

MATERIAL SUPPORTING THE AGENDA

VOLUME XLb

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

February 11, 1993

March 1, 1993

April 1, 1993

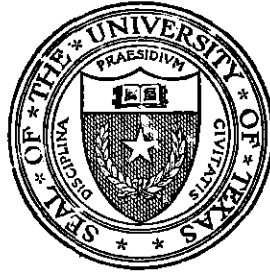
The material is divided according to the standing committees and the meetings that were held and is color coded as follows:

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

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

Yellow paper - emergency items distributed at the meeting.

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



---

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

Meeting No.: 869

Date: April 1, 1993

Location: San Antonio, Texas

---

BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Room 1.220, Nursing School Building  
The University of Texas Health  
Science Center at San Antonio  
7703 Floyd Curl Drive  
San Antonio, Texas

Host Institution: The University of Texas Health  
Science Center at San Antonio

Thursday, April 1, 1993

10:00 a.m.

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

See Pages B of R 1 - 24  
Items A - Q

Telephone Numbers

President Howe	(210) 567-2000
Room 1.230, Nursing School Building (for calls during the meeting)	(210) 567-6544
Wyndham Hotel (9821 Colonnade)	(210) 691-8888

BEKAR COUNTY HOSPITAL

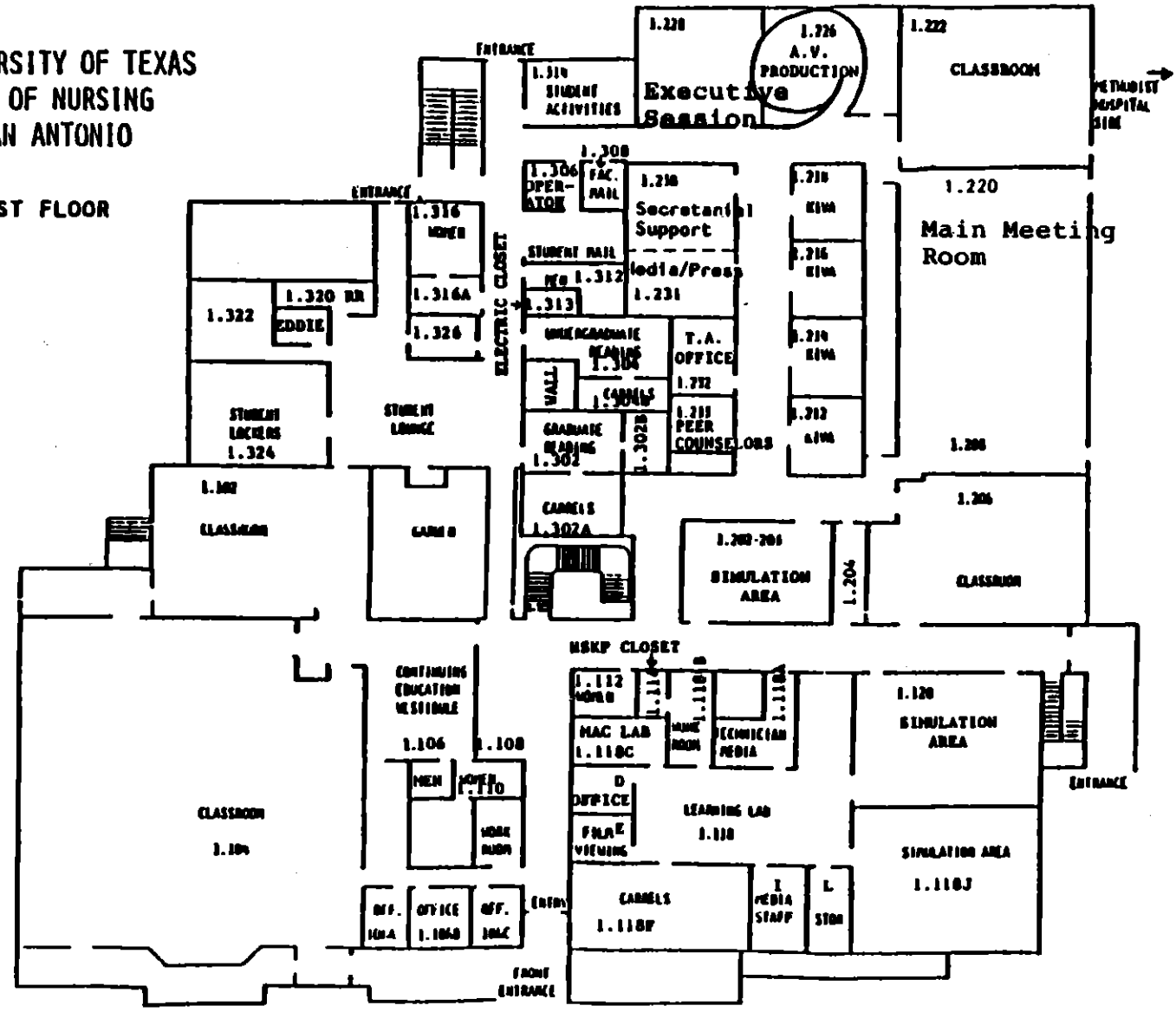
DENTAL SCHOOL ↑

# THE UNIVERSITY OF TEXAS SCHOOL OF NURSING AT SAN ANTONIO

## FIRST FLOOR

- Room 1.220
- Room 1.228
- Room 1.230
- Room 1.231

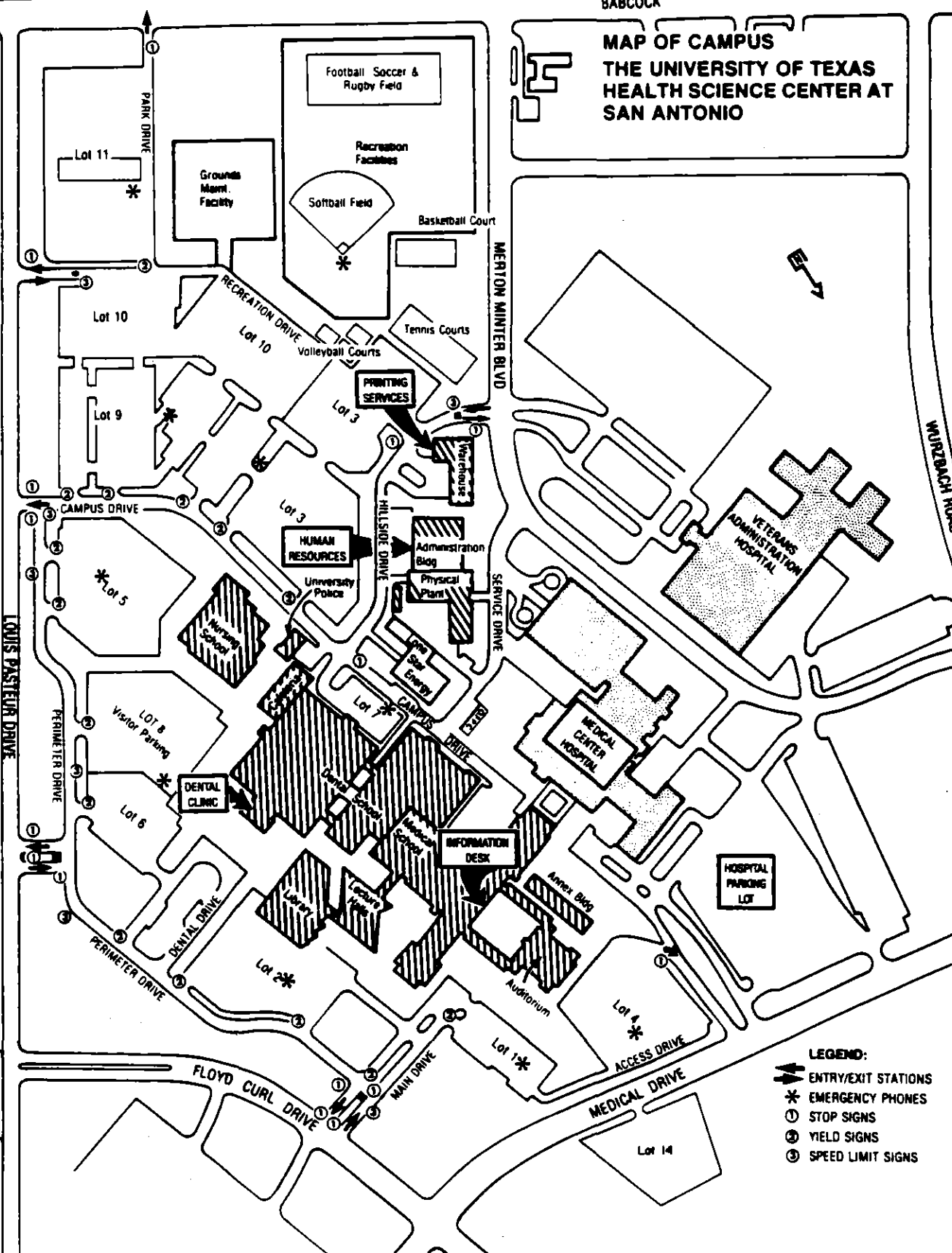
- Meeting Room
- Executive Session
- Regents' Secretarial Office
- Telephones for Press



LOUIS PASTEUR DRIVE

BABCOCK

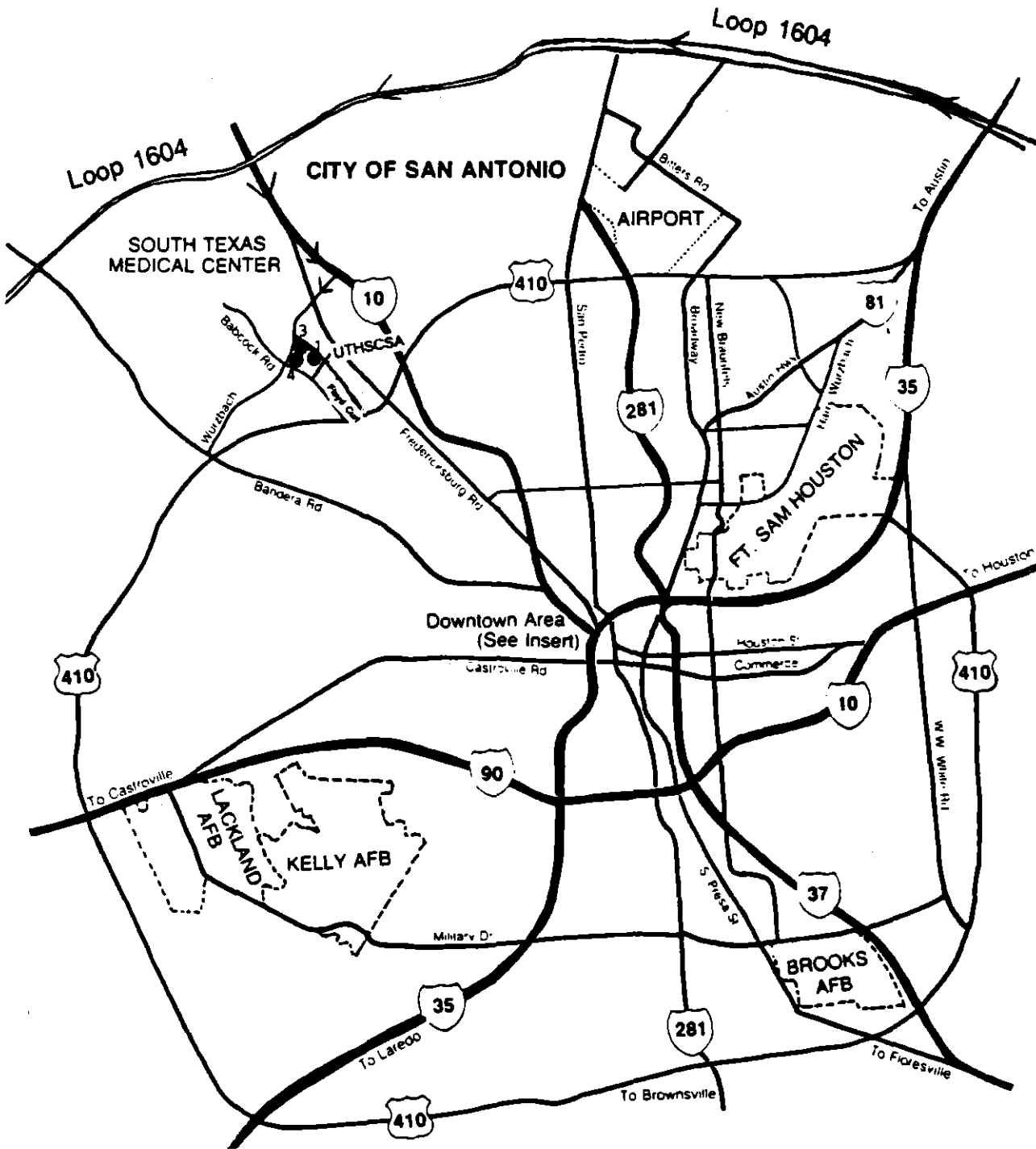
# MAP OF CAMPUS THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO



- LEGEND:**
- ➔ ENTRY/EXIT STATIONS
  - \* EMERGENCY PHONES
  - ① STOP SIGNS
  - ② YIELD SIGNS
  - ③ SPEED LIMIT SIGNS

Lot 12  
University Plaza Bldg

# UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO



## TO REACH THE UT HEALTH SCIENCE CENTER AT SAN ANTONIO FROM I-35

- Turn right or west from I-35 onto Loop 1604
- Travel approximately 18 miles to I-10 exit
- Take I-10 exit East toward San Antonio
- Travel to Wurzbach exit-exiting Wurzbach
- Turn right onto Wurzbach
- Travel Wurzbach to Floyd Curl Drive
- Turn left on Floyd Curl Drive
- Travel Floyd Curl to 7703 Floyd Curl Drive
- Enter at "University of Texas Health Science Center at San Antonio" Guard Gate

## LEGEND

- 1 UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
- 3 MEDICAL CENTER HOSPITAL
- 4 AUDIE MURPHY VETERANS HOSPITAL

## Meeting of the Board

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

Date: Thursday, April 1, 1993

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

Place: Room 1.220 (Open Session) and Room 1.228  
(Executive Session), Nursing School Building  
U. T. Health Science Center - San Antonio

- A. CALL TO ORDER
- B. WELCOME BY PRESIDENT HOWE
- C. APPROVAL OF MINUTES OF REGULAR MEETING HELD  
FEBRUARY 11, 1993, AND SPECIAL MEETING HELD  
MARCH 1, 1993
- D. SPECIAL ITEM

U. T. Board of Regents: Recommendation to (a) Approve  
and Authorize the Execution of Revised Investment Agency  
Agreements with the Boards of the Ima Hogg Foundation,  
Inc., The Robertson Poth Foundation, and the Winedale  
Stagecoach Inn Fund and (b) Delegate the Authority to  
Perform Certain Contractual Duties of the U. T. Board of  
Regents.--

RECOMMENDATION

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

- a. Authorize the Vice Chancellor for Asset  
Management to approve and execute three  
revised Investment Agency Agreements  
appointing the U. T. Board of Regents as  
agent to hold, manage, and invest cer-  
tain assets of the Ima Hogg Foundation,  
Inc., The Robertson Poth Foundation, and  
the Winedale Stagecoach Inn Fund substan-  
tially in the form set forth in congres-  
sional style on Pages B of R 3 - 4
- b. Delegate to the Vice Chancellor for Asset  
Management and to other officers of the  
U. T. System, as appropriate, the author-  
ity to perform the duties assumed by the



U. T. Board of Regents under the revised Investment Agency Agreements with the Ima Hogg Foundation, Inc., The Robertson Poth Foundation, and the Winedale Stagecoach Inn Fund in the same manner prescribed for funds under the control of the U. T. Board of Regents in the Regents' Rules and Regulations.

#### BACKGROUND INFORMATION

Investment Agency Agreements authorizing the U. T. Board of Regents, as agent for each Foundation, to invest the funds, safekeep the assets, maintain records and act upon instruction of the Foundation were entered into between the U. T. Board of Regents and the Boards of the Foundations on June 14, 1990. These agreements defined the responsibilities of the Boards of the Foundations and the duties of the U. T. Board of Regents. The proposed revised Investment Agency Agreements have been changed to clarify the interaction between the officers of the Foundations and the U. T. Board of Regents.

At the February 1993 meeting, the U. T. Board of Regents recommended to the Ima Hogg Foundation, Inc. Board of Trustees that the Ima Hogg Foundation, Inc. be dissolved. Until that dissolution is processed, the revised agreement is necessary to invest and pay out Ima Hogg Foundation, Inc. funds in the interim period. Following dissolution, Ima Hogg Foundation, Inc. funds will be held in the Common Trust Fund and invested as other endowments and administered through the Office of the Hogg Foundation for Mental Health, as more fully detailed in the Minutes of the February 1993 meeting of the U. T. Board of Regents, and the revised Investment Agency Agreement will no longer be needed.

## INVESTMENT AGENCY AGREEMENT

This Investment Agency Agreement (hereinafter called "Agreement") is made and entered into as of \_\_\_\_\_, by and between the \_\_\_\_\_ Foundation, whose address is 201 W. Seventh Street, Austin, Texas 78701 (hereinafter called "the Foundation"), and the Board of Regents of The University of Texas System (hereinafter called "Agent"), whose address is 201 W. Seventh Street, Austin, Texas 78701 and supersedes the Investment Agency Agreement entered into by these two parties as of June 14, 1990.

### RECITALS

The Foundation has deposited with Agent the property listed in Exhibit "A" hereto attached, to be maintained in an agency account (hereinafter called "the Account"), together with any other property which may be added to or become a part of the Account.

In consideration of the covenants and conditions, and other good and valuable consideration as herein provided, the Account shall be held and administered by Agent under the following terms and conditions:

1. Agent shall safely keep the property in the Account and collect all income thereon and all principal realizable through sales, maturities, redemptions, or otherwise.

2. Income earned in the Account shall be disbursed or retained as directed in writing by the Treasurer of the Foundation from time to time.

3. Agent shall have investment discretion over the Account. In such capacity, unless otherwise directed in writing by the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation, Agent will invest and reinvest the Account as it deems appropriate in accordance with "The Common Trust Fund Investment Policy Statement" as amended from time to time by the Board of Regents of The University of Texas System. In the case of purchases or sales directed by the Foundation, Agent may act only upon the written direction of the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation. Agent shall not be liable for any losses or unfavorable results arising from its compliance with investment directions issued by the Foundation.

4. Agent is authorized to use its depository for the safekeeping of all securities held hereunder. Securities may be registered in the name of Agent's nominee or in the name of its depository's nominee. Notwithstanding the delegation of authority to Agent hereunder to hold, manage, invest, and disburse from the Account, all assets of the Account shall at all times remain the property of the Foundation.

