fund Refunding Bonds, Series 1992A Escrow Account as provided under the Escrow Agreement to provide a more efficient escrow
- b. Appoint Vinson & Elkins, Austin, Texas, as Bond Counsel
- c. Appoint Ernst & Young, Tucson, Arizona, as escrow verification agent
- d. Authorize the Executive Vice Chancellor for Business Affairs of the U. T. System to take any and all steps necessary to carry out the intent of the U. T. Board of Regents to complete the transactions.

BACKGROUND INFORMATION

The Series 1992A bonds were issued June 25, 1992, to retire the Series 1985 bonds maturing after July 1, 1995. At the time of issuance, a transferred proceeds penalty of \$4,283,419.49 was computed. Since it was contemplated that new interpretations of regulations affecting the computation of transferred proceeds penalties may occur in the future, the escrow was established by purchasing a security that would mature every six months. New interpretations have now been adopted and the escrow can be restructured to capture savings of at least \$500,000. J. P. Morgan Securities, Inc., New York, New York, and First Southwest Company, Dallas, Texas, will both facilitate the restructuring. The savings will be deposited in the Interest and Sinking Fund for the Series 1992A bonds and will be used to pay the July 1, 1993 principal and interest payment, hence reducing the amount to be withdrawn from the Available University Fund.

5. U. T. Board of Regents: Recommendation to Authorize the Restructure of the Revenue Financing System Refunding Bonds, Series 1991A Escrow Account; Appoint McCall, Parkhurst & Horton, Dallas, Texas, as Bond Counsel, and Ernst & Young, Tucson, Arizona, as Escrow Verification Agent; and Authorize the Executive Vice Chancellor for Business Affairs to Complete All Transactions.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents:

- a. Authorize the restructure of the Revenue Financing System Refunding Bonds, Series 1991A Escrow Account as provided under the Escrow Agreement to provide a more efficient escrow
- b. Appoint McCall, Parkhurst & Horton, Dallas, Texas, as Bond Counsel
- c. Appoint Ernst & Young, Tucson, Arizona, as escrow verification agent
- d. Authorize the Executive Vice Chancellor for Business Affairs of the U. T. System to take any and all steps necessary to carry out the intent of the U. T. Board of Regents to complete the transactions.

BACKGROUND INFORMATION

The Series 1991A bonds were issued March 19, 1991, to retire the Series 1986 refunding bonds. At the time of issuance, a transferred proceeds penalty of \$721,878.32 was computed. New interpretations of the regulations affecting the computation of transferred proceeds penalty have now been adopted and the escrow can be restructured to capture savings of at least \$200,000. Goldman, Sachs & Co., New York, New York, will facilitate the restructuring. The savings will be deposited in the Interest and Sinking Fund for the Series 1991A bonds and will be used to pay the February 15, 1993 interest payment.

6. U. T. System: Recommendation to Amend the Sick Leave Pool Policy.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Sick Leave Pool Policy established at the February 1990 U. T. Board of Regents' meeting be amended as set forth in congressional style on Pages BAAC 7 - 8.

SICK LEAVE POOL POLICY

1. PURPOSE. Each component institution of the U. T. System and U. T. System Administration shall establish a sick leave pool to provide a source of additional sick leave for those employees who have exhausted accrued annual leave and sick leave because of a catastrophic illness or injury.
2. DEFINITIONS. As used in this Policy:
 - 2.1 "Catastrophic illness or injury" means a severe condition or combination of conditions affecting the mental or physical health of an employee or the employee's immediate family that requires the services of a licensed physician [practitioner] for a prolonged period of time and that requires the employee to exhaust accrued leave and to lose compensation from the State.
 - 2.2 "Employee" means a regular employee of a component institution of the U. T. System or the U. T. System Administration as defined in Article V of the General Appropriations Act.
 - 2.3 "Immediate family" means those persons living in the same household with the employee who are either related to the employee by kinship, adoption, or marriage or are certified by the Texas Department of Human Services as foster children of the employee or, if not living in the same household, are totally dependent upon the employee for personal care or services on a continuing basis.
 - 2.4 "Licensed physician [practitioner]" means a person who is licensed to practice medicine [~~in-one-of-the health-professions-set-forth-in-Paragraph-(B)-of Article-3770-2-of-the-Texas-Insurance-Code~~].
 - 2.5 "Pool administrator" means the person appointed to administer the sick leave pool.
 - 2.6 "Sick leave pool" or "pool" means the accumulated sick leave donated by employees for utilization in accordance with this Policy.
3. POOL ADMINISTRATOR. This Policy shall be administered at each component institution by a pool administrator designated by the chief administrative officer and at the U. T. System Administration by a pool administrator designated by the Chancellor of the U. T. System.
 - 3.1 The pool administrator shall adopt forms and regulations appropriate for the administration of this Policy.
 - 3.2 The decision of the pool administrator regarding contributions to and withdrawals from the pool shall be final.
4. SICK LEAVE POOL. The sick leave pool at each component institution and the U. T. System Administration shall consist of the sick leave voluntarily contributed to the pool by employees.

- 4.1 An employee who desires to contribute sick leave to the pool must submit an application to the pool administrator.
 - 4.2 Contributions to the pool must be in units of eight (8) hours and no more than three (3) units may be contributed by an employee during each fiscal year.
 - 4.3 Upon approval of an application, the pool administrator shall credit the sick leave pool with the sick leave contributed by an employee and shall direct the personnel department to deduct a corresponding amount from that employee's accrued sick leave.
 - 4.4 Sick leave contributed to the pool may not be designated for the use of a particular person.
 - 4.5 Although contributions are voluntary, employees who leave state employment should be encouraged to contribute to the pool.
5. WITHDRAWAL OF SICK LEAVE FROM THE POOL. Applications to withdraw sick leave from the pool must be submitted on the form prescribed by the pool administrator. An application must be filed with the pool administrator and must be accompanied by a statement from the licensed physician [practitioner] who treated the illness or injury that resulted in the exhaustion of the accrued annual leave and sick leave of the employee making the application. The pool administrator will consider applications in the order in which they are received and will approve or deny an application within ten (10) working days after receipt.
- 5.1 An employee is eligible to withdraw sick leave from the pool if the pool administrator finds that the employee has exhausted all accrued annual leave and sick leave because of a catastrophic illness or injury or because of a previous donation of sick leave to the pool.
 - 5.2 In determining the amount of sick leave to be assigned to an eligible employee from the pool, the pool administrator shall take into consideration the information contained in the employee's application, the number of applications then pending, and the amount of sick leave available in the pool. In no event shall the sick leave allocated to an eligible employee from the pool exceed ninety (90) days or one-third (1/3) of the pool, whichever is less. Upon approval of an employee's application, the pool administrator shall notify the personnel office of the amount of sick leave to be assigned to the employee.
 - 5.3 The employee may use sick leave assigned from the pool in the same manner as sick leave accrued pursuant to Article V of the General Appropriations Act and shall be treated in the same manner and shall be entitled to accrue the same benefits as an employee who uses such accrued sick leave.
 - 5.4 The estate of a deceased employee shall not be entitled to payment for unused sick leave assigned from the pool.

BACKGROUND INFORMATION

The Sick Leave Pool Policy was established by the U. T. Board of Regents at the February 1990 meeting pursuant to Article 6252-8e of Vernon's Texas Civil Statutes. The proposed addition of the wording "annual leave and" in Sections 1 and 5 and Subsection 5.1 clarifies the requirement that employees exhaust all accrued leave, both annual and sick leave, in order to be eligible to be considered for leave from the sick leave pool. Substitution of the word "physician" in place of "practitioner" in Subsections 2.1 and 2.4 and Section 5 narrows the scope of health care professionals to individuals involved in the treatment of catastrophic illness or injury.

7. U. T. System: Recommended Approval of a System-wide Internal Audit Plan for Fiscal Year 1992-93.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the U. T. System Administration Internal Audit Committee for approval of the proposed Internal Audit Plan for the U. T. System for Fiscal Year 1992-93 as set forth in substantially the form set out on Pages BAAC 10 - 59. The development of a System-wide Internal Audit Plan is based on a System-wide risk assessment. The implementation of the plan will be coordinated with the institutional internal auditors to ensure coverage without duplication of effort.

BACKGROUND INFORMATION

The Texas Internal Auditing Act, Article 6252-5d, Vernon's Texas Civil Statutes, 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 proposed audit plan is organized into three major categories: System Administration, Academic Components and Health Components. The U. T. System Administration Internal Audit Committee will meet on November 18, 1992, to make a final recommendation on the audit plan.

THE UNIVERSITY OF TEXAS

SYSTEM AUDIT OFFICE

SYSTEM-WIDE

INTERNAL AUDIT PLAN

for

FISCAL YEAR 1992-93

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OVERVIEW

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. Our office has conducted the risk assessment on all the areas considered auditable. Each area was rated on the following risk factors:

- Materiality
- Complexity
- Result of Last Audit
- Public Disclosure
- Management Interest

The audit plan is a "system-wide" plan which was formulated in conjunction with a review of the risk assessments and audit plans of the fifteen component institutions of the system. After consultation with institutional internal auditors, a system-wide audit universe was developed which identified auditable areas within the System. Each audit area was assigned a risk level based on the aforementioned risk factors with input from top-level and mid-level management at System Administration and top-level management at each component institution.

After carefully assessing the risk of each area included in the audit universe, five areas have been chosen for audit by the System Audit Office on a system-wide basis for the 1993 audit year. These areas were selected following review of risk assessments and audit plans submitted by component institutions:

- Construction in Progress
- Electronic Data Processing
- Institutional Investing
- Grants & Contracts
- Hazardous Waste Management

Additional areas will be covered by both the System Audit Office and by the Institutional Internal Auditors. These additional audits will be conducted in areas which are either required audits or are audits which are deemed at risk at the individual institutions. Attachment A to the system-wide plan is a summary of the approved audit plans issued by the component institutional auditors.

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

The scope of the internal audit should encompass the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned 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 determine whether the organization is in compliance.
- 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 audit plan generally follows the lines of responsibilities of the Audit Manager positions created in the FY 1989-90 budget: System Administration, Academic Components and Health Components.

Combined available audit hours are summarized as follows:

Total hours available	37080 hrs.
Administrative time*	5892
Management reports and Projects	4680
Prior Year Audits (1992 Audits Carried Forward)	<u>5120</u>
Total hours available for audit	<u>21388</u> hrs.
Hours allocated to selected audits:	
System Administration	5347 hrs.
Academic components	8153
Health components	7358
Hours available for future special requests	<u>530</u>
Total hours available for audit	<u>21388</u> hrs.

* Includes vacation, sick leave, Internal Audit Council, and continuing education.

The estimated time to perform the audits by area follows:

• Institutional Funds	2964 hrs.
• Grants and Contracts	3969
• Construction in Progress	3852
• EDP - General Controls	1549
• Hazardous Materials	1766
• Follow-up on Prior Year Audits	1078
• Intercollegiate Athletics	476
• Self-Insurance Plans	802
• Investments	1069
• Third Party Royalty Audits	1069
• Workers' Compensation Insurance	802
• Internal Audit Work at UTPB	401
• Internal Audit Work at UTB	401
• Assist Arthur Andersen/Acctg. Applications	120
• Peer Reviews	<u>540</u>
Total time to perform audits	<u>20858</u> hrs.

LEGISLATIVE REPORTING

LEGISLATIVE REPORTING

Under the Texas Internal Auditing Act, the internal auditor is required to submit before November 1 of each year an annual report to the Governor, the Legislative Budget Board, the Sunset Commission, the State Auditor, the agency's governing board, and the agency's administrator. This report should contain the following:

- A copy of the annual audit plan,
- A list of audits completed,
- An explanation of any deviation from the approved annual audit plan,
- A narrative description of the most significant findings and recommendations for each audit,
- A narrative description of the management actions taken in response to the audit findings and recommendations,
- A table listing the auditors' audit recommendations and the five-year impact for each audit recommendation,
- A table of the audit recommendations from the previous fiscal year's report and an explanation of the status of each recommendation, and
- A statement of the last date on which an external peer review of the agency's internal audit program was conducted.

Additionally, the Act requires that internal audit conduct economy and efficiency audits and program results audits. As a result, approximately 29% of the audit time will be devoted to economy and efficiency and program goals auditing in FY 1993 (see Attachment B for a listing of audit areas covered).

The following component institutions are required to have an external peer review during the current fiscal year:

The University of Texas at Arlington
The University of Texas - Pan American
The University of Texas at Tyler
The University of Texas Medical Branch at Galveston
The University of Texas Health Science Center at San Antonio
The University of Texas M.D. Anderson Cancer Center
The University of Texas Health Center at Tyler

The System Audit Office will conduct a peer review at The University of Texas Medical Branch at Galveston during the current fiscal year.

BUDGET AND STAFFING

BUDGET AND STAFFING

The proposed budget for the System Audit Office for FY 1993 totals \$ 897,000, of which \$ 678,000 is allocated to audits of component institutions and \$ 219,000 is allocated to audits of System Administration. The System Audit Office budget contains positions for a Director, 4 Audit Managers, 17 Staff Auditors, 1 EDP Auditor, and 1 Senior Secretary.

Current staffing includes a Director, 2 Audit Managers, 2 Audit Supervisors, 12 Staff Auditors and 1 EDP Auditor. The EDP Auditor will assist on audits of component institutions and audits of System Administration.

Degrees and certifications held by the staff includes 5 auditors with advanced degrees and 7 auditors with CPA certification. In addition, 3 auditors have passed all parts of the CPA examination and 1 auditor has passed all parts of the CIA examination. These auditors are currently working to meet the various experience and education requirements for full certification. Career development for the staff is a strategic goal of the System Audit Office, and additional professional certification and education are strongly encouraged and promoted.

**SYSTEM
ADMINISTRATION**

SYSTEM ADMINISTRATION AUDIT PLAN

The Audit Manager assigned to System Administration is primarily responsible for all functional areas within System Administration. A detailed summary indicating the number of hours budgeted for each audit area is shown in Attachment B. The primary areas of emphasis are Asset Management and Business Affairs. Audit areas for System Administration for FY 1993 are listed below.

SELECTED AUDITS

Workers' Compensation Insurance

The scope of this audit includes *reliability and integrity* of data; *compliance* with policies, plans, and procedures; and *safeguarding of assets*. The audit will include tests to verify the proper receipt from component institutions, monitoring of payments to claimants, and reporting of results.

Construction in Progress

The scope of this audit includes *reliability and integrity* of data; *compliance* with policies, plans, and procedures; *safeguarding of assets*; *economy and efficiency of resources*; and *program results*. This audit will include a review of the bidding and change order processes, progress payments to contractors, payment of vendor invoices, general project supervision, and on-site inspections of a selected number of construction projects.

Medical and Dental Self-Insurance Plan

The scope of this audit includes *reliability and integrity* of data; *compliance* with policies, plans, and procedures; and *safeguarding of assets*. This audit will include a follow-up of the previous recommendations regarding periodic review of the plan and the reserve requirement for unpaid claims. Additionally, the audit will include tests of payments to participants and providers and premiums remitted by the component institutions.

Investments

The scope of this audit includes *reliability and integrity* of data; *compliance* with policies, plans, procedures, laws, and regulations; *safeguarding of assets*. The review will include the testing of transactions, controls, policies and procedures relating to the Common Trust Fund.

West Texas Lands - Oil & Gas Royalty

The scope of this audit includes *compliance* with policies, plans, procedures, and lease provisions; and *safeguarding of assets*. A random sample of oil leases will be tested for accuracy of stock inventory, and operators will be selected to verify accuracy of royalties received and compliance with lease provisions.

Follow-up Prior Year Findings

There will be follow-up audits conducted for significant findings from the prior year's audit reports. The follow-up will measure the level of *compliance* with recommendations and management's responses.

**ACADEMIC AND HEALTH
COMPONENT INSTITUTIONS**

ACADEMIC AND HEALTH COMPONENT INSTITUTIONS AUDIT PLAN

The System Audit Office performs annual audits of selected activities at component institutions, which are coordinated with the institutional internal auditors to accomplish the System-wide audit plan. Attachment A is a detailed summary indicating the audit areas, the number of auditors and number of hours budgeted for each component institution.

SELECTED AUDITS

Institutional Funds

The audit of institutional funds will include *compliance* with policies and procedures, *safeguarding of assets, economy and efficiency, and program results*. The audit will focus on the cash management function at each component institution.

Grants and Contracts

The scope of this audit includes *compliance* with policies, plans and procedures and *reliability and integrity* of information, *economy and efficiency, and program results*. The audit will include a review of expenditures to ascertain the level of contract/grant compliance and determine whether the institution has a program in place to both attract as many grants as possible and maintain and monitor the awards it has received.

Electronic Data Processing

The scope of this audit includes *compliance* with policies, plans, and procedures; and *safeguarding of assets*. We will identify the types of computer systems located on each institution. Additionally, we will identify and test general controls relating to selected computer systems.

Hazardous Materials Management

The audit of hazardous waste management will include *compliance* with policies and procedures, *economy and efficiency, and program results*. We will identify whether institutions have a good functioning program of hazardous waste management in place. After discussions with an expert in the field of hazardous waste management, we will prepare an audit program which focuses on the aspects of a good program of hazardous waste management. For the current audit year, we will focus our efforts on the medical related institutions.

Construction in Progress

The scope of this audit includes *reliability and integrity* of data; *compliance* with policies, plans, and procedures; *safeguarding of assets*; *economy and efficiency of resources*; and *accomplishment of program goals*. This audit will include a review of both renovation and new construction projects monitored by the component institution.

Follow-up Prior Year Findings

Follow-up audits will be conducted for significant findings from the prior year's audit reports.

REQUIRED AUDITS AND MANAGEMENT REQUESTS

Intercollegiate Athletics

This is a required area. The NCAA requires an annual financial audit of intercollegiate athletics in order for the program to compete in the NCAA athletics. The University of Texas at Austin contracts with a CPA firm to meet the requirement. The following component institutions have requested the System Audit Office perform this audit annually:

- U.T. Arlington
- U.T. El Paso
- U.T. Pan American
- U.T. San Antonio

Provide Internal Audit Support to UT Brownsville and UT Permian Basin

To most efficiently provide auditing services, the System Audit Office will provide internal audit support to UT Brownsville and UT Permian Basin. The areas considered to be high risk to these component institutions have been included in their audit plans included in Attachment A.

**COORDINATION WITH
STATE AUDITOR'S OFFICE**

**COORDINATION WITH
STATE AUDITOR'S OFFICE**

The Texas State Auditor's Office performs the audit of The University of Texas System as part of the State-wide audit. Our office will assist the State Auditor's Office in the planning and fieldwork phases whenever possible during their audits conducted during the 1993 fiscal year. The University of Texas System and the System Audit Office will benefit from participation with the State Auditors through building better relationships, improving communications, and gaining technical knowledge.

**CONTINUING
PROFESSIONAL
EDUCATION**

CONTINUING PROFESSIONAL EDUCATION

Our goal is to meet the requirements of Standard 270 from the Standards for the Professional Practice of Internal Auditing, which states:

"Internal auditors are responsible for continuing their education in order to maintain their proficiency. They should keep informed about improvements and current developments in internal auditing standards, procedures, and techniques. Continuing education may be obtained through membership and participation in professional societies; attendance at conferences, seminars, college courses, and in-house training programs; and participation in research projects."

The Texas State Board of Public Accountancy and the Institute of Internal Auditors, Inc. (IIA) require 40 hours of continuing professional education annually to maintain certification. The American Institute of Certified Public Accountants (AICPA) requires 40 hours of CPE for continued membership. Generally Accepted Governmental Auditing Standards require all auditors performing governmental audits to obtain 40 hours of CPE annually.

The training needs of each auditor are assessed annually and training objectives are established relevant to their assigned duties. Auditors will be provided the opportunity to attend training courses related to assessed needs within the constraints of the departmental budget.

The System Audit Office will attempt to provide the recommended training for auditors through in-house training or training through the following sources:

- **Government**
 - State Auditor's Office training seminars
 - Interagency Auditor Training Program (Graduate School, USDA)
- **Industry**
 - Association of College and University Auditors
 - Texas Association of College and University Auditors
 - Institute of Internal Auditors
 - National Association of College and University Business Officers
- **Other Sources**
 - Specialized training in fields such as Oil and Gas, Investments, Fraud, etc. from private groups such as Professional Development Institute.

ATTACHMENT A

**COMPONENT AUDIT PLANS
FISCAL YEAR 1992-1993**

ACADEMIC INSTITUTIONS

THE UNIVERSITY OF TEXAS AT ARLINGTON

Payroll and Fringe Benefits

Inventories

- Central Stores Sales
- Capital Equipment
- Bookstore Sales
- Other Small Sales

Cash - Change/Purchase Funds

- Bookstore
- Bursar
- University Center
- Mail Service
- Other Small Funds

State & Local Compliance

- Cash Receipting: Departmental
- Control over Cash
- Demand Account Reconciliation
- Purchasing: Decentralized
- Expenditures
- Financial Aid
- Travel & Advances

EDP - Application Reviews

- New System Development
- Conversion: Budget System
- Business Office Accounts/Payable
- Telephone Registration
- USAS Interface Controls
- IDT System Bits N' Bytes

THE UNIVERSITY OF TEXAS AT ARLINGTON (Continued)

Economy - Air Travel

- EDP Generated Reports
- FAX Use
- Telephone L/D
- Utilities

Federal Compliance - Cost Sharing

- Cost Sharing
- Direct Cost & Purchasing
- Student Financial Aid
- Indirect Cost
- Payroll, Benefits & PARS
- Travel

Internal Control Environment

- Internal Control Systems
- Follow-Up: Findings

Departmental - Academic Computing

- Continuing Education
- Police - Receipting
- Registrar Records
- Telecommunications
- Grant: State Local Private

Other Areas - Management Request/Auditor Judgement

Assist State/System Auditors

Training, Holidays, Vac., Sick, Admin.