5. All instructions or directions given by the Foundation hereunder, unless they otherwise provide, shall remain in force until revoked or amended by further written instructions or directions from the Foundation received by Agent. Agent shall be fully indemnified in acting upon any such instruction or directions, except for willful acts of default, bad faith or gross negligence.

6. Agent shall keep books reflecting all transactions, and annually and at such other intervals as may be mutually agreeable to the Foundation and Agent, shall furnish the

Foundation statements of receipts and disbursements and a list of assets. The annual statements referred to above will be delivered to the Treasurer of the Foundation within 45 days after the close of the Foundation's fiscal year. The Agent shall also provide to the Treasurer of the Foundation such additional information necessary for the preparation of the annual tax return based upon the assets held by the Agent within 45 days after the close of the Foundation's fiscal year. The Foundation or any person designated by it shall be entitled, at all reasonable times, to examine all books, papers and other records relating to the Account in possession of Agent.

7. Agent shall not be expected to provide services other than investment, distribution and reporting services enumerated above. Agent shall not be entitled to receive compensation for its services hereunder. However, Agent shall be entitled to reimbursement for any out-of-pocket expenses it incurs in the administration of the Account in accordance with this Agreement.

8. Agent shall use the same care with respect to securities and other property in the Account that it exercises with respect to its own securities and property. Agent may utilize members of its staff to carry out any or all of its functions under this Agreement and may delegate to its staff the authority to perform said functions.

9. All notices to the Foundation shall be mailed or hand delivered to the Secretary of the Foundation at their address last on file with Agent.

10. The Account may be terminated at any time by either party upon thirty (30) days written notice. Upon its termination and payment of all sums due Agent from the Foundation with respect to the Account, Agent shall deliver to the Foundation the property then held in the Account.

IN WITNESS WHEREOF, this Agreement is made and entered into by the authorized representatives of the parties as of the date and year first above written.

\_\_\_\_\_ Foundation

By: \_\_\_\_\_  
Secretary

ATTEST: The Board of Regents of  
The University of Texas System

\_\_\_\_\_  
Arthur H. Dilly  
Executive Secretary

By: \_\_\_\_\_  
Thomas G. Ricks  
Vice Chancellor for  
Asset Management

201 West Seventh Street  
Austin, Texas 78701

APPROVED AS TO FORM:

\_\_\_\_\_  
Max J. Werkenthin  
Office of General Counsel

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

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

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

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

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

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

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

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

F. RECONVENE AS COMMITTEE OF THE WHOLE

G. ITEMS FOR THE RECORD

1. U. T. Austin: Laura Thomson Barrow Graduate Fellowship in the College of Natural Sciences - Correction of Minute Order of December 3, 1992, Related to the Allocation of Matching Funds Under The Regents' Endowment Program.--

REPORT

At the December 1992 meeting, the U. T. Board of Regents approved the allocation of matching funds from The Regents' Endowment Program to increase several previously established endowments at U. T. Austin, including the allocation of \$10,000 in matching funds to increase the endowment for the Laura Thomson Barrow Graduate Fellowship in the College of Natural Sciences at U. T. Austin.

President Berdahl has requested that the Regental action of December 3, 1992, be amended to omit the Laura Thomson Barrow Graduate Fellowship in the College of Natural Sciences from the list of endowments for which matching funds under The Regents' Endowment Program were approved. The original request for matching funds for the Laura Thomson Barrow Graduate Fellowship was submitted in error, based on incorrect information as to new gift money received for the endowment. This requested correction is herewith reported for the record.

2. U. T. Tyler: Scroggin Scholarship Fund - Clarification of Scholarship Guidelines.--

REPORT

At the April 1987 meeting, the U. T. Board of Regents accepted the residual estate from the Estate of Mattie Alice Scroggin Baker and established the Scroggin Scholarship Fund at U. T. Tyler. The Minutes of that meeting recite that income earned was dedicated to awarding scholarships to students "majoring in history." However, Part V of the Will of Mattie Alice Scroggin Baker reads as follows:

All the rest, and residue of my estate remaining, after the effecting of the above described gifts, including all lapsed gifts, I give, devise and bequeath unto the University of Texas of Tyler to be used and expended for the creation of one or more academic scholarships in the field of history, to be known as Scroggin Scholarships.

Thus there is no wording in the Will that limits these scholarships to history majors and the U. T. Board of Regents' Minutes should be amended to reflect the availability of the Scroggin Scholarship Fund to students engaged in study in the field of history. U. T. Tyler will administer the scholarships to make them available to degree-seeking students who are taking or have completed 6 semester credit hours or more of history courses and demonstrate a particular interest in and aptitude for study in the field of history by including in their degree plans upper-level or graduate history courses or a curriculum which emphasizes historical content such as art history, theatre history, or political history.

All distributions have been received from the Estate, and the current balance in the Common Trust Fund account is \$894,373.24.

- H. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS
- I. REPORT OF SPECIAL COMMITTEES

J. FOUNDATION MATTERS

As set forth in the Regents' Rules and Regulations, Part One, Chapter VII, Section 5, there are three Trust Foundations created by testamentary or inter vivos trust instruments which are controlled by the members of the Board of Regents acting in their capacities as Trustees for these Foundations. Following each reorganization of the Board of Regents, it is necessary that the Board meet separately as Trustees for these foundations to formalize certain organizational matters.

1. Ima Hogg Foundation, Inc. Agenda.--

RECOMMENDATION

It is recommended that the members of the U. T. Board of Regents convene as Trustees of the Ima Hogg Foundation, Inc. to act on the following agenda:

- a. Approval of the Minutes of the meeting held on October 11, 1991, as set forth on Page B of R - 10
- b. Election of the Chairman of the U. T. Board of Regents, Bernard Rapoport, as President; the Vice-Chairman of the U. T. Board of Regents, Ellen Clarke Temple, as Vice President; the President of the Office of the Hogg Foundation for Mental Health, Wayne H. Holtzman, as Secretary; and the Executive Vice Chancellor for Business Affairs, R. D. Burck, as Treasurer. (Dr. Holtzman will be succeeded by the Executive Director of the Office of the Hogg Foundation for Mental Health effective September 1, 1993.)
- c. Approval of a revised Investment Agency Agreement between the Ima Hogg Foundation, Inc. and the U. T. Board of Regents substantially in the form set forth in congressional style on Pages B of R 11 - 12
- d. Authorization for the Secretary of the Ima Hogg Foundation, Inc. to execute such agreement for the Foundation
- e. Authorization to dissolve the Ima Hogg Foundation, Inc. as soon as is reasonably practical and, upon dissolution and court approval, authorization to hold the various corporate assets as the Ima Hogg Endowment to be invested in the U. T. System Common Trust Fund for purposes in conformance with the donor's expressed wishes

- f. Authorization for the President of the Ima Hogg Foundation, Inc. to take action as necessary to implement dissolution, working with U. T. System Administration Executive Officers and U. T. Austin Administration.

#### BACKGROUND INFORMATION

The Ima Hogg Foundation, Inc. was incorporated on June 26, 1964, as a charitable and educational foundation with the U. T. Board of Regents as Trustees. Miss Hogg died on August 19, 1975. A codicil to Miss Hogg's Will dated August 3, 1974, provides that the income from certain assets of the Ima Hogg Foundation be used for the benefit of active mental health programs in the Houston, Texas, area.

Since October 11, 1991, the officers have been Mr. Louis A. Beecherl, Jr., President; Mario E. Ramirez, M.D., Vice President; and Mr. Michael E. Patrick, Secretary-Treasurer.

Historically, these officers have been:

President: Chairman of the U. T. Board of Regents  
Vice President: Vice-Chairman of the U. T. Board of Regents  
Secretary-Treasurer: Vice Chancellor for Asset Management

The proposed action involves the establishment, consistent with the By-Laws, of a separate office of Secretary and a separate office of Treasurer, with the office of Secretary being held by the head of the Office of the Hogg Foundation for Mental Health and the office of Treasurer being held by the Executive Vice Chancellor for Business Affairs.

An Investment Agency Agreement authorizing the U. T. Board of Regents, as agent for the Foundation, to invest the funds, safekeep the assets, maintain records and act upon instruction of the Foundation was entered into between the U. T. Board of Regents and the Board of the Foundation on June 14, 1990. This agreement defined the responsibilities of the Board of the Foundation and the duties of the U. T. Board of Regents. The proposed revised Investment Agency Agreement has been changed to clarify the interaction between the officers of the Foundation and the U. T. Board of Regents.

In 1992, the U. T. System Auditor identified the need to review, clarify, and update the operational structures and administration of the Hogg Foundation for Mental Health and the Ima Hogg Foundation, Inc. to match current practices and requirements. The Business Affairs and Audit Committee of the U. T. Board of Regents then asked the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Business Affairs to study and make appropriate recommendations on the management policy issues identified.

That study included extensive review of historical documents and past actions of the U. T. Board of Regents related to the Hogg Foundation for Mental Health and the Ima Hogg Foundation, Inc. as well as numerous discussions with U. T. Austin officials and other U. T. System Administration Executive Officers.

The multi-tiered administrative structure for the trusteeed Ima Hogg Foundation, Inc. funds has become cumbersome and unnecessary over time. The Ima Hogg Foundation, Inc. By-Laws are outdated and do not reflect the current operating structure of the U. T. Board of Regents or U. T. System Administration. For example, the By-Laws require that officers be elected annually and an Executive Committee of at least three trustees perform certain duties related to Ima Hogg Foundation, Inc. management. The annual election has not been consistently held since the U. T. Board of Regents now uses two-year terms for officers. Additionally, the Board's current Business Affairs and Audit and Asset Management Committees perform functions analogous to the Executive Committee of the Ima Hogg Foundation, Inc.

Article Ten of the Articles of Incorporation addresses dissolution of the corporation "by lapse of time or otherwise" and authorizes transfer of assets to other charitable trustees appointed by a court with preferential consideration given to transfer of "such funds and property to the Trustees of the Hogg Foundation...if such Foundation is then functioning and operating." Dissolution of the corporation is preferable to amendment of the By-Laws and continued operation under the Foundation trustee structure as the U. T. Board of Regents effectively manages numerous other substantial "charitable trusts" as endowments without need for a separate corporate structure. Also, upon dissolution, the trust would no longer be required to make reports to the Secretary of State or file annual tax returns with the Internal Revenue Service.

At the February 1993 meeting, the U. T. Board of Regents recommended to the Ima Hogg Foundation, Inc. Board of Trustees that the Ima Hogg Foundation, Inc. be dissolved. If the dissolution is approved by the Board of Trustees, U. T. System and U. T. Austin officials authorized by the U. T. Board of Regents to act will pursue approval of the proposed action in an uncontested proceeding before a district court of Travis County and will take necessary administrative action to bring the endowment recommendation before the U. T. Board of Regents at the appropriate time. The proposed authorization would allow the President of the Ima Hogg Foundation, Inc. to work with these officials and to execute documentation as necessary to complete dissolution. Until that dissolution is processed, the revised investment agreement is necessary to invest and pay out Ima Hogg Foundation, Inc. funds in the interim period. Following dissolution, Ima Hogg Foundation, Inc. funds will be held in the Common Trust Fund and invested as other endowments and administered through the Office of the Hogg Foundation for Mental Health and the revised Investment Agency Agreement will no longer be needed. Assets of the Ima Hogg Foundation, Inc. managed by the Office of Asset Management as of August 31, 1992 totaled \$11,438,095.50.



IMA HOGG FOUNDATION

Minutes of the Trustees

October 11, 1991

The members of the Board of Regents of The University of Texas System who serve as Trustees of the Ima Hogg Foundation met on October 11, 1991, in Conference Room 4, Third Floor, E. E. Davis Hall, U. T. Arlington, Arlington, Texas, with all Trustees present.

On motions duly made and seconded and by unanimous vote of the Trustees, the following actions were taken:

1. President Beecherl reported that the items related to the Foundation were deferred from the August 1991 meeting of the Trustees and noted that the Business Affairs and Audit Committee of the U. T. Board of Regents was requested to review the activities of the Foundation and to report its findings to the Trustees.
2. At the request of President Beecherl, Regent Tom Loeffler reported on the review of the Foundation conducted by the Business Affairs and Audit Committee. Regent Loeffler reported that the Business Affairs and Audit Committee, with all three members present and three other Regents in attendance, held a briefing session on September 10, 1991, to generally review the "foundation-like" organizations which are part of the U. T. System. Regent Loeffler noted that while the Committee has requested additional information and feels that the Foundation should be reviewed with the Trustees on a more formal basis than in the past, the Committee is of the opinion that there are in place sufficient program review mechanisms and fiscal controls and that the fiduciary responsibility of the Board as Trustees of the Foundation is being appropriately discharged. The Business Affairs and Audit Committee further recommends that the organizational matters reflected in the agenda item for the Foundation be considered by the Trustees.
3. Minutes of the meetings held on April 6, 1989, June 14, 1990, and August 8, 1991 were approved.
4. The Chairman of the Board of Regents, Louis A. Beecherl, Jr., was re-elected President of the Board of Trustees; the Vice-Chairman of the Board of Regents, Mario E. Ramirez, M.D., was elected Vice-President of the Board of Trustees; and the Executive Vice Chancellor for Asset Management, Michael E. Patrick, was re-elected Secretary-Treasurer.
5. President Beecherl expressed appreciation to Regent Ellen Temple for her efforts in raising the issue of the U. T. Board of Regents' fiduciary responsibility as Trustees for the Foundation to ensure that the Trustees are following its original intent or purpose.



Michael E. Patrick  
Secretary-Treasurer

## INVESTMENT AGENCY AGREEMENT

This Investment Agency Agreement (hereinafter called "Agreement") is made and entered into as of \_\_\_\_\_, by and between the Ima Hogg Foundation, Inc., whose address is 201 W. Seventh Street, Austin, Texas 78701 (hereinafter called "the Foundation"), and the Board of Regents of The University of Texas System (hereinafter called "Agent"), whose address is 201 W. Seventh Street, Austin, Texas 78701 and supersedes the Investment Agency Agreement entered into by these two parties as of June 14, 1990.

### RECITALS

The Foundation has deposited with Agent the property listed in Exhibit "A" hereto attached, to be maintained in an agency account (hereinafter called "the Account"), together with any other property which may be added to or become a part of the Account.

In consideration of the covenants and conditions, and other good and valuable consideration as herein provided, the Account shall be held and administered by Agent under the following terms and conditions:

1. Agent shall safely keep the property in the Account and collect all income thereon and all principal realizable through sales, maturities, redemptions, or otherwise.

2. Income earned in the Account shall be disbursed or retained as directed in writing by the Treasurer of the Foundation from time to time.

3. Agent shall have investment discretion over the Account. In such capacity, unless otherwise directed in writing by the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation, Agent will invest and reinvest the Account as it deems appropriate in accordance with "The Common Trust Fund Investment Policy Statement" as amended from time to time by the Board of Regents of The University of Texas System. In the case of purchases or sales directed by the Foundation, Agent may act only upon the written direction of the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation. Agent shall not be liable for any losses or unfavorable results arising from its compliance with investment directions issued by the Foundation.

4. Agent is authorized to use its depository for the safekeeping of all securities held hereunder. Securities may be registered in the name of Agent's nominee or in the name of its depository's nominee. Notwithstanding the delegation of authority to Agent hereunder to hold, manage, invest, and disburse from the Account, all assets of the Account shall at all times remain the property of the Foundation.

5. All instructions or directions given by the Foundation hereunder, unless they otherwise provide, shall remain in force until revoked or amended by further written instructions or directions from the Foundation received by Agent. Agent shall be fully indemnified in acting upon any such instruction or directions, except for willful acts of default, bad faith or gross negligence.

6. Agent shall keep books reflecting all transactions, and annually and at such other intervals as may be mutually agreeable to the Foundation and Agent, shall furnish the

Foundation statements of receipts and disbursements and a list of assets. The annual statements referred to above will be delivered to the Treasurer of the Foundation within 45 days after the close of the Foundation's fiscal year. The Agent shall also provide to the Treasurer of the Foundation such additional information necessary for the preparation of the annual tax return based upon the assets held by the Agent within 45 days after the close of the Foundation's fiscal year. The Foundation or any person designated by it shall be entitled, at all reasonable times, to examine all books, papers and other records relating to the Account in possession of Agent.

7. Agent shall not be expected to provide services other than investment, distribution and reporting services enumerated above. Agent shall not be entitled to receive compensation for its services hereunder. However, Agent shall be entitled to reimbursement for any out-of-pocket expenses it incurs in the administration of the Account in accordance with this Agreement.

8. Agent shall use the same care with respect to securities and other property in the Account that it exercises with respect to its own securities and property. Agent may utilize members of its staff to carry out any or all of its functions under this Agreement and may delegate to its staff the authority to perform said functions.

9. All notices to the Foundation shall be mailed or hand delivered to the Secretary of the Foundation at their address last on file with Agent.

10. The Account may be terminated at any time by either party upon thirty (30) days written notice. Upon its termination and payment of all sums due Agent from the Foundation with respect to the Account, Agent shall deliver to the Foundation the property then held in the Account.

IN WITNESS WHEREOF, this Agreement is made and entered into by the authorized representatives of the parties as of the date and year first above written.

Ima Hogg Foundation, Inc.

By: \_\_\_\_\_  
Secretary

ATTEST:

The Board of Regents of  
The University of Texas System

\_\_\_\_\_  
Arthur H. Dilly  
Executive Secretary

By: \_\_\_\_\_  
Thomas G. Ricks  
Vice Chancellor for  
Asset Management

201 West Seventh Street  
Austin, Texas 78701

APPROVED AS TO FORM:

\_\_\_\_\_  
Max J. Werkenthin  
Office of General Counsel

2. The Robertson Poth Foundation Agenda.--

RECOMMENDATION

It is recommended that the Chairman, the Chairman of the Asset Management Committee, and the Chairman of the Health Affairs Committee of the U. T. Board of Regents convene as Trustees of The Robertson Poth Foundation to act on the following agenda:

- a. Approval of the Minutes of the meeting held on October 11, 1991, as set forth on Page B of R - 15
- b. Election of the Chairman of the U. T. Board of Regents, Bernard Rapoport, as Chairman; the Chairman of the Health Affairs Committee, Mario E. Ramirez, M.D., as Vice Chairman; the Executive Vice Chancellor for Health Affairs, Charles B. Mullins, M.D., as Secretary; the Executive Vice Chancellor for Business Affairs, R. D. Burck, as Treasurer; and the elimination of the position of Assistant Secretary-Treasurer
- c. Approval of the revised Investment Agency Agreement between The Robertson Poth Foundation and the U. T. Board of Regents substantially in the form set forth in congressional style on Pages B of R 16 - 17
- d. Authorization for the Secretary of the Foundation to execute such agreement for the Foundation.

BACKGROUND INFORMATION

The Robertson Poth Foundation was established as a charitable, scientific and educational foundation. Dr. Edgar J. Poth, his wife, Dr. Gaynelle Robertson Poth, and Dr. Douglas D. Stiernberg resigned as trustees of The Robertson Poth Foundation in 1967 and requested that the U. T. Board of Regents assume the management of the Foundation and appointed as successor trustees the Chairman of the U. T. Board of Regents, the Chairman of the Health Affairs Committee, and the Chairman of the Asset Management Committee (formerly the Land and Investment Committee) to manage and control The Robertson Poth Foundation.

Since October 11, 1991, the officers have been Mr. Louis A. Beecherl, Jr., Chairman; Mario E. Ramirez, M.D., Vice Chairman; Mr. Robert J. Cruikshank, Secretary-Treasurer; and Mr. Michael E. Patrick, Assistant Secretary-Treasurer.

Historically, these officers have been:

Chairman: Chairman of the U. T. Board of Regents  
Vice Chairman: Chairman of the Health Affairs Committee  
Secretary-Treasurer: Chairman of the Asset Management  
Committee  
Assistant Secretary-Treasurer: Vice Chancellor for Asset  
Management

The proposed action involves the elimination, consistent with the By-Laws, of the Assistant Secretary-Treasurer position and the establishment of a separate office of Secretary and a separate office of Treasurer, with the office of Secretary being held by the Executive Vice Chancellor for Health Affairs and the office of Treasurer being held by the Executive Vice Chancellor for Business Affairs.

An Investment Agency Agreement authorizing the U. T. Board of Regents, as agent for the Foundation, to invest the funds, safekeep the assets, maintain records and act upon instruction of the Foundation was entered into between the U. T. Board of Regents and the Board of the Foundation on June 14, 1990. This agreement defined the responsibilities of the Board of the Foundation and the duties of the U. T. Board of Regents. The proposed revised Investment Agency Agreement has been changed to clarify the interaction between the officers of the Foundation and the U. T. Board of Regents. Assets of The Robertson Poth Foundation managed by the Office of Asset Management as of August 31, 1992 totaled \$3,120,021.17.

THE ROBERTSON POTH FOUNDATION

Minutes of the Trustees

October 11, 1991

The Chairman of the Board of Regents of The University of Texas System, the Chairman of the Asset Management Committee, and the Chairman of the Health Affairs Committee as Trustees of The Robertson Poth Foundation met on October 11, 1991, in Conference Room 4, Third Floor, E. E. Davis Hall, U. T. Arlington, Arlington, Texas.

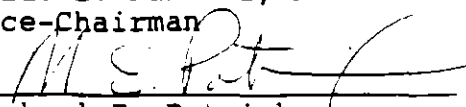
On motions duly made and seconded and by unanimous vote of the Trustees, the following actions were taken:

1. Chairman Beecherl reported that the items related to the Foundation were deferred from the August 1991 meeting of the Trustees and noted that the Business Affairs and Audit Committee of the U. T. Board of Regents was requested to review the activities of the Foundation and to report its findings to the Trustees.
2. At the request of Chairman Beecherl, Regent Tom Loeffler reported on the review of the Foundation conducted by the Business Affairs and Audit Committee. Regent Loeffler reported that the Business Affairs and Audit Committee, with all three members present and three other Regents in attendance, held a briefing session on September 10, 1991, to generally review the "foundation-like" organizations which are part of the U. T. System. Regent Loeffler noted that while the Committee has requested additional information and feels that the Foundation should be reviewed with the Trustees on a more formal basis than in the past, the Committee is of the opinion that there are in place sufficient program review mechanisms and fiscal controls and that the fiduciary responsibility of the members of the Board who serve as Trustees of the Foundation is being appropriately discharged. The Business Affairs and Audit Committee further recommends that the organizational matters reflected in the agenda item for the Foundation be considered by the Trustees.
3. Minutes of the meetings held on April 6, 1989, December 7, 1989, June 14, 1990, and August 8, 1991 were approved.
4. The Chairman of the Board of Regents, Louis A. Beecherl, Jr., was re-elected Chairman of the Board of Trustees; the Chairman of the Health Affairs Committee, Mario E. Ramirez, M.D., was elected Vice-Chairman; the Chairman of the Asset Management Committee, Robert J. Cruikshank, was elected Secretary-Treasurer; and the Executive Vice Chancellor for Asset Management, Michael E. Patrick, was re-elected Assistant Secretary-Treasurer.
5. Chairman Beecherl expressed appreciation to Regent Ellen Temple for her efforts in raising the issue of the fiduciary responsibility of the members of the U. T. Board of Regents who serve as Trustees for the Foundation to ensure that the Trustees are following its original intent or purpose.

\_\_\_\_\_  
Louis A. Beecherl, Jr.  
Chairman

\_\_\_\_\_  
Robert J. Cruikshank  
Secretary-Treasurer

\_\_\_\_\_  
Mario E. Ramirez, M.D.  
Vice-Chairman

  
\_\_\_\_\_  
Michael E. Patrick  
Assistant Secretary-Treasurer

## INVESTMENT AGENCY AGREEMENT

This Investment Agency Agreement (hereinafter called "Agreement") is made and entered into as of \_\_\_\_\_, by and between The Robertson Poth Foundation, whose address is 201 W. Seventh Street, Austin, Texas 78701 (hereinafter called "the Foundation"), and the Board of Regents of The University of Texas System (hereinafter called "Agent"), whose address is 201 W. Seventh Street, Austin, Texas 78701 and supersedes the Investment Agency Agreement entered into by these two parties as of June 14, 1990.

### RECITALS

The Foundation has deposited with Agent the property listed in Exhibit "A" hereto attached, to be maintained in an agency account (hereinafter called "the Account"), together with any other property which may be added to or become a part of the Account.

In consideration of the covenants and conditions, and other good and valuable consideration as herein provided, the Account shall be held and administered by Agent under the following terms and conditions:

1. Agent shall safely keep the property in the Account and collect all income thereon and all principal realizable through sales, maturities, redemptions, or otherwise.
2. Income earned in the Account shall be disbursed or retained as directed in writing by the Treasurer of the Foundation from time to time.
3. Agent shall have investment discretion over the Account. In such capacity, unless otherwise directed in writing by the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation, Agent will invest and reinvest the Account as it deems appropriate in accordance with "The Common Trust Fund Investment Policy Statement" as amended from time to time by the Board of Regents of The University of Texas System. In the case of purchases or sales directed by the Foundation, Agent may act only upon the written direction of the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation. Agent shall not be liable for any losses or unfavorable results arising from its compliance with investment directions issued by the Foundation.
4. Agent is authorized to use its depository for the safekeeping of all securities held hereunder. Securities may be registered in the name of Agent's nominee or in the name of its depository's nominee. Notwithstanding the delegation of authority to Agent hereunder to hold, manage, invest, and disburse from the Account, all assets of the Account shall at all times remain the property of the Foundation.
5. All instructions or directions given by the Foundation hereunder, unless they otherwise provide, shall remain in force until revoked or amended by further written instructions or directions from the Foundation received by Agent. Agent shall be fully indemnified in acting upon any such instruction or directions, except for willful acts of default, bad faith or gross negligence.
6. Agent shall keep books reflecting all transactions, and annually and at such other intervals as may be mutually agreeable to the Foundation and Agent, shall furnish the

Foundation statements of receipts and disbursements and a list of assets. The annual statements referred to above will be delivered to the Treasurer of the Foundation within 45 days after the close of the Foundation's fiscal year. The Agent shall also provide to the Treasurer of the Foundation such additional information necessary for the preparation of the annual tax return based upon the assets held by the Agent within 45 days after the close of the Foundation's fiscal year. The Foundation or any person designated by it shall be entitled, at all reasonable times, to examine all books, papers and other records relating to the Account in possession of Agent.

7. Agent shall not be expected to provide services other than investment, distribution and reporting services enumerated above. Agent shall not be entitled to receive compensation for its services hereunder. However, Agent shall be entitled to reimbursement for any out-of-pocket expenses it incurs in the administration of the Account in accordance with this Agreement.

8. Agent shall use the same care with respect to securities and other property in the Account that it exercises with respect to its own securities and property. Agent may utilize members of its staff to carry out any or all of its functions under this Agreement and may delegate to its staff the authority to perform said functions.

9. All notices to the Foundation shall be mailed or hand delivered to the Secretary of the Foundation at their address last on file with Agent.

10. The Account may be terminated at any time by either party upon thirty (30) days written notice. Upon its termination and payment of all sums due Agent from the Foundation with respect to the Account, Agent shall deliver to the Foundation the property then held in the Account.

IN WITNESS WHEREOF, this Agreement is made and entered into by the authorized representatives of the parties as of the date and year first above written.

The Robertson Poth Foundation

By: \_\_\_\_\_  
Secretary

ATTEST:

The Board of Regents of  
The University of Texas System

\_\_\_\_\_  
Arthur H. Dilly  
Executive Secretary

By: \_\_\_\_\_  
Thomas G. Ricks  
Vice Chancellor for  
Asset Management

201 West Seventh Street  
Austin, Texas 78701

APPROVED AS TO FORM:

\_\_\_\_\_  
Max J. Werkenthin  
Office of General Counsel



3. Winedale Stagecoach Inn Fund Agenda.--

RECOMMENDATION

It is recommended that the members of the U. T. Board of Regents convene as Trustees of the Winedale Stagecoach Inn Fund to act on the following agenda:

- a. Approval of the Minutes of the meeting held on October 11, 1991, as set forth on Page B of R - 20
- b. Election of the Chairman of the U. T. Board of Regents, Bernard Rapoport, as President; the Vice-Chairman of the U. T. Board of Regents, Ellen Clarke Temple, as Vice President; the President of The University of Texas at Austin, Robert M. Berdahl, as Secretary; and the Executive Vice Chancellor for Business Affairs, R. D. Burck, as Treasurer; and the elimination of the position of Assistant Secretary-Treasurer
- c. Approval of the revised Investment Agency Agreement between the Winedale Stagecoach Inn Fund and the U. T. Board of Regents substantially in the form set forth in congressional style on Pages B of R 21 - 22
- d. Authorization for the Secretary of the Fund to execute such agreement for the Fund.

BACKGROUND INFORMATION

The organizational meeting of the Winedale Stagecoach Inn Fund was held January 16, 1965. The purpose of this Fund is support of the Winedale Historical Center (name changed from Winedale Stagecoach Inn). The Winedale Historical Center is located on 190 acres of land at Round Top, Fayette County, Texas. The Center was created by Miss Ima Hogg under the name of Winedale Stagecoach Inn and offered to the U. T. Board of Regents in 1965 and was formally dedicated on April 7, 1967.

Since October 11, 1991, the officers have been Mr. Louis A. Beecherl, Jr., President; Mario E. Ramirez, M.D., Vice President; Dr. William H. Cunningham, Secretary-Treasurer; and Mr. Michael E. Patrick, Assistant Secretary-Treasurer.

Historically, these officers have been:

President: Chairman of the U. T. Board of Regents  
Vice President: Vice-Chairman of the U. T. Board of Regents  
Secretary-Treasurer: President, U. T. Austin  
Assistant Secretary-Treasurer: Vice Chancellor for Asset Management

The proposed action involves the elimination, consistent with the Trust Indenture, of the Assistant Secretary-Treasurer position and the establishment of a separate office of Secretary and a separate office of Treasurer with the office of Secretary being held by the President of U. T. Austin and the office of Treasurer being held by the Executive Vice Chancellor for Business Affairs.

An Investment Agency Agreement authorizing the U. T. Board of Regents, as agent for the Fund, to invest the funds, safekeep the assets, maintain records and act upon instruction of the Fund was entered into between the U. T. Board of Regents and the Board of the Fund on June 14, 1990. This agreement defined the responsibilities of the Board of the Fund and the duties of the U. T. Board of Regents. The proposed revised Investment Agency Agreement has been changed to clarify the interaction between the officers of the Fund and the U. T. Board of Regents. Assets of the Winedale Stagecoach Inn Fund managed by the Office of Asset Management as of August 31, 1992 totaled \$933,818.57.

The Executive Officers of The University of Texas System have identified the need to update the existing Lease Agreement dated October 28, 1975, between the Trustees of the Fund and the U. T. Board of Regents on behalf of U. T. Austin for the Winedale Historical Center site. A proposed amended Lease Agreement will be presented to the Board of Trustees of the Fund at a future meeting.

WINEDALE STAGECOACH INN FUND

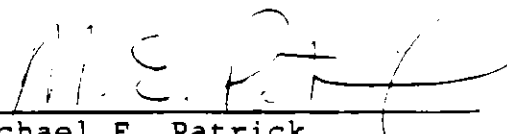
Minutes of the Trustees

October 11, 1991

The members of the Board of Regents of The University of Texas System who serve as Trustees of the Winedale Stagecoach Inn Fund met on October 11, 1991, in Conference Room 4, Third Floor, E. E. Davis Hall, U. T. Arlington, Arlington, Texas, with all Trustees present.

On motions duly made and seconded and by unanimous vote of the Trustees, the following actions were taken:

1. President Beecherl reported that the items related to the Foundation were deferred from the August 1991 meeting of the Trustees and noted that the Business Affairs and Audit Committee of the U. T. Board of Regents was requested to review the activities of the Foundation and to report its findings to the Trustees.
2. At the request of President Beecherl, Regent Tom Loeffler reported on the review of the Foundation conducted by the Business Affairs and Audit Committee. Regent Loeffler reported that the Business Affairs and Audit Committee, with all three members present and three other Regents in attendance, held a briefing session on September 10, 1991, to generally review the "foundation-like" organizations which are part of the U. T. System. Regent Loeffler noted that while the Committee has requested additional information and feels that the Foundation should be reviewed with the Trustees on a more formal basis than in the past, the Committee is of the opinion that there are in place sufficient program review mechanisms and fiscal controls and that the fiduciary responsibility of the Board as Trustees of the Foundation is being appropriately discharged. The Business Affairs and Audit Committee further recommends that the organizational matters reflected in the agenda item for the Foundation be considered by the Trustees.
3. Minutes of the meetings held on August 10, 1989, June 14, 1990, and August 8, 1991 were approved.
4. The Chairman of the Board of Regents, Louis A. Beecherl, Jr., was re-elected President of the Board of Trustees; the Vice-Chairman of the Board of Regents, Mario E. Ramirez, M.D., was elected Vice-President of the Board of Trustees; the President of The University of Texas at Austin, William H. Cunningham, was re-elected Secretary-Treasurer; and the Executive Vice Chancellor for Asset Management, Michael E. Patrick, was re-elected Assistant Secretary-Treasurer.
5. President Beecherl expressed appreciation to Regent Ellen Temple for her efforts in raising the issue of the U. T. Board of Regents' fiduciary responsibility as Trustees for the Foundation to ensure that the Trustees are following its original intent or purpose.

  
Michael E. Patrick  
Assistant Secretary-Treasurer

## INVESTMENT AGENCY AGREEMENT

This Investment Agency Agreement (hereinafter called "Agreement") is made and entered into as of \_\_\_\_\_, by and between the Winedale Stagecoach Inn Fund whose address is 201 W. Seventh Street, Austin, Texas 78701 (hereinafter called "the Foundation"), and the Board of Regents of The University of Texas System (hereinafter called "Agent"), whose address is 201 W. Seventh Street, Austin, Texas 78701 and supersedes the Investment Agency Agreement entered into by these two parties as of June 14, 1990.

### RECITALS

The Foundation has deposited with Agent the property listed in Exhibit "A" hereto attached, to be maintained in an agency account (hereinafter called "the Account"), together with any other property which may be added to or become a part of the Account.

In consideration of the covenants and conditions, and other good and valuable consideration as herein provided, the Account shall be held and administered by Agent under the following terms and conditions:

1. Agent shall safely keep the property in the Account and collect all income thereon and all principal realizable through sales, maturities, redemptions, or otherwise.
2. Income earned in the Account shall be disbursed or retained as directed in writing by the Treasurer of the Foundation from time to time.
3. Agent shall have investment discretion over the Account. In such capacity, unless otherwise directed in writing by the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation, Agent will invest and reinvest the Account as it deems appropriate in accordance with "The Common Trust Fund Investment Policy Statement" as amended from time to time by the Board of Regents of The University of Texas System. In the case of purchases or sales directed by the Foundation, Agent may act only upon the written direction of the Trustees of the Foundation pursuant to an action by the Trustees of the Foundation. Agent shall not be liable for any losses or unfavorable results arising from its compliance with investment directions issued by the Foundation.
4. Agent is authorized to use its depository for the safekeeping of all securities held hereunder. Securities may be registered in the name of Agent's nominee or in the name of its depository's nominee. Notwithstanding the delegation of authority to Agent hereunder to hold, manage, invest, and disburse from the Account, all assets of the Account shall at all times remain the property of the Foundation.
5. All instructions or directions given by the Foundation hereunder, unless they otherwise provide, shall remain in force until revoked or amended by further written instructions or directions from the Foundation received by Agent. Agent shall be fully indemnified in acting upon any such instruction or directions, except for willful acts of default, bad faith or gross negligence.
6. Agent shall keep books reflecting all transactions, and annually and at such other intervals as may be mutually agreeable to the Foundation and Agent, shall furnish the

Foundation statements of receipts and disbursements and a list of assets. The annual statements referred to above will be delivered to the Treasurer of the Foundation within 45 days after the close of the Foundation's fiscal year. The Agent shall also provide to the Treasurer of the Foundation such additional information necessary for the preparation of the annual tax return based upon the assets held by the Agent within 45 days after the close of the Foundation's fiscal year. The Foundation or any person designated by it shall be entitled, at all reasonable times, to examine all books, papers and other records relating to the Account in possession of Agent.

7. Agent shall not be expected to provide services other than investment, distribution and reporting services enumerated above. Agent shall not be entitled to receive compensation for its services hereunder. However, Agent shall be entitled to reimbursement for any out-of-pocket expenses it incurs in the administration of the Account in accordance with this Agreement.

8. Agent shall use the same care with respect to securities and other property in the Account that it exercises with respect to its own securities and property. Agent may utilize members of its staff to carry out any or all of its functions under this Agreement and may delegate to its staff the authority to perform said functions.

9. All notices to the Foundation shall be mailed or hand delivered to the Secretary of the Foundation at their address last on file with Agent.

10. The Account may be terminated at any time by either party upon thirty (30) days written notice. Upon its termination and payment of all sums due Agent from the Foundation with respect to the Account, Agent shall deliver to the Foundation the property then held in the Account.