THE UNIVERSITY OF TEXAS AT AUSTIN

Office of Accounting
All EDP Projects
Cash
Various as Required (Special Projects)
Spot Check Audits
Applied Research Lab - Federal
Performance - Physical Plant
Other Projects - Training
Follow-Up on Prior Audits
Other Time Requirements - Adm., Sick, Vacation, etc.

THE UNIVERSITY OF TEXAS AT BROWNSVILLE

Audits will be conducted by the U.T. System Audit Office.
(See Attachment B)

THE UNIVERSITY OF TEXAS AT DALLAS

Special Requests
Texas Public State Grant Program
Monitoring Grant Subrecipients
Follow-Up Audits
Discretionary Funds
Cash Counts/Petty Cash Funds
Inventories
Academic Computing
Administrative Computing
Cash Receipts/Bursar
Accounts Payable/Disbursements
Library
Auxiliary Enterprises: Bookstore
Lena Callier Trust
Sales and Services Income
Physical Plant - Utilities
Loan Funds
Service Departments: Print Shop & Transportation
Excellence Funds
Agency Funds
Continuing Education
Accounting: Financial Reporting

THE UNIVERSITY OF TEXAS AT DALLAS (continued)

Adm. Dept.: Internal Audit - Quality Review
Academic Dept.: Arts & Humanities
Research Centers
Other: Disposal of Surplus Prop., Bid Openings, Dep. Bag Ver

THE UNIVERSITY OF TEXAS AT EL PASO

Materials Management
Minority & Women Business Enterprise (MWBE)
Purchasing
Central Receiving

Office of Research
- Contract Compliance
- Financial Reporting
- Others as Requested

Computer Center
- General Controls Audit
- PC Hardware & Software Inventory
- Assessment of Risk from Possible Software Copyright Violations

Follow-up to 1992 U.T. System Audit
- *PROMISE System
- Reconciliation of Payroll Liability Accounts
- Others as Requested

General Accounting Services
- Cash Management
- Others as Requested

Budget and Financial Services
- Temporary Investments

Continuing Education
- Revenue Recognition
- Internal Controls

Performance Audits
Assisting Outside Auditors

THE UNIVERSITY OF TEXAS AT EL PASO (continued)

Admissions

- Internal Controls
- Policies & Procedures

Business Information Systems (BIS)

- Access (Security) Controls
- Customer Satisfaction
- Account Integrity

Auxiliary Services

- Purchasing
- Results of Operations
- Cash Handling

Business Contracts

- Compliance, Documentation
- Evaluation
- Others

Staff Training & Development (Internal)

Staff Training & Development (External)

THE UNIVERSITY OF TEXAS-PAN AMERICAN

Inventories

Follow-Up

Cash Counts

Cash Receipts

EDP - Application Review HRS

EDP - Physical Security

Accounts Payable

Athletics

School of Business

Prop II Funds

President Expenses (Requested)

English Language Institute

EDP - Access Controls

Produced Semester Credit Hours

Space Standards (Requested)

Print Shop

Physical Plant - Utility Plant

Consultant Contracts

Peer Review Preparation

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

Audits will be conducted by the U.T. System Audit Office.
(See Attachment B)

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

Cash Receipts Internal Control System
Cash Disbursement Internal Control System
Personnel Internal Control System
Payroll Internal Control System
Journal Voucher Internal Control System
(includes IDT & Budget Changes)

Office of Contract Administration
Federal Student Financial Aid
Cash and Cash Accounts
Federal Subrecipients
Texas Folklife Festival
Athletic Department
Inventories
Follow-up Audit
Nonfederal Student Financial Aid
Institute of Texas Cultures
Office of Admissions and Registrar

Areas Reviewed Using Analytical Procedures

- Copier Services Income
- Snappy Snacks (Vending Machine Income)
- Reliable Amusement (Video Game Income)
- Deposits and Prepays
- Agency Accounts
- Consultant Contracts/Payments

Holiday, Vacation, Sick Leave
Professional Continuing Education
Administrative Duties
Special Projects
Assistance to External Auditors

THE UNIVERSITY OF TEXAS AT TYLER

Payroll
Inventory - Year End
Inventory - Capital
Preparation for Peer Review
Petty Cash and Change Funds
Million Dollar Hole-In-One Contest
Accounts Receivable - Other
Time Deposits/Investments
Cash Disbursements
Public Information Office
Personnel
Office of the Head, Division of Nursing
Preparation of Senate Bill 3 Report
Refunds
Follow-Up Audits
Central Stores
Administrative Time
Unallocated Time

HEALTH INSTITUTIONS

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS

**MSRDP
Physical Plant
Annual Financial Report
Medical School
Payroll
Revenue/Cash Receipts
Cash Disbursements
EDP Areas - 2 systems a year
Service Departments
Administrative Department - Performance Audit
Human Resources
Auxiliary Enterprises
FY '93 Inventory
Petty Cash
Allied Health
Graduate School
FY '90-92 Follow-up Audits**

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

1992 PROJECTS IN PROCESS

**Pharmacy Outpatient Cash Receipts
E. R. Cash Receipts
Materials Management Charges
Small Order System
Operating Room Charges
County Contracts
Monitoring Service
Controlled Substances
WCI**

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON (Continued)

Research Subjects
Materials Management Inventory
Pharmacy Inventory
Post Office Inventory
Diabetes Center Inventory
Signature Application Review
CICS
Accounting Petty Cash
Materials Management Inventory Management
Minimal Fees
Vehicles
Otolaryngology Charges
Anesthesiology Charges
Psychiatry Charges

1992 PLAN PROJECTS CARRIED TO 1993

Radiology Charges
Day Surgery
Pharmacy Inventory
Group Purchasing
Pharmakon
Telecommunications (Broad Band)
MSRDP Payroll

FOLLOW-UP AUDITS - DUE IN FY 1993

Medical Records Cash Receipts
Travel
Payroll - Retirement
PO2 Process
Tissue and Bone Bank
Recovery Room
Parking
Indirect Costs

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON (Continued)

Anesthesiology Service
CSC Change Control
Data Security HIS
Family Planning
OB/GYN Cash Receipts
Fixed Assets
SSP Nurses
Accounts Receivable Adjustments - PBS
Accounts Receivable Billing - PBS
Cardiac Cath. Lab
Cafeteria
Post Office Cash Receipts
RACF
Radiology Back-up and Security
Emergency Room

OPERATIONAL AND FINANCIAL AUDITS - FY 1993

Cash Receipts
 Cash Receipts - Clinics
 Cash Receipts - Lock Box
Disbursements
 Journal Vouchers
 Utilities (H2O, Chill H2O, Gas)
Hospital Revenues
 Emergency Room
 Clinics
 Chronic Home Dialysis
 Observation Beds
Externally Mandated
 Family Practice Residency Program
Inventories
 Pharmacy
 Materials Management
 Biomedical Engineering
 Radiology

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON (Continued)

Inventories Management
Pharmacy
Federal Compliance
A-128 M & O Expenses
A-128 - Payroll & PAR
A-128 - Close Out Procedures
Systems
Patient Registration
Utilization Review/Nurse Auditor
Library - Rare Books
PARS

DEPARTMENTAL AUDITS

Accounting
Financial Reporting
Auxiliary Enterprises
Field House
Service Departments
Biomedical Electronics & Engineering
Petty Cash
Cash Count

EDP AUDITS - FY 1993

Application Review
DEC/RAD
Operating System Audits
Multiple Virtual Storage (MVS/ESA) - CSC
Virtual Machine System (VMS) - Clinical Labs
System Development Life Cycle Audits
Patient Care Systems
Clinic Labs
HRMS
General Ledger
Cash Receipts

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON (Continued)

Post Implementation Review Audits
Pharmakon
PARS (shared with operational auditors)
EDS
Clinical Labs
General Control Review Audits
UTMB Network
Telecommunications System
Student Financial Aid

MSRDP/PBS FY 1993 AUDITS

Psychiatry Charge Audit
Anesthesiology Charge Audit
Salary Expenditures
MSRDP Financial Audit
Ophthalmology Charge Audit
Dermatology Charge Audit
Operating Room Charges
On Line Cash Receipting System Review
St. Mary's and Other Private Patients
PBS Abstracting

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

'92 FYE Inventories
'93 FYE Inventories
Survey of Outside Remuneration
Inventory Adjustments
Time Reports
'93 Payroll Operational Review
Nursing Services Billings Review
Indirect Cost
Cash Receipts
Cash Disbursements

**THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(continued)**

HAM-TMC Library

**Capital Assets Management Operational Review
Application and Award Process - Sponsored Research
Development Office Operational Review
Controlled Substances & Dangerous Drugs -
Non-Clinical Settings Follow-Up
Residency Program Review
Hermann Hospital Contracts Review
Reserved for Special Assignments**

EDP Audits

**Internal Staff Assistance
Activity Database Modifications
Assist External Auditors
Resource Management LAN Review
Department of Radiology LAN Review
Information Systems Security Review
RACF and TSO Security Review
Management Systems Support Follow-up
BPPS Acquisition Review
BPPS Client Assistance Review
Reserved for Special Assignments**

MSRDP Audits

**'92 MSRDP Surgery Operational Review
'92 MSRDP Family Practice Operational Review
MSRDP Financial Audit
MSRDP Central Business Office Review
MSRDP Internal Medicine Operational Review
MSRDP Psychiatry/MSI Operational Review
MSRDP Medical School Development Fund Operational Review
MSRDP Expert Witness & Other Fees
MSRDP Suspense Account & Control Account
Reserved for Special Assignments**

**THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(continued)**

HCPC Audits

'92 FYE Inventories
HCPC Medical Records Review
HCPC Admissions Follow-Up(3)
HCPC Billings System Operational Review Follow-Up
HCPC Nursing Services Operational Review
Reserved for Special Assignments
Contract Hours
International Affairs
Budget and Payroll Services' Computer System
Recreational Facilities
Student Health Services
University Health Services University Relations
University Police
Physical Plant
MSRDP - Orthopaedics
MSRDP - Family Practice
Private Grants
Instructional Development
Purchasing
Health Education Training Center
DSRDP Outpatient Clinic
DSRDP
Cash & Investments
Payroll
Follow-Up Audit
Texas Public Grant Programs
Family Practice
MSRDP/DSRDP Financial Review
Legislative Appropriations
Petty Cash
Central Stores/Receiving
Annual Financial Report/Balance Sheet Support
Drug Protocol/Clinical Trials

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(continued)

General Accounting/AJE Support
General Accounting/Internal Control Review
Accounts Payable/Operational Review
Grants and Contracts/Private
Hazardous Waste/Disposal Contracts
Human Resources/Compensation & Benefits
Human Resources/Employee Information System
Medical Records
Accounts Receivable/Patient, Governmental
Medicare/Bad Debt
Patient Care Accounting
Payroll/Time & Attendance Reports
Purchasing/Contracts
Purchasing/Requisition Process
Treasury Services/Investments
Controlled Drug Inventories, Departmental
Executive Level/Entertainment and Travel
Grants and Contracts/Q - 128 Federal Audit
Payroll/Delivery
Petty Cash Counts
Property Control/Fixed Asset Review
PRS/Required Annual Financial Audit
PRS/Diagnostic Imaging
PRS/Station 55
PRS/Station 57, Neuro Oncology/Surgery
PRS/Station 42, Urology
Prs/Station 17, Genitourinary Oncology
PRS/Lab Medicine
PRS/Ambulatory Treatment Center
PRS/Billing
State Audit Follow-Up
Year-End Inventories

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

Petty Cash
Legislative Appropriations
MSRDP/DSRDP Financial Review
Family Practice Residency Program
Texas Public Grant Programs
Follow-Up Audit (1992)
Payroll
Health Education Training Center
Cash and Investments
DSRDP
DSRDP Outpatient Clinic
Purchasing
Private Grants
MSRDP - Family Practice
MSRDP - Orthopaedics
Physical Plant
University Police
Instructional Development
Student Health Services
Recreational Facilities
University Relations
Budget and Payroll Services
 Computer System
International Affairs

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

AUDITS SCHEDULED FOR FY 1993

Account Payable/Operational Review
Accounts Receivable/Patient, Governmental
Annual Financial Report/Balance Sheet Support
Central Stores/Receiving
Drug Protocol/Clinical Trials
General Accounting/AJE Support
General Accounting/Internal Control Review
Grants and Contracts/Private
Hazardous Waste/Disposal Contracts
Human Resources/Employee Information System
Medical Records
Medicare/Bad Debt
Patient Cost Accounting
Payroll/Time & Attendance Reports
Purchasing/Contracts
Purchasing/Requisition Process
Treasury Services/Investments

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER (Continued)

AUDITS REQUIRED BY LAW, POLICY OR CUSTOM FOR FY 1993

Controlled Drug Inventories, Departmental
Executive Level/Entertainment and Travel
Grants and Contracts/A-128 Federal Audit
Payroll/Delivery
Petty Cash Counts
Property Control/Fixed Asset Review
PRS/Required Annual Financial Audit
PRS/Diagnostic Imaging
PRS/Station 55
PRS/Station 57, Neuro Oncology/Surgery
PRS/Station 42, Urology
PRS/Station 17, Genitourinary Oncology
PRS/Lab Medicine
PRS/Ambulatory Treatment Center
PRS/Credit and Collections
PRS/Billing
State Audit Follow-Up
System Audit Follow-Up
Year-End Inventories

AUDITS IN PROGRESS

Accounts Receivable/Patient (Commercial)
Christmas Card Inventory
Demand Account Reconciliations
Executive Level Entertainment & Travel
Linen Services Inventory
Medicare Cost Report Review
Patient Billing Complaints
Patient Financial Qualification
Patient Refunds
Payroll/Withholding
Petty Cash Counts
PRS/Anesthesia
PRS/General Surgery
PRS/Station 54
PRS/Station 7
System Follow-Up
Year-End Inventories

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER (Continued)

FOLLOW-UP AUDITS

Accounts Payable and Payroll
Accounts Receivable/Patient (Commercial)
Central Stores/Operational Statistics
Christmas Card
Christmas Card Inventory
Controlled Drug Inventories
Demand Account Reconciliations
Departmental Review/GYN
Endowment and Restricted Funds
Equipment Control
Executive Level Entertainment & Travel
Grants and Contracts/A-128
Grants and Contracts/Travel & Entertainment
IDC/Effort Report
Medicare Cost Report Review
Parking
Pathology/PRS and Technical
Patient Billing Complaints
Patient Financial Qualification
Patient Flow Analysis
Patient Refunds
Payroll/Operations
Payroll/Withholding
Peer Review
Petty Cash Counts
Pharmacy/Billing
PRS/Anesthesia
PRS/General Surgery
PRS/Station 54
PRS/Station 67
PRS/Station 7
PRS/Travel and Entertainment
Purchasing
Senate Bill 3 Reporting
Sysco Contract
System Audit
Year-End Inventories

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER

Accounting
Accounts Receivable - Hospital
Accounts Receivable - MSRDP
Capital Assets - Inventories and Controls
Compliance with BPM #31 - MSRDP Revenues, Expenditures,
and Fringe Benefits
Coordinating Board - Family Practice Report
Follow-Up on Internal Audits
Follow-Up on State Audits
Follow-Up on System Audits
Grants and Contracts
Internal Audit - Peer Review
Inventories of Consumable Supplies
Official Entertainment
Patient Accounting
Petty Cash
Pharmacy - Controlled Substances
Purchasing
Revenues - Hospital
Timekeeping

ATTACHMENT B

AUDIT PLAN FOR 1992-1993 SYSTEM ADMINISTRATION INTERNAL AUDITS

Audit Areas	Reason for Audit	Scope	Budgeted Hours Each Audit
U.T. System Administration			
Workers' Compensation Insurance	Risk Assessment	Reliability & Integrity	802
Construction in Progress	Risk Assessment	Safeguarding of Assets, Economy & Efficiency Compliance, Program Results Reliability & Integrity	1,069
Self-Insurance Plans Medical & Dental Self-Insurance Plan	Risk Assessment	Reliability & Integrity, Compliance Safeguarding of Assets	802
Assist Arthur Andersen on Review of Accounting Applications	Risk Assessment	Compliance	120
Investments - Common Trust Fund	Risk Assessment	Reliability & Integrity, Compliance Safeguarding of Assets	1,069
West Texas Lands - Oil Gas Royalty	Risk Assessment	Compliance	1,069
Follow-Up on Prior Year's Audits	Required	Compliance	416

Total Hours Budgeted for U.T. System Administration

5,347

AUDIT PLAN FOR 1992-1993 AUDIT OF ACADEMIC COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budget Hours Each Component
U.T. Arlington			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	158
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	237
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	158
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	75
Intercollegiate Athletics	Required	Financial	119
Follow-Up on Prior Year's Audits	Required	Compliance	44
		Total	791

U.T. Austin			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	336
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	404
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	378
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	160
Follow-Up on Prior Year's Audits	Required	Compliance	67
		Total	1345

AUDIT PLAN FOR 1992-1993 AUDIT OF ACADEMIC COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budget Hours Each Component
U.T. Brownsville			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	195
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	206
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	154
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	73
Internal Audit Work	Mgmt. Request	Reliability & Integrity, Compliance Safeguarding of Assets, Program Results Economy & Efficiency	401
		Total	1029
U.T. Dallas			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	158
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	190
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	177
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	76
Follow-Up on Prior Year's Audits	Required	Compliance	33
		Total	634

AUDIT PLAN FOR 1992-1993 AUDIT OF ACADEMIC COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budget Hours Each Component
U.T. El Paso			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	158
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	237
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	158
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	75
Intercollegiate Athletics	Required	Financial	119
Follow-Up on Prior Year's Audits	Required	Compliance	44
		Total	791
U.T. Pan American			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	158
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	237
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	158
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	75
Intercollegiate Athletics	Required	Financial	119
Peer Reivew	Special Request	Compliance	120
Follow-Up on Prior Year's Audits	Required	Compliance	44
		Total	911

AUDIT PLAN FOR 1992-1993 AUDIT OF ACADEMIC COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budget Hours Each Component
U.T. Permian Basin			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	195
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	206
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	154
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	73
Internal Audit Work	Mgmt. Request	Reliability & Integrity, Compliance Safeguarding of Assets, Program Results Economy & Efficiency	401
		Total	1029
U.T. San Antonio			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	158
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	237
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	158
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	75
Intercollegiate Athletics	Required	Financial	119
Follow-Up on Prior Year's Audits	Required	Compliance	44
		Total	791

AUDIT PLAN FOR 1992-1993 AUDIT OF ACADEMIC COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budget Hours Each Component
U.T. Tyler			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	178
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	249
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	178
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	71
Peer Review	Special Request	Compliance	120
Follow-Up on Prior Year's Audits	Required	Compliance	36
		Total	<u>832</u>
Total Hours Budgeted for Academic Components			<u><u>8153</u></u>

AUDIT PLAN FOR 1992-1993 AUDIT OF HEALTH COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budgeted Hours Each Component
U.T. Southwestern Medical Center			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	212
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	265
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	184
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	80
Hazardous Materials	Risk Assessment	Economy & Efficiency, Program Results, Compliance	265
Follow-up Prior Year Findings	Required	Compliance	53
		Total	1059

U.T. Medical Branch Galveston			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	264
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	353
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	212
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	159
Hazardous Materials	Risk Assessment	Economy & Efficiency, Program Results, Compliance	353
Peer Review	Special Request	Compliance	180
Follow-up Prior Year Findings	Required	Compliance	70
		Total	1591

AUDIT PLAN FOR 1992-1993 AUDIT OF HEALTH COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budgeted Hours Each Component
U.T. HSC Houston			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	159
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	265
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	159
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	159
Hazardous Materials	Risk Assessment	Economy & Efficiency, Program Results, Compliance	265
Follow-up Prior Year Findings	Required	Compliance	52
		Total	1059

U.T. HSC San Antonio			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	159
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	265
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	159
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	159
Hazardous Materials	Risk Assessment	Economy & Efficiency, Program Results, Compliance	265
Follow-up Prior Year Findings	Required	Compliance	52
		Total	1059

AUDIT PLAN FOR 1992-1993 AUDIT OF HEALTH COMPONENTS

Component and Audit Areas	Reason for Audit	Scope	Budgeted Hours Each Component
U.T. M.D. Anderson			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	264
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	353
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	212
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	159
Hazardous Materials	Risk Assessment	Economy & Efficiency, Program Results, Compliance	353
Follow-up Prior Year Findings	Required	Compliance	70
Total			1411
U.T. Health Center Tyler			
Institutional Funds	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results	212
Grants and Contracts	Risk Assessment	Reliability & Integrity, Compliance Economy & Efficiency, Program Results	265
Construction In Progress	Risk Assessment	Compliance, Safeguarding of Assets Economy & Efficiency, Program Results Reliability & Integrity	184
EDP-General Controls	Risk Assessment	Compliance, Safeguarding of Assets	80
Hazardous Materials	Risk Assessment	Economy & Efficiency, Program Results, Compliance	265
Peer Review	Special Request	Compliance	120
Follow-up Prior Year Findings	Required	Compliance	53
Total			1179
Total Hours Budgeted for Health Components			7358

8. 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 the Administration of U. T. Austin 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 61 - 63.

The proposed amendment provides Capital Metro a service contract extension for an additional year (September 1, 1993 through August 31, 1994) and authorizes an increase in cost for the additional year from \$24.23 per revenue service hour for the fifth year of the contract period to \$26.00 per revenue service hour for the sixth year.

BACKGROUND INFORMATION

The present contract for shuttle bus service was approved by the U. T. Board of Regents in June 1988. The term of the existing contract is five years with termination scheduled on August 31, 1993. Capital Metro has requested a one-year extension of the present contract to August 31, 1994.

The existing shuttle bus agreement requires Capital Metro to subcontract the actual operations of the bus service to a private operator. In 1991, Capital Metro entered into a new subcontract with a private contractor to operate the shuttle service for a three-year period (1991-1994). The proposed extension to the agreement between Capital Metro and the U. T. Board of Regents for an additional year to August 31, 1994, coordinates the two contracts so they will expire at the same time.