IN WITNESS WHEREOF, this Agreement is made and entered into by the authorized representatives of the parties as of the date and year first above written.

Winedale Stagecoach Inn Fund

By: \_\_\_\_\_  
Secretary

ATTEST:

The Board of Regents of  
The University of Texas System

\_\_\_\_\_  
Arthur H. Dilly  
Executive Secretary

By: \_\_\_\_\_  
Thomas G. Ricks  
Vice Chancellor for  
Asset Management

201 West Seventh Street  
Austin, Texas 78701

APPROVED AS TO FORM:

\_\_\_\_\_  
Max J. Werkenthin  
Office of General Counsel

K. OTHER MATTERS

L. 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.

M. RECONVENE IN OPEN SESSION

N. 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. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
  - b. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
  - a. U. T. Austin - Balcones Research Center: Request for Authorization to Lease Approximately 10.5 Acres of Land in Austin, Travis County, Texas
  - b. U. T. Austin - Brackenridge Tract: Request for Authorization to Lease Approximately 14 Acres of Land in Austin, Travis County, Texas
  - c. U. T. San Antonio: Request for Authorization to Complete Negotiations and to Accept a Gift of Lot 26, Block 18, New City Block 302, VISTA VERDE SOUTH UNIT 2, City of San Antonio, Bexar County, Texas
  - d. U. T. Medical Branch - Galveston: Request for Authorization to Purchase Two Parcels of Land in Galveston, Galveston County, Texas
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

O. SCHEDULED EVENTS

1. Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
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

May 7, 1993	U. T. Southwestern Medical Center - Dallas: 50th Anni- versary Celebration
May 27, 1993	U. T. Southwestern Medical Center - Dallas: Dedication of Simmons Biomedical Research Building

3. Official Commencements - 1993

May 7	U. T. Tyler
May 8	U. T. Permian Basin
	U. T. San Antonio
May 14	U. T. Public Health School - Houston
May 15-16	U. T. Arlington
May 15	U. T. Brownsville
	U. T. El Paso
May 16	U. T. Pan American
May 22	U. T. Austin
	U. T. Dallas
	U. T. Medical School - Galveston
	U. T. Nursing School - San Antonio
June 5	U. T. Southwestern Medical School - Dallas and U. T. Southwestern
	G.S.B.S. - Dallas
August 14	U. T. Allied Health Sciences School - Galveston

P. OTHER BUSINESS

Q. ADJOURNMENT

# 1993

January 1993						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February 1993						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March 1993						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 1993						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May 1993						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 1993						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

July 1993						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August 1993						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 1993						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October 1993						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November 1993						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December 1993						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						



## Executive Committee

EXECUTIVE COMMITTEE  
Committee Chairman Rapoport

Date: April 1, 1993  
Time: Following the convening of the Board of Regents  
at 10:00 a.m.  
Place: Room 1.220, Nursing School Building  
U. T. Health Science Center - San Antonio

	<u>Page</u>
1. U. T. Board of Regents: Request for Approval of Standing Committee Chairmen and Members of the Board for Lease of University Lands and Report of Appointments to the Standing Committees, Special Committees, and Other Liaison Groups Effective Immediately (Exec. Com. Letter 93-11)	2
2. U. T. Arlington - Science Building Phase I Expansion (Project No. 301-706): Recommended Award of Construction Contract to The Cadence Group, Inc., Irving, Texas (Exec. Com. Letter 93-9)	3
3. U. T. Brownsville: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 93-10)	8
4. U. T. Medical Branch - Galveston: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 93-10)	8
5. U. T. M.D. Anderson Cancer Center - R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II (Project No. 703-770): Request for Appointment of Burns DeLatta & McCoy, Inc., Houston, Texas, as Project Engineer to Complete Final Plans and Authorization to Advertise for Bids and for the Executive Committee to Award Contracts (Exec. Com. Letter 93-9)	10

1. U. T. Board of Regents: Request for Approval of Standing Committee Chairmen and Members of the Board for Lease of University Lands and Report of Appointments to the Standing Committees, Special Committees, and Other Liaison Groups Effective Immediately (Exec. Com. Letter 93-11).--

#### RECOMMENDATION

In accordance with the requirements of the Regents' Rules and Regulations, Part One, Chapter I, Section 7, the Executive Committee concurs with Chairman Rapoport's request for approval by the Board of the chairmen of the Standing Committees and the members of the Board for Lease of University Lands as set forth below.

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

#### 1. STANDING COMMITTEES

##### Executive Committee

Mr. Bernard Rapoport, Chairman  
Mrs. Ellen Clarke Temple, Vice-Chairman  
Mr. Lowell H. Lebermann, Jr., Vice-Chairman

##### Business Affairs and Audit Committee

Mr. Tom Loeffler, Chairman  
Mr. Peter R. Coneway  
Mr. Robert J. Cruikshank  
Ms. Martha E. Smiley

##### Academic Affairs Committee

Rev. Zan W. Holmes, Jr., Chairman  
Mr. Lowell H. Lebermann, Jr.  
Mario E. Ramirez, M.D.

##### Health Affairs Committee

Mario E. Ramirez, M.D., Chairman  
Mr. Peter R. Coneway  
Mr. Robert J. Cruikshank  
Mrs. Ellen Clarke Temple

##### Facilities Planning and Construction Committee

Mrs. Ellen Clarke Temple, Chairman  
Rev. Zan W. Holmes, Jr.  
Mr. Lowell H. Lebermann, Jr.  
Ms. Martha E. Smiley

##### Asset Management Committee

Mr. Robert J. Cruikshank, Chairman  
Mr. Peter R. Coneway  
Mr. Tom Loeffler  
Ms. Martha E. Smiley

NOTE: CHAIRMAN RAPOPORT IS AN EX OFFICIO MEMBER OF ALL STANDING COMMITTEES.

2. BOARD FOR LEASE OF UNIVERSITY LANDS

Mr. Lowell H. Lebermann, Jr.  
Mr. Bernard Rapoport

3. SPECIAL COMMITTEES

Joint Conference Committee of Board of Regents of The University of Texas System and Trustees of Hermann Hospital (Health Affairs Committee)

Mario E. Ramirez, M.D., Chairman  
Mr. Peter R. Coneway  
Mr. Robert J. Cruikshank  
Mrs. Ellen Clarke Temple

Santa Rita Award

Mr. Robert J. Cruikshank, Chairman  
Mr. Tom Loeffler  
Mario E. Ramirez, M.D.

4. REGENTAL REPRESENTATIVES

Association of Governing Boards of Universities and Colleges

All members of the Board of Regents

The University of Texas at Austin Development Board (Liaison)

Mario E. Ramirez, M.D.

Committee of Governing Boards, Texas Public Senior Colleges and Universities

Mr. Bernard Rapoport

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

Mr. Peter R. Coneway

2. U. T. Arlington - Science Building Phase I Expansion (Project No. 301-706): Recommended Award of Construction Contract to The Cadence Group, Inc., Irving, Texas (Exec. Com. Letter 93-9).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Amacher that the U. T. Board of Regents award a contract for the construction of the Science Building Phase I Expansion at U. T. Arlington to the lowest responsible bidder, The Cadence Group, Inc., Irving, Texas, for the Base Bid and Additive Alternate Bid Nos. 1, 2, 3, and 4 in the amount of \$10,520,000.

## BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in August 1992, bids for the construction of the Science Building Phase I Expansion were received on January 12, 1993, as shown on Pages Ex.C 5 - 7.

The recommended award to The Cadence Group, Inc., Irving, Texas, for the Base Bid and Additive Alternate Bid Nos. 1, 2, 3, and 4 in the amount of \$10,520,000 can be made within the authorized total project cost of \$12,500,000.

The new construction in Phase I will contain approximately 58,000 gross square feet for teaching and research laboratories and faculty offices primarily for the Department of Chemistry. This project will also renovate approximately 5,600 square feet in the existing Science Building to correct major deficiencies in mechanical and fume hood systems and provide renovated laboratory space for the Department of Physics.

The Phase I project is included in the Capital Improvement Plan and the FY 1993 Capital Budget. Funding for the \$12,500,000 total project cost will be \$10,000,000 from Permanent University Fund Bond Proceeds, \$2,000,000 from Gifts and Grants, and \$500,000 from FY 1988 Permanent University Fund Reserves.

This project was approved by the Texas Higher Education Coordinating Board in October 1991.

SCIENCE BUILDING PHASE I EXPANSION  
 THE UNIVERSITY OF TEXAS AT ARLINGTON  
 Bids Received January 12, 1993

	<u>The Cadence Group, Inc.</u> <u>Irving, Texas</u>	<u>Turner Construction</u> <u>Company of Texas</u> <u>Dallas, Texas</u>	<u>C. Construction</u> <u>Co., Inc.</u> <u>Tyler, Texas</u>
BASE BID	\$8,377,000	\$8,434,000	\$8,755,000
Add Alt. Bid #1 - Pedestrian Bridge	386,400	456,000	445,000
Add Alt. Bid #2 - Telephone Switching Center Space	141,400	130,000	155,000
Add Alt. Bid #3 - Basement Shell Space	53,200	75,000	82,000
Add Alt. Bid #4 - Finish-Out Third Floor Shell Space	<u>1,562,000</u>	<u>1,864,000</u>	<u>1,610,000</u>
 Recommended Contract Award Base Bid Plus Alternates 1, 2, 3, and 4	 \$10,520,000	 \$10,959,000	 \$11,047,000

SCIENCE BUILDING PHASE I EXPANSION  
 THE UNIVERSITY OF TEXAS AT ARLINGTON  
 Bids Received January 12, 1993

	<u>Mike Klein General Contractors, Inc. Lubbock, Texas</u>	<u>Lee Lewis Construction, Inc. Lubbock, Texas</u>	<u>Diversified Construction Services, Inc. Dallas, Texas</u>
BASE BID	\$8,937,000	\$8,976,000	\$8,899,000
Add Alt. Bid #1 - Pedestrian Bridge	437,000	414,000	380,000
Add Alt. Bid #2 - Telephone Switching Center Space	117,000	145,000	160,000
Add Alt. Bid #3 - Basement Shell Space	67,000	92,000	150,000
Add Alt. Bid #4 - Finish-Out Third Floor Shell Space	<u>1,587,000</u>	<u>1,660,000</u>	<u>1,730,000</u>
 Recommended Contract Award Base Bid Plus Alternates 1, 2, 3, and 4	 \$11,145,000	 \$11,287,000	 \$11,319,000

SCIENCE BUILDING PHASE I EXPANSION  
 THE UNIVERSITY OF TEXAS AT ARLINGTON  
 Bids Received January 12, 1993

EX.C - 7

	<u>JBM Builders, Inc.</u> <u>Fort Worth, Texas</u>	<u>Temple Associates, Inc.</u> <u>Diboll, Texas</u>	<u>Sedalco, Inc.</u> <u>Fort Worth, Texas</u>
BASE BID	\$9,279,000	\$9,277,000	\$9,389,000
Add Alt. Bid #1 - Pedestrian Bridge	497,000	517,500	608,000
Add Alt. Bid #2 - Telephone Switching Center Space	154,000	131,000	176,000
Add Alt. Bid #3 - Basement Shell Space	78,000	67,000	96,000
Add Alt. Bid #4 - Finish-Out Third Floor Shell Space	<u>1,654,000</u>	<u>1,828,800</u>	<u>2,209,000</u>
 Recommended Contract Award Base Bid Plus Alternates 1, 2, 3, and 4	 \$11,662,000	 \$11,821,300	 \$12,478,000



3. U. T. Brownsville: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 93-10).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Garcia of U. T. Brownsville that the U. T. Board of Regents approve the following transfer of funds:

Educational and General Funds

Amount of Transfer - \$1,309,504

From: Other Sources - Texas Southmost College Contract	<u>\$1,309,504</u>
To: Lease of Facilities	<u>\$1,309,504</u>

BACKGROUND INFORMATION

In June 1991, the U. T. Board of Regents entered into an Educational Partnership Agreement with Texas Southmost College for the purpose of improving the continuity, quality, and efficiency of educational programs and services offered by both U. T. Brownsville and Texas Southmost College. Prior to the partnership agreement, U. T. Brownsville leased space for its programs from the Texas Southmost College (TSC) Board of Trustees. Under the partnership, U. T. Brownsville continues to provide a lease payment for space used to meet upper-level and graduate program needs. The amount currently used is 20% of the campus Educational & General space (with a gross square footage of 528,547). The TSC Board continues to cover facilities costs for all the traditional community college programs which utilize the remaining 80% of the space. Subsequent to implementing the FY 1993 Operating Budget, it was determined that sufficient funding was not included in the budget to compensate Texas Southmost College at the agreed upon rate. The above transfer of funds is necessary to fund the lease agreement for the remainder of FY 1993.

4. U. T. Medical Branch - Galveston: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 93-10).--

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 approve the transfer of funds at the U. T. Medical Branch - Galveston as set out on Page Ex.C - 9.

Educational and General Funds

Amount of Transfer - \$14,410,668

From:	Estimated Income	<u>\$14,410,668</u>
To:	Institutional Programs	\$ 745,000
	Home Health	793,848
	Geriatric Day Hospital	155,000
	Multiservice	6,868,272
	Employee Health	274,236
	Medical Housestaff	547,624
	Health Programs Development	490,800
	Ob/Gyn Perinatal Program	924,851
	Pharmoeconomy	115,599
	Infectious Waste	300,000
	Healthcare Information Systems	557,311
	Hospital Adjustments	838,127
	Liver Transplant	<u>1,800,000</u>
	Total	<u>\$14,410,668</u>

BACKGROUND INFORMATION

Since the development and implementation of the FY 1993 Operating Budget, patient-care activity has increased more dramatically than anticipated. Some of the factors contributing to this increase are:

--- Expanded OB/GYN Perinatal Program

Patient visits have doubled during the past year resulting in an increase of 14% for in-patient Medicaid activity.

--- Growth in Managed Care

70,000 covered lives under current or pending contracts. This will represent roughly 16% of the population in our primary service area.

--- Increased Out-Patient Activity

Clinic visits are up 11% from the prior year. This is primarily due to expanded Medicine, Surgery, Psychiatry, and Ophthalmology practices.

These increased patient volumes have been covered almost exclusively by payment sources such as commercial insurance, Medicaid, and Medicare. This has resulted in a corresponding increase in hospital income. Allocation of this increased revenue will cover the expenses related to the increased activity as well as provide increases for other patient-care and support services.

5. U. T. M.D. Anderson Cancer Center - R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II (Project No. 703-770): Request for Appointment of Burns DeLatte & McCoy, Inc., Houston, Texas, as Project Engineer to Complete Final Plans and Authorization to Advertise for Bids and for the Executive Committee to Award Contracts (Exec. Com. Letter 93-9).--

#### 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:

- a. Appoint Burns DeLatte & McCoy, Inc., Houston, Texas, as Project Engineer to complete the final plans for the R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II at the U. T. M.D. Anderson Cancer Center at an estimated project cost of \$6,000,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts related to this project within the authorized total project cost.

#### BACKGROUND INFORMATION

At the June 1991 meeting, the U. T. Board of Regents authorized a project for the Upgrading and Expansion of Mechanical and Utility Systems - Phase II in the R. E. "Bob" Smith Research Building for the U. T. M.D. Anderson Cancer Center at an estimated project cost of \$6,000,000 to be funded from Educational and General Funds. The firm of Spencer Engineers, Inc., Houston, Texas, was appointed as Project Engineer to prepare final plans and specifications. Authorization was granted to submit the project to the Texas Higher Education Coordinating Board and, subsequently, the Coordinating Board approved the project in October 1991. The scope of the project was to provide mechanical and utility upgrades to support the new state-of-the-art research laboratories located at this facility.

In December 1991, the U. T. Board of Regents authorized a related project for the R. E. "Bob" Smith Research Building - Addition at an estimated total project cost of \$21,400,000. The firm of Watkins Carter Hamilton, Houston, Texas, was appointed as Project Architect to prepare preliminary plans to be presented to the U. T. Board of Regents for consideration at a future meeting. The Addition to the R. E. "Bob" Smith Research Building will provide much needed research laboratory space and support facilities.

During the development of plans and specifications for these two projects it became apparent that the close coordination required would best be accomplished by a single engineering firm. This would assure compatibility between the two projects and minimize duplication of input and review by U. T. M.D. Anderson Cancer Center and the Office of Facilities Planning and Construction. A single design engineer is in a position to produce construction documents that can be staged to limit disruption to ongoing research activities.

The firm of Burns DeLatte & McCoy, Inc., Houston, Texas, is the Consulting Design Engineer for Watkins Carter Hamilton, the Project Architect for the larger project for the Addition to the R. E. "Bob" Smith Research Building. Both U. T. M.D. Anderson Cancer Center and the Office of Facilities Planning and Construction recommend that Burns DeLatte & McCoy, Inc. be appointed Project Engineer for the Upgrading and Expansion of Mechanical and Utility Systems - Phase II for the completion and coordination of final plans. The firm of Spencer Engineers, Inc., Houston, Texas, will be compensated for work properly authorized and accomplished prior to termination of its contract.

## **Business Affairs & Audit Committee**

BUSINESS AFFAIRS AND AUDIT COMMITTEE  
Committee Chairman Loeffler

Date: April 1, 1993  
Time: Following the meeting of the Executive Committee  
Place: Room 1.220, Nursing School Building  
U. T. Health Science Center - San Antonio

	<u>Page</u> <u>BAAC</u>
1. U. T. System: Recommendation to Approve <u>Chancellor's Docket No. 69</u>	2
2. U. T. System: Request for Approval of the Available University Fund Spending Policy	2
3. U. T. System: Request for Approval of Amendments to Guidelines Governing Admin- istration of the Revenue Financing System	5
4. U. T. System: Recommended Appointment of Carrier for Group Term Life, Long-Term Disability, and Accidental Death and Dismemberment Insurance Coverage to be Effective September 1, 1993	8
5. U. T. System: Recommended Establishment of Self-Insured, Point-of-Service Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs) and Appointment of Administrative/Fiscal Agents for the Self-Insured Medical and Dental Plans to be Effective Septem- ber 1, 1993	8

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 69.--

#### RECOMMENDATION

It is recommended that Chancellor's Docket No. 69 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. System: Request for Approval of the Available University Fund Spending Policy.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System Available University Fund Spending Policy be approved as set out on Pages BAAC 3 - 4.

#### BACKGROUND INFORMATION

The need for a policy to establish guidelines for the use of the Available University Fund was determined during discussions related to reduction in Permanent University Fund financing for capital projects resulting from reduced income projections. The policy is intended to establish procedures for the approval of PUF funded projects, criteria for project selection, minimum debt service coverage, and minimum reserve balance.

The proposed policy has been provided to U. T. System Chief Administrative and Business Officers, as well as to the Business Affairs and Audit Committee of the U. T. Board of Regents.

## AVAILABLE UNIVERSITY FUND SPENDING POLICY

In order to provide a consistent and dependable level of funding and to maintain the highest credit ratings level possible, the appropriation of the Available University Fund (AUF) shall be governed by the following:

- A. Any staff recommendation to appropriate funds from the AUF or from Permanent University Fund (PUF) bond proceeds will be presented in the context of that appropriation's impact on: (a) AUF funding for U. T. Austin operations, (b) bond ratings, (c) projected AUF fund balances, and (d) other PUF projects in the Capital Improvement Plan (CIP). As such, the following procedures will apply:
1. Prior to each meeting of the U. T. Board of Regents at which a PUF funded project or AUF expenditure is submitted for approval, a forecast of at least seven years of the income and expenditures of the Available University Fund shall be completed. That forecast shall include, as separately identified expenditures, each of the proposed PUF projects recommended for approval in that agenda.
  2. As a part of each agenda item requesting approval of AUF expenditures or PUF funded projects, a statement indicating compliance with this policy based on the most recent forecast shall be included.
  3. Accompanying the forecast, there will be a listing of all PUF projects from the CIP which are in a delayed or pending status and the amount of time they have already been delayed, plus a listing of all other projects which may be delayed as a result of the actions recommended for that meeting.
  4. In preparing recommendations for projects to be approved, the staff will be guided by the following general priorities:
    - a. Repair and renovation projects
    - b. Library and equipment projects
    - c. New construction projects

While these general priorities will shape recommendations, the specific merits of an individual proposed project will determine which of several pending projects across all categories as well as within each category may be recommended for funding as resources become available. In selecting which projects will be recommended, the staff will consider the following attributes:

- a. Emergency needs
- b. Contribution to the mission of the U. T. System as well as to the mission of the component
- c. Availability of alternate sources of funding including the use of revenue bonds



- d. Leveraging affect from external financial participation and internal sources and operating efficiencies.
5. No project will be recommended for approval, if in any of the forecasted years, the required appropriations from the AUF or PUF bond proceeds would cause:
    - a. The forecasted AUF expenditures for program enrichment at U. T. Austin to fall below 45 percent of the projected U. T. System share of the net divisible AUF annual income (subject to the limits imposed by (b) and (c) below)
    - b. Debt service coverage to be less than 2.25:1.00 and
    - c. The forecasted end of year AUF balance to be less than \$30 million.
- B. Permanent University Fund Investment Income Forecast and AUF Expenditures
1. The Office of Asset Management shall provide a forecast of the investment income of the Permanent University Fund at least annually prior to the adoption of the U. T. System Capital Budget and Operating Budgets of U. T. Austin and the U. T. System Administration. In order to assure a high level of confidence in the results, the forecast will be based on the lower of current interest rates or long-term historical interest rates and explicitly stated assumptions. Concurrence of the Investment Advisory Committee on assumptions will be sought.
  2. Operating expenditures of the U. T. System Administration will be carefully controlled in order to maximize the opportunity to meet the capital needs of the component institutions and the operating budget needs of U. T. Austin. Wherever possible, alternate funding from component institutions, state funds or other sources will be sought. Programs for which alternative funding cannot be obtained will be evaluated for possible reductions or phase out.
  3. Each two years beginning in June 1993 the Capital Improvement Plan (CIP) will be reviewed and updated. The update will include an estimated start date for each project which will be based on the criteria set forth in Section A4 above, project readiness, projected fund availability, and relative urgency of need for the completed project.
  4. During each fiscal year, the aggregate transfers to U. T. Austin from its annual AUF appropriation will be limited to no more than the ratable portion of the appropriation for the year unless prior approval is obtained from the Chancellor.

3. U. T. System: Request for Approval of Amendments to Guidelines Governing Administration of the Revenue Financing System.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Guidelines Governing Administration of the Revenue Financing System for the U. T. System be amended as set out on Pages BAAC 5 - 8.

#### BACKGROUND INFORMATION

The Guidelines Governing Administration of the Revenue Financing System were approved by the U. T. Board of Regents at its April 1990 meeting. The recommended changes to the Guidelines conform this policy to the organizational changes in which the Office of Finance was transferred to Business Affairs from Asset Management. Other changes are intended to enhance the use of historical experience by the component seeking approval for the use of revenue bonds in the forecast of future financial performance.

#### **Guidelines Governing Administration of the Revenue Financing System**

The purpose of the Revenue Financing System is to provide a Systemwide financing program with which to finance capital improvement projects using debt secured by resources other than the Permanent University Fund. The guiding principle underlying administration of the Revenue Financing System is that allocations of debt proceeds shall be contingent upon a Board determination that a component institution can prudently meet its proportionate share of debt service with its own financial resources. All decisions including Board actions shall be premised upon the observation of this principle.

Administration of the Revenue Financing System shall be the shared responsibility of the Office of Asset Management, Office of Business Affairs, and individual component institutions.

Component institutions are not automatically admitted as members of the Revenue Financing System. Admittance shall require approval of the Board. All component institutions constituting The University of Texas System as of April 12, 1990, shall be members of the Revenue Financing System.

#### **1. Approval of Revenue Financing System Indebtedness for CIP Projects**

All capital improvement projects to be funded in part or in whole with Revenue Financing System bond proceeds must receive a recommendation for allocation of debt proceeds from the Office of Business Affairs [~~Asset-Management~~] prior to being approved by the Board

for inclusion in the capital budget. Each request for formal approval from the Board of Regents for the expenditure of funds for architectural or construction expenses shall be accompanied by a recommendation from the Office of Business Affairs concerning the use of Revenue Financing System bond proceeds. Recommendations of allocations of proceeds shall be given by the Office of Business Affairs [~~Asset-Management~~] upon the completion of a financing evaluation concluding that the individual component institution proposing the project may prudently service its proportionate share of debt with its own financial resources. The financing evaluation shall include:

- a. Three levels of debt capacity & repayment analysis:
  - project level
  - component level
  - System level; with emphasis on maintaining or improving the current debt rating
- b. Financial Statement analysis:
  - 5 year history
  - trend analysis
  - evaluation of basis for projections
  
  - 5 year projections
  - verification of assumptions
  - risk adjustment of revenues
- c. Sensitivity Analysis:
  - worst, probable and best cases
- d. Application of tests:
  - debt service coverage
  - leverage

The Board shall determine the sequence of funding and the terms of Revenue Financing System debt issues.

## **2. Issuance of Revenue Financing System Debt**

Revenue Financing System debt shall be issued pursuant to a resolution and supplements specifying the terms of each issue.

Subject to outstanding debt with overlapping revenue pledges, Revenue Financing System debt shall be secured by a first lien on member institution revenues and fund balances lawfully available to the Board for payments of debt service except revenues and fund balances comprising: (a) the Available University Fund, (b) Higher Education Assistance Funds, (c) State of Texas general revenue fund appropriations unless specifically appropriated for debt service, and (d) M.S.R.D.P. income; unless and to the extent specifically pledged with the consent of a member institution.

After the establishment of the Revenue Financing System, no additional debt may be issued at parity with any outstanding debt secured in whole or in part with the pledged revenues.

## **3. Allocation of Debt Proceeds to Members**

Revenue Financing System debt proceeds shall be advanced to a member institution and repaid to the Board in accordance with a financing agreement.

Advances shall be made at the time that the Board issues Revenue Financing System debt to fund a member institution's project. Proceeds shall be held and invested at the direction of the Office of Business Affairs by the Office of Asset Management until disbursed to a member institution in reimbursement of project costs or directly to vendors to pay financing costs. Advances pursuant to each supplement shall be evidenced by a single promissory note payable to the order of the Board in a principal amount equal to the aggregate unpaid principal amount of the advances. Each advance shall bear interest at a rate equal to that rate paid by the Board on the Revenue Financing System debt issued to fund the advances.

**4. Anticipated Payment Deficit by a Member**

It is the intent of the Board that all debt service payments be made on a timely basis. In any circumstance where the Board determines that a member institution will be unable to satisfy its proportionate share of debt service, the Board may take any and all actions, including raising the general fee without limit at said institution or any other member institution.

**5. Member Institution Duties**

- a. Each member shall furnish the Office of Business Affairs five-year projections of its balance sheet, statement of changes in funds balances and statement of current revenues and expenditures.
- b. Each member in establishing its annual budget shall provide for the payment of its proportionate share of Revenue Financing System debt service.
- c. Each member shall establish and use its reasonable efforts to collect fees and other charges for goods and services in order to generate revenue sufficient to meet all of its financial obligations.
- d. Each member shall make available its proportionate share of Revenue Financing System debt service at such time and places as directed by the Office of Business Affairs [~~Asset-Management~~] in order to enable the Board to pay Revenue Financing System debt service.
- e. Each member shall not incur additional debt (including leases) except as permitted by the Board.
- f. Each member shall inform the Office of Business Affairs [~~and-the-office-of-Asset-Management~~] of any material change in its financial condition which would have a negative impact on its five-year projections.
- g. Each member shall annually file a report with the Office of Business Affairs on any auxiliary enterprise project which shall have materially failed to meet its original projections and, during the previous fiscal year, did not produce sufficient revenues, along with dedicated supplemental revenues, after all expenditures, based on the originally proposed method of finance, to at least meet its required allocation of Revenue Financing System debt service.

h. In forecasting revenues and expenditures in support of an application for the use of Revenue Financing System proceeds, a component shall be guided by historical facts and trends. An allocation for expected future repairs and maintenance shall be included and inflation should be considered where relevant.

i. Whenever possible, a good faith effort should be made to obtain a portion of the total capital cost from private contributions.

**6. Annual Report of Non-Performing Projects**

The Office of Business Affairs shall annually submit to the Board a report of all projects which have failed to perform financially as originally approved by the Board.

4. U. T. System: Recommended Appointment of Carrier for Group Term Life, Long-Term Disability, and Accidental Death and Dismemberment Insurance Coverage to be Effective September 1, 1993.--

As the Material Supporting the Agenda is printed, the contracts and rates for Group Term Life, Long-Term Disability, and Accidental Death and Dismemberment insurance coverage for employees of the U. T. System to be effective September 1, 1993, are still being determined and will be available to the Board in advance of the meeting.

The establishment of these rates at this time will enable their publication to the faculty and staff prior to the end of the spring semester.

5. U. T. System: Recommended Establishment of Self-Insured, Point-of-Service Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs) and Appointment of Administrative/Fiscal Agents for the Self-Insured Medical and Dental Plans to be Effective September 1, 1993.--

As the Material Supporting the Agenda is printed, the contracts and rates for Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and the self-insured medical and dental plans for employees of the U. T. System to be effective September 1, 1993, are still being reviewed and will be available to the Board in advance of the meeting.

The establishment of approved HMOs, PPOs, medical and dental plans and rates at this time will permit their publication to the faculty and staff prior to the end of the spring semester.

BUSINESS AFFAIRS AND AUDIT COMMITTEE

SUPPLEMENTAL MATERIAL

APRIL 1, 1993

4. U. T. System: Recommended Appointment of Carrier for Group Term Life, Accidental Death and Dismemberment, and Long-Term Disability Insurance Coverage to be Effective September 1, 1993.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents approve effective September 1, 1993, the appointment of Teachers Insurance and Annuity Association (TIAA), New York, New York, for group term life and accidental death and dismemberment insurance, and UNUM Corporation, Portland, Maine, for long-term disability income insurance for employees of the U. T. System.

The recommended rates will be provided at the meeting.

BACKGROUND INFORMATION

The U. T. System Administration developed a Letter of Notification and a Request for Proposals (RFP) that were distributed to all qualified interested organizations in December 1992 and January 1993. After extensive review of responses to the RFP, the U. T. System Employee Group Insurance Operating Committee recommended to the Executive Vice Chancellor for Business Affairs that the contract be awarded to Teachers Insurance and Annuity Association (TIAA) for group term life and accidental death and dismemberment (AD&D) insurance, and to UNUM Corporation for long-term disability (LTD) insurance. Coverage will continue on an insured basis.

<b>MONTHLY PREMIUMS FOR GROUP INSURANCE</b>		
<b>GROUP TERM LIFE</b>	<b>IN-FORCE FY 93</b>	<b>RECOMMENDED FY 94</b>
Automatic (\$ per \$1,000 coverage)	\$0.276	\$0.276
Optional (\$ per \$1,000 coverage)		
Under age 35	\$0.80	\$0.068
35-39	0.103	0.087
40-44	0.145	0.122
45-49	0.223	0.188
50-54	0.347	0.293
55-59	0.544	0.459
60-64	0.823	0.695
65	1.243	1.049
66 and older	1.550	1.308
Dependent (for flat amount)	1.37	1.37
Retired Employees (for \$2,500 coverage from age 70 <sup>*</sup> )	5.34 <sup>*</sup>	5.34 <sup>*</sup>
<b>ACCIDENTAL DEATH AND DISMEMBERMENT</b>		
(\$ per \$1,000 coverage)	\$0.024	\$0.021
<b>LONG TERM DISABILITY</b>		
(\$ per \$100 Salary)	\$0.690	\$0.373
<sup>*</sup> Age 70 years only		

3/31/93  
JCG/mo  
c:\wp51\cht\monthly.cht

BUSINESS AFFAIRS AND AUDIT COMMITTEE

SUPPLEMENTAL MATERIAL

APRIL 1, 1993

5. U. T. System: Recommended Establishment of Self-Insured, Point-of-Service Health Maintenance Organizations (HMOs), Fully-Insured HMOs, and Preferred Provider Organizations (PPOs); and Appointment of Administrative/Fiscal Agents for the Self-Insured Medical and Dental Plans to be Effective September 1, 1993.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents approve the establishment of self-insured, point-of-service medical plans and appointment of administrative/fiscal agents for those plans to be effective September 1, 1993:

- a. Appointment of Anthem Group Services Corporation and Anthem Health Systems, Dallas, Texas, as administrative/fiscal agent for the day-to-day management of the self-insured medical and dental plan for U. T. System employees
- b. Appointment of Anthem Health Systems as the administrative agent for PPOs
- c. Appointment of the following as administrative agents for the HMOs in the following service areas:

Austin	Prudential (PruCare) and Anthem Health Plan
San Antonio	Anthem Health Plan
Dallas/Arlington	Sanus Texas Health Plan
Houston	Sanus Texas Health Plan and Prudential (PruCare)
Galveston	Anthem Health Plan
- d. Appointment of Kaiser Permanente as a fully-insured HMO in Dallas/Arlington
- e. Appointment of American Dental Corporation, Dallas, Texas, as the administrative agent for the Dental Provider Network.

Group medical and dental insurance rates for FY 1994 will be recommended at a subsequent meeting.



## BACKGROUND INFORMATION

A Health Maintenance Organization (HMO) is an affiliation of physicians, hospitals, and other health-care providers who agree to provide for the health-care needs of participants. There are no deductibles, but each participant pays co-payments for specified medical services each time he or she receives care. Participants in traditional HMOs are not reimbursed for care obtained outside the HMO.

A Preferred Provider Organization (PPO) is a network of physicians, hospitals, and other health-care providers who agree to provide care for a group of persons at a contracted rate. Most U. T. System employees have had access to a PPO for the past four years. The plan has been administered as an indemnity plan.

HMOs can provide a cost-effective, high quality delivery system, but they have presented a dilemma because of adverse selection against the self-funded indemnity plan, i.e., lower risks, lower claims, and younger persons in HMOs, leaving higher risks, higher claims, and older persons in the indemnity plan.

The recommended point-of-service option allows for all of the advantages of an HMO and PPO while providing flexibility for beneficiaries to obtain care anywhere one wishes but at a higher out-of-pocket cost. Additionally, self-insuring the HMOs solves the dilemma presented by HMOs since there is a single risk pool for employees and dependents. Finally, self-insuring the HMOs will increase return on cash flow and reserve, which should have a positive effect on future rates for employees.

Article 3.50-3 of the Texas Insurance Code authorizes institutions of higher education to become self-insured for health insurance. Reinsurance will be obtained so that in the event of catastrophic unforeseen claims the loss will not exceed premiums and reserves on hand.

The U. T. System Administration distributed a Letter of Notification and a Request for Proposals (RFP) to all qualified interested organizations in December 1992 and January 1993. After extensive review of responses to the RFP, the U. T. System Employee Group Insurance Operating Committee recommended to the Executive Vice Chancellor for Business Affairs that the above organizations be awarded the contracts. Because the 73rd Legislature has not yet finalized appropriations for Employee Group Insurance, the rates for employee coverages will be submitted for approval at a subsequent meeting of the U. T. Board of Regents.

## Academic Affairs Committee

ACADEMIC AFFAIRS COMMITTEE  
Committee Chairman Holmes

Date: April 1, 1993  
Time: Following the meeting of the Business Affairs and  
Audit Committee  
Place: Room 1.220, Nursing School Building  
U. T. Health Science Center - San Antonio

	<u>Page</u> <u>AAC</u>
1. U. T. Arlington: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1993 (Catalog Change)	3
2. U. T. Arlington: Recommendation to (a) Approve an Increase in Differential Graduate Tuition Rates Effective with the Fall Semester 1993 and (b) Authorize Subsequent Increases as Statutory Tuition Rates Increase (Catalog Change)	3
3. U. T. Arlington: Recommendation to Approve University Housing Rates Effective with the Fall Semester 1993 (Catalog Change)	5
4. U. T. Arlington: Recommendation for Approval of Affiliation Agreement with Rehab Hospital Division as Manager of Dallas Rehabilitation Institute, Dallas, Texas; and Request for Authorization to Execute Agreement	8
5. U. T. Austin: Recommendation to Correct Regental Action and Proposed Appointment to the Jane and Roland Blumberg Centennial Professorship in Physics in the College of Natural Sciences Effective September 1, 1993	18
6. U. T. Austin: Proposed Appointment to the E. Gus Fruh Visiting Professorship in Civil Engineering in the College of Engineering Effective April 1, 1993 Through May 31, 1993	19
7. U. T. Austin: Proposed Amendments to Requirements for the Provisional Admissions Program (Undergraduate Admissions Policy, Paragraph E) to be Effective Summer 1993 (Catalog Change)	19
8. U. T. Dallas: Recommendation to (a) Approve an Increase in Differential Graduate Tuition Rates Effective with the Fall Semester 1993 and (b) Authorize Subsequent Increases as Statutory Tuition Rates Increase (Catalog Change)	21

9. U. T. Dallas: Recommendation for Approval of Proposed Agreements of Cooperation with (a) Ivanovo State Power University of Russia, Ivanovo, Russia, and (b) St. Petersburg State Technical University, St. Petersburg, Russia, and Request for Authorization to Execute Agreements 23
10. U. T. El Paso: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1993 (Catalog Change) 31
11. U. T. El Paso: Recommendation for Approval of Proposed Agreements of Cooperation with (a) Centro de Investigaciones en Optica, A.C., Leon, Guanajauto, Mexico, and (b) La Universidad Regional Del Norte, Chihuahua, Chihuahua, Mexico, and Request for Authorization to Execute Agreement 31
12. U. T. Tyler: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1993 (Catalog Change) 39
13. U. T. Tyler: Recommendation to Approve Changes in Parking Permit Fees Effective with the Fall Semester 1993 (Catalog Change) 39

1. U. T. Arlington: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1993 (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that the U. T. Board of Regents approve an increase in the Compulsory Student Services Fee at U. T. Arlington from \$8.25 per semester credit hour with a maximum fee of \$99 per semester or summer session to \$9 per semester credit hour with a maximum fee of \$108 per semester or summer session to be effective with the Fall Semester 1993.