Under the present contract, cost of service was a constant \$23.08 per revenue service hour for the first three years and is \$24.23 for years four and five. Under the proposed amendment, the present contract will be extended one year with the cost of service for the sixth year to be \$26.00 per revenue service hour, an increase of 9.3% over the present rate. The proposed amendment is recommended by the U. T. Austin Administration to provide a measure of cost containment for the additional year. None of the other provisions of the contract with Capital Metro will be changed. Payment for services rendered will continue to be paid entirely from the Compulsory Student Services Fee.

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

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

This First 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 _____ day of December, 1992, 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, the parties to the aforementioned Agreement do now desire to amend that Agreement to extend the term as more fully set forth in this First 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, 1994."

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, 1994. 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)(1) to be inserted between paragraph (c) and paragraph (d) as follows:

"(c)(1) In Year Six (September 1, 1993 to August 31, 1994), 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 First Amendment has been executed as of the day and year first above written.

ATTEST:

CAPITAL METROPOLITAN TRANSPORTATION
AUTHORITY

Secretary

By: _____
Chairman, Board of Directors

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

INFORMATIONAL ITEM

U. T. System: Report by Executive Vice Chancellor for
Business Affairs on Minority and Woman-Owned Business
Enterprises for the Fiscal Year 1991-92.--

Academic
Affairs Com.

ACADEMIC AFFAIRS COMMITTEE
Committee Chairman Barshop

Date: December 3, 1992
Time: Following the meeting of the Business Affairs and
Audit Committee
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. Arlington: College of Business Administration Advisory Council - Proposed Nominees Thereto (NO PUBLICITY UNTIL ACCEPTANCES ARE RECEIVED).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that the nominations of Ms. Susie Leinbaugh, Vice President, Bank One - Dallas, Dallas, Texas; and Mr. Charles E. Lambert, Vice President, Price Waterhouse, Fort Worth, Texas, be approved for two-year terms to expire in 1994 to the U. T. Arlington College of Business Administration Advisory Council.

BACKGROUND INFORMATION

The nominations of Ms. Leinbaugh and Mr. Lambert are to unfilled terms on the council.

In accordance with usual procedures, no publicity will be given to these nominations until acceptances are received and reported for the record at a subsequent meeting of the U. T. Board of Regents.

2. U. T. Austin: Proposed Appointments to Endowed Academic Positions in the College of Pharmacy Effective January 16, 1993.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that the following initial appointments be made to endowed academic positions in the College of Pharmacy at U. T. Austin effective January 16, 1993. Professors will vacate any currently held endowed positions on the effective date of the new appointments.

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Dr. Larry Ereshefsky, Professor, College of Pharmacy	Romeo T. Bachand, Jr. Regents Professorship in Pharmacy; established June 1984, redesignated February 1987
Dr. Marvin D. Shepherd, Professor, College of Pharmacy	Behrens Inc. Centennial Professorship in Pharmacy; established June 1983, redesignated December 1984
Dr. Robert L. Talbert, Jr., Professor, College of Pharmacy, and Division Head, Off-Campus Clinical Program	SmithKline Centennial Professorship in Pharmacy; established December 1982

BACKGROUND INFORMATION

Dr. Ereshefsky joined the U. T. Austin faculty in 1977 and is currently director of the College of Pharmacy's psychiatric pharmacy practice program at the U. T. Health Science Center - San Antonio where he holds a joint appointment in the Departments of Pharmacology and Psychiatry. He is nationally recognized for his commitment to excellence in clinical programs and to the growth of professional pharmacy services within the health-care system. Dr. Ereshefsky is an elected Fellow of the American College of Clinical Pharmacy and is the author or coauthor of over 50 articles, book chapters, abstracts, and other publications.

Dr. Shepherd, a faculty member at U. T. Austin since 1982, is nationally recognized for his leadership in the area of pharmacy administration. He is a recipient of the Texas Ex-Students' Association Teaching Excellence Award and was instrumental in designing the Option II M.S. degree in pharmacy administration. Dr. Shepherd is active at the state and national levels in a number of professional pharmacy organizations and has been successful in the research arena with over twenty grants funded.

Dr. Talbert is nationally recognized for his commitment to excellence in clinical programs and to the growth of professional pharmacy services within the health-care system. He currently serves as the division head of the College of Pharmacy's clinical pharmacy program at the U. T. Health Science Center - San Antonio where he holds a joint appointment in the Department of Pharmacology. Since joining the faculty in 1975, Dr. Talbert has been instrumental in the development of off-campus clinical pharmacy training programs and collaborative research endeavors with medical faculty at the U. T. Health Science Center - San Antonio and in bringing national recognition to the U. T. Austin College of Pharmacy in the areas of adult medicine and cardiovascular therapeutics.

3. U. T. Austin: Recommendation to Name Room in the Chemical and Petroleum Engineering Building (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 Academic Affairs and Acting President Livingston that Room 1.120 in the Chemical and Petroleum Engineering Building at U. T. Austin be designated as the I. H. Silberberg Endowed Undergraduate Petrophysics Teaching Laboratory 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 this room is in honor of Dr. Irwin Harold Silberberg, who received each of his three degrees in chemical engineering from U. T. Austin. He has been involved with U. T. Austin since 1958, having been Assistant Director of the Texas Petroleum Research Committee, a lecturer, special member of the Graduate Faculty, and a Graduate Advisor.

See Item 15 on Page AMC - 18 regarding acceptance of gifts, corporate matching funds and pledges to benefit the Department of Petroleum Engineering.

4. U. T. Austin: Recommendation to Name Room in the F. Loren Winship Drama Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings) (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that Room 2.116 of the F. Loren Winship Drama Building at U. T. Austin be named The Leon Danielian Dance Studio 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 this room is in honor of Mr. Leon Danielian, the Susan Menefee Ragan Regents Professor Emeritus of Fine Arts, in consideration of his significant contributions to the Department of Theatre and Dance, the College of Fine Arts, and U. T. Austin. Professor Danielian is unaware of this project, so confidentiality is requested until Regental approval is obtained.

See Item 4 on Page AMC - 11 regarding acceptance of gifts and pledges to establish a scholarship fund in Professor Danielian's honor.

NO PUBLICITY

5. U. T. Austin: Recommendation for Approval of a Proposed Agreement with The University of Stellenbosch, Republic of South Africa and Request for Authorization to Execute Agreement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the U. T. Austin Administration that approval be given to the proposed agreement of academic and scientific cooperation set out on Pages AAC 7 - 10 between U. T. Austin and The University of Stellenbosch, Republic of South Africa.

It is further recommended that the Executive Vice Chancellor for Academic Affairs be authorized, on behalf of the U. T. Board of Regents, to execute the agreement with the understanding that any and all specific agreements arising from the agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

BACKGROUND INFORMATION

The proposed agreement of academic and scientific cooperation is designed to promote cooperation and exchange in all academic areas of mutual interest between the two institutions. The goals of the general agreement are:

- a. Development of collaborative research projects
- b. Organization of joint academic and scientific activities, such as courses, conferences, seminars, symposia, or lectures
- c. Exchange of research and teaching personnel
- d. Exchange of students
- e. Exchange of publications and other materials of common interest.

The proposed agreement has been reviewed and approved by the Office of General Counsel and is similar to other agreements of cooperation previously approved by the U. T. Board of Regents.

AGREEMENT OF ACADEMIC AND SCIENTIFIC COOPERATION
between
THE UNIVERSITY OF STELLENBOSCH, RSA
and
THE UNIVERSITY OF TEXAS AT AUSTIN, U.S.A.

WHEREAS The University of Stellenbosch (hereinafter referred to as US), for and on behalf of the Faculty of Engineering, and The University of Texas at Austin (hereinafter referred to as UT Austin), for and on behalf of the College of Engineering, are linked by common academic and cultural interests in the field of engineering, and

WHEREAS these two institutions wish to enable cooperation and exchange in all academic areas of mutual interest, and

WHEREAS these two institutions wish to expand the basis for friendship and cooperative educational exchange between South Africa and the United States of America;

NOW, THEREFORE, the Faculty of Engineering of US and the College of Engineering of UT Austin set forth in the following articles of agreement.

ARTICLE I

The purpose of this general agreement includes, but is not limited to, the following:

1. The development of collaborative research projects;
2. The organization of joint academic and scientific activities, such as courses, conferences, seminars, symposia or lectures;
3. The exchange of research and teaching personnel;
4. The exchange of students; and
5. The exchange of publications and other materials of common interest.

Cooperative projects under this general agreement may include any of the academic disciplines of the Faculty of Engineering, US, and the College of Engineering, UT Austin .

ARTICLE II

- A. Arrangements for collaboration on research projects must be consistent with all applicable rules, regulations, policies, and practices of each institution.
- B. Faculty members will be responsible for all personal expenses incurred during the exchange.
- C. Faculty members on exchange will be responsible to the dean/head of the academic unit to which they are assigned at the host institution.

ARTICLE III

A. In order to carry out and fulfill the aims of this agreement, US and UT Austin designate the following individuals as program coordinators:

Dr. H. Christo Viljoen
Dean, Faculty of Engineering
The University of Stellenbosch

Dr. Herbert H. Woodson
Dean, College of Engineering
The University of Texas at Austin

B. Through the coordinators, either institution may initiate proposals for activities under this agreement. The coordinators will be responsible for the evaluation of activities under this agreement according to the practices of their respective institutions.

C. Specific details of any activity will be set forth in a Letter of Agreement which, upon signing by designated persons at both universities, will become an integral part of this general agreement. Letters of Agreement will include such items as:

1. Elaboration of the responsibilities of each institution for the agreed upon activity;
2. Schedules for the specific activities;
3. Budgets and sources of financing of each activity;
4. Contact person for the proposed activity; and
5. Any other items necessary for the smooth and efficient conduct of the activity.

Letters of Agreement will be approved at each institution according to the normal procedures governing the types of activities proposed therein.

ARTICLE IV

The scope of activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by such other financial assistance as may be obtained by either institution from external sources.

ARTICLE V

This agreement will come into force on the date of its signature by both Parties and will be valid without time limitation. This agreement may be amended by mutual agreement of both institutions. This agreement may be terminated by either institution at any time provided that the terminating institution gives written notice of intention to terminate at least three months prior to termination.

EXECUTED by the Board of Regents of The University of Texas System and The University of Stellenbosch on the day and year first below written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF
STELLENBOSCH

THE UNIVERSITY OF TEXAS AT
AUSTIN

BY: 
Michiel J. de Vries
Rector and Vice-Chancellor

BY: _____
William H. Cunningham
President

FORM APPROVED:

BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS SYSTEM

Office of General Counsel

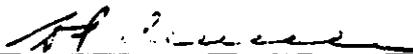
BY: _____
James P. Duncan
Executive Vice Chancellor for Academic
Affairs

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 1992 and that the person whose signature appears above is authorized to execute such Agreement on behalf of the Board.

Executive Secretary, Board of Regents
The University of Texas System

COUNCIL OF THE UNIVERSITY OF
STELLENBOSCH

BY: 
David P. de Villiers
Chairperson

Agreement of Academic and Scientific Cooperation
U. of Stellenbosch/UT Austin
Page 4 of 4

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Council of the University of Stellenbosch on the 16th day of March, 1992 and that the person whose signature appears above is authorized to execute such Agreement on behalf of the Council.



Serfontein Kritzinger
Registrar, University of Stellenbosch

6. U. T. El Paso: Proposed Appointment to the J. Edward and Helen M. C. Stern Endowed Professorship in the College of Science Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that Dr. Louis N. Irwin, Professor and Chairman of the Department of Biological Sciences, be appointed as the initial holder of the J. Edward and Helen M. C. Stern Endowed Professorship in the College of Science at U. T. El Paso effective immediately.

BACKGROUND INFORMATION

Dr. Irwin has served as Chairman of the Department of Biological Sciences at U. T. El Paso since 1991. His teaching experience in biology is unusually broad and his research interests range from evolutionary theory to clinical applications of molecular neuroscience. He is the author of numerous essays, commentaries, and reviews and is a member of several professional organizations, including the International and American Societies of Neurochemistry.

The J. Edward and Helen M. C. Stern Fund was established at the February 1990 meeting of the U. T. Board of Regents and redesignated as the J. Edward and Helen M. C. Stern Endowed Professorship at the August 1992 meeting.

7. U. T. San Antonio: Request for Permission for Individual to Serve on the VIA Metropolitan Transit Board of Trustees [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 and President Kirkpatrick that approval be given for Dr. Richard Lewis, Assistant Professor in the Division of Social and Policy Sciences at U. T. San Antonio, to serve on the VIA Metropolitan Transit Board of Trustees.

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

BACKGROUND INFORMATION

Dr. Lewis has been invited by the City of San Antonio City Council to serve on the VIA Metropolitan Transit Board of Trustees for a term of two years beginning January 1, 1992. This 11-member Board was established to determine policy and to direct the VIA Metropolitan Transit. Dr. Lewis' participation on this Board will influence the operation and development of the transit system in the San Antonio Metropolitan area and improve delivery of this service. Dr. Lewis will serve on this Board without compensation.

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.

8. U. T. San Antonio - Student Apartment Complex Project (Phase II): Recommendation for Authorization of Project, Approval to Conclude Negotiations with Century Development, a Texas Limited Partnership, Houston, Texas, as Limited Partner and Owner of General Partnership Entity in University Oaks Housing Partnership II, Ltd., a Texas Limited Partnership, Houston, Texas, Proposed Lessee on Proposed Ground Lease and Related Necessary Documents, and Authorization to Execute Amended Ground Lease 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 initiation of Phase II of a student apartment complex project by a private developer on the U. T. San Antonio campus to consist of approximately 200 units on a tract of approximately ten acres
- b. Authorize U. T. San Antonio, the Office of Academic Affairs, and the Office of General Counsel to conclude negotiations on a proposed Ground Lease and related necessary documents with Century Development, a Texas Limited Partnership, Houston, Texas, as Limited Partner and Owner of General Partnership Entity in University Oaks Housing Partnership II, Ltd., a Texas Limited Partnership, Houston, Texas, as Lessee
- c. Authorize the Chairman of the U. T. Board of Regents to execute the proposed Ground Lease and related documents in a form substantially similar to the Ground Lease with Century Development previously approved by the U. T. Board of Regents 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 and upon the condition that all obligations of the Lessee shall have under the existing Ground Lease been satisfactorily performed.

BACKGROUND INFORMATION

Pursuant to actions in February 1991 and October 1991, the U. T. Board of Regents approved construction of Phase I of a student apartment complex project by Century Development, Houston, Texas, on the U. T. San Antonio campus. The initial phase was completed and ready for occupancy in August 1992. Phase I consists of 200 units on a 9 acre tract leased to University Oaks Housing Partnership I, a Texas limited partnership, Houston, Texas, comprised of Century Development as sole limited partner and University Oaks Housing Corporation, Houston, Texas, for an initial term of 40 years. The complex is operated by Century Property Management Company pursuant to an Operating Agreement that terminates when the Ground Lease ends.

The project opened on August 15, 1992, and has been successful, and there is a growing demand for housing on or near the campus. Phase I is effectively committed for Spring 1993 with over 465 occupants now in residence. As a result of marketing efforts to over 1100 transfer students for the spring semester and heavy daily inquiries to the project since September 1, 1992, there is evidence of substantial demand for additional housing. A recent report from the San Antonio Apartment Association shows the Northwest section (U. T. San Antonio region) of San Antonio has an apartment occupancy of over 97.1%, with a projection of 98.5% by year end.

The current Ground Lease with University Oaks Housing Partnership I grants to the Lessee the right of first refusal for further private development of student apartments on the U. T. San Antonio campus. Therefore, President Kirkpatrick is recommending consideration of Phase II of the Apartment project. As the principals of Century Development have indicated that they are interested in constructing Phase II and will exercise their option under the current Ground Lease, President Kirkpatrick has recommended authorization to conduct negotiations with Century.

The proposed project will add approximately 200 apartments designed to accommodate the needs of students, faculty and staff. The exact number of each style of unit is as follows:

Efficiency Units	12
One bedroom/one bath units	16
Two bedroom/two bath units	132
Four bedroom/two bath units	40

Upon approval, the Capital Improvement Plan will be amended to add this project to the list of projects not requiring Permanent University Fund Bond Proceeds.

U. T. San Antonio has considered the possibility of building and operating the units but feels that construction and management of Phase II of the facility by a private developer is the best way to proceed at this time. Therefore, U. T. San Antonio seeks authority to conclude negotiations with Century to build and manage Phase II pursuant to a long-term ground lease and an operating agreement. The negotiations and proposed ground lease, either in the form of an amended lease or a new lease for both phases, 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 proposed contract documents are recommended and presented to the Chairman for signature.

**Health Affairs
Committee**

HEALTH AFFAIRS COMMITTEE
Committee Chairman Ramirez

Date: December 3, 1992
Time: Following the meeting of the Academic Affairs
Committee
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. Southwestern Medical Center - Dallas: Request for Permission for Individual to Serve on the Texas Council on Alzheimer's Disease and Related Disorders [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 Health Affairs and President Wildenthal that Myron F. Weiner, M.D., Professor in the Department of Psychology at the U. T. Southwestern Medical Center - Dallas, be granted permission to serve on the Texas Council on Alzheimer's Disease and Related Disorders.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Dr. Weiner is of benefit to the State of Texas and (2) there is no conflict between his position at U. T. Southwestern Medical Center - Dallas and his appointment to this Council.

BACKGROUND INFORMATION

Dr. Weiner has been appointed by Lieutenant Governor Bullock to the Texas Council on Alzheimer's Disease and Related Disorders for a term to expire in September 1994. In this capacity, he is involved in research into the cause, prevention and treatment of Alzheimer's disease and providing services to victims of the disease, their caregivers and families. Council members serve without remuneration.

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.

2. 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 U. T. Southwestern Medical Center - Dallas be effective immediately:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Mary F. Lipscomb, M.D. Professor, Department of Pathology	John Lawrence and Patsy Louise Goforth Professor- ship in Pathology; established February 1987, redesignated August 1992

Name of Proposed Appointee

Endowed Academic Position

James T. Stull, Ph.D.
Professor and Chairman,
Department of Physiology

Fouad A. Bashour Chair in
Physiology

This appointment is contingent upon the establishment of the Chair as proposed in Item 30 on Page AMC - 30.

BACKGROUND INFORMATION

Dr. Lipscomb joined the faculty of the Department of Pathology at U. T. Southwestern Medical Center - Dallas in 1975. She is a distinguished pathologist, a highly accomplished investigator and has trained a large number of postdoctoral research fellows, residents, clinical fellows, and graduate students.

Dr. Stull has been a member of the faculty at U. T. Southwestern Medical Center - Dallas since 1978 and has served as Chairman of the Department of Physiology since 1986. He is a Fellow of the American Association for the Advancement of Science and won the prestigious Merit Award from the Heart, Lung and Blood Institute of the National Institutes of Health in 1991.

3. U. T. Southwestern Medical Center - Dallas (U. T. Southwestern A.H.S.S. - Dallas): Request for Authorization to Establish a Bachelor of Science Degree in Respiratory 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 Wildenthal that approval be granted to offer a Bachelor of Science degree in Respiratory Therapy to be administered by the U. T. Southwestern A.H.S.S. - Dallas of the U. T. Southwestern Medical Center - Dallas. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be in the Fall of 1993.

BACKGROUND INFORMATION

The U. T. Southwestern A.H.S.S. - Dallas proposes to offer a baccalaureate degree program in Respiratory Therapy. This proposal is similar to the request from the U. T. Allied Health Sciences School - San Antonio presented in Item 7 on Page HAC - 15. As indicated in that request, a trend has been developing in the U. S. for baccalaureate training in Respiratory Therapy in health science centers. The proposed program will provide "career ladder" opportunities for Respiratory Technicians and associate degree Therapists. It will

not adversely affect nor duplicate the current certificate programs at local community colleges but will provide career growth and result in an increased number of respiratory care professionals. The program will focus upon preparing graduates to function independently in increasingly higher technology critical care settings. Completion of the program will result in the awarding of the Bachelor of Science degree and preparation for the examinations offered by the National Board for Respiratory Care leading to professional credentials.

The Texas Hospital Association has reported that the demand for Respiratory Therapists in Texas is expected to increase at the rate of 4.5% annually to the year 1995. Statewide vacancy data for the Dallas-Fort Worth area show a substantially higher rate. In December 1990, the Dallas-Fort Worth vacancy rate for Registered Therapists was 24.8%. This program proposal addresses that need.

Financial assistance for this program will be provided through the Dallas-Fort Worth Hospital Council as well as instruction and training assistance provided by its member hospitals. Over the first five years, the Dallas-Fort Worth Hospital Council funding will total \$740,000 plus instructional and training support. Other major clinical institutions will contribute approximately \$100,000 per year in instructional support. Adequate facilities currently exist to support this program. The program will begin in the Fall of 1993 with start-up costs and the first two years' operating costs provided by the Dallas-Fort Worth Hospital Council and three area hospitals.

Upon Regental and Coordinating Board approval, the next appropriate catalog published at the U. T. Southwestern Medical Center - Dallas will be amended to reflect this action.

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

4. U. T. Medical Branch - Galveston: Recommendation for Approval of Proposed Agreement of Cooperation with (a) The Barbados Community College, St. Michael, Barbados, and (b) Universidad Autonoma de Guadalajara, Guadalajara, Jalisco, Mexico.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that approval be given to two proposed agreements of cooperation between the U. T. Medical Branch - Galveston and the following international institutions:

- a. The Barbados Community College, St. Michael, Barbados (Pages HAC 6 - 8)
- b. Universidad Autonoma de Guadalajara, Guadalajara, Jalisco, Mexico (Pages HAC 9 - 12)

BACKGROUND INFORMATION

The U. T. Medical Branch - Galveston and the above two institutions propose to enter into agreements of cooperation to establish a program of exchange and collaboration in areas of interest and benefit to both institutions.

The agreements to cooperate establish joint educational programs to promote interest in the teaching and research activities of the respective institutions and deepen the understanding of the economic, cultural, and social issues environment of the respective institutions. These proposed agreements are intended to provide broad linkages through which and within which individual program agreements can be negotiated and activated. Such programs include:

- a. institutional exchanges of faculty and staff for teaching, research, and professional development activities
- b. undergraduate and graduate student exchange for periods of study and/or research
- c. symposia, conferences, short courses, and meetings on research issues
- d. joint research and continuing education programs
- e. information exchange related to developments in teaching, student development, and research at each institution
- f. program agreements to be developed at a later date.

The proposed agreements have been reviewed and approved by the Office of General Counsel and are similar to other cooperation agreements previously approved by the U. T. Board of Regents.

**AGREEMENT OF COOPERATION
BETWEEN
THE BARBADOS COMMUNITY COLLEGE AND
THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON**

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON, (hereinafter referred to as UTMB), and THE BARBADOS COMMUNITY COLLEGE, (hereinafter referred to as BCC) enter into an agreement of cooperation to establish a program of exchange and collaboration in areas of interest and benefit to both institutions.

I.

The purposes of the cooperation between UTMB and BCC are as follows:

- a) to promote interest in the teaching and research activities of the respective institutions, and
- b) to deepen the understanding of the economic, cultural and social issues environment of the respective institutions.

II.

To achieve these goals, UTMB and BCC will, insofar as the means of each allow:

- a) promote institutional exchanges by inviting faculty and staff of the partner institution to participate in a variety of teaching and/or research activities and professional development;
- b) receive undergraduate and graduate students of the partner institution for periods of study and/or research;
- c) organize symposia, conferences, short courses and meetings on research issues;
- d) carry out joint research and continuing education programs; and
- e) exchange information pertaining to developments in teaching, student development and research at each institution.

III.

Each institution shall designate a coordinator to oversee and facilitate the implementation of this Agreement. The coordinators, working with other appropriate administrators at the respective universities, shall have the following responsibilities:

- a) to promote academic collaboration at both faculty,

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graduate and undergraduate student levels for research and study;

b) to act as principal contacts for individual and group activities and to plan and coordinate all activities within their institutions as well as with the partner institution;

c) to distribute to each institution information about the faculty, facilities, research, publications, library materials and educational resources of the other institution; and

d) to meet periodically to review and evaluate past activities and to work out new ideas for future cooperative agreements.

IV.

This general AGREEMENT OF COOPERATION shall be identified as the parent document of any program agreement executed between the parties. Further agreements concerning any program shall provide details concerning the specific commitments made by each party and shall not become effective until they have been reduced to writing, executed by the duly authorized representatives of the parties, and approved in writing by the Executive Vice Chancellor for Health Affairs of The University of Texas System. The scope of the activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by financial assistance as may be obtained by either institution from external sources.

V.

Except as may be stipulated in any specific program agreement, each institution shall be responsible for expenses incurred by its employees under this agreement.

VI.

Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution at least ninety (90) days advance written notice of its intention to terminate. Termination shall be without penalty. If this agreement is terminated, neither UTMB nor BBC shall be liable to the other for any monetary or other losses which may result.

Executed on this _____ day of _____, 199__.

ATTEST:

FOR
BARBADOS COMMUNITY COLLEGE

FOR
THE UNIVERSITY OF TEXAS
MEDICAL BRANCH AT GALVESTON

Norma J.I. Holder
By: Norma J.I. Holder, B.Sc.,
Title: Principal M.A. (Oxon)

Thomas N. James
Thomas N. James, M.D.
President

Content reviewed

MBL

APPROVED:

By: Dr. Charles B. Mullins
Executive Vice Chancellor
for Health Affairs
The University of Texas System

Date: _____

CERTIFICATE OF APPROVAL:

I hereby certify that the foregoing agreement was approved by The Board of Regents of The University of Texas system on the ___ day of _____, 199__ and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

Mr. Arthur H. Dilly
Executive Secretary
U.T. Board of Regents

File #220-92-00425
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**AGREEMENT OF COOPERATION
BETWEEN
UNIVERSIDAD AUTONOMA DE GUADALAJARA
AND
THE UNIVERSITY OF TEXAS MEDICAL BRANCH**

THE UNIVERSITY OF TEXAS MEDICAL BRANCH, (hereinafter referred to as U.T.M.B.), and UNIVERSIDAD AUTONOMA DE GUADALAJARA, (hereinafter referred to as U.A.G.) enter into an agreement of cooperation to establish a program of exchange and collaboration in areas of interest and benefit to both institutions.

I.

The purposes of the cooperation between U.T.M.B. and U.A.G. are as follows:

- * to promote interest in the teaching and research activities of the respective institutions, and**
- * to deepen the understanding of the economic, cultural and social issues environment of the respective institutions.**

II.

To achieve these goals, U.T.M.B. and U.A.G. will, insofar as the means of each allow:

- * promote institutional exchanges by inviting faculty and staff of the partner institution to participate in a variety of teaching and/or research activities and professional development;**

- receive undergraduate and graduate students of the partner institution for periods of study and/or research;
- organize symposia, conferences, short courses and meetings on research issues;
- carry out joint research and continuing education programs; and
- exchange information pertaining to developments in teaching, student development and research at each institution.

III.

Each institution shall designate a coordinator to oversee and facilitate the implementation of this Agreement. The coordinators, working with other appropriate administrators at the respective universities, shall have the following responsibilities:

- to promote academic collaboration at both faculty, graduate and undergraduate student levels for research and study;
- to act as principal contacts for individual and group activities and to plan and coordinate all activities within their institutions as well as with the partner institution;
- to distribute to each institution information about the faculty, facilities, research, publications, library materials and educational resources of the other institution; and
- to meet periodically to review and evaluate past activities and to work out new ideas for future cooperative agreements.

IV.

This general AGREEMENT OF COOPERATION shall be identified as the parent document of any program agreement executed between the parties. Further agreements concerning any program shall provide details concerning the specific commitments made by each party and shall not become effective until they have been reduced to writing, executed by the duly authorized representatives of the parties, and approved in writing, by the Executive Vice Chancellor for Health Affairs of The University of Texas System. The scope of the activities under this agreement shall be determined by the funds regularly available at both institutions for the types of collaboration undertaken and by financial assistance as may be obtained by either institution from external sources.

V.

Except as may be stipulated in any specific program agreement, each institution shall be responsible for expenses incurred by its employees under this agreement.

VI.

Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution at least ninety (90) days advance written notice of its intention to terminate. Termination shall be without penalty. If this agreement is terminated, neither U.T.M.B. nor U.A.G. shall be liable to the other for any monetary or other losses which may result.

Executed on this ____ day of August, 1992.

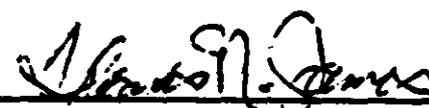
ATTEST:

FOR
UNIVERSIDAD AUTONOMA DE GUADALAJARA

FOR
THE UNIVERSITY OF TEXAS
MEDICAL BRANCH



President, Luis Caribay-Gutierrez M.D.



President, Thomas N. James, M.D.

APPROVED:

Content reviewed
MBL

By: _____
Dr. _____
Executive Vice Chancellor
for Health Affairs
The University of Texas System

Date: _____

CERTIFICATE OF APPROVAL:

I hereby certify that the foregoing agreement was approved by The Board of Regents of The University of Texas System on the ____ day of _____, 1992 and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

Mr. Arthur H. Dilly
Executive Secretary,
U.T. Board of Regents

5. U. T. Health Science Center - Houston: 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 Low that the following initial appointments to endowed academic positions at the U. T. Health Science Center - Houston be effective immediately:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Charles A. Garcia, M.D. Clinical Professor, Department of Ophthalmology	The Bernice Weingarten Distinguished Professorship in Ophthalmology; established August 1992
Ian John Butler, M.B., B.S. Professor, Department of Neurology	Adriana Blood Chair in Neurology; established April 1992
Richard S. Ruiz, M.D. Clinical Professor and Chairman, Department of Ophthalmology	The John S. Dunn Distinguished Chair in Ophthalmology; established August 1992

BACKGROUND INFORMATION

Dr. Garcia, a graduate of Tulane Medical School, joined the faculty at the U. T. Health Science Center - Houston as a Clinical Professor of Ophthalmology in 1973. Currently, he serves as Director of the Retina and Uveitis Services in the Department of Ophthalmology and as Medical Director of the Retinal Vascular Center and Director of the Bob Hope Eye Research Center at St. Joseph's Hospital.

Dr. Butler was appointed to the faculty at the U. T. Health Science Center - Houston in the Departments of Neurology, Pediatrics, Neurobiology and Anatomy in 1976. He currently serves as Vice Chairman of the Department of Neurology and Director of the Division of Pediatric Neurology and the Division of Developmental Pediatrics.

Dr. Ruiz is Clinical Professor and Chairman of the Department of Ophthalmology at the U. T. Health Science Center - Houston and Director of the Hermann Eye Center. In addition, he serves as Clinical Associate Surgeon (Ophthalmology) at the U. T. M.D. Anderson Hospital and Tumor Institute and Clinical Associate Professor at Baylor College of Medicine, Houston, Texas. Dr. Ruiz is an active participant in teaching, research, patient care and community service.

6. U. T. Health Science Center - Houston (U. T. Medical School - Houston): Recommendation for Approval of an Administrative Reorganization to Convert the Division of Emergency Medicine to a Department of Emergency Medicine 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 Low that approval be granted to reorganize the administrative structure of the U. T. Medical School - Houston at the U. T. Health Science Center - Houston to convert the Division of Emergency Medicine to an independent Department of Emergency Medicine. Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval.

BACKGROUND INFORMATION

This proposal is based on the need to address the severe shortage of training opportunities for Texas physicians in emergency medicine, the nature of the specialty, which crosses traditional disciplinary lines, and the need to provide continuation of accreditation of the training program.

There is a severe shortage of training opportunities for Texas physicians in emergency medicine. The designation as a full academic department will allow for continued development of the specialty at the U. T. Health Science Center - Houston. The Residency Review Committee had provisionally approved the residency program to begin in July of 1992; however, one of its stated concerns was the lack of departmental status.

Although Emergency Medicine is housed currently as a division within the Department of Surgery, it functions autonomously and its budget is separate. The funds currently designated for the Division of Emergency Medicine will be reallocated to create the Department. Funds to support further increases in personnel and operating expenses will come from local fund sources. No state funds will be needed to implement this administrative change.

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

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

7. U. T. Health Science Center - San Antonio (U. T. Allied Health Sciences School - San Antonio): Request for Authorization to Establish a Bachelor of Science Degree in Respiratory Care; Rename the Department of Respiratory Therapy as the Department of Respiratory Care; 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 offer a Bachelor of Science degree in Respiratory Care and to rename the Department of Respiratory Therapy as the Department of Respiratory Care within the U. T. Allied Health Sciences School - San Antonio of the U. T. Health Science Center - San Antonio. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be in the Fall of 1993.

BACKGROUND INFORMATION

The U. T. Allied Health Sciences School - San Antonio proposes to offer a multiple entry baccalaureate degree program in Respiratory Care. At its April 1992 meeting, the U. T. Board of Regents granted approval to offer the following certificate programs:

- a. a one-year Respiratory Therapy Technician Program resulting in a certificate
- b. a two-year Respiratory Therapist Program leading to a certificate.

Discussions with the Coordinating Board staff have resulted in the addition of a four-year Respiratory Care Program resulting in a baccalaureate degree. Students enrolled in the program will be able to select from a "career ladder" offering three separate programs.

A trend is developing in the U. S. for baccalaureate training in Respiratory Care to be offered by health science centers or colleges closely affiliated with medical centers. A similar request from the U. T. Southwestern Medical Center - Dallas is presented in Item 3 on Page HAC - 3.

There is a clear indication that hospitals in San Antonio and the South Texas area need Respiratory Therapists and Technicians with various levels of training. A recent survey showed at least forty-three respiratory therapy vacancies in the City of San Antonio. Existing educational opportunities within the area are not adequate to meet the current needs. The proposed Respiratory Therapy training programs will provide educational programs by which individuals may enter the job market at various entry levels.

Funding for the program will be derived from grants and legislative appropriations. As indicated in the request to the U. T. Board of Regents in April 1992, seven San Antonio hospitals have provided letters supporting these proposed

programs in Respiratory Care. Of these, five community hospitals have pledged a total of \$594,197 over the next five years to help meet the financial needs of the program. One hospital has offered to provide space in a facility in close proximity to the U. T. Health Science Center - San Antonio campus and another hospital has donated \$17,000 in equipment. At present, the local contribution is approximately 40% of the total estimated budget of \$1.5 million for the first five years of operation. This support demonstrates the seriousness with which local hospitals view their shortages in respiratory care personnel and the commitment and sacrifices they are willing to make to meet this need. No new facilities will be required.

Upon Regental and Coordinating Board approval, 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.

**Fac. Plan. &
Const. Com.**

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
Committee Chairman Moncrief

Date: December 3, 1992
Time: Following the meeting of the Health Affairs Committee
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. Austin - Biological Sciences - Molecular Biology Building (Project No. 102-659): Presentation of Preliminary Plans; Authorization to Prepare Final Plans; and Appropriation Therefor	3
2. U. T. Austin - Renovation of Education Annex Building for the School of Social Work: Request for Project Authorization; Authorization for Preparation of Final Plans; Authorization to Submit Project to Coordinating Board; Authorization for U. T. Austin to Administer the Project, Advertise for Bids, and Award Contracts in Consultation with the Office of Facilities Planning and Construction and the Office of General Counsel; and Appropriation Therefor	4
3. U. T. Austin - Parking Garage No. 2 (Project No. 102-711): Request for Approval of Plaque Inscription	5
4. U. T. Austin - Texas Swim Center Outdoor Pool: Request for Project Authorization; Appointment of Project Architect for Preparation of Preliminary Plans; and Appropriation Therefor	6
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6. U. T. San Antonio - University Center Expansion: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans and Specifications; and Appropriation Therefor	8
7. U. T. Southwestern Medical Center - Dallas - Alterations to A. W. Harris Faculty Club (Project No. FC9-2231): Proposed Acceptance of Findings and Recommendation of Hearing Officer to Deny Claim Under Construction Contract with Multi-National Investments, Inc., Dallas, Texas	11

8. U. T. M.D. Anderson Cancer Center - Functional and Space Programming Study: Request for Authorization of Study; Appointment of Consulting Architect to Prepare Study; and Appropriation Therefor

12

1. U. T. Austin - Biological Sciences - Molecular Biology Building (Project No. 102-659): Presentation of Preliminary Plans; Authorization to Prepare Final Plans; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Approve preliminary plans, specifications and site for the construction of the Molecular Biology Building on the campus of U. T. Austin at an estimated total project cost of \$25,000,000
- b. Authorize the Project Architect to prepare final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$650,000 from U. T. Austin General Fee Balances for fees and administrative expenses through completion of final plans. Previous appropriations of \$525,000 have been from the same source.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in August 1989, preliminary plans and cost estimates for the construction of the Molecular Biology Building at U. T. Austin have been prepared by the Project Architect, Harper Kemp Clutts and Parker, Inc., Dallas, Texas.

The Molecular Biology Building will contain approximately 150,000 gross square feet to accommodate administrative offices, support space, specialized laboratories and conference rooms as well as space dedicated for research center and research institute functions. The majority of the space will be modular research laboratories with shared core functions.

Molecular Biology is presently spread out among six buildings, and the lack of modern space dedicated to this discipline is a major factor affecting the institution's ability to fill several endowed chairs.

A lengthy review of alternative construction sites has lead U. T. Austin to the conclusion that the building should be constructed on land currently covered by a parking lot and the swimming pool of the Anna Hiss Gymnasium. This site will permit the building to relate best to existing programs in the Experimental Science Building and the Pharmacy Building and to best meet the long-term physical facility needs of the molecular biology program. The architectural integrity of the Anna Hiss Gymnasium will be preserved as the courtyard and the remainder of the building will be retained and will be the subject of further improvements.

This project is included in the Capital Improvement Plan approved by the U. T. Board of Regents in June 1991, and the FY 1993 Capital Budget. The total project cost of \$25,000,000 is to be funded with \$13,000,000 from Permanent University Fund Bond Proceeds, \$8,000,000 from General Fee Balances, and \$4,000,000 from Gifts and Grants. General Fee Revenue will be used in future years to service the annual debt requirements of the Permanent University Fund Bonds to the extent that Available University Fund Revenue is not available.

2. U. T. Austin - Renovation of Education Annex Building for the School of Social Work; Request for Project Authorization; Authorization for Preparation of Final Plans; Authorization to Submit Project to Coordinating Board; Authorization for U. T. Austin to Administer the Project, Advertise for Bids, and Award Contracts in Consultation with the Office of Facilities Planning and Construction and the Office of General Counsel; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Authorize a phased project for Renovation of the Education Annex Building at U. T. Austin for the School of Social Work at an estimated total project cost of \$2,000,000
- b. Authorize the U. T. Austin Vice President for Business Affairs and Director of Physical Plant to prepare final plans and specifications in consultation with the Office of Facilities Planning and Construction and the Office of General Counsel
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Authorize U. T. Austin Administration to advertise for bids and award all contracts as may be needed to complete the project
- e. Appropriate \$2,000,000 from General Fee Balances for total project funding.

This item requires the concurrence of the Academic Affairs Committee.

BACKGROUND INFORMATION

The Capital Improvement Plan and the FY 1993 Capital Budget include a project for Renovation of the Education Annex Building at U. T. Austin. The project is a phased renovation of approximately 36,000 net assignable square feet to permit the

School of Social Work to conduct more effective teaching and research programs. Due to campus space limitations, the project must be completed in several phases, over a period of two years, involving multiple moves of faculty and staff between the old Social Work Building and the Education Annex Building. Under these circumstances, it will be advantageous for construction plans and specifications to be prepared and administered by the Vice President for Business Affairs and Director of Physical Plant.

The project will be submitted to the Texas Higher Education Coordinating Board for approval and reviewed by the Office of Facilities Planning and Construction and the Office of General Counsel. Total funding for the project is \$2,000,000 from General Fee Balances.

3. U. T. Austin - Parking Garage No. 2 (Project No. 102-711): Request for Approval of Plaque Inscription.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that the U. T. Board of Regents approve the inscription set out below for a plaque to be placed on the Parking Garage No. 2 at U. T. Austin. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

PARKING GARAGE NO. 2 1992

BOARD OF REGENTS

Louis A. Beecherl, Jr., Chairman	Hans Mark
Mario E. Ramirez, M.D., Vice-Chairman	Chancellor, The University of Texas System
Robert J. Cruikshank, Vice-Chairman	
Sam Barshop	William H. Cunningham
Zan W. Holmes, Jr.	President, The University of Texas at Austin
Tom Loeffler	
W. A. "Tex" Moncrief, Jr.	
Bernard Rapoport	John S. Chase, F.A.I.A.
Ellen Clarke Temple	Architect, Inc. Project Architect Dal-Mac Construction Company Contractor

BACKGROUND INFORMATION

A construction contract for the Parking Garage No. 2 at U. T. Austin was awarded by the U. T. Board of Regents at the August 1992 meeting.

4. U. T. Austin - Texas Swim Center Outdoor Pool; Request for Project Authorization; Appointment of Project Architect for Preparation of Preliminary Plans; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Authorize the Texas Swim Center Outdoor Pool at U. T. Austin at an estimated total project cost of \$2,000,000
- b. Appoint a Project Architect from the list set out on Page FPCC - 7 to prepare preliminary plans and a detailed cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$125,000 from the Department of Intercollegiate Athletics for Men for fees and administrative expenses through completion of preliminary plans.

BACKGROUND INFORMATION

The Texas Swim Center at U. T. Austin is known as one of the finest Olympic-class diving and swimming facilities in the world. It is very heavily used by Men's and Women's Intercollegiate Athletics, Recreational Sports, and the Kinesiology Department. The U. T. Austin Administration wishes to complement this indoor facility with an outdoor facility. The Men's and Women's Athletics Councils have expressed support for the construction of a competitive outdoor pool adjacent to the Swim Center. This support includes a commitment to raise funds. The U. T. Austin Administration will support this fund raising effort by initiating the design work at this time. The proposed pool will be 50 meters long by 25 yards wide.

The project is included in the FY 1991-1996 Capital Improvement Plan and the FY 1993 Capital Budget. Funding for the \$2,000,000 project is from \$1,500,000 in Gifts and Grants, \$250,000 in General Fee Balances, and \$250,000 from Intercollegiate Athletics for Men.

Approval of this recommendation will amend the Capital Budget funding sources.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
J. Robinson & Associates Architects, Inc. Austin, Texas	- Dittmar Park Recreation Center and Pool, City of Austin - Balcones District Park Pool, City of Austin - Metz, Zaragosa and Kealing Pool Renovations, City of Austin
Jessen, Inc. Architects Austin, Texas	- Natatorium, St. Edward's University, Austin, Texas - Offshore Technology Research Center, Texas A&M - Twenty-Five Meter Pool, Texas Lutheran College
F&S Partners Inc. Architects Dallas, Texas	- Texas Swim Center, U. T. Austin

5. U. T. Austin - Texas Union Building - Renovation (Project No. 102-727): Recommended Increase in Scope of Work and Authorized Total Project Cost and Appropriation Therefor.--

RECOMMENDATION

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

- a. Approve an increase in the scope of work and the authorized total project cost for Renovation of the Texas Union Building at U. T. Austin from \$8,400,000 to \$8,970,000 which will allow award of Alternates 2, 3, and 4 that could not be awarded when the project was bid because of lack of funds
- b. Appropriate \$570,000 from Auxiliary Enterprise Repair and Replacement Reserves to cover the cost of change orders to White Construction Company, Austin, Texas, architect's and administrative fees, and contingency funds.