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

#### BACKGROUND INFORMATION

Section 54.503 of the Texas Education Code authorizes a maximum compulsory student services fee of \$150 per semester or summer session. Any increase in excess of 10% of the current fee at any institution requires approval by a favorable vote in a general student election or by the student government.

Since the proposed fee increase of 9.17% does not exceed 10%, it does not require student approval. In accordance with the statute, however, the proposed fee increase has been endorsed by a student fee advisory committee. The increase will be used to maintain the quality and availability of essential services for students.

2. U. T. Arlington: Recommendation to (a) Approve an Increase in Differential Graduate Tuition Rates Effective with the Fall Semester 1993 and (b) Authorize Subsequent Increases as Statutory Tuition Rates Increase (Catalog Change).--

#### RECOMMENDATION

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

- a. Approve an increase in differential graduate tuition rates at U. T. Arlington effective with the Fall Semester 1993 as set out on Page AAC - 4.

	Current Graduate Tuition Rate* <u>1992-93</u>	Proposed Graduate Tuition Rate* <u>1993-94</u>
<u>School of Urban and Public Affairs</u>		
Resident	\$ 48	\$ 52
Nonresident	172	188
<u>School of Nursing</u>		
Resident	\$ 48	\$ 52
Nonresident	172	188
<u>Center for Professional Teacher Education</u>		
Resident	\$ 48	\$ 52
Nonresident	172	188
<u>College of Business Administration</u>		
Resident	\$ 48	\$ 52
Nonresident	172	188
<u>College of Engineering</u>		
Resident	\$ 48	\$ 52
Nonresident	172	188
<u>School of Architecture</u>		
Resident	\$ 48	\$ 52
Nonresident	172	188
<u>School of Social Work</u>		
Resident	\$ 48	\$ 52
Nonresident	172	188

\*Amount per semester credit hour of registration.

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

- b. Authorize the Executive Vice Chancellor for Academic Affairs to approve subsequent increases in differential graduate tuition rates at U. T. Arlington as the statutory tuition rates increase with the following understandings:
1. Resident graduate tuition rates may not exceed double the statutory rate
  2. Nonresident and foreign graduate tuition rates may not exceed double the cost of education as determined by the Texas Higher Education Coordinating Board
  3. The rates approved by the Executive Vice Chancellor for Academic Affairs will be reported in the institutional docket for ratification by the U. T. Board of Regents
  4. Allocation of differential tuition funds will be approved by the U. T. Board of Regents through either the annual operating budget or docketing procedures, as appropriate.

## BACKGROUND INFORMATION

Section 54.008 of the Texas Education Code provides that governing boards of institutions of higher education may set differential tuition rates for graduate programs in an institution provided that such rates are at least equal to the minimum rates established by statute and not more than double the statutory rate.

Section 54.052(b) of the Texas Education Code provides for resident tuition to be the greater of \$100 per semester or twelve-week summer session or \$24 per semester credit hour (SCH) in 1992-93 and \$26 per SCH in 1993-94. This rate will increase \$2 per year until it reaches \$32 per SCH in 1996-97. For nonresidents, the Texas Education Code provides for the Texas Higher Education Coordinating Board to determine the cost of education which constitutes the tuition rate to be charged for nonresident and foreign students. That rate is \$162 per SCH for 1992-93 and 1993-94.

The U. T. Board of Regents approved differential graduate tuition rates at U. T. Arlington at the April 1991 and February 1992 meetings. The proposed differential rates for 1993-94 are double the statutory rate of \$26 per SCH for residents. For nonresident and foreign students, the proposed rate is the cost of education (\$162 per SCH) plus the resident statutory rate (\$26 per SCH) for a total of \$188 per SCH. The proposed new rates for the 1993-94 academic year are within the legislatively established limits.

The U. T. Arlington administration has consulted with graduate students regarding the proposed increases and uses of the additional revenue derived from the differential tuition charges. Priority uses for the additional funds derived from differential tuition charges are to provide financial support for students who could not otherwise meet new tuition costs and for faculty support or other academic program costs. Specific allocation of differential tuition funds is approved by the U. T. Board of Regents through either the annual operating budget or docketing procedures, as appropriate, in compliance with all applicable statutes and budget policies of the U. T. Board of Regents.

The proposed procedure for subsequent administrative approval of differential graduate tuition rates will allow for changes to be made as the statutory rate increases and as the Coordinating Board's determination of the cost of education changes.

3. U. T. Arlington: Recommendation to Approve University Housing Rates Effective with the Fall Semester 1993 (Catalog Change).--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that the U. T. Board of Regents approve rental rates as set

forth below for University-owned residence halls (dormitories) and apartments at U. T. Arlington effective with the Fall Semester 1993:

The University of Texas at Arlington  
Proposed Rate Schedule for 1993-94

University-Owned Residence Halls (Dormitories)

	<u>1992-93</u> <u>Rate</u>	<u>1993-94</u> <u>Proposed Rate</u>
<u>LONG SESSION</u>		
Lipscomb (North)	\$1,340	\$1,380
Lipscomb (South)	1,340	1,380
Trinity	1,340	1,380
Brazos	1,180	1,220
Pachl	1,180	1,220
<u>SUMMER SESSION</u>		
Lipscomb (North)	460	480
Lipscomb (South)	460	480
Trinity	460	480
Brazos	460	480
Pachl	460	480
Summer Groups	\$10 per night per person	\$10 per night per person

Apartments

<u>Complex</u>	<u>No. of</u> <u>Units</u>	<u>Monthly Rate</u>	
		<u>1992-93</u> <u>Rate</u>	<u>1993-94</u> <u>Proposed</u> <u>Maximum</u>
Border West			
1 bedroom	17	\$335	\$345
2 bedroom	19	441	454
Cooper South			
1 bedroom	14	335	345
2 bedroom	15	441	454
West			
1 bedroom	7	273*	281*
2 bedroom	7	388*	400*
Pisces			
1 bedroom	58	299	308
2 bedroom**	1	441	454
Capricorn			
1 bedroom	48	315	324
1 bedroom	4	325	335

\*Tenant pays electric bill.

\*\*Correction of previous designation of 3 bedroom; is actually a 2 bedroom with an office.



Apartments

<u>Complex</u>	<u>No. of Units</u>	<u>Monthly Rate</u>	
		<u>1992-93 Rate</u>	<u>1993-94 Proposed Maximum</u>
<b>Campus</b>			
1 bedroom	28	273*	281*
3 bedroom	1	378*	389*
<b>San Suz</b>			
1 bedroom	22	247*	254*
2 bedroom	1	373*	384*
<b>Del Mar</b>			
1 bedroom	12	230*	237*
<b>Shelmar North</b>			
1 bedroom	12	230*	237*
<b>Shelmar South</b>			
1 bedroom	7	283	291
2 bedroom	1	315	324
<b>University Village</b>			
1 bedroom	80	315*	324*
1 bedroom	28	335*	345*
1 bedroom	12	330*	340*
1 bedroom	4	357*	368*
1 bedroom	4	357*	368*
<b>Warwick II</b>			
1 bedroom	5	315	324
1 bedroom	12	325	335
<b>Warwick III</b>			
1 bedroom	14	315	324
<b>Warwick V</b>			
Efficiency	1	230	237
1 bedroom	3	335	345
1 bedroom	8	346	356
<b>Keys</b>			
1 bedroom	70	278	286
1 bedroom	2	283	291
2 bedroom	8	388	400
2 bedroom	4	393	405
<b>Libra</b>			
Efficiency	10	200*	206*

\*Tenant pays electric bill.

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

### BACKGROUND INFORMATION

Rates for residence halls and apartments were last increased for Fall 1992. The proposed 3-4% rate increases for residence halls and apartments for Fall 1993 are minimal and are necessary to meet the increasing costs for operations and maintenance and to conform to increasing private sector rental rates.

As previously approved by the U. T. Board of Regents, the proposed apartment rates are maximum charges for the respective units with U. T. Arlington authorized to make downward adjustments if the Arlington-area apartment rental rates do not support the full charge.

4. U. T. Arlington: Recommendation for Approval of Affiliation Agreement with Rehab Hospital Division as Manager of Dallas Rehabilitation Institute, Dallas, Texas; and Request for Authorization to Execute Agreement.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that approval be given to the proposed affiliation agreement set out on Pages AAC 9 - 17 between U. T. Arlington and Rehab Hospital Division as manager of the Dallas Rehabilitation Institute, Dallas, Texas.

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 program 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 affiliation agreement is designed to provide U. T. Arlington students with a clinical learning experience at the Dallas Rehabilitation Institute. Although U. T. Arlington has had an approved affiliation agreement with the Institute since 1981, the Institute now desires that their standard form agreement be used. The proposed agreement is submitted for approval as an agenda item because it is not substantially similar to the standard affiliation agreements approved by the U. T. Board of Regents at the April 1990 meeting. The proposed agreement has been reviewed and approved by the U. T. System Office of General Counsel.

**AFFILIATION AGREEMENT**

This Agreement is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ by and between University of Texas at Arlington ("School") and Rehab Hospital Division as manager of Dallas Rehabilitation Institute ("Hospital")

**W I T N E S S E T H:**

**WHEREAS**, School offers to enrolled students a degree program in the field of nursing; and

**WHEREAS**, Hospital manages a comprehensive inpatient rehabilitation facility; and

**WHEREAS**, School desires to provide to its students a clinical learning experience through the application of knowledge and nursing skills in actual patient-centered situations in a rehabilitation facility; and

**WHEREAS**, Hospital has agreed to make its facility available to School for such purposes.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. Responsibilities of School.

(a) Clinical Program: School shall be responsible for the implementation and operation of the clinical component of its program at Hospital ("Program"), which Program shall be approved in advance by Hospital. Such responsibilities shall include, but not be limited to, the following:

(i) orientation of students to the clinical experience at Hospital;

(ii) provision of classroom theory and practical instruction to students prior to their clinical assignments at Hospital;

(iii) preparation of student/patient assignments and rotation plans for each student and coordination of same with Hospital;

(iv) continuing oral and written communication with Hospital regarding student performance and evaluation, absences and assignments of students, and other pertinent information;

(v) supervision of students and their performance at Hospital;

(vi) participation, with the students, in Hospital's Quality Assurance and related programs;

(vii) performance of such other duties as may from time to time be agreed to between School and Hospital.

All students, faculty, employees, agents and representatives of School participating in the Program at Hospital (the "Program Participants") shall be accountable to the Hospital's **Clinical Director of Nursing**.

(b) **Student Statements:** School shall require each Program Participant to sign a Statement of Responsibility in the form attached hereto as Exhibit A, and a Statement of Confidentiality in the form attached hereto as Exhibit B.

(c) **Insurance:** School shall provide to the Program Participants or require that they obtain and maintain appropriate general and professional liability insurance coverage in amounts acceptable to and with insurance carriers approved by Hospital, in accordance with Hospital's Bylaws, rules and regulations. School as an entity of the State of Texas and its employees are essentially self-insured through the State and are entitled to certain immunities.

(d) **Health of Participants:** All Program Participants shall pass a medical examination acceptable to Hospital prior to their participation in the Program at Hospital at least once a year or as otherwise required by Texas law. School and/or the Program Participant shall be responsible for arranging for the Program Participants's medical care and/or treatment, if necessary, including transportation, in case of illness or injury while participating in the Program at Hospital. In no event shall Hospital be financially or otherwise responsible for said medical care and treatment.

(e) **Dress Code; Breaks:** School shall require the students to dress in accordance with dress and personal appearance standards

approved by School. Such standards shall be in accordance with Hospital's standards regarding same. All Program participants shall remain on the Hospital premises for breaks, including meals. Program Participants shall pay for their own meals at Hospital.

(f) Performance of Services: All faculty provided by School shall be duly licensed, certified or otherwise qualified to participate in the Program at Hospital. School shall have a specially designated staff for the performance of the services specified herein. School and all Program Participants shall perform their duties and services hereunder in accordance with all relevant local, state and federal laws, and shall comply with the standards and guidelines of all applicable accrediting bodies and the Bylaws and rules and regulations of Hospital, and any rules and regulations of School as may be in effect from time to time. Neither School nor any Program Participant shall interfere with or adversely affect the operation of Hospital or the performance of services therein.

2. Responsibilities of Hospital.

(a) Hospital shall accept the students assigned to the Program by School and cooperate in the orientation of all Program Participants to Hospital. Hospital shall provide the opportunities for such students, who shall be supervised by School and Hospital, to observe and assist in various aspects of rehabilitation patient care. Hospital shall coordinate School's rotation and assignment schedule with its own schedule and those of other educational institutions. Hospital shall at all times retain ultimate control of the Hospital and responsibility for patient care.

(b) Upon the request of School, Hospital shall assist School in the evaluation of each Program Participant's performance in the Program. However, School shall at all times remain solely responsible for the evaluation and grading of Program Participants.

3. Withdrawal of Program Participant.

Hospital may request School to withdraw or dismiss a student or other Program Participant from the Program at Hospital when his/her clinical performance is unsatisfactory to Hospital or his/her behavior, in Hospital's discretion, is disruptive or

detrimental to Hospital and/or its patients. In such event, said Program Participant's participation in the Program shall immediately cease. It is understood that only School can dismiss the Program Participant from the Program at Hospital.

4. Independent Contractor.

The parties hereby acknowledge that they are independent contractors, and neither the School nor any of its agents, representatives, students or employees shall be considered agents, representatives, or employees of Hospital. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties hereto. School shall be liable for its own debts, obligations, acts and omissions, including the payment of all required withholding, social security and other taxes or benefits. No Program Participant shall look to Hospital for any salaries, insurance or other benefits.

5. Confidentiality.

School and its agents, students, faculty, representatives and employees agree to keep strictly confidential and hold in trust all confidential information of Hospital and/or its patients and not disclose or reveal any confidential information to any third party without the express prior written consent of Hospital. School shall not disclose the terms of this Agreement to any person who is not a party to this Agreement except as required by law or as authorized by Hospital. Unauthorized disclosure of confidential information or of the terms of this Agreement shall be a material breach of this Agreement and shall provide Hospital with the option of pursuing remedies for breach or, notwithstanding any other provision of this Agreement, immediately terminating this Agreement upon written notice to School.

6. Indemnification.

School as an entity of the State cannot indemnify.  
(Texas Attorney General Opinion #MW475.)

7. Term; Termination.

(a) The initial term of this Agreement shall be one year, commencing January 25, 1993. At the end of said initial term, unless otherwise terminated as provided herein, this Agreement may be renewed for one year successive terms upon mutual agreement of the parties.

(b) Except as otherwise provided herein, either party may terminate this Agreement at any time upon at least sixty (60) days written notice, provided that all students currently enrolled in the Program at Hospital at the time of notice of termination shall be given the opportunity to complete their clinical Program at Hospital, such completion not to exceed six (6) months.

8. Entire Agreement.

This Agreement and its accompanying Exhibits set forth the entire Agreement with respect to the subject matter hereof and supersedes any prior agreements, oral or written, and all other communications between the parties relating to such subject matter. This Agreement shall not be modified or amended except by mutual written agreement. All continuing covenants, duties, and obligations shall survive the expiration or termination of this Agreement.

9. Severability.

If any provision of this Agreement is held to be invalid or unenforceable for any reason, this Agreement shall remain in full force and effect in accordance with its terms disregarding such unenforceable or invalid provision.

10. Captions.

The caption headings contained herein are used solely for convenience and shall not be deemed to limit or define the provisions of the Agreement.

11. No Waiver.

Any failure of a party to enforce the party's rights under any provision of this Agreement shall not be construed or act

as a waiver of said party's subsequent right to enforce any of the provisions contained herein.

12. Governing Law.

This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

13. Assignment; Binding Effect.

School may not assign or transfer any of its rights, duties or obligations under this Agreement, in whole or in part, without the prior written consent of Hospital. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

14. Notices.

All notices, requests, demands or other communications hereunder shall be in writing, delivered personally, by registered or certified mail, return receipt requested, or by Federal Express or Express Mail, and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, postage prepaid, addressed as follows:

If to Hospital:                    Dallas Rehabilitation Institute  
   9713 Harry Hines Boulevard  
   Dallas, Texas 75220-5441  
   Attn: Joanne Condi, Administrator

Copy to:                                NME Specialty Hospital Group  
   1010 Wisconsin Avenue, N. W., #900  
   Washington, D. C. 20007  
   Attn: General Counsel

If to School:                        University of Texas at Arlington  
   School of Nursing  
   Box 19407  
   Arlington, Texas 76019-0407  
   Attn: Josie Lu O'Quinn, Ph.D., R.N.



or to such other persons or places as either party may from time to time designate by written notice to the other.

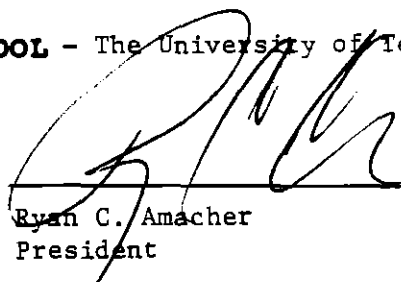
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date here in above written.