BACKGROUND INFORMATION

At the December 1991 meeting of the U. T. Board of Regents, a construction contract was awarded to White Construction Company in the amount of \$7,448,688 within a total project cost of \$8,400,000. A subsequent Request for Budget Change dated July 9, 1992, raised the contract price to a maximum of \$7,523,688.

The scope of the project bid by White Construction Company included Alternates 2, 3, and 4 each of which provided for waterproofing a portion of the building exterior. At the time of contract award, funds for these alternates were not available and the work was not included in the contract. These alternates are important to the preservation of the building in that they include necessary work to stop water penetration into the structure and to remove mildew and stains from the exterior.

Funding for this work is now available from Repair and Replacement Accounts. With minor revisions in the scope of the originally quoted alternates, the cost would now total \$522,750. The original quotes totaled \$495,850. It would be prudent to add a construction contingency of \$37,250 to pay for unforeseen conditions that may be encountered in the work. The Architect/Engineer Fee Account will also be increased by \$10,000 for additional required services.

The recommended funding change will allow an increase in the approved contract price to a maximum of \$8,083,688 and an increase in the approved total project cost to \$8,970,000.

6. U. T. San Antonio - University Center Expansion; Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans and Specifications; and Appropriation Therefor.--

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 a project for the University Center Expansion at U. T. San Antonio at an estimated total project cost of \$12,000,000
- b. Appoint a Project Architect from the list set forth on Pages FPCC 9 - 10 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 \$800,000 from Unexpended Plant Funds for fees and administrative expenses through completion of preliminary plans. These funds may be reimbursed from Tax Exempt Revenue Financing System Bond Proceeds to be issued at a later date.

This item requires the concurrence of the Academic Affairs Committee.

BACKGROUND INFORMATION

U. T. San Antonio continues to be the most rapidly growing general academic institution in Texas, and the Texas Higher Education Coordinating Board's projections indicate that this growth will very likely continue through the year 2005. With this growth comes the need for additional space for student services and other general support space. The proposed expanded space in the University Center will enhance the quantity and quality of services which are required to serve an increasingly diverse student body.

The existing University Center was completed during FY 86-87. Enrollment at U. T. San Antonio in Fall 1986 was 12,413. Since that time, enrollment increased to its current level of 16,768 in Fall 1992. The current projection for Fall 1996 is 20,431.

The proposed expansion would include approximately 90,000 gross square feet of new space for the University Bookstore, Career Planning and Placement, expanded food services areas, meeting and theater spaces, work space for registered student organizations, and additional student life/programming areas which will be critically needed by the time the new space is ready for occupancy.

The estimated total project cost of \$12,000,000 is to be funded by a combination of sources. Approximately \$9,700,000 to \$10,000,000 will be funded from Revenue Bond Proceeds serviced by the increased University Center fee monies. Students authorized the increase from \$15 to \$30 per semester during Spring 1991, and the Seventy-Second Legislature amended Section 54.532 of the Texas Education Code to authorize the U. T. Board of Regents to increase the fee effective with the Fall Semester 1991. The balance of the total project cost will be funded from Unexpended Plant Funds.

Approval of this recommendation will amend the Capital Budget funding sources.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
A proposed Joint Venture comprised of Phelps/Garza/Bomberger, San Antonio, Texas, and Chumney and Associates, San Antonio, Texas	U. T. Health Science Center - San Antonio: Addition to Administrative Services Building* U. T. Health Science Center - San Antonio: Basic Science Completion, Fifth Floor* Alamo Community College District: Five Renovation Projects* Texas State Aquarium Association, Corpus Christi, Texas: Texas State Aquarium* City of San Antonio, Texas: Municipal Auditorium Restoration*(1)

Project Architect

Rehler Vaughn Beaty &
Koone, Inc.,
San Antonio, Texas

O'Neill Conrad Oppelt
Architects, Inc.,
San Antonio, Texas

Representative Projects

U. T. Health Science Center -
San Antonio: Exhaust and
Intake Air Flow System**

Trinity University: Coates
University Center**

Palo Alto College/Alamo
Community College District:
Classroom Building**

U. T. Health Science Center -
San Antonio: Expansion of
Clinical Science Teaching
Space**

State Preservation Board,
Austin, Texas: Restoration
of Old General Land Office
Building**

San Antonio College/Alamo
Community College District:
Loftin Student Center

Trinity University:
William H. Bell Sports Center

San Antonio College/Alamo
Community College District:
Visual Arts and Technology
Center

City of San Antonio, Texas:
Texas A&M Engineering
Building - Hemisfair Park

San Antonio College/Alamo
Community College District:
Health and Physical Education
Building

U. T. San Antonio: University
Center Building

U. T. Pan American: Health
and Physical Education
Complex(1)

City of Farmers Branch, Texas:
Manske Library

Texas Maritime Museum
Association, Rockport, Texas:
Texas Maritime Museum -
Phase I

Palo Alto College/Alamo
Community College District:
Gymnasium Natatorium Physical
Education Facility

* Phelps/Garza/Bomberger
** Chumney and Associates
(1) As part of Joint Venture

7. U. T. Southwestern Medical Center - Dallas - Alterations to A. W. Harris Faculty Club (Project No. FC9-2231): Proposed Acceptance of Findings and Recommendation of Hearing Officer to Deny Claim Under Construction Contract with Multi-National Investments, Inc., Dallas, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and the Vice Chancellor and General Counsel that the U. T. Board of Regents accept the findings and recommendation of Mr. George W. Overshiner whom the Board appointed as Hearing Officer to hear a claim under the Disputes clause of a construction contract with Multi-National Investments, Inc., dba Texas Metro Planners & Company ("Multi-National"), Dallas, Texas, related to Alterations to the A. W. Harris Faculty Club at the U. T. Southwestern Medical Center - Dallas. Mr. Overshiner has recommended that the contractor's claim for a reduction of \$13,800 in the liquidated damages charged be denied in its entirety.

BACKGROUND INFORMATION

U. T. Southwestern Medical Center - Dallas ("the Owner") awarded a construction contract dated September 21, 1989, in the amount of \$113,117.40 for alterations to the Owner's A. W. Harris Faculty Club. The Owner terminated for default the right of the contractor, Multi-National, to proceed under the contract and called upon Indiana Lumbermens Mutual Insurance Company (the "Surety") under its performance bond to have the work completed by another contractor. The Surety had the work completed. The Owner charged liquidated damages of \$200 per day for 108 days of late completion for a total of \$21,600.

The Surety disputed the amount of liquidated damages charged and took the position that the contract completion date should have been extended for 69 days and that consequently the liquidated damages of \$21,600 should be reduced by \$13,800. The Surety's position was denied by Mr. R. S. Kristoferson in a decision under the Disputes clause. The denial was upheld on appeal to Chancellor Hans Mark of The University of Texas System. Mr. Overshiner, the Hearing Officer appointed to hear the appeal from Chancellor Mark's decision, heard the case in a one-day hearing with witnesses and recommended that the appeal be denied in its entirety.

8. U. T. M.D. Anderson Cancer Center - Functional and Space Programming Study; Request for Authorization of Study; Appointment of Consulting Architect to Prepare Study; 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 preparation of a functional and space programming study for U. T. M.D. Anderson Cancer Center
- b. Appoint a Consulting Architect from the list set out on Page FPCC - 13 to prepare the study for consideration of the U. T. Board of Regents at a future meeting
- c. Appropriate \$2,600,000 from Educational and General Balances for funding of the study.

BACKGROUND INFORMATION

The U. T. Board of Regents approved the preliminary plans for the Bertner Complex and Clinical Services Facility at U. T. M.D. Anderson Cancer Center in June 1992. Final plans for Phase I of this project were approved in October 1992. It is timely to begin detailed planning for the renovation and rehabilitation of the space that will be vacated by occupancy of these new buildings in 1995-1996. Approximately 400,000 square feet of existing space will be vacated and available for reassignment. In addition, the institution now leases nearly 200,000 square feet of space for programs that currently cannot be accommodated.

The purpose of the proposed study is to provide the institution with the next phase of master planning, functional planning and space programming, architectural and engineering services to develop a 15-year plan that will guide planned physical development assuring the best functional and cost effective fit to achieve programmatic needs and priorities of the U. T. M.D. Anderson Cancer Center. Included in the study will be planning and programming for "backfill" space assignments, defining future development opportunities for undeveloped properties, identifying vehicular and pedestrian circulation and parking options, addressing infrastructure support requirements for both existing and proposed facilities, and developing a feasible renovation and expansion strategy and schedule including identifying priority projects for implementation following new construction. A major goal of this effort is to plan logistically for the relocation of departments and functions, particularly as it relates to the configuration of disease site centers. Assumptions and plans developed in the planning and design of the Bertner Complex and Clinical Services Facility will form the basis of this effort. Assurances are in place to avoid repeating any planning or studies already completed. This effort should be viewed as a continuation of the plans already in place.

List of Firms for Consideration

Consulting Architect

Stone Marrassini Patterson,
San Francisco, California

NBBJ,
Seattle, Washington

Heery International, Inc.,
Atlanta, Georgia

Representative Projects

U. T. M.D. Anderson Cancer
Center: Functional and
Space Programming Study
Phase I

Department of Veterans
Affairs: Medical Center,
Houston, Texas

Methodist Hospital:
Long-Range Plan,
Houston, Texas

Kaiser Permanente
Los Angeles Medical Center:
Master Plan, Los Angeles,
California

University of California
at San Diego: Thornton
Hospital, La Jolla,
California

Ohio State University:
Hospital and Research
Institute, Columbus,
Ohio

Alaska Native Health Board:
Medical Center Facility
Study, Anchorage, Alaska

Children's Hospital
Master Plan, Los Angeles,
California

Pomona Valley Hospital
Medical Center, Pomona,
California

Travis Air Force Base,
Medical Center, California

Greenville Memorial Medical
Center: Master Plan,
Greenville, South Carolina

Children's Hospital,
Jacksonville, Florida

University of South Florida
Treatment and Research
Center, Tampa, Florida

Memorial Mission Medical
Center: Master Plan,
Asheville, North Carolina

Grady Memorial Hospital,
Atlanta, Georgia

**Asset
Management Com.**

ASSET MANAGEMENT COMMITTEE
Committee Chairman Cruikshank

Date: December 3, 1992

Time: Following the meeting of the Facilities Planning
and Construction Committee

Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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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 1992 and Report on Oil and Gas Development as of October 31, 1992.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for September and October 1992 and (b) Oil and Gas Development as of October 31, 1992, are submitted by the Executive Vice Chancellor for Business Affairs:

	<u>September 1992</u>	<u>October 1992</u>	<u>Cumulative Through October of this Fiscal Year (1992-1993)</u>	<u>Cumulative Through October of Preceding Fiscal Year (1991-1992)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$4,556,193.04	\$ 4,080,030.37	\$ 8,636,223.41	\$ 8,540,430.05	1.12%
Gas	1,183,903.82	1,457,731.56	2,641,635.38	2,031,303.18	30.05%
Sulphur	0.00	0.00	0.00	0.00	--
Water	100,204.87	73,877.97	174,082.84	120,842.13	44.06%
Brine	2,848.63	14,297.85	17,146.48	12,118.09	41.49%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Lease	32,984.06	103,192.41	136,176.47	175,251.30	-22.30%
Other	300.00	(5,312.30)	(5,012.30)	(1,048.00)	-378.27%
Sale of Sand, Gravel, Etc.	0.00	0.00	0.00	0.00	--
Total University Lands Receipts Before Bonuses	<u>5,876,434.42</u>	<u>5,723,817.86</u>	<u>11,600,252.28</u>	<u>10,878,896.75</u>	<u>6.63%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	69,887.70	69,887.70	0.00	--
Amendments and Extensions to Mineral Leases	0.00	0.00	0.00	0.00	--
Total University Lands Receipts	<u>5,876,434.42</u>	<u>5,793,705.56</u>	<u>11,670,139.98</u>	<u>10,878,896.75</u>	<u>7.27%</u>
Gain or (Loss) on Sale of Securities	<u>1,905,605.63</u>	<u>5,019,487.51</u>	<u>6,925,093.14</u>	<u>11,185,682.36</u>	<u>-38.09%</u>
TOTAL CLEARANCES	<u><u>\$7,782,040.05</u></u>	<u><u>\$10,813,193.07</u></u>	<u><u>\$18,595,233.12</u></u>	<u><u>\$22,064,579.11</u></u>	<u><u>-15.72%</u></u>

Oil and Gas Development - October 31, 1992
Acreage Under Lease - 640,138

Number of Producing Acres - 532,435

Number of Producing Leases - 2,489

2. Permanent University Fund: Report on Investments for the Fiscal Year Ended August 31, 1992.--

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, 1992. 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, 1992.

The Permanent University Fund book value of assets and earnings during the year is shown below:

	<u>Fiscal Year Ended 8/31</u>		<u>Increase (Decrease)</u>	
	<u>1991</u>	<u>1992</u>	<u>Amount</u>	<u>%</u>
Book Value	\$3,526,480,946	\$3,656,917,262	\$130,436,316	3.70%
Investment				
Income	257,659,365	256,553,548	(1,105,817)	(.43%)

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. Austin: Recommendation to Accept Gifts and Pledge to Establish Four Endowments 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 Acting President Livingston that gifts totalling \$1,737,253.75, comprised of 111,060 shares of Iomega Corporation common stock valued at \$937,068.75 and \$800,185 cash, and a pledge totalling \$2,762,746.25, payable by August 31, 1995, from Mr. and Mrs. Perry R. Bass, Fort Worth, Texas, for a total of \$4,500,000 be accepted to establish four endowments at U. T. Austin, as follows:

- a. Gifts totalling \$281,176.13, comprised of Iomega Corporation common stock valued at \$281,120.63 and \$55.50 cash, and \$718,823.87 of the pledge for a total of \$1,000,000 to establish an endowment in the College of Fine Arts to be named the Nancy Lee and Perry R. Bass Concert Hall.

Income earned from the endowment will be for unrestricted use in support of the U. T. Austin Performing Arts Center's Nancy Lee and Perry R. Bass Concert Hall.

- b. A \$300,000 gift and \$200,000 of the pledge for a total of \$500,000 to establish the Nancy Lee and Perry R. Bass President's Excellence Fund.

Income earned from the endowment will be used to supplement the salary of the President of U. T. Austin.

- c. Gifts totalling \$656,077.62, comprised of Iomega Corporation common stock valued at \$655,948.12 and \$129.50 cash, and \$1,343,922.38 of the pledge for a total of \$2,000,000 to establish the Nancy Lee and Perry R. Bass Regents Chair in Molecular Biology in the College of Natural Sciences.

It is further recommended that, based on the \$656,077.62 in gifts received, \$349,996.85 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$2,349,996.85.

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

- d. A \$500,000 gift and \$500,000 of the pledge for a total of \$1,000,000 to establish the Nancy Lee and Perry R. Bass Regents Chair in Marine Science at the Marine Science Institute.

It is further recommended that, based on the \$500,000 gift received, \$250,000 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$1,250,000.

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

BACKGROUND INFORMATION

In June 1991, Mr. and Mrs. Perry R. Bass, Fort Worth, Texas, announced their pledge of \$4,500,000 to U. T. Austin in celebration of their 50th wedding anniversary. Mr. Perry R. Bass is an oilman and investor. A nephew of Mr. Sid W. Richardson, he is President and Director of Perry R. Bass, Inc. and of the Sid W. Richardson Foundation, both of Fort Worth, Texas. Mrs. Perry R. (Nancy Lee) Bass received a B.A. in English in 1937 from U. T. Austin. Mrs. Bass is Vice President and Director of the Bass Foundation, Fort Worth, Texas, and the Sid W. Richardson Foundation. She was named a Distinguished Alumna of U. T. Austin in 1978 and is a member of the U. T. Austin Development Board. Both Mr. and Mrs. Bass have long been generous supporters of the U. T. System and U. T. Austin, in particular.

2. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the O. V. Bennett, Jr. Endowed Scholarship Fund in the Department of Intercollegiate Athletics for Men.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that a \$25,000 gift from Mr. O. V. Bennett, Jr., Austin, Texas, and a \$12,500 transfer of matching funds from the Second Century Fund for a total of \$37,500 be accepted to establish the O. V. Bennett, Jr. Endowed Scholarship Fund in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to student athletes in the men's athletics programs.

BACKGROUND INFORMATION

Mr. O. V. Bennett, Jr., Austin, Texas, received his B.B.A. in Finance in 1935 from U. T. Austin. He is a Life Member of The President's Associates, a member of the Littlefield Society, and a Life Member of the College of Business Administration Century Club. He has been an avid supporter of the Department of Intercollegiate Athletics for Men.

The Departments of Intercollegiate Athletics for Women and Intercollegiate Athletics for Men have jointly initiated a \$10,000,000 scholarship fund raising effort known as the Second Century Fund. Within the Second Century Fund, the Departments have adopted a program to match private gifts designated for student support endowments. Matching funds are being generated from gifts and other unrestricted funds available to the Departments.

3. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Judge Solomon Casseb, Jr. Research Professorship in Law in the School of Law.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that \$83,666.67 in gifts and \$16,333.33 in pledges, payable by August 31, 1994, from various donors for a total of \$100,000 be accepted to establish the Judge Solomon Casseb, Jr. Research Professorship in Law in the School of Law at U. T. Austin.

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

BACKGROUND INFORMATION

This endowment is being funded in honor of Judge Solomon Casseb, Jr., San Antonio, Texas, who attended the School of Law at U. T. Austin in 1938 and has held several judgeships within the State of Texas since 1960.

Primary among the donors to this endowment are the Texas law firms of Fulbright & Jaworski and Vinson & Elkins, both of Houston, Texas, and Mr. Joseph D. Jamail, Jr., Houston, Texas.

4. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Leon Danielian Endowed Presidential Scholarship in Dance in the College of Fine Arts 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 Acting President Livingston that \$25,634 in gifts and \$24,666 in pledges, payable by August 31, 1994, from various donors for a total of \$50,300 be accepted to establish the Leon Danielian Endowed Presidential Scholarship in Dance in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin.

It is further recommended that \$25,150 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$75,450.

Income earned from the endowment will be used for the benefit and development of exceptionally talented students in the Department of Theatre and Dance.

BACKGROUND INFORMATION

This endowment is being funded in honor of Mr. Leon Danielian, Austin, Texas, the Susan Menefee Ragan Regents Professor Emeritus of Fine Arts, in consideration of his significant contributions to the Department of Theatre and Dance, the College of Fine Arts, and U. T. Austin. Primary among the donors are Mrs. Louisa Stude Sarofim, Houston, Texas, and Dr. W. H. "Deacon" Crain, Austin, Texas.

See Item 4 on Page AAC - 5 related to the proposed naming of Room 2.116 of the F. Loren Winship Drama Building at U. T. Austin.

NO PUBLICITY

5. U. T. Austin: Recommendation to Accept Gift, Pledges, and Corporate Matching Funds to Establish the Patsy Cater Deaton Endowed Presidential Scholarship in the College of Fine Arts 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 Acting President Livingston that a \$5,000 gift and a \$1,250 pledge, payable by August 31, 1995, from Mrs. Elva H. Cater, Weslaco, Texas, and \$15,000 in corporate matching funds and a \$3,750 corporate matching funds pledge, payable by August 31, 1995, from the

Exxon Education Foundation, Irving, Texas, for a total of \$25,000 be accepted to establish the Patsy Cater Deaton Endowed Presidential Scholarship in the Department of Music, College of Fine Arts, at U. T. Austin.

It is further recommended that \$12,500 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarship support for music students with financial need.

BACKGROUND INFORMATION

This endowment is being funded by Mrs. Elva H. Cater, Weslaco, Texas, in memory of her daughter Patsy Cater Deaton who received her B.F.A. in Music Theory and Composition in 1952 from U. T. Austin.

6. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Noble Doss, Sr. Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that a \$25,000 gift of stock sale proceeds from Mr. Noble W. Doss, Sr., Austin, Texas, and a \$12,500 transfer of matching funds from the Second Century Fund for a total of \$37,500 be accepted to establish the Noble Doss, Sr. Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support for student athletes in the men's athletics program.

BACKGROUND INFORMATION

Mr. Noble W. Doss, Sr. received his B.S. in Physical Education in 1942 from U. T. Austin. He is a member of the Intercollegiate Athletics for Men Hall of Honor and has been a longtime supporter of men's athletics at U. T. Austin.

The Departments of Intercollegiate Athletics for Women and Intercollegiate Athletics for Men have jointly initiated a \$10,000,000 scholarship fund raising effort known as the Second Century Fund. Within the Second Century Fund, the Departments have adopted a program to match private gifts designated for student support endowments. Matching funds are being generated from gifts and other unrestricted funds available to the Departments.

7. U. T. Austin: Recommendation to Accept Gift to Establish the Marguerite Fairchild Endowed Presidential Scholarship in Music in the College of Fine Arts 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 Acting President Livingston that a \$25,000 gift from the I. D. and Marguerite Fairchild Foundation, Lufkin, Texas, be accepted to establish the Marguerite Fairchild Endowed Presidential Scholarship in Music in the Department of Music, College of Fine Arts, at U. T. Austin.

It is further recommended that \$12,500 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarships for orchestral students in the Department of Music.

BACKGROUND INFORMATION

The I. D. and Marguerite Fairchild Foundation, Lufkin, Texas, is funding this endowment in memory of Mrs. Marguerite Fairchild, a devoted music lover. As a member of the U. T. Board of Regents from 1935 to 1945, Mrs. Fairchild was instrumental in establishing the College of Fine Arts in 1938.

8. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the General Libraries Staff Honors Endowment in the General Libraries.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that a \$10,000 transfer of funds be accepted to establish a quasi-endowment in the General Libraries at U. T. Austin to be named the General Libraries Staff Honors Endowment.

Income earned from the endowment will be used to purchase library materials in honor of staff members chosen for outstanding contributions to the General Libraries' mission and programs. Additionally, a commemorative bookplate will be placed in the purchased books and a framed copy of the bookplate presented to the honoree.

BACKGROUND INFORMATION

Mr. Harold Billings, Director of the U. T. Austin General Libraries, has dedicated proceeds from the sale of gifted library materials, not needed for collections or circulation, to fund this endowment.

9. U. T. Austin: Recommendation to Redesignate Seven Endowments within the Colleges of Natural Sciences, Engineering, and Business Administration.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that seven previously established endowments at U. T. Austin be redesignated as follows:

<u>From</u>	<u>To</u>
<u>College of Natural Sciences</u> Gulf Oil Foundation Centennial Professorship in Geology established 6/17/83	<u>College of Natural Sciences</u> Chevron Centennial Professorship in Geology
<u>College of Engineering</u> Gulf Oil Foundation Centennial Teaching Fellowship in Petroleum Engineering established 6/17/83	<u>College of Engineering</u> Chevron Centennial Teaching Fellowship in Petroleum Engineering
Gulf Oil Foundation Centennial Teaching Fellowship in Chemical Engineering established 6/17/83	Chevron Centennial Teaching Fellowship in Chemical Engineering
Gulf Oil Foundation Centennial Fellowship in Engineering (No. 1) established 6/17/83	Chevron Centennial Fellowship in Engineering (No. 1)
Gulf Oil Foundation Centennial Fellowship in Engineering (No. 2) established 6/17/83	Chevron Centennial Fellowship in Engineering (No. 2)
<u>College of Business Administration</u> Gulf Oil Foundation Centennial Fellowship in Business (No. 1) established 6/17/83	<u>College of Business Administration</u> Chevron Centennial Fellowship in Business (No. 1)

<u>From</u>	<u>To</u>
<u>College of Business Administration</u>	<u>College of Business Administration</u>
Gulf Oil Foundation Centennial Fellowship in Business (No. 2) established 6/17/83	Chevron Centennial Fellowship in Business (No. 2)

This recommendation is being made in accordance with the donor's request to reflect the company's new name.

BACKGROUND INFORMATION

These seven endowments were established at the June 1983 meeting of the U. T. Board of Regents with a \$250,000 pledge from the Gulf Oil Foundation, Pittsburgh, Pennsylvania, and \$250,000 in matching funds from The Centennial Teachers and Scholars Program.

10. U. T. Austin: Recommendation to Accept Gifts to Establish the Swede and Nelda Hanson Endowed Scholarship in Community College Leadership in the College of Education 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 Acting President Livingston that \$39,599.49 in gifts from various donors be accepted to establish the Swede and Nelda Hanson Endowed Scholarship in Community College Leadership in the College of Education at U. T. Austin.

It is further recommended that matching funds in the amount of \$12,500 be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$52,099.49.

Income earned from the endowment will be used to provide scholarships to students in the College of Education who are concentrating their studies in the Community College Leadership Program.

BACKGROUND INFORMATION

Mr. and Mrs. R. A. "Swede" Hanson, Montgomery, Texas, have been longtime benefactors of the Community College Leadership Program in the College of Education at U. T. Austin. Mr. Hanson is a member of the Littlefield Society and The Chancellor's Council.

Primary among the donors are Mr. and Mrs. Hanson, Montgomery, Texas, the League for Innovation in the Community College, Laguna Hills, California, and Conesco, Inc., Carmel, Indiana.

11. U. T. Austin: Recommendation to Accept Gift to Establish the George W. Marshall, Jr. Memorial Endowed Presidential Scholarship in the College of Natural Sciences 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 Acting President Livingston that a gift of 531 shares of E. I. DuPont DeNemours & Company common stock valued at \$25,023.28 from Mrs. George W. Marshall, Jr., Houston, Texas, be accepted to establish the George W. Marshall, Jr. Memorial Endowed Presidential Scholarship in the Department of Geological Sciences, College of Natural Sciences, at U. T. Austin.

It is further recommended that \$12,511.64 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$37,534.92.

Income earned from the endowment will be used to assist graduate students in the Department of Geological Sciences.

BACKGROUND INFORMATION

Mrs. George W. Marshall, Jr. (Ada Mae), Houston, Texas, is funding this endowment in memory of her husband, Mr. George W. Marshall, Jr. Mr. Marshall received his B.S. in Geology in 1948 from U. T. Austin.

12. U. T. Austin: Recommendation to Accept Gift to Establish the NACDS Endowed Presidential Scholarship in Pharmacy in the College of Pharmacy 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 Acting President Livingston that a \$25,000 gift from the National Association of Chain Drug Stores Education Foundation, Alexandria, Virginia, be accepted to establish the NACDS Endowed Presidential Scholarship in Pharmacy in the College of Pharmacy at U. T. Austin.

It is further recommended that \$12,500 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarship support for students interested in community pharmacy practice.

BACKGROUND INFORMATION

Mr. Ronald L. Ziegler, President and Chief Executive Officer of the National Association of Chain Drug Stores (NACDS), Alexandria, Virginia, is a member of the Pharmaceutical Foundation Advisory Council.

13. U. T. Austin: Recommendation to Accept Gifts and Pledge to Establish the Thomas M. Phillips Endowed Presidential Scholarship in Law in the School of Law 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 Acting President Livingston that \$18,970 in gifts from various donors and a \$12,500 pledge, payable by August 31, 1995, from The University of Texas Law School Foundation for a total of \$31,470 be accepted to establish the Thomas M. Phillips Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin. The funds for the endowment are currently held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

It is further recommended that \$15,610 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$47,080. Upon approval of the matching allocation, the Law School Foundation will transfer all funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Thomas M. Phillips, Fayetteville, Texas, who had been a Life Member and Trustee of The University of Texas Law School Foundation. Mr. Phillips, a former member of The Chancellor's Council and The President's Associates, received his LL.B. in 1939 from U. T. Austin.

Primary among the donors are the family of Mr. Thomas M. Phillips and the law firm of Baker & Botts, Houston, Texas.

14. U. T. Austin: Recommendation to Accept Gift to Establish the John and Suanne Roueche Endowed Scholarship in Community College Leadership in the College of Education 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 Acting President Livingston that \$50,755.23 in gifts from various donors be accepted to establish the John and Suanne Roueche Endowed Scholarship in Community College Leadership in the College of Education at U. T. Austin.

It is further recommended that \$12,500 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$63,255.23.

Income from the endowment will be used to provide scholarship support to students in the College of Education who are concentrating their studies in the Community College Leadership Program.

BACKGROUND INFORMATION

Drs. John and Suanne Roueche, Austin, Texas, the League for Innovation in the Community College, Laguna Hills, California, and various donors are funding this endowment in support of the Community College Leadership Program. Dr. John Roueche is the holder of the Sid W. Richardson Regents Chair in Community College Leadership and has been Director of the Community College Leadership Program since 1971. Dr. Suanne Roueche received her Ph.D. in Educational Administration in 1976 from U. T. Austin and serves as Director of the National Institute for Staff and Organizational Development, an international consortium of more than 500 community colleges committed to educational excellence. The Roueches are both members of The President's Associates, the Littlefield Society, and The Chancellor's Council.

15. U. T. Austin: Recommendation to Accept Gifts, Corporate Matching Funds and Corporate Matching Funds Pledges to Establish the I. H. Silberberg Endowed Undergraduate Petrophysics Teaching Laboratory Fund in the College of Engineering.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that \$13,290 in gifts from various donors, \$11,950 in corporate matching funds, and \$4,900 in corporate matching funds pledges, payable by August 31, 1994, from various corporations for a total of \$30,140 be accepted to

establish the I. H. Silberberg Endowed Undergraduate Petrophysics Teaching Laboratory Fund in the Department of Petroleum Engineering, College of Engineering, at U. T. Austin.

Income earned from the endowment will be used for the general support of the laboratory.

BACKGROUND INFORMATION

Dr. I. H. Silberberg, Austin, Texas, received his B.S. in 1947, his M.S. in 1951, and his Ph.D. in 1958 from U. T. Austin. Dr. Silberberg has had a distinguished career with U. T. Austin, having been Assistant Director of the Texas Petroleum Research Committee, a lecturer, a special member of the Graduate Faculty, and a Graduate Advisor.

See Item 3 on Page AAC - 4 related to naming a laboratory in the Chemical and Petroleum Engineering Building.

16. U. T. Austin: Recommendation to Accept Gifts and Pledge to Establish the Harlan J. Smith Postdoctoral Fellowship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that \$22,289.77 in gifts from various donors and a \$25,000 pledge, payable by early 1993, from Mr. Donald Judd, Marfa, Texas, for a total of \$47,289.77 be accepted to establish the Harlan J. Smith Postdoctoral Fellowship at the U. T. Austin McDonald Observatory.

Income earned from the endowment will be used to provide support for postdoctoral fellowship appointments at the U. T. Austin McDonald Observatory.

BACKGROUND INFORMATION

This endowment is being funded in memory of Dr. Harlan J. Smith, Austin, Texas. Dr. Smith was the holder of the Edward Randall, Jr., M.D. Centennial Professorship in Astronomy, as well as the Chairman of the Department of Astronomy at U. T. Austin. Dr. Smith served as the first Director of the U. T. Austin McDonald Observatory and held the position for 26 years until 1989.

17. U. T. Austin: Recommendation to Accept Gift to Establish The Jesse Villarreal Endowment Fund in the College of Communication.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that a \$10,000 gift from Mr. William H. "Wil" Cowan, Austin, Texas, be accepted to establish The Jesse Villarreal Endowment Fund in the Department of Speech Communication, College of Communication, at U. T. Austin.

Income earned from the endowment will be used to provide personnel, equipment, space, and programmatic support for the Speech and Hearing Center in the College of Communication in order to facilitate the highest quality of operations and student training.

BACKGROUND INFORMATION

This endowment is being funded in memory of Dr. Jesse James Villarreal, Austin, Texas. Dr. Villarreal received his B.A. in 1935 and his M.A. in 1937 from U. T. Austin. He was a highly esteemed member of the faculty of the College of Communication at U. T. Austin from 1935 until his death in 1988.

Mr. William H. "Wil" Cowan, Austin, Texas, received his LL.B. from U. T. Austin in 1940.

18. U. T. Austin: Recommendation to Accept Gift to Establish the Carmage and Martha Ann Walls Endowed Presidential Scholarship in Journalism in the College of Communication 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 Acting President Livingston that a \$25,000 gift from Mr. and Mrs. B. Carmage Walls, Houston, Texas, be accepted to establish the Carmage and Martha Ann Walls Endowed Presidential Scholarship in Journalism in the Department of Journalism, College of Communication, at U. T. Austin.

It is further recommended that \$12,500 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarship support for journalism students who are from geographic areas served by Southern Newspapers, Inc. and Walls Investment newspapers, both of Houston, Texas.

BACKGROUND INFORMATION

This endowment is being funded by Mr. and Mrs. B. Carmage Walls, Houston, Texas, who have devoted their professional lives to newspaper publishing, particularly in the southern and southeastern U. S. Mr. Walls is owner of Walls Investment Company, Houston, Texas. Mrs. Walls is President and Chairman of the Board for Southern Newspapers, Inc., Houston, Texas.

19. U. T. Austin: Recommendation to Accept Gift to Establish the Welch Foundation Graduate Research Endowment Grant Program in the College of Natural Sciences 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 Acting President Livingston that a \$500,000 gift from The Robert A. Welch Foundation, Houston, Texas, be accepted to establish the Welch Foundation Graduate Research Endowment Grant Program in the Department of Chemistry and Biochemistry, College of Natural Sciences, at U. T. Austin.

It is further recommended that \$250,000 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$750,000.

Income earned from the endowment will be used to provide fellowship support to superior graduate students who enroll in the chemistry and biochemistry programs.

BACKGROUND INFORMATION

The Robert A. Welch Foundation, Houston, Texas, has made numerous contributions to U. T. Austin. Mr. Richard J. V. Johnson, President of The Robert A. Welch Foundation, is a member of the Littlefield Society at U. T. Austin.

20. U. T. Austin: Recommendation to Redesignate Five Endowments within the College of Business Administration and the Graduate School of Business and College of Engineering.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that five previously established endowments at U. T. Austin be redesignated as set out on Page AMC - 22.

<u>From</u>	<u>To</u>
<u>College of Business Administration and the Graduate School of Business</u>	<u>College of Business Administration and the Graduate School of Business</u>
NCNB Texas National Bank Centennial Professorship in Commercial Banking and Trust established 8/13/82	NationsBank of Texas, N.A., Centennial Professorship in Business Administration
Austin National Bank Centennial Fellowship in Business (#1) established 10/8/82	NationsBank of Texas, N.A., Centennial Fellowship (No. 1)
Austin National Bank Centennial Fellowship in Business (#2) established 10/8/82	NationsBank of Texas, N.A., Centennial Fellowship (No. 2)
Interfirst Bank, Dallas Endowed Centennial Lectureship established 4/8/82	NationsBank of Texas, N.A., Endowed Centennial Lectureship
<u>College of Engineering</u>	<u>College of Engineering</u>
NCNB Texas National Bank Centennial Professorship in Petroleum Engineering established 8/13/82	NationsBank of Texas, N.A., Centennial Professorship in Petroleum Engineering

This recommendation is being made at the request of the various donor banks which have merged and desire to have these endowments reflect the current name of their corporation.

BACKGROUND INFORMATION

The RepublicBank Corporation Centennial Professorship in Commercial Banking and Trust was established at the August 1982 meeting of the U. T. Board Regents and matching funds from The Centennial Teachers and Scholars Program were approved to establish the RepublicBank Corporation Centennial Professorship in Petroleum Engineering. At the August 1987 meeting, the U. T. Board of Regents approved the redesignation of the RepublicBank Corporation Centennial Professorship in Commercial Banking and Trust as the First RepublicBank Corporation Centennial Professorship in Business Administration and amended the endowment charter to broaden its use to "any area of business administration if all eligible banking professors already hold endowments." At the August 1991 meeting, the U. T. Board of Regents redesignated the First RepublicBank Corporation Centennial Professorship in Business Administration as the NCNB Texas National Bank Centennial Professorship in Commercial Banking and Trust and the RepublicBank Corporation Centennial Professorship in Petroleum Engineering as the NCNB Texas National Bank Centennial Professorship in Petroleum Engineering. The present redesignation to NationsBank of Texas, N.A., Centennial Professorship in Business Administration correctly reflects the August 1987 charter amendment which allows college-wide use in the College of Business Administration and Graduate School of Business, when appropriate.

The two Austin National Bank Centennial Fellowships in Business were established at the October 1982 meeting of the U. T. Board of Regents with matching funds from The Centennial Teachers and Scholars Program, made available by the establishment of The Leon Stone Centennial Professorship in Commercial Banking.

The First National Bank in Dallas Endowed Centennial Lectureship was established at the April 1982 meeting of the U. T. Board of Regents and approval was simultaneously given to change the name of the endowment to the Interfirst Bank, Dallas Endowed Centennial Lectureship upon the change in the corporate name that was anticipated to occur later in 1982.

21. U. T. Austin: Recommendation to Allocate Matching Funds from The Brackenridge Matching Program #2 for Addition to Previously Established Endowments.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that matching funds totalling \$251,961 be allocated from The Brackenridge Matching Program #2 to increase the previously established endowments at U. T. Austin as set out below:

<u>Eligible Endowment and Date of Establishment</u>	<u>Qualifying Gift</u>	<u>Matching Amount</u>
<u>School of Law</u>		
Professor William W. Gibson, Jr. Endowed Presidential Scholarship in Law established 6/11/92	\$25,000.00	\$12,500.00
Dean Ira P. Hildebrand Endowed Presidential Scholarship in Law established 6/11/92	\$25,000.00	\$12,500.00
Dean John F. Sutton, Jr. Endowed Presidential Scholarship in Law established 6/11/92	\$25,000.00	\$12,500.00
Charles C. Keeble and Charles C. Keeble, Jr. Endowed Presidential Scholarship in Oil and Gas/Energy Law established 8/13/92	\$25,000.00	\$12,500.00

The funds for the following endowments are currently held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. Upon approval of the matching allocation, the Law School Foundation will transfer all funds held for these endowments to the U. T. Board of Regents.

<u>Eligible Endowment and Date of Establishment</u>	<u>Qualifying Gift</u>	<u>Matching Amount</u>
<u>School of Law</u>		
Atlas & Hall Endowed Presidential Scholarship in Law established 4/9/92	\$25,000.00	\$12,500.00
Mack G. and Beatrice C. De Leon Endowed Presidential Scholarship in Law established 4/9/92	\$25,000.00	\$12,500.00
Corwin W. Johnson - Class of '64 Endowed Presidential Scholarship in Law established 4/9/92	\$45,000.00	\$22,500.00
Jesse P. Luton, Jr. Endowed Presidential Scholarship in Law established 4/9/92	\$25,000.00	\$12,500.00
Marion and Mark Martin Endowed Presidential Scholarship in Law established 4/9/92	\$25,408.00	\$12,704.00
Nelson Phillips Endowed Presidential Scholarship in Law established 4/9/92	\$25,000.00	\$12,500.00
Thomas B. Ramey, Sr. Endowed Presidential Scholarship in Law established 4/9/92	\$25,000.00	\$12,500.00
Ralph W. Yarborough Endowed Presidential Scholarship in Environmental and Public Service Law established 4/9/92	\$96,000.00	\$48,000.00
Scott and Nancy Atlas Endowed Presidential Scholarship in Law established 8/13/92	\$25,000.00	\$12,500.00
Harry and Mar Siu Gee Endowed Presidential Scholarship in Immigration Law established 8/13/92	\$25,000.00	\$12,500.00
Lisa Atlas Genecov and Dr. Jeffrey S. Genecov Endowed Presidential Scholarship in Law established 8/13/92	\$25,000.00	\$12,500.00
Class of 1942 Endowed Presidential Scholarship in Law established 8/13/92	\$37,515.00	\$18,757.00

BACKGROUND INFORMATION

The Brackenridge Matching Program #2 and guidelines for matching gifts were approved at the October 1992 meeting of the U. T. Board of Regents to match contributed monies and pledges received on or after September 1990 to endow or function as an endowment to benefit academic positions, student fellowships and scholarships, and library support or to add to existing endowments for these purposes.

22. U. T. Austin: Recommendation to Allocate Matching Funds from The Regents' Endowment Program for Addition to Previously Established Endowments.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Acting President Livingston that matching funds totalling \$196,848.50 be allocated from The Regents' Endowment Program to increase the previously established endowments at U. T. Austin as follows:

<u>Eligible Endowment and Date of Establishment</u>	<u>Qualifying Gift</u>	<u>Matching Amount</u>
<u>College of Natural Sciences</u>		
Laura Thomson Barrow Graduate Fellowship established 12/7/89	\$20,000.00	\$10,000.00
Bloomer Fund for Motivated Students established 4/10/81	\$15,295.00	\$7,647.50
<u>College of Liberal Arts</u>		
Dedman Merit Scholars Program Endowment established 6/5/86	\$253,001.44	\$126,501.00
<u>Interdisciplinary</u>		
The Ex-Students' Association Endowed Scholarships established 8/11/88	\$80,400.00	\$40,200.00
<u>School of Law</u>		
Clinton F. Morse Endowed Presidential Scholarship in Law established 12/6/90	\$10,000.00	\$5,000.00

<u>Eligible Endowment and Date of Establishment</u>	<u>Qualifying Gift</u>	<u>Matching Amount</u>
<u>Harry Ransom Humanities Research Center</u>		
Ransom Collection Development Endowment for Modern Literature established 6/11/92	\$15,000.00	\$7,500.00

BACKGROUND INFORMATION

The guidelines for matching gifts under The Regents' Endowment Program were adopted by the U. T. Board of Regents at the February 1992 meeting following authorization by the 72nd Legislature allowing use of Available University Funds to match gifts for endowed academic positions, student fellowships and scholarships, and library support endowments.

The recommendation regarding the matching fund allocation for the Dedman Merit Scholars Program Endowment is based on proceeds realized from the sale of stock and is consistent with a previous agreement with the donor to match funds for the Program which are placed in the U. T. System Common Trust Fund.

23. U. T. El Paso: Recommendation to Accept Gifts to Establish The Miguel Izquierdo Teaching Excellence Award Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that gifts in excess of \$12,000 from the Miguel Izquierdo Tribute Committee, El Paso, Texas, be accepted to establish an endowment at U. T. El Paso to be named The Miguel Izquierdo Teaching Excellence Award Fund.

Income earned from the endowment will be used to provide a teaching excellence award to an outstanding professor of Electrical Engineering or Physics, with the award to alternate annually between the two departments.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Miguel Izquierdo, El Paso, Texas, who had been an Associate Professor at U. T. El Paso prior to his death. Mr. Izquierdo, who received his degree from the Texas College of Mines (now U. T. El Paso) in 1948, worked as an engineer throughout the U. S. and Mexico before joining the faculty of U. T. El Paso in 1971. During his tenure, he was devoted to convincing young Hispanics that a college education was within their reach.

24. U. T. El Paso: Abraham Winters Memorial Scholarship - Recommendation to Accept Additional Gift and Redesignate as The Judith and Abraham Winters - B'nai B'rith Women Scholarship Endowment.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$7,117 gift from the B'nai B'rith Women, El Paso Chapter 540, El Paso, Texas, be accepted for addition to the Abraham Winters Memorial Scholarship at U. T. El Paso for a total endowment of \$10,733.67 and that the Scholarship be redesignated as The Judith and Abraham Winters - B'nai B'rith Women Scholarship Endowment.

This recommendation is being made with the approval of the U. T. System Office of General Counsel.

BACKGROUND INFORMATION

The Abraham Winters Memorial Scholarship was established at the September 1968 meeting of the U. T. Board of Regents with a \$2,500 gift from Mrs. Judith Winters, El Paso, Texas, made in memory of her husband, Mr. Abraham Winters. Mrs. Winters is now deceased and the B'nai B'rith Women, El Paso Chapter 540, El Paso, Texas, has made this addition to the endowment from monies they have used to fund an annual Abraham Winters - B'nai B'rith Scholarship since 1967.