ATTEST:

\_\_\_\_\_

SCHOOL - The University of Texas at Arlington

By:



Ryan C. Amacher  
President

ATTEST:

\_\_\_\_\_

Rehab Hospital Division

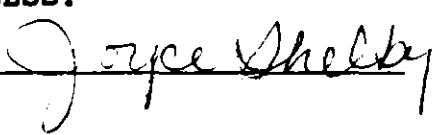
By:



Vice-President

WITNESS:

\_\_\_\_\_



By:



Administrator  
Dallas Rehabilitation Institute

FORM APPROVED:

\_\_\_\_\_



Office of General Counsel  
The University of Texas System

CONTENT APPROVED:

\_\_\_\_\_

Office of the Executive Vice Chancellor  
for Academic Affairs  
The University of Texas System

**STATEMENT OF RESPONSIBILITY**

For and in consideration of the benefit provided the undersigned in the form of experience in evaluation and treatment of patients of \_\_\_\_\_ Dallas Rehabilitation Institute Hospital, the undersigned, and his/her heirs, successors and/or assigns does hereby covenant and agree to be solely responsible for any injury or loss sustained by the undersigned while participating in the Program operated by University of Texas at Arlington School at Dallas Rehabilitation Institute Hospital unless such injury or loss arises solely out of Hospital's gross negligence or willful misconduct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
**Program Participant**

\_\_\_\_\_  
**WITNESS**

**EXHIBIT "A"**

**CONFIDENTIALITY STATEMENT**

The undersigned hereby acknowledges his/her responsibility under Federal applicable law and the Agreement between University of Texas at Arlington School and Dallas Rehabilitation Institute Hospital to keep confidential any information regarding Hospital patients, as well as all confidential information of Hospital. The undersigned agrees, under penalty of law, not to reveal to any person or persons except authorized clinical staff and associated personnel any specific information regarding any patient, and further agrees not to reveal to any third party any confidential information of Hospital.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

---

**Program Participant**

---

WITNESS

EXHIBIT "B"

5. U. T. Austin: Recommendation to Correct Regental Action and Proposed Appointment to the Jane and Roland Blumberg Centennial Professorship in Physics in the College of Natural Sciences Effective September 1, 1993.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the following actions with regard to professorships in physics established by Dr. and Mrs. Roland K. Blumberg at U. T. Austin be approved:

- a. Correct the Regental action of June 1986 to reflect that Dr. Bryce S. DeWitt, Professor of Physics, was appointed to the Jane and Roland Blumberg Professorship in Physics rather than the Jane and Roland Blumberg Centennial Professorship in Physics
- b. Appoint Dr. Cécile DeWitt-Morette, Professor of Physics, as the initial holder of the Jane and Roland Blumberg Centennial Professorship in Physics effective September 1, 1993.

#### BACKGROUND INFORMATION

The proposed amendment to the Minutes of the June 1986 meeting of the U. T. Board of Regents corrects an inadvertent error in the records reflecting the appointment of Dr. Bryce S. DeWitt to an endowed academic position. Dr. DeWitt was appointed to the Jane and Roland Blumberg Professorship in Physics which was established by the U. T. Board of Regents at the February 1981 meeting.

Dr. Cécile DeWitt-Morette has served on the faculty at U. T. Austin since 1972. She is internationally recognized for her work in applying mathematics to fundamental problems in physics with a focus on the area of quantum mechanics. Professor DeWitt-Morette is known worldwide for her association with L'école des Houches at The University of Grenoble, the first summer school of theoretical physics, which she founded in the 1950s and directed for the next twenty years and is the recipient of three prestigious awards in France. She has served the department, the College of Natural Sciences, and U. T. Austin with distinction as a teacher and a researcher.

The Jane and Roland Blumberg Centennial Professorship in Physics was established by the U. T. Board of Regents at the December 1981 meeting.

6. U. T. Austin: Proposed Appointment to the E. Gus Fruh Visiting Professorship in Civil Engineering in the College of Engineering Effective April 1, 1993 Through May 31, 1993.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the U. T. Austin Administration that Dr. Oleg F. Vasiliev, Visiting Professor in the Department of Civil Engineering, be appointed as initial holder of the E. Gus Fruh Visiting Professorship in Civil Engineering in the College of Engineering at U. T. Austin effective April 1, 1993 through May 31, 1993.

#### BACKGROUND INFORMATION

Dr. Vasiliev's appointment as Visiting Professor in the Department of Civil Engineering at U. T. Austin has been approved for the period April 1, 1993 through May 31, 1993. He is internationally recognized for his research in the field of environmental hydraulics and is the Founder and Director of the Institute for Water and Environmental Problems in Bamaul, Russia. Dr. Vasiliev's honors include corresponding membership in the Russian Academy of Sciences and chairmanship of the Scientific Council on Environmental Problems. He is active in a number of professional organizations and serves on the editorial boards of several international and Russian professional journals.

The E. Gus Fruh Visiting Professorship in Civil Engineering was established by the U. T. Board of Regents at the August 1984 meeting.

7. U. T. Austin: Proposed Amendments to Requirements for the Provisional Admissions Program (Undergraduate Admissions Policy, Paragraph E) to be Effective Summer 1993 (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that amendments to requirements for the Provisional Admissions Program (Paragraph E of the Undergraduate Admissions Policy) at U. T. Austin be adopted to be effective Summer 1993 as set forth in congressional style on Page AAC - 20.

THE UNIVERSITY OF TEXAS AT AUSTIN  
UNDERGRADUATE ADMISSIONS POLICY

...

- E. Texas residents graduating from Texas high schools with the requisite units of high school credit, but not meeting the requirements for regular admission, may be considered for provisional freshman admission in the Summer or Spring terms immediately following graduation from high school, provided they have not enrolled for credit at any other college or university since graduation.

Provisionally admitted students must complete four courses for a minimum total of twelve semester credit hours with a 2.25 grade point average and no grade of "X" or "F" in that Summer Session or Spring Semester to be eligible to continue beyond that Summer Session or Spring Semester. All students must register for English 306 and Mathematics 301 [~~unless they already have credit for the course or qualify for credit on the basis of a placement examination~~]. The two remaining [~~three or four~~] courses must be chosen as follows [~~from at least three of the following groups~~]:

Psychology 301 or Sociology 302; and  
Biology 301M or Chemistry 304K.

[Group-I-----Foreign-Language

Group-II-----Mathematics

Group-III-----Anthropology-----History  
Classics-----Linguistics  
Economics-----Philosophy  
Geography-----Psychology  
Government-----Sociology

Group-IV-----Astronomy-----Geology  
Biology-----Microbiology  
Botany-----Physics  
Chemistry-----Zoology  
Computer-Sciences]

A provisionally admitted student will be required to register according to the published schedule and to participate in an orientation program at the time of registration.

A provisionally admitted student who fails to fulfill the academic requirements for continuation will be dismissed from the University and may be considered for readmission under the rules for transfer applicants.

....

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

BACKGROUND INFORMATION

The Undergraduate Admissions Policy for U. T. Austin was most recently amended by the U. T. Board of Regents at the August 1992 meeting. The policy includes requirements for the Provisional Admissions Program in Paragraph E of the Policy. The proposed revision applies only to students admitted provisionally. The proposed amendments require all provisional students to take English 306 and Mathematics 301 regardless of scores on diagnostic tests and to choose a social science course from either Psychology 301 or Sociology 302 and a science course from either Biology 301M or Chemistry 304K. The proposed changes will provide provisional students with a more standardized set of courses, better allow students to demonstrate their readiness for college work, and permit administrators to monitor provisional students more closely.

8. U. T. Dallas: Recommendation to (a) Approve an Increase in Differential Graduate Tuition Rates Effective with the Fall Semester 1993 and (b) Authorize Subsequent Increases as Statutory Tuition Rates Increase (Catalog Change).--

RECOMMENDATION

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

- a. Approve an increase in differential graduate tuition rates at U. T. Dallas effective with the Fall Semester 1993 as set out below:

	<u>Current Graduate Tuition Rate* 1992-93</u>	<u>Proposed Graduate Tuition Rate* 1993-94</u>
<u>School of Arts and Humanities</u>		
Resident	\$ 36	\$ 39
Nonresident	172	182
<u>Erik Jonsson School of Engineering and Computer Science</u>		
Resident	\$ 48	\$ 52
Nonresident	172	182
<u>School of General Studies</u>		
Resident	\$ 36	\$ 39
Nonresident	172	182
<u>School of Human Development</u>		
Resident	\$ 36	\$ 39
Nonresident	172	182
<u>School of Management</u>		
Resident	\$ 48	\$ 52
Nonresident	172	182

\*Amount per semester credit hour of registration.

	Current Graduate Tuition Rate* <u>1992-93</u>	Proposed Graduate Tuition Rate* <u>1993-94</u>
<u>School of Natural Sciences and Mathematics</u>		
Resident	\$ 36	\$ 39
Nonresident	172	182
<u>School of Social Sciences</u>		
Resident	\$ 36	\$ 39
Nonresident	172	182

\*Amount per semester credit hour of registration.

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

- b. Authorize the Executive Vice Chancellor for Academic Affairs to approve subsequent increases in differential graduate tuition rates at U. T. Dallas as the statutory tuition rates increase with the following understandings:
1. Resident graduate tuition rates may not exceed double the statutory rate
  2. Nonresident and foreign graduate tuition rates may not exceed double the cost of education as determined by the Texas Higher Education Coordinating Board
  3. The rates approved by the Executive Vice Chancellor for Academic Affairs will be reported in the institutional docket for ratification by the U. T. Board of Regents
  4. Allocations of differential tuition funds will be approved by the U. T. Board of Regents through either the annual operating budget or docketing procedures, as appropriate.

#### BACKGROUND INFORMATION

Section 54.008 of the Texas Education Code provides that governing boards of institutions of higher education may set differential tuition rates for graduate programs in an institution provided that such rates are at least equal to the minimum rates established by statute and not more than double the statutory rate.

Section 54.052(b) of the Texas Education Code provides for resident tuition to be the greater of \$100 per semester or twelve-week summer session or \$24 per semester credit hour (SCH) in 1992-93 and \$26 per SCH in 1993-94. This rate will increase \$2 per year until it reaches \$32 per SCH in 1996-97. For nonresidents, the Texas Education Code provides for the Texas Higher Education Coordinating Board to determine the cost of education which constitutes the tuition rate to be charged for nonresident and foreign students. That rate is \$162 per SCH for 1992-93 and 1993-94.



The U. T. Board of Regents approved differential graduate tuition rates at U. T. Dallas at the April 1991 and April 1992 meetings. All of the proposed new rates for the 1993-94 academic year are within the legislatively established limits. If approved, differential graduate tuition rates will be effective for all graduate programs at U. T. Dallas with the Fall Semester 1993. The proposed new rates for the 1993-94 academic year are within the legislatively established limits.

The U. T. Dallas administration consulted with graduate students regarding the proposed increases and uses of the additional revenue derived from the differential tuition charges when differential rates were first proposed. Students were notified that rates would increase as the statutory rates increased. Priority uses for the additional funds derived from differential tuition charges are to provide financial support for students who could not otherwise meet new tuition costs and for faculty support or other academic program costs. Specific allocation of differential tuition funds is approved by the U. T. Board of Regents through either the annual operating budget or docketing procedures, as appropriate, in compliance with all applicable statutes and budget policies of the U. T. Board of Regents.

The proposed procedure for subsequent administrative approval of differential graduate tuition rates will allow for changes to be made as the statutory rate increases and as the Coordinating Board's determination of the cost of education changes.

9. U. T. Dallas: Recommendation for Approval of Proposed Agreements of Cooperation with (a) Ivanovo State Power University of Russia, Ivanovo, Russia, and (b) St. Petersburg State Technical University, St. Petersburg, Russia, and Request for Authorization to Execute Agreements.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that approval be given to two proposed agreements of cooperation between U. T. Dallas and the following international institutions:

- a. Ivanovo State Power University of Russia, Ivanovo, Russia (Pages AAC 25 - 27)
- b. St. Petersburg State Technical University, St. Petersburg, Russia (Pages AAC 28 - 30).

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 these agreements with the understanding that any and all specific program agreements arising from each agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

### BACKGROUND INFORMATION

The proposed agreements are designed to establish programs of exchange and collaboration in areas of interest and benefit to the respective institutions. The goals of the agreements are to:

- a. Promote interest in the teaching and research activities of the respective institutions
- b. Deepen the understanding of the economic, cultural and social issues environments of the respective institutions.

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

**AGREEMENT OF COOPERATION  
BETWEEN**

Ivanovo State Power University

and

The University of Texas at Dallas

The University of Texas at Dallas, (hereinafter referred to as UTD) and Ivanovo State Power University (hereinafter referred to as ISPU) 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 UTD and ISPU 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, UTD and ISPU 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 institution 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 Academic 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.

Each institution will be responsible for the travel and living expenses of the participant within its own borders. The travel expenses between countries will be the responsibility of the home institution. The host institution will assist professional staff engaged in teaching and research to find local living facilities.

### 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 UTD nor ISPU shall be liable to the other for any monetary or other losses which may result.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

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

THE UNIVERSITY OF TEXAS  
AT DALLAS

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

IVANOVO STATE POWER UNIVERSITY

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

FORM APPROVED:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
OFFICE OF GENERAL COUNSEL  
The University of Texas System

BY: \_\_\_\_\_  
JAMES P. DUNCAN  
Executive Vice Chancellor  
for Academic Affairs

CERTIFICATE OF APPROVAL

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

\_\_\_\_\_  
EXECUTIVE SECRETARY, BOARD OF REGENTS  
The University of Texas System

**AGREEMENT OF COOPERATION  
BETWEEN  
ST. PETERSBURG STATE TECHNICAL UNIVERSITY  
AND  
THE UNIVERSITY OF TEXAS AT DALLAS**

THE UNIVERSITY OF TEXAS AT DALLAS, (hereinafter referred to as U.T. Dallas), and St. Petersburg State Technical University (hereinafter referred to as SPbSTU) 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. Dallas and SPbSTU 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. Dallas and SPbSTU 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;
- exchange information pertaining to developments in teaching, student development and research at each institution; and
- promote business development activities.

### 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 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 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 Academic 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 six (6) months in advance written notice of its intention to terminate. Termination shall be without penalty. If this agreement is terminated, neither U.T. Dallas nor SPbSTU shall be liable to the other for any monetary or other losses which may result.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

ATTEST:

FOR  
ST. PETERSBURG STATE  
TECHNICAL UNIVERSITY

FOR  
THE UNIVERSITY OF TEXAS  
AT DALLAS

\_\_\_\_\_  
Yuri Vasiliev  
Rector

\_\_\_\_\_  
Robert Rutford  
President

APPROVED:

By: \_\_\_\_\_  
Dr. James P. Duncan  
Executive Vice Chancellor  
for Academic 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



10. U. T. El Paso: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1993 (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents approve an increase in the Compulsory Student Services Fee at U. T. El Paso from \$9 per semester credit hour with a maximum fee of \$108 per semester or summer session to \$9.75 per semester credit hour with a maximum fee of \$117 per semester or summer session to be effective with the Fall Semester 1993.

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

#### BACKGROUND INFORMATION

Section 54.503 of the Texas Education Code authorizes a maximum compulsory student services fee of \$150 per semester or summer session. Any increase in excess of 10% of the current fee at any institution requires approval by a favorable vote in a general student election or by the student government.

Since the proposed fee increase of 8.33% does not exceed 10%, it does not require student approval. In accordance with the statute, however, the proposed fee increase has been endorsed by a student fee advisory committee. The additional revenue will be used to maintain the quality and availability of essential services for students.

11. U. T. El Paso: Recommendation for Approval of Proposed Agreements of Cooperation with (a) Centro de Investigaciones en Optica, A.C., Leon, Guanajuato, Mexico, and (b) La Universidad Regional Del Norte, Chihuahua, Chihuahua, Mexico, and Request for Authorization to Execute Agreements.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that approval be given to two proposed agreements of cooperation between U. T. El Paso and the following international institutions:

- a. Centro de Investigaciones en Optica, A.C., Leon, Guanajuato, Mexico (Pages AAC 33 - 35)
- b. La Universidad Regional Del Norte, Chihuahua, Chihuahua, Mexico (Pages AAC 36 - 38).

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 these agreements with the understanding that any and all specific agreements arising from the agreements are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

#### BACKGROUND INFORMATION

The proposed agreements are designed 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 environments of the respective institutions. The goals of the agreements are to:

- a. Promote institutional exchanges by inviting faculty and staff of the partner institutions to participate in a variety of teaching and/or research activities and professional development
- b. Receive undergraduate and graduate students of the partner institutions for periods of study and/or research
- c. Organize symposia, conferences, short courses and meetings on research issues
- d. Conduct joint research and continuing education programs
- e. Exchange information pertaining to developments in teaching, student development, and research at each institution.

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

AGREEMENT OF COOPERATION  
BETWEEN

CENTRO DE INVESTIGACIONES EN OPTICA, A.C.  
AND  
THE UNIVERSITY OF TEXAS AT EL PASO

THE UNIVERSITY OF TEXAS AT EL PASO, (hereinafter referred to as UTEP), and CENTRO DE INVESTIGACIONES EN OPTICA, A.C. (hereinafter referred to as CIO) 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 UTEP and CIO 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, UTEP and CIO 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 institutions 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 Academic 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.

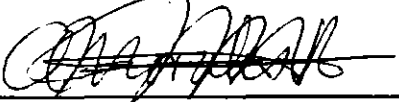
Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution at least ninety (90) days advance written notice of its intention to terminate. Termination shall be without penalty. If this agreement is terminated, neither UTEP nor CIO shall be

liable to the other for any monetary or other losses which may result.

Executed on this \_\_\_\_ day of \_\_\_\_\_, 199\_\_.

ATTEST:

FOR  
CENTRO DE INVESTIGACIONES EN  
OPTICA, A.C.



M.C. Arquimedes Morales R.  
General Director

FOR  
THE UNIVERSITY OF TEXAS  
AT EL PASO



Diana S. Natalicio  
President

APPROVED:

By: \_\_\_\_\_  
Dr. James P. Duncan  
Executive Vice Chancellor  
for Academic 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

AGREEMENT OF COOPERATION  
BETWEEN

LA UNIVERSIDAD REGIONAL DEL NORTE  
AND  
THE UNIVERSITY OF TEXAS AT EL PASO

THE UNIVERSITY OF TEXAS AT EL PASO, (hereinafter referred to as UTEP), and LA UNIVERSIDAD REGIONAL DEL NORTE, (hereinafter referred to as URN) 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 UTEP and URN 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, UTEP and URN 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 institutions 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 Academic 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.

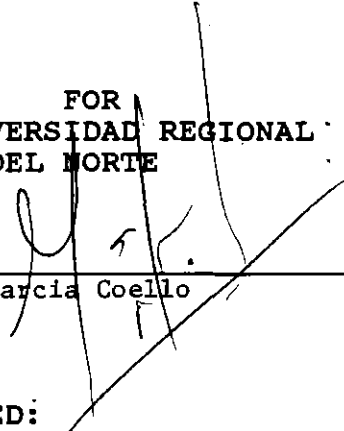
Upon approval by each institution, this agreement shall remain in effect until terminated by either institution. Such termination by one institution shall be effected by giving the other institution at least ninety (90) days advance written notice of its intention to terminate. Termination shall be without penalty. If this agreement is terminated, neither UTEP nor URN shall be

liable to the other for any monetary or other losses which may result.