25. U. T. El Paso: Recommendation to Accept Gift to Establish The Woman's Auxiliary of The University of Texas at El Paso Endowment Memorial Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$10,000 gift from the Woman's Auxiliary of The University of Texas at El Paso, El Paso, Texas, be accepted to establish The Woman's Auxiliary of The University of Texas at El Paso Endowment Memorial Scholarship Fund at U. T. El Paso.

Income earned from the endowment will be used to award scholarships to deserving students who meet the minimum academic guidelines established by the Scholarship Office of U. T. El Paso.

BACKGROUND INFORMATION

This endowment is being funded to continue the mission of the Woman's Auxiliary of The University of Texas at El Paso, El Paso, Texas, which was established in 1924 to help the El Paso community through U. T. El Paso.

26. U. T. San Antonio: Recommendation to Accept Gift and Pledge to Establish The Alamo Group Endowed Faculty Development Fund in Engineering.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that a \$10,000 previously reported gift and a \$40,000 pledge, payable by December 31, 1996, from Alamo Group Inc., San Antonio, Texas, for a total of \$50,000 be accepted to establish The Alamo Group Endowed Faculty Development Fund in Engineering at U. T. San Antonio.

Income earned from the endowment will be used for faculty development in the College of Sciences and Engineering.

BACKGROUND INFORMATION

Alamo Group Inc., San Antonio, Texas, is funding this endowment in support of the San Antonio Engineering and Bioscience Initiative approved by the U. T. Board of Regents at the December 1988 meeting. Mr. Donald J. Douglass, San Antonio, Texas, Founder and Chief Executive of Alamo Group Inc., received his B.S. in Mechanical Engineering in 1954 from U. T. Austin. He is a member of the Executive Committee of The Chancellor's Council and a member of the U. T. San Antonio Development Board.

27. U. T. San Antonio: Recommendation to Accept Gift to Establish The Hobby Foundation Endowed Faculty Development Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that a previously reported gift of \$50,000 from the Hobby Foundation, Houston, Texas, be accepted to establish The Hobby Foundation Endowed Faculty Development Fund at U. T. San Antonio.

Income earned from the endowment will be used for the recruitment and retention of highly qualified faculty for the development of U. T. San Antonio's doctoral programs in biology, computer science, and engineering.

BACKGROUND INFORMATION

The Hobby Foundation, Houston, Texas, is funding this endowment in support of the "San Antonio Engineering and Bioscience Initiative" private fund raising campaign approved by the U. T. Board of Regents at the December 1988 meeting. The

Hobby Foundation was founded in 1947 by Governor William P. Hobby and Mrs. Oveta Culp Hobby for the support of religious, educational, and charitable purposes.

28. U. T. San Antonio: Recommendation to Accept Gifts and Pledge to Establish The Robert F. McDermott Endowed Faculty Development Fund (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that a \$200,000 gift, a \$200,000 previously reported gift, and a \$600,000 pledge, payable by December 31, 1995, from the United Services Automobile Association (USAA), San Antonio, Texas, for a total of \$1,000,000 be accepted to establish The Robert F. McDermott Endowed Faculty Development Fund at U. T. San Antonio.

Income earned from the endowment will be used to recruit and relocate faculty members, to provide start-up funds for research, and to develop and expand research teaching programs.

BACKGROUND INFORMATION

USAA, San Antonio, Texas, is funding this endowment in support of the San Antonio Engineering and Bioscience Initiative approved by the U. T. Board of Regents at the December 1988 meeting. USAA is a responsible corporate citizen and a major employer in San Antonio that has long been interested in the quality of education and in supporting many programs and initiatives in the public school systems to help young people stay in school and succeed.

General Robert F. McDermott, San Antonio, Texas, a retired Brigadier General in the U. S. Air Force, is Chairman of the Board of USAA, San Antonio, Texas. General McDermott has provided invaluable direction to the City of San Antonio and to U. T. San Antonio and has been a tremendous leader in the city's effort to transform itself into a center for biotechnology. General McDermott has long been a strong supporter of U. T. System component institutions.

NO PUBLICITY

29. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift to Establish the Fouad A. Bashour Cardiology Fund Endowment 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 \$250,000 gift from Cardiology Fund, Inc., Dallas, Texas, be accepted to establish the Fouad A. Bashour Cardiology Fund Endowment at the U. T. Southwestern Medical Center - Dallas.

Income earned from the endowment will be used to support the work of faculty members in physiology and cardiovascular science.

It is further recommended that the actual income earned on the \$250,000 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

The Cardiology Fund, Inc., Dallas, Texas, is a nonprofit organization established in 1967 to support cardiovascular teaching and research programs. Dr. Fouad A. Bashour, President of the Cardiology Fund, Inc., has been a member of the faculty at the U. T. Southwestern Medical Center - Dallas since 1959 and has established himself as a distinguished teacher, researcher, and clinical cardiologist.

30. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gifts to Establish the Fouad A. Bashour Chair in Physiology 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 \$250,000 gift from the Cardiology Fund, Inc., Dallas, Texas, and a \$250,000 gift from Mr. Cecil Green, Dallas, Texas, for a total of \$500,000 be accepted to establish a term endowment at the U. T. Southwestern Medical Center - Dallas to be named the Fouad A. Bashour Chair in Physiology.

Income earned from the endowment will be used to support the Chair in the Department of Physiology.

It is further recommended that the actual income earned on \$500,000 in gifts 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 Cardiology Fund, Inc., Dallas, Texas, is a nonprofit organization established in 1967 to support cardiovascular teaching and research programs. Dr. Fouad A. Bashour, President of the Cardiology Fund, Inc., has been a member of the faculty at U. T. Southwestern Medical Center - Dallas since 1959 and has established himself as a distinguished teacher, researcher, and clinical cardiologist.

Qualification of the Fouad A. Bashour Chair in Physiology for eligibility of matching funds under the Texas Eminent Scholars Program has been reviewed and approved by the U. T. System Office of General Counsel.

Upon Dr. Bashour's retirement, the Fouad A. Bashour Chair in Physiology will terminate and its funds will be added to the previously established Fouad A. Bashour Chair in Cardiovascular Physiology at the U. T. Southwestern Medical Center - Dallas. At that time, Regental action will be requested to redesignate the Fouad A. Bashour Chair in Cardiovascular Physiology as the Fouad A. Bashour Distinguished Chair in Physiology.

See Item 2 on Page HAC - 2 regarding a proposed appointment to this Chair.

31. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gifts and Pledges to Establish the Robert Erik Boehning Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that \$21,325 in gifts from various donors and \$28,000 in pledges, payable by December 31, 1997, from various donors for a total of \$49,325 be accepted to establish the Robert Erik Boehning Scholarship Fund at the U. T. Southwestern Medical Center - Dallas.

Income earned from the endowment will be used to award scholarships to outstanding entering medical students at the U. T. Southwestern Medical School - Dallas.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Rob Boehning, Dallas, Texas, by his aunt and uncle, Dr. and Mrs. Richard K. Archer, Amarillo, Texas, and their four children, all of whom are alumni of the U. T. Southwestern Medical Center - Dallas.

Mr. Boehning was the son of the U. T. Southwestern Medical Center - Dallas alumnus Dr. and Mrs. Harold Boehning, Dallas, Texas.

32. U. T. Southwestern Medical Center - Dallas: Gail Griffiths Hill Professorship in Cardiology - Recommendation to Accept Additional Gift and Redesignate as the Gail Griffiths Hill Chair in Cardiology 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 \$106,960.41 gift from The Sweetheart Ball Committee, Dallas, Texas, be accepted for addition to the Gail Griffiths Hill Professorship in Cardiology at the U. T. Southwestern Medical Center - Dallas for a total endowment of \$509,985.41 and that the Professorship be redesignated as the Gail Griffiths Hill Chair in Cardiology.

It is further recommended that the actual income that will be earned on the \$106,960.41 gift as well as \$127,025 in previously received gifts for a total of \$233,985.41 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 Gail Griffiths Hill Visiting Professorship in Cardiology was established at the October 1984 meeting of the U. T. Board of Regents with a \$65,000 gift from The Sweetheart Ball Committee, Dallas, Texas. At the February 1986 meeting of the U. T. Board of Regents, an additional gift of \$45,000 from The Sweetheart Ball Committee was accepted and the endowment was redesignated as the Gail Griffiths Hill Professorship in Cardiology. The actual income to be earned on both of these gifts was certified, respectively, for matching funds under the Texas Eminent Scholars Program. At the February 1989 meeting, the U. T. Board of Regents certified the actual income earned on another \$166,000 in additional gifts for matching funds under the Texas Eminent Scholars Program.

33. U. T. Southwestern Medical Center - Dallas: Proposal to Accept Gift of Real Property from the Cardiology Fund, Inc., Dallas, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for Asset Management, and President Wildenthal to accept a donation of property from the Cardiology Fund, Inc., Dallas, Texas, for the benefit of the U. T. Southwestern Medical Center - Dallas. This gift of land and improvements located at 5140 Seneca Drive, Dallas, Texas, is to be identified as "Bashour House." It is the intention of the Cardiology Fund, Inc. Board of Directors that this property be made available for use as a residence for the President of U. T. Southwestern Medical Center - Dallas or other senior staff as designated by the President. If the property is ever sold, the net proceeds from the sale will be added to the corpus of the Fouad A. Bashour Cardiology Fund Endowment.

This gift is subject to approval by the Internal Revenue Service by means of a closing agreement to receive final execution prior to November 30, 1992.

BACKGROUND INFORMATION

The Cardiology Fund, Inc., Dallas, Texas, a nonprofit organization established in 1967 to support cardiovascular teaching and research programs, has voted to dissolve itself and donate all its assets to the U. T. Southwestern Medical Center - Dallas. The Fouad A. Bashour Cardiology Fund Endowment was established to support physiology and cardiovascular science research and teaching, and in the event of a sale of this real property, the net proceeds will be applied to this fund. Dr. Fouad A. Bashour, President of the Cardiology Fund, has been a member of the faculty at the U. T. Southwestern Medical Center - Dallas since 1959 and has established himself as a distinguished teacher, researcher, and clinical cardiologist.

See Item 29 on Page AMC - 30 related to establishment of the Fouad A. Bashour Cardiology Fund Endowment.

34. U. T. Health Science Center - Houston: Recommendation to Accept Gift and Pledge to Establish the Dr. Heyl G. Tebo Endowed Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that a \$35,000 gift and a \$65,000 pledge, payable by December 31, 1994, from Heyl G. Tebo, D.D.S., Houston, Texas, for a total of \$100,000 be accepted to establish the Dr. Heyl G. Tebo Endowed Scholarship Fund at the U. T. Dental Branch - Houston of the U. T. Health Science Center - Houston.

Ninety percent of the income earned from the endowment will be used to award scholarships to graduate students at the U. T. Dental Branch - Houston, based on financial need and academic achievement, with priority given to native Texans. The remaining ten percent of income earned will be reinvested in the corpus of the endowment.

BACKGROUND INFORMATION

Heyl G. Tebo, D.D.S, Houston, Texas, an educator, author, and historian, began as a teaching fellow at the U. T. Dental Branch - Houston in 1947. He served in various capacities at the U. T. Dental Branch - Houston until his retirement in 1986 when he was named Emeritus Professor of Anatomical Sciences.

35. U. T. Health Science Center - San Antonio: Distinguished Professorship in Oral and Maxillofacial Surgery - Recommendation to Accept Additional Gifts and Redesignate as the Chair in Oral and Maxillofacial Surgery.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that a \$10,000 gift from the American Association of Oral and Maxillofacial Surgeons, Rosemont, Illinois, and \$66,313 in gifts from various donors for a total of \$76,313 be accepted for addition to the Distinguished Professorship in Oral and Maxillofacial Surgery at the U. T. Health Science Center - San Antonio. These funds will increase the endowment to a total of \$508,813, and it is recommended that the Distinguished Professorship be redesignated as the Chair in Oral and Maxillofacial Surgery.

BACKGROUND INFORMATION

The Distinguished Professorship in Oral and Maxillofacial Surgery was established at the August 1989 meeting of the U. T. Board of Regents with a \$250,000 transfer of MSRDP funds. At the October 1990 meeting of the U. T. Board of Regents, a \$100,000 transfer of MSRDP funds was accepted for addition to the endowment.

36. U. T. M.D. Anderson Cancer Center: Estate of R. Carson Allan, Houston, Texas - Final Report.--

REPORT

The Chancellor reports that the final distribution from the Estate of R. Carson Allan, Houston, Texas, has been received for a total bequest of \$413,917.89 to be used to support cancer research at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

At the February 1988 meeting, the U. T. Board of Regents accepted a bequest of approximately \$500,000 from the Estate of R. Carson Allan, Houston, Texas. Mr. Allan's Will specified that the funds be used for cancer research. Although Mr. Allan had no known affiliation with the U. T. M.D. Anderson Cancer Center, his interest in the furtherance of cancer research is evidenced by his generous bequest.

37. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Dorothy M. Larson, Ormond Beach, Florida.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$25,000 bequest from the Estate of Dorothy M. Larson, Ormond Beach, Florida, be accepted pursuant to a settlement agreement dated July 31, 1992, to support research and the purchase of equipment at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

In her Last Will and Testament, Dorothy M. Larson, Ormond Beach, Florida, made a bequest of \$50,000 to the American Cancer Society and the U. T. M.D. Anderson Cancer Center.

Due to the ambiguity of the wording in Mrs. Larson's Will, a settlement agreement was entered into by the American Cancer Society and the U. T. M.D. Anderson Cancer Center to divide the bequest equally between the two institutions.

Although Mrs. Larson had no known affiliation with the U. T. M.D. Anderson Cancer Center, her interest in the furtherance of cancer research is evidenced by her generous bequest.

38. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Gift to Establish the Charles M. McBride Professorship in Surgical Oncology.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$225,000 transfer of current restricted funds be accepted to establish a quasi-endowment at the U. T. M.D. Anderson Cancer Center to be named the Charles M. McBride Professorship in Surgical Oncology.

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

BACKGROUND INFORMATION

This Professorship is being established in memory of Dr. Charles M. McBride, Houston, Texas, who was a Professor of Surgery at the U. T. M.D. Anderson Cancer Center at the time of his death.

39. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Transfer of Funds to Establish the Naguib A. Samaan Professorship in Endocrinology.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$250,000 transfer of designated funds be accepted to establish a quasi-endowment at the U. T. M.D. Anderson Cancer Center to be named the Naguib A. Samaan Professorship in Endocrinology.

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

BACKGROUND INFORMATION

For many years, Naguib A. Samaan, M.D., Houston, Texas, served on the faculty of the U. T. M.D. Anderson Cancer Center in the Division of Medicine as a Professor of Medicine, specializing in the field of endocrinology. Prior to his retirement in 1992, Dr. Samaan had several designated funds accounts, totalling \$272,638.82, which were assigned to him. At Dr. Samaan's suggestion, the U. T. M.D. Anderson Cancer Center is consolidating these accounts to fund this quasi-endowment.

ASSET MANAGEMENT COMMITTEE

ADDITIONAL ITEM

DECEMBER 3, 1992

II. TRUST AND SPECIAL FUNDS

40. U. T. Medical Branch - Galveston; Recommendation to Accept Gift and Transfer of Funds to Establish The UTMB at Galveston Medical Student Aid Endowment.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$1,000,000 gift from The Carl J. Herzog Foundation, Inc., Stamford, Connecticut, and a \$1,000,000 transfer of institutional designated funds for a total of \$2,000,000 be accepted to establish The UTMB at Galveston Medical Student Aid Endowment at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to provide financial assistance to students at the U. T. Medical Branch - Galveston.

BACKGROUND INFORMATION

The Carl J. Herzog Foundation, Inc., Stamford, Connecticut, was founded in 1957 to promote medical research and general support for hospitals. The Carl J. Herzog Foundation, Inc. has supported the U. T. Medical Branch - Galveston, specifically in the Department of Dermatology, for many years.

III. OTHER MATTERS

1. 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 below 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 [Executive] 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 [Executive] 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 average maturity of the fixed income portfolio shall not exceed 12 years.
- Less than five percent of the voting securities of a corporation may be owned unless additional ownership is specifically authorized by the [Executive] 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 February 13, 1992. This Amendment to the Permanent University Fund Investment Policy Statement is proposed in response to an agreement at the October 1, 1992 joint meeting of the Investment Advisory Committee and the Asset Management Committee that the average maturity of the fixed income portfolio shall not exceed 12 years. This decision recognizes that the PUF is not a total return fund and that a primary objective of the fixed income portfolio is to generate sustainable levels of income over the long term with which to fund PUF bonds debt service and payout to U. T. Austin. A 12-year portfolio average maturity was deemed appropriate in controlling reinvestment risk and fluctuations in investment income.

2. U. T. System: Proposed Amendments to the Institutional Funds Investment Policy.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that The University of Texas System Institutional Funds Investment Policy be amended as set forth below in congressional style:

THE UNIVERSITY OF TEXAS SYSTEM
INSTITUTIONAL FUNDS INVESTMENT POLICY

BACKGROUND

The investment of funds (excluding those required to be deposited in the State Treasury or classified as endowment, trust or agency funds) of or under the control of component institutions of The University of Texas System is governed by: a: the Public Funds Investment Act of 1987 (Article 842a-2, V.A.C.S.), as amended, b: Section 404, Government Code, and, c: Article 6252-5a, V.A.C.S. This policy is written in compliance with Section 5 of the Public Funds Investment Act of 1987 which requires that investments be made in accordance with written policies approved by the governing body of an institution of higher education. It applies to all existing institutions of The University of Texas System and any other institution or branch hereafter operated by or under the jurisdiction of the Board of Regents.

INVESTMENT OBJECTIVE

The primary objective of the institutional funds investment program is to generate a high rate of income and secondly to produce capital appreciation when [maximize-investment-yield] consistent with the reasonable preservation of principal and the maintenance of adequate liquidity. Within the exposure limits contained herein, investments shall be diversified among authorized investment categories and issuers in order to minimize portfolio risk for a given level of expected return. Volatility of interest rates is expected, and therefore, periodic maturities of portions of each portfolio afford opportunities to restructure portfolios through yield and maturity adjustment.

AUTHORIZED INVESTMENTS

Institutional funds [of-any-U-T-System-component] may be invested in the following securities:

1. U. S. Treasury Obligations
 - includes obligations of agencies and instrumentalities
 - Term: 5 years or less (unless otherwise approved by Vice Chancellor [EVE] for Asset Management)
 - Quality Rating: none
 - Security: none
 - Exposure Limits:
 - a) To Investment Category [%-of-component investable-balances]: no limit
 - b) To any one Issuer: no limit
[{}--Component-Level--no-limit]
[{}-System-Level--no-limit]

2. State of Texas Obligations
 - includes direct obligations of agencies
 Term: 5 years or less (unless otherwise approved by Vice Chancellor [EVE] for Asset Management)
 Quality Rating: none
 Security: none
 Exposure Limits:
 a) To Investment Category [%-of-component investable-balances]: no limit
 b) To any one Issuer: no limit
 [~~i~~---Component-Level---no-limit]
 [~~ii~~---System-Level---no-limit]
3. Guaranteed/Insured Obligations
 Term: 5 years or less (unless otherwise approved by Vice Chancellor [EVE] for Asset Management)
 Quality Rating: none
 Security: principal of and interest on obligations unconditionally guaranteed or insured by:
 a) the U. S. or its agencies and instrumentalities, or,
 b) the State of Texas
 Exposure Limits:
 a) To Investment Category [%-of-component investable-balances]: no limit
 b) To any one Issuer: no limit
 [~~i~~---Component-Level---no-limit]
 [~~ii~~---System-Level---no-limit]
4. Municipal Obligations
 - includes obligations of states, agencies, counties, cities and other potential subdivisions of any state
 Term: 5 years or less (unless otherwise approved by Vice Chancellor [EVE] for Asset Management)
 Quality Rating: not less than A or its equivalent by a nationally recognized investment rating firm.
 Exposure Limits:
 [~~lesser-of~~]
 a) To Investment Category: 20% of Fund net assets [50%-of-component-investable balances]
 b) To any one Issuer: 2% Fund net assets
 [~~i~~---\$25-million-at-Component-Level]
 [~~ii~~---\$50-million-at-System-Level]
5. Bank Certificates of Deposit
 - issued by state and national banks domiciled in Texas
 Term: maximum 2 years (unless otherwise approved by Vice Chancellor [EVE] for Asset Management)
 Quality Rating: n. a.
 Security: a. guaranteed or insured by F.D.I.C. (or its successor), or [7]
 b. (i) secured by U. S. Treasury obligations [i-4-above] with a market value greater than or equal to [≥] principal amount of certificates, or

- (ii) in any other manner and amount as provided by law and consistent with the bank depository agreement.

Exposure Limits:

- a) To Investment Category [%-of-component investable-balances]: no limit
- b) To any one Issuer: no limit
 - (i) Fund [Component] Level: no limit
 - (ii) Component Level: per component policy as approved by Executive Vice Chancellor for Business Affairs [System-Level:--no-limit]

6. S&L Association Certificates of Deposit

- issued by savings and loan associations domiciled in Texas

Term: maximum 2 years (unless otherwise approved by Vice Chancellor [EVE] for Asset Management)

Quality Rating: n. a.

- Security:
- a. guaranteed or insured by F.S.L.I.C. (or its successor), or,
 - b. (i) secured by U. S. Treasury obligations [≥-4-above] with a market value greater than or equal to [≥] principal amount of certificates, or,
 - (ii) in any other manner and amount as provided by law and consistent with the bank depository agreement.

Exposure Limits:

- a) To Investment Category [%-of-component investable-balances]: no limit
- b) To any one Issuer: no limit
 - (i) Fund [Component] Level: no limit
 - (ii) Component Level: per component policy as approved by Executive Vice Chancellor for Business Affairs [System-Level:--no-limit]

7. Bankers Acceptances

- accepted by a bank organized and existing under the laws of the U. S. or any state

Term: maximum 270 days from date of issuance

Quality Rating: Bank (or holding company of which bank is largest subsidiary) short term rating of at least A-1, P-1 or equivalent by at least one nationally recognized credit rating agency.

Security: none

Exposure Limits:

[Lesser-of:]

- a) To Investment Category: 10% of Fund net assets [50%-of-component-investable balances]
- b) To any one Issuer: 2% of Fund net assets [(i)--\$25-million-at-component-level] [(ii)--\$50-million-at-system-level]

Miscellaneous: will be liquidated in full at maturity per its terms accepted by a bank organized and existing under the laws of the U. S. or any state.

8. Commercial Paper

Term: maximum 270 days from date of issuance

- Quality Rating: (i) rated at least A-1, P-1, or the equivalent by at least two nationally recognized credit rating agencies, or [7]
- (ii) 1. rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency, and,
2. is fully secured by a letter of credit from a bank existing under the laws of the U. S. or any state thereof and with a short term rating of at least A-1, P-1, or equivalent by at least one nationally recognized credit rating agency.

Security: none

Exposure Limits:

[~~besser-of~~]

- a) To Investment Category: 50% of Fund net assets [50%-of-component-investable balances]
- b) To any one Issuer: 6% of Fund net assets [1]--\$25-million-at-component-level [1]--\$75-million-at-System-level]

9. Repurchase and Reverse Repurchase Agreements

- for direct obligations of the U. S. or its agencies and instrumentalities and with a defined termination date

Term: maximum 60 days

Quality Rating: none

Security: direct obligations of the U. S. or its agencies and instrumentalities (must be pledged with a third party selected or approved by the Vice Chancellor for [Office-of] Asset Management, and placed through a primary government securities dealer or a bank domiciled in Texas (as approved by the Vice Chancellor for Asset Management).

Exposure Limits:

[~~lesser-of~~]

- a) To Investment Category: 50% of Fund net assets [50%-of-component-investable balances]
- b) To any one Dealer/Bank: \$100 million [1]--\$25-million-at-component-level [1]--\$50-million-at-System-level]

10. Bank Common Trust Funds

- must be owned or administered by banks domiciled in Texas and consist of obligations 1-9 above
- must seek to maintain a stable net asset value of \$1 per share
- must be preapproved by the Office of Asset Management.

Term: n. a.

Quality Rating: none

Security: none

Exposure Limits:

lesser of:

- a) 20% of average monthly investable balances (excluding bond proceeds)
- b) To Issuer:
 - (i) 10% of fund total assets

Miscellaneous: must comply with Internal Revenue Code of 1986 and other federal regulations governing the investment of tax exempt bond proceeds and must meet the cash flow requirements and the investment needs of the institution.

11. Money Market Mutual Funds

- must be a SEC registered, no load fund pre-approved by the Office of Asset Management. Fund must have assets consisting of obligations 1-9 above and must seek to maintain a stable net asset value of \$1 per share.

Term: none (fund must have a dollar weighted average portfolio maturity of 120 days or less)

Quality Rating: none

Security: none

Exposure Limits:

Lesser of:

- a) 20% of average monthly institutional funds investable balances (excluding bond proceeds)
- b) To any one mutual fund [Issuer]:
 - (i) 10% of fund total assets

BIDS

Investments in bank common trust funds may be made only after oral or written competitive bids have been solicited from at least three banks located within Texas. Investments in bank and S&L certificates of deposits may be made after electronic, oral or written bids have been solicited.

INVESTMENT MANAGEMENT

Overall fiduciary responsibility for the investment of institutional funds resides with the U. T. Board of Regents. U. T. System component institutions shall be responsible for the allocation of investments between eligible money market funds, collateralized bank and S&L certificates of deposit and the Fund subject to prescribed limits for each U. T. System component institution. The Fund shall be managed per the terms of the Fund Information Memorandum and governed by a nine member Advisory Board consisting of representatives from U. T. System component institutions and System Administration. The Advisory Board shall approve investment policy, selection and evaluation of the Fund investment manager and other Fund agents and annual Fund budgets. Fund portfolio management shall be the responsibility of the Office of Fixed Income Investments for an initial period of five years. The Fund shall be administered on a day to day basis by the Office of Asset Management. [Overall-fiduciary-responsibility-for investment-of-institutional-funds-resides-with-the-Board-of Regents--The-Office-of-Asset-Management--in-consultation-with the-institutional-chief-fiscal-officers--shall-have-primary responsibility-for-recommending-policies-on-the-deposit, investment, custody-and-reporting-of-institutional-funds-and for-the-negotiation-and-approval-of-agreements-governing-the provision-of-such-services-by-outside-parties--Investment decisions-and-compliance-with-policy-are-the-responsibility-of the-chief-business-officer-of-a-component-institution-and-the Office-of-Asset-Management--Specifically, chief-business officers-shall-have-discretionary-investment-authority-for

investments-in-eligible-money-market-mutual-funds,-bank-common trust-funds-and-collateralized-bank-and-S&B-certificates-of deposit.--Investments-in-all-other-authorized-investments shall-be-executed-through-the-Fixed-Income-Trading-Desk-within the-Office-of-Asset-Management.--Within-the-maturity-range specified-by-the-chief-business-officer-or-his/her-delegate and-approved-exposure-limits,-the-Fixed-Income-Trading-Desk shall-be-responsible-for-selecting-and-purchasing-the-highest yielding-authorized-instrument-available-on-behalf-of-a requesting-component-institution.--The-Fixed-Income-Trading Desk-also-shall-be-responsible-for-arranging-for-the-delivery of-the-purchased-securities-to-a-custodian.--Delivery-of-funds as-instructed-by-the-Fixed-Income-Trading-Desk-shall-be-the responsibility-of-the-component-institution.]

REPORTING

Component business officers shall be responsible for transmitting all necessary information to the Office of Asset Management in order to permit periodic reporting by System Administration to the Board concerning portfolio balances and yields for individual components and for the U. T. System as a whole.

STANDARD OF CARE

Investments should be made with judgement and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

DEFINITIONS

The following terms used herein shall have the meanings set forth below:

"Fund": the Institutional Funds Short/Intermediate Term Fund

"Term": the remaining scheduled life of any fixed income obligation. Notwithstanding this definition, the term of the following securities shall be defined as follows:

- a) mortgage backed securities: the expected average life of the obligation calculated using any generally accepted outside payment speed (PSA) at the time the obligation is purchased.
- b) adjustable or floating rate securities: the time from purchase date to the next interest rate reset date.
- c) put securities: the time remaining until such put feature can be experienced.

EFFECTIVE DATE

This policy shall be effective concurrent with the establishment of the Fund [October-17,-1989] and shall remain in effect until amended or revoked by the U. T. Board of Regents.

BACKGROUND INFORMATION

The Institutional Funds Investment Policy was approved by the U. T. Board of Regents in October 1989. The current version of the Institutional Funds Investment Policy assumes separate investment of institutional funds on a component by component basis. As such, it contains provisions, for example, limiting

exposure per component institution to certain classes of authorized investments, which are no longer applicable under a pooled investment program.

Amendment of the Institutional Funds Investment Policy is recommended in order to provide for consistency with the establishment of the Institutional Funds Short/Intermediate Term Fund as set out on Pages AMC 45 - 52 and to clarify terms where appropriate.

3. U. T. System: Recommendation to Approve Establishment of the Institutional Funds Short/Intermediate Term Fund and General Delegation of Authority.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the U. T. Board of Regents:

- a. Authorize the establishment of The University of Texas System Institutional Funds Short/Intermediate Term Fund per the terms contained in the Information Memorandum set out on Pages AMC 47 - 52
- b. Authorize the Office of Asset Management to take any and all necessary actions, including appointment of the Fund Custodian and Transfer Agent, to effect the establishment of the Fund.

BACKGROUND INFORMATION

The U. T. System institutional funds consist of working capital and intermediate term funds maintained separately at U. T. System component institutions and U. T. System Administration. As currently structured, U. T. System component institutions are authorized to invest these funds in local bank deposits, a money market fund or directly in money market securities. The Office of Fixed Income Investments acts as a broker and an advisor to U. T. System component institutions for direct investments.

The current structure of dispersed portfolios is inefficient in aggregate when measured by the investment, administrative, and accounting costs associated with direct ownership of approximately 350 investments. Establishment of the Fund is recommended in order to provide convenient access to the yields and economies of scale generally associated with a pooled investment fund. The Fund will concentrate investment decisions with a single investment professional, reduce System-wide overhead costs, reduce minimum liquidity balances and increase investment income through reverse repurchase agreements among other benefits. The Fund will be invested in accordance with The University of Texas System Institutional Funds Investment Policy. Its primary investment objective

will be to provide a high rate of income through investment in high grade fixed income obligations and to provide capital appreciation when consistent with this primary objective.

Subject to overall U. T. Board of Regents' approval, the Fund shall be governed by a nine-member Advisory Board consisting of representatives from U. T. System component institutions and U. T. System Administration. The Advisory Board will meet regularly to: (a) review the Fund's operations, (b) provide advice to the Fund Administrator, and (c) approve matters relating to investment policy, selection of services, and annual budgets.

The U. T. System Office of Asset Management shall serve as Fund Administrator with responsibility for the overall administration of the Fund's operations. The U. T. System Office of Fixed Income Investments shall serve as Fund Investment Manager, for an initial five-year period. Extension of this term shall be subject to a performance evaluation by the Fund Advisory Board.

Safekeeping of Fund cash and securities, processing of securities transactions, collection of income, processing of Fund purchase and redemption transactions and other operating services shall be performed by a bank (Fund Custodian and Transfer Agent) as approved by the Fund Advisory Board.

The Fund shall be accounted for using the unitized market value method as prescribed by the National Association of College and University Business Officers (NACUBO). The procedures adopted shall ensure proper accounting for each U. T. System component institution's principal and distribution of market value changes and cash income earned.

Conversion of U. T. System component institution and U. T. System Administration investments into the Fund shall be phased in over a period of approximately 2-3 years. The phase-in period will minimize the impact of yield averaging on the current income streams for those component portfolios with long average maturities.

Establishment of the Fund has been discussed with the Investment Advisory Committee and the Asset Management Committee. In addition, the terms of the Fund as contained in the Information Memorandum have been approved by the Fund Advisory Board and discussed with the U. T. System component institution chief business officers. The Information Memorandum also has been reviewed and approved by the Office of General Counsel.

THE UNIVERSITY OF TEXAS SYSTEM
INSTITUTIONAL FUNDS SHORT/INTERMEDIATE TERM FUND
INFORMATION MEMORANDUM

This Information Memorandum sets forth the terms governing the operation of the Fund.

PURPOSE

The purpose of the Fund is to provide a short/intermediate term pooled investment fund for institutional funds currently held by U. T. System component institutions and System Administration.

BENEFITS

The Fund will provide convenient access to the yields and economies of scale generally associated with a pooled investment fund. Participation in the Fund by unitholders is expected to eliminate the investing, administrative and accounting burdens commonly incurred with direct ownership of securities. The benefits to unitholders are: (a) concentration of investment decisions with a single investment professional, (b) reduction in System-wide overhead costs associated with maintaining numerous investment managers at the component level, (c) elimination or reduction of fees for an external money market fund, (d) reduced minimum liquidity balances System-wide, (e) reduced overall administrative costs, (f) improved integration of component institution cash management systems with investment operations, (g) increased investment income through reverse repurchase agreements, and (h) improved interest rate risk management.

INVESTMENT GUIDELINES

The Fund shall be invested in accordance with The University of Texas System Institutional Funds Investment Policy.

INVESTMENT OBJECTIVES

The Fund seeks primarily to provide a high rate of income through investment in high grade fixed income obligations. In addition, the Fund shall seek capital appreciation when consistent with this primary objective, the reasonable preservation of capital and the maintenance of adequate Fund liquidity. In seeking to achieve its investment objectives the Fund shall attempt to minimize the probability of a negative total return over a 1-year period.

PERFORMANCE BENCHMARK

Attainment of Fund investment objectives shall be defined as the achievement over an interest rate cycle (i.e. 5 years) of a total return in excess of the Fund's performance benchmark.

No single index represents the Fund's portfolio composition as permitted under the Public Funds Investment Act, the Institutional Funds Investment Policy or the Fund's liquidity requirements. A combination of indices weighted as follows shall comprise the Fund's normal performance benchmark:

- 10% Payden & Rygel 6 month Bank C.D. Index
- 10% U. S. 91-day Treasury Bill
- 30% Merrill Lynch U. S. Treasury 1-3 year Index
- 30% Merrill Lynch Federal Agencies 1-3 year Index
- 10% Merrill Lynch U. S. Treasury 3-5 year Index
- 10% Merrill Lynch Federal Agencies 3-5 year Index

This performance benchmark is believed to represent how the Fund should "normally" look in terms of risk, composition by securities, duration, and other factors governed by the Investment Policy. It also is believed to embody the trade-offs between risk and return or between the total return and yield objectives established for the Fund. The performance benchmark may be revised by the Fund Advisory Board if deemed appropriate. During the estimated 2-year phased buy-in period, the performance benchmark weightings shall be adjusted (with approval by the Fund Advisory Board) to reflect the higher levels of liquidity.

FUND STRUCTURE

Two investment funds shall be available to U. T. System unitholders:

(a) A Money Market Fund - this fund shall provide unitholders with overnight liquidity and shall be valued at a constant unit value. The Goldman Sachs money market fund shall remain in place for an initial six-month period. During this period, the Fund shall be evaluated by the Fund Advisory Board to determine whether it should be managed internally or continue under outside management.

(b) The Short/Intermediate Term Fund - the Fund shall invest in a portfolio of securities with term maturities up to 5 years. It shall accept purchases and redemptions on a weekly basis and on the first business day of each month or on such other dates as determined by the Fund Advisory Board. Fund units shall be valued on a market value basis.

FUND MANAGEMENT

Fund Advisory Board

The Fund shall be governed by a nine-member Advisory Board consisting of representatives from U. T. System component institutions and System Administration. The six standing members of the Advisory Board shall include representatives from U. T. M.D. Anderson Cancer Center, U. T. Medical Branch - Galveston, U. T. Southwestern Medical Center - Dallas, U. T. Austin, U. T. System Office of Business Affairs, and U. T. System Office of Asset Management. The representative from the Office of Asset Management shall be the Vice Chancellor for Asset Management who shall also serve as Chairman. Component institutions without standing representation shall elect three representatives. Initial rotating members shall consist of representatives from U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, and U. T. Arlington

and shall serve terms of three years, two years and one year, respectively. Rotating members shall serve two-year terms ending August 31 of each applicable year.

The Board shall meet quarterly to review the Fund's operations and shall provide advice to the Fund Administrator. The Advisory Board shall approve Fund investment policy, selection of the Investment Manager and other agents of the Fund, Fund Investment Memorandum and the Fund annual budget. The Advisory Board shall also review and evaluate Investment Manager performance. Approval shall be evidenced by a majority vote of at least five members present at any meeting. As a general rule, the Fund Advisory Board shall approve in advance all items requiring Regental approval.

Fund Administrator

The Fund Administrator shall be responsible for the overall administration of the Fund's operations. Such administrative responsibilities shall include the recommendation of investment policy, negotiation and supervision of the Investment Manager, custodian and Transfer Agent, dividend distribution, investor servicing, accounting and other services provided to the Fund, preparation and distribution of the Fund Investment Memorandum, coordination of and reporting to Advisory Board and the U. T. Board of Regents, preparation of Fund budgets, ongoing review of expenses, verification of Fund collections and disbursements, review of investment legislation, and general supervision of all aspects of the Fund's operations.

The U. T. System Office of Asset Management shall serve as Fund Administrator.

Fund Investment Manager

The Investment Manager shall be responsible for the formulation of portfolio strategy and direction, execution of portfolio transactions, and compliance with investment policy guidelines. The Investment Manager will have complete discretion in the investment and management of the Fund's assets in accordance with the Fund's investment objectives and policies and subject to the general supervision and direction by the Fund Administrator.

The U. T. System Office of Fixed Income Investments shall serve as Fund Investment Manager for an initial five-year period. Extension of this term shall be subject to a performance evaluation by the Fund Advisory Board.

Fund Custodian and Transfer Agent

The Fund Custodian and Transfer Agent shall be a bank. Its responsibilities shall include the following: safekeeping of portfolio cash and securities, processing securities transactions including securities release, receipt and delivery, the collection of income from portfolio securities, payment of fund expenses, income and market value accounting, reconciliation of general ledgers and financial statements, processing unitholder purchase and redemption transactions, pricing of securities and calculation of net asset value per unit, maintenance of unitholder accounts and records, processing payout options, account designations and addresses, monitoring the reinvestment of distributions, and providing periodic account statements to unitholders.

FUND INVESTMENT STRATEGY

The Fund shall employ a hybrid "active" buy and hold strategy in order to achieve its primary objective of a high rate of income and its secondary objective of capital appreciation. Subject to its primary objective of generating a high rate of income, the Fund Investment Manager shall seek to increase expected returns by purchasing or selling securities in anticipation of changes in interest rates or sector spread relationships.

The Fund shall also attempt to control interest rate risk by monitoring the duration of the portfolio and thereby minimize exposure to unexpected changes in interest rates.

FUND PORTFOLIO MATURITY

The Fund's normal dollar weighted average portfolio maturity may range from 1 year to 4 years depending on the Investment Manager's judgement of current or anticipated market conditions. Based on the Investment Manager's assessment of interest rate trends, generally, the average maturity will be shortened when interest rates are expected to rise and lengthened when interest rates are expected to decline.

The range may be extended from 1 day to 5 years in the event of extreme changes in interest rate expectations and only upon the written approval of the Vice Chancellor for Asset Management.

The Fund's investments may include mortgage-backed pass-through securities or Real Estate Mortgage Investment Conduits (REMICs) which are issued by various U. S. Government agencies or instrumentalities. Such securities will have an estimated average life of five years or less as determined by the Investment Manager. Average life estimates will be based upon anticipated prepayment patterns which, in turn, will be based on past prepayment patterns, prevailing interest rates, and other factors. Due to actual prepayment experience, however, the remaining estimated average life of such an investment after purchase by the Fund may increase to more than five years or may decrease at a rate faster than anticipated. The Fund's other securities will have remaining maturities of 5 years or less and repurchase agreements will have remaining maturities of less than one year.

The Fund may purchase securities with variable or floating interest rates. In calculating average portfolio duration or maturity, such securities will generally be treated as having a maturity equal to the time remaining until their interest rate is next reset, unless the Investment Manager believes some other treatment to be more appropriate, for example, because of the market price impact of interest rate caps and floors. In addition, the Fund also may purchase securities that have demand or put features. In calculating average portfolio duration or maturity, these securities generally will be treated as having a maturity equal to the period remaining until the Fund can obtain the principal amount through exercise of such feature.

ACCOUNTING POLICIES AND PROCEDURES

The Fund shall be accounted for using the market value method as prescribed by the NACUBO Financial Accounting and Reporting Manual for Higher Education, Paragraph 402.2 Principles of Accounting for Investment Pools. The procedures adopted shall ensure proper accounting for the unitholder's principal and the proper distribution of market changes and cash income

earned. This shall be accomplished by unitizing the investment pool. Under this procedure, each unitholder shall receive "units" in the pool when it contributes funds to the Fund. The number of units assigned to the unitholder shall be the dollar value of the funds contributed divided by the market value per unit at the close of the business day next preceding the date of purchase. When funds are withdrawn from the pool, withdrawals shall be valued at the unit market value of the pool at the close of business day preceding withdrawal.

The withdrawal of funds from the Fund by unitholders under the market value method shall create either realized gains and losses equal to the unit market value at the time of withdrawal less the unit average cost value. Unitholders shall credit/debit such gains and losses first to an earnings reserve account and secondly to an income account prior to allocating income to the fund groups underlying unitholders' Fund accounts.

INITIAL PURCHASE OF UNITS

In order to minimize the effects of "yield blending," Fund investors may elect to invest proceeds from existing direct investments into the Fund no later than the earlier of the date of sale or maturity of such investments. Purchases of Fund units shall occur at the market unit value of the Fund as of the close of the business day preceding purchase.

REVERSE REPURCHASE AGREEMENTS

As a means of generating additional income and Fund liquidity, the Fund may lend up to 33 1/3% of its assets in reverse repurchase agreements, which are agreements pursuant to which securities are sold to a third party (banks, brokers and dealers) with the understanding that the Fund will repurchase the securities from the third party at a fixed price. The Fund will receive cash in an amount equal to at least 100% of the current value of the securities plus accrued interest. The Fund will continue to receive interest payable on the securities and will either receive as income a portion of the interest on the investment of any cash proceeds. The terms of such reverse repurchase agreements will provide for termination at any time. Reverse repurchase agreements involve risks of nonperformance by the purchaser on its commitment to resell the securities back to the Fund.

Reverse repurchase contracts shall be approved by the Fund Advisory Board.

REPORTS TO UNITHOLDERS

Each unitholder shall be provided with transaction information and an individual monthly and annual statement.

FUND EXPENSES

Each unitholder shall be assessed a fee to reimburse the Fund for its operating expenses. Such operating expenses may include investment management, custodian, transfer and dividend disbursing services, preparation and maintenance of books and records of the Fund, outside legal and auditors, charges and expenses of acquiring and disposing of portfolio securities, preparation and furnishing of reports, research and all direct and indirect costs to operate the Fund. Such fee shall

be reviewed and approved annually by the Advisory Board to the Fund. Any fees paid to the Fund in excess of actual Fund operating expenses shall be credited at the end of each fiscal year to unitholders in proportion to average units assets held by each unitholder during the year then ended. Such credit, if any, shall be included in the calculation of Fund performance.

**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 3, 1992

Time: Following the meeting of the Asset Management Committee

Place: Regents' Conference Room and Regents' Meeting Room
Ninth Floor, Ashbel Smith Hall

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

U. T. Austin: Request for Authorization to Purchase the Lake Austin Centre Building, Austin, Travis County, Texas, from the U. T. System Common Trust Fund

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