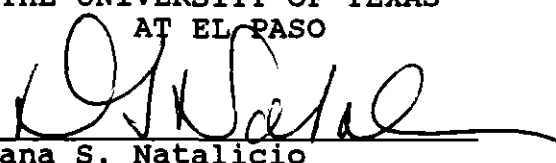
Executed on this 17th day of February, 1993.

ATTEST:

FOR  
LA UNIVERSIDAD REGIONAL  
DEL NORTE

  
\_\_\_\_\_  
Daniel Garcia Coello  
Rector

FOR  
THE UNIVERSITY OF TEXAS  
AT EL PASO

  
\_\_\_\_\_  
Diana S. Natalicio  
President

APPROVED:

By:

\_\_\_\_\_  
Dr. James P. Duncan  
Executive Vice Chancellor  
for Academic 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

Agreement of Cooperation/Foreign Institution  
Form 1 - 92



12. U. T. Tyler: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1993 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Hamm that the U. T. Board of Regents approve an increase in the Compulsory Student Services Fee at U. T. Tyler from \$7.50 per semester credit hour with a maximum fee of \$90 per semester or summer session to \$10 per semester credit hour with a maximum fee of \$150 per semester or summer session to be effective with the Fall Semester 1993.

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

BACKGROUND INFORMATION

Section 54.503 of the Texas Education Code authorizes a maximum compulsory student services fee of \$150 per semester or summer session. Any increase in excess of 10% of the current fee at any institution requires approval by a favorable vote in a general student election or by the student government.

The proposed 44% increase in the compulsory student services fee meets the statutory requirement by virtue of a unanimous vote by the U. T. Tyler Student Association. A student fee advisory committee has also approved and recommended the proposed increase. Income from the fee increase will allow U. T. Tyler to provide increased student services including student health, student activities, and student financial aid services.

13. U. T. Tyler: Recommendation to Approve Changes in Parking Permit Fees Effective with the Fall Semester 1993 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Hamm that the U. T. Board of Regents approve changes in parking permit fees at U. T. Tyler effective with the Fall Semester 1993 as set out on Page AAC - 40.

	1992-93 Current <u>Fees</u>	1993-94 Proposed <u>Fees</u>
<u>Student, Faculty, Staff Permits</u>		
Fall Semester	\$15	\$15*
Spring Semester	10	10
First Summer Session	5	5
Second Summer Session	3	3
<u>Permits for Additional Vehicles</u>	2	2

\*Full-time staff with a salary under \$16,500 annually qualify to pay a reduced parking fee of \$2.00 annually.

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

#### BACKGROUND INFORMATION

Parking fees were established by U. T. Tyler at the June 1986 U. T. Board of Regents' meeting and are authorized pursuant to the authority granted by Sections 51.201 et seq., 54.005, 54.503, 65.31, and Chapter 76 of Title 3 of the Texas Education Code.

All faculty, staff, and students have been charged \$15 for a parking permit fee for a single vehicle for the full academic year, with reduced charges as shown in the schedule if the permit was purchased in the spring semester or summer session. Additional vehicles may be registered for a \$2 fee. Those rates remain unchanged, but a new Parking and Traffic Policy to be submitted for approval via the docket includes a provision to charge full-time staff with a salary of under \$16,500 annually a reduced fee of \$2 annually. The proposed change for a reduced parking fee for this category of employee is being submitted for formal U. T. Board of Regents' approval.

Currently, 89 full-time staff qualify for the proposed reduced parking fee.

## Health Affairs Committee

HEALTH AFFAIRS COMMITTEE  
Committee Chairman Ramirez

Date: April 1, 1993  
Time: Following the meeting of the Academic Affairs  
Committee  
Place: Room 1.220, Nursing School Building  
U. T. Health Science Center - San Antonio

	<u>Page</u>
1. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Endowed Academic Positions Effective Immediately	3
2. U. T. Southwestern Medical Center - Dallas (U. T. Southwestern G.S.B.S. - Dallas): Recommendation for Approval to Discontinue the M.A. Degrees and to Offer M.S. Degrees in Nine Academic Programs and to Submit the Request to the Coordinating Board for Approval (Catalog Change)	4
3. U. T. Medical Branch - Galveston: Proposed Appointment to the Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery Effec- tive December 3, 1992	5
4. U. T. Medical Branch - Galveston: Recom- mendation to Name a Conference Room in the Administration Building and the Plaza Located at the West Entrance of the Administration Building (Regents' <u>Rules</u> <u>and Regulations</u> , Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facil- ities Other Than Buildings)	5
5. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston): Recommendation for Approval to Change the Name of the Department of Graduate Studies to the Department of Health Promotion and Gerontology and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change)	6

6. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston) and U. T. Health Science Center - Houston (U. T. Allied Health Sciences School - Houston): Recommendation for Approval to Transfer the Bachelor of Science Degree Program in Respiratory Care from the U. T. Allied Health Sciences School - Houston to the U. T. Allied Health Sciences School - Galveston and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change) 8
7. U. T. Health Science Center - Houston: Recommendation to Accept Gift and Pledge to Establish The Institute for Molecular Medicine for the Prevention of Human Diseases 9
8. U. T. Health Science Center - San Antonio: Request for Permission for Individual to Serve on the Presidential Task Force on National Health Care Reform [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)] 10
9. U. T. M.D. Anderson Cancer Center: Recommendation to Name Three Rooms (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings) 11

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

#### RECOMMENDATION

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

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Jerry Y. Niederkorn, Ph.D.	Dr. W. Maxwell Thomas Professorship in Ophthalmology; established August 1992
Michel G. Baum, M.D.	Sarah M. and Charles E. Seay Chair in Pediatric Research  See Item <u>33</u> on Page <u>AMC - 29</u> for establishment of this Chair.

#### BACKGROUND INFORMATION

Dr. Niederkorn is Director of Ophthalmic Research and Professor in the Departments of Ophthalmology and Molecular Microbiology at the U. T. Southwestern Medical Center - Dallas. He has conducted extensive research in his field and has received numerous academic awards.

Dr. Baum is an Associate Professor of Pediatrics and Internal Medicine and Director of the Division of Pediatric Nephrology at the U. T. Southwestern Medical Center - Dallas. He has conducted extensive research and served on numerous editorial boards.

2. U. T. Southwestern Medical Center - Dallas (U. T. Southwestern G.S.B.S. - Dallas): Recommendation for Approval to Discontinue the M.A. Degrees and to Offer M.S. Degrees in Nine Academic Programs and to Submit the Request 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 the U. T. Southwestern G.S.B.S. - Dallas of the U. T. Southwestern Medical Center - Dallas be given approval to discontinue the M.A. degrees and to offer the M.S. degrees under special circumstances in the nine academic programs set out below:

- (1) Biochemistry and Molecular Biology
- (2) Cell Regulation
- (3) Genetics and Development
- (4) Immunology
- (5) Neuroscience
- (6) Clinical Psychology
- (7) Radiological Sciences
- (8) Molecular Biophysics
- (9) Molecular Microbiology.

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

Nine of the programs at the U. T. Southwestern G.S.B.S. - Dallas which are currently authorized by the Texas Higher Education Coordinating Board to offer the M.A. and Ph.D. degrees wish to discontinue use of the M.A. degree and to obtain authority to award the M.S. in special cases. Currently, only students who intend to achieve the Ph.D. degree are admitted into these programs. Circumstances may arise, however, in which a student needs to leave the university before completing all requirements for the Ph.D. degree. In such cases, the student's educational achievements may be such that it would be appropriate to grant the M.S. degree. Each of the nine programs involved have established a condition statement describing the requirements for completing this option.

Upon approval by the Coordinating Board, 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.

3. U. T. Medical Branch - Galveston: Proposed Appointment to the Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery Effective December 3, 1992.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that Thomas A. Broughan, M.D., be appointed as initial holder of the Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery at the U. T. Medical Branch - Galveston effective December 3, 1992.

#### BACKGROUND INFORMATION

Dr. Broughan was appointed Associate Professor in the Department of Surgery at the U. T. Medical Branch - Galveston effective September 1, 1992, where he has assumed the role of Director of the Liver Transplant Program. He has demonstrated outstanding achievement in gastrointestinal surgery and has contributed extensively to the literature. He is an excellent teacher and role model for the residents in the program.

The Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery was originally established by the U. T. Board of Regents as the Alonzo Alverly Ross, M.D. Professorship in General Surgery at the January 1975 meeting; redesignated at the October 1990 meeting as the Alonzo Alverly Ross, M.D. Chair in General Surgery; and redesignated as the Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery at the August 1991 meeting.

4. U. T. Medical Branch - Galveston: Recommendation to Name a Conference Room in the Administration Building and the Plaza Located at the West Entrance of the Administration 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 Health Affairs and President James that the conference room located on the sixth floor of the Administration Building at the U. T. Medical Branch - Galveston be named the Ballinger Mills Room and that the plaza located at the west entrance of the Administration Building be named the E. Burke Evans, M.D. Plaza. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.



## BACKGROUND INFORMATION

The proposed naming of the sixth floor conference room in the Administration Building as the Ballinger Mills Room is to honor Mr. Mills who was a tireless supporter of the U. T. Medical Branch - Galveston and served as President and Director of The Sealy & Smith Foundation from 1978 until his death in 1992. He also had a longtime association with the U. T. System, serving as a member of The Chancellor's Council, the U. T. Medical Branch - Galveston Development Board, the U. T. Austin Law School Foundation, and the U. T. Institute of Texan Cultures - San Antonio Development Board.

Dr. Evans joined the faculty of the U. T. Medical Branch - Galveston in 1953 in the Division of Orthopaedic Surgery and became Chief of the Division in 1965, a position he held until his retirement in 1992. He was actively involved in identifying and securing private support for the enhancement of the educational and patient care programs. He has served as a role model to the hundreds of students and residents who have rotated through the Division of Orthopaedic Surgery. He has been a proponent of campus beautification and the improvement of patient, family, and student amenities. In view of his professional leadership, his academic contributions, and his community service, it is fitting to honor Dr. Evans by naming the plaza located at the west entrance of the Administration Building as the E. Burke Evans, M.D. Plaza.

5. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston): Recommendation for Approval to Change the Name of the Department of Graduate Studies to the Department of Health Promotion and Gerontology 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 James that approval be granted for the U. T. Allied Health Sciences School - Galveston at the U. T. Medical Branch - Galveston to change the name of the Department of Graduate Studies to the Department of Health Promotion and Gerontology.

Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be Fall 1993.

## BACKGROUND INFORMATION

The proposed name change is administrative in nature and does not represent any change in program content. The Department of Graduate Studies exists as an entity within the U. T. Allied Health Sciences School - Galveston. All courses offered by the department, however, are offered through the Graduate Program in Allied Health Sciences, a program of The University of Texas Graduate School of Biomedical Sciences at Galveston. The name change would provide for:

- a. A reduction in communication errors - The departmental name was originally intended to reflect the fact that the department was the sole graduate department in the U. T. Allied Health Sciences School - Galveston. Inclusion of the words "Graduate Studies" in the department's name has created confusion and misdirection of mail intended for the U. T. G.S.B.S. - Galveston. With implementation of new graduate programs in the U. T. Allied Health Sciences School - Galveston, the confusion can only be escalated.
- b. More appropriate characterization of the department - The new name appropriately reflects academic and research activities within the department and incorporates terms generally associated with those activities across the United States.
- c. Enhanced student recruitment - As listed in documents such as Peterson's Guide and the National Directory of Educational Programs in Gerontology, the name "Department of Graduate Studies" does little more than denote an academic program offering courses at the graduate level. The proposed name more accurately reflects the focus of the department and provides more specific information to potential students.

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

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

6. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston) and U. T. Health Science Center - Houston (U. T. Allied Health Sciences School - Houston): Recommendation for Approval to Transfer the Bachelor of Science Degree Program in Respiratory Care from the U. T. Allied Health Sciences School - Houston to the U. T. Allied Health Sciences School - Galveston 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 Presidents James and Low that approval be granted to transfer the Bachelor of Science Degree Program in Respiratory Care from the U. T. Allied Health Sciences School - Houston of the U. T. Health Science Center - Houston to the U. T. Allied Health Sciences School - Galveston of the U. T. Medical Branch - Galveston.

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

The U. T. Health Science Center - Houston has completed a reassessment of program priorities resulting in the decision to relocate the Bachelor of Science Degree Program in Respiratory Care. Joint planning between the U. T. Allied Health Sciences School - Houston and the U. T. Allied Health Sciences School - Galveston concluded in the recommendation that the Bachelor of Science Degree Program currently offered at the U. T. Allied Health Sciences School - Houston be transferred to the U. T. Allied Health Sciences School - Galveston. The transfer will be conducted in such a manner as to assure minimum interruption in the educational experiences of those students currently enrolled in the program. During the transition (September 1, 1993 to September 1, 1994), the program will exist at both institutions concomitantly, with new students enrolling at the U. T. Allied Health Sciences School - Galveston beginning in September 1993. The Respiratory Care Program at the U. T. Allied Health Sciences School - Houston is a two-year program.

The request to transfer the program to the U. T. Allied Health Sciences School - Galveston is responsive to The Texas State Health Plan for 1993-94 which calls for Texas schools of nursing and allied health professions to educate nonphysician primary care providers and increase their availability in underserved areas. The program addresses several specific suggestions of the Plan including: recruiting students from medically underserved areas, graduating large numbers of minority students, and offering a career ladder program to accommodate working students.

This request is cost-effective and will not require additional state resources. Faculty who are already involved with the program, as well as the program accreditation and funding to operate the program for FY 93-94, will transfer from the U. T. Allied Health Sciences School - Houston to the U. T. Allied Health Sciences School - Galveston.

Upon approval by the Coordinating Board, the next appropriate catalogs published at both institutions 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 - Houston: Recommendation to Accept Gift and Pledge to Establish The Institute for Molecular Medicine for the Prevention of Human Diseases.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that a \$333,000 gift and a \$667,000 pledge, payable by March 31, 1995, from The Cullen Trust For Health Care, Houston, Texas, for a total of \$1,000,000 be accepted to establish The Institute for Molecular Medicine for the Prevention of Human Diseases at the U. T. Health Science Center - Houston.

#### BACKGROUND INFORMATION

In further support of The Institute for Molecular Medicine for the Prevention of Human Diseases, a \$1,000,000 pledge, payable by December 31, 1997, from the M. D. Anderson Foundation, Houston, Texas, a \$1,000,000 pledge, payable by December 31, 1994, from Houston Endowment, Inc., Houston, Texas, a \$1,000,000 pledge, payable by April 30, 1993, from the T.L.L. Temple Foundation, Lufkin, Texas, and a \$1,070,000 pledge, payable by June 30, 1996, from The Brown Foundation, Inc., Houston, Texas, for a total additional contribution of \$4,070,000 have been committed.

The goal of The Institute for Molecular Medicine for the Prevention of Human Diseases is to use new technology of molecular and genetic research to understand the root causes of diseases and conditions now considered incurable and to develop new strategies for their cure and even prevention. Ten research centers will be created to focus support on human diseases in the areas of cardiovascular medicine, endocrine and reproductive diseases, autoimmune and connective tissue diseases, neurosciences, infectious diseases, kidney diseases, gastroenterological diseases, hematology/solid tumor oncology, medical genetics, and pulmonary diseases.

8. U. T. Health Science Center - San Antonio: Request for Permission for Individual to Serve on the Presidential Task Force on National Health Care Reform [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 Howe that Ciro Sumaya, M.D., Professor in the Department of Pediatrics and Associate Dean for Affiliated Programs and Continuing Medical Education at the U. T. Health Science Center - San Antonio, be granted permission to serve on the Presidential Task Force on National Health Care Reform.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Dr. Sumaya is of benefit to the State of Texas and (2) there is no conflict between his position at the U. T. Health Science Center - San Antonio and his appointment to this task force.

#### BACKGROUND INFORMATION

Dr. Sumaya, a native of Brownsville, Texas, has been on the U. T. Health Science Center - San Antonio faculty since 1976 and has worked tirelessly on many projects to improve health conditions and address health manpower shortages along the Texas-Mexico border. This Presidential recognition of Dr. Sumaya's national standing among American health care professionals is a significant honor to him and provides an unprecedented opportunity for the U. T. Health Science Center - San Antonio, The University of Texas System, and the State of Texas to be represented in these most critical deliberations.

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.

9. U. T. M.D. Anderson Cancer Center: Recommendation to Name Three Rooms (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that on behalf of the U. T. M.D. Anderson Cancer Center the tenth floor auditorium in the R. Lee Clark Clinic Building be named the Robert C. Hickey Auditorium; that space to be constructed in the Bertner Patient Tower for diagnostic imaging be designated as the Robert D. Moreton Diagnostic Imaging Center; and that Station 19 of the outpatient chemotherapy treatment facility be named the Fred G. Conrad Ambulatory Treatment Center. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

#### BACKGROUND INFORMATION

A faculty task force at the U. T. M.D. Anderson Cancer Center has selected three individuals to be honored by the naming of certain facilities. Dr. Robert C. Hickey served for many years in the capacity of Executive Vice President and Director of the U. T. M.D. Anderson Hospital. He is presently on modified service and holds the title of Special Assistant to the President. In addition to his special contributions to the educational programs at the institution, he played a major role in the design of the tenth floor auditorium in the R. Lee Clark Clinic Building. Therefore, it was recommended that the auditorium be named the Robert C. Hickey Auditorium.

Dr. Robert D. Moreton served a very unique role at the U. T. M.D. Anderson Cancer Center as patient advocate. At the time of his death in December 1992, he held the title of Vice President Emeritus and Special Assistant to the President. In his capacity as Professor of Radiology, he developed several support programs for research and clinical imaging. Thus it has been recommended that space to be constructed in the Bertner Patient Tower for diagnostic imaging be designated as the Robert D. Moreton Diagnostic Imaging Center.

Prior to his death in 1982, Dr. Fred G. Conrad held the position of Vice President for Patient Care at the U. T. M.D. Anderson Cancer Center. In recognition of his unique understanding of cancer patients' needs and his contribution toward the design of the outpatient chemotherapy treatment facility, the recommendation is to designate the Station 19 area of that facility as the Fred G. Conrad Ambulatory Treatment Center.

---

**Facilities, Planning & Construction  
Committee**

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE  
Committee Chairman Temple

Date: April 1, 1993

Time: Following the meeting of the Health Affairs  
Committee

Place: Room 1.220, Nursing School Building  
U. T. Health Science Center - San Antonio

	<u>Page</u> <u>FPCC</u>
1. U. T. Austin - McDonald Observatory - Spectroscopic Survey Telescope (SST) (Project No. 102-724): Request to Increase Total Project Cost; Authorization for Partnership Agreements; Completion of Technical Design of Instrument; Retention of Professional Services; Completion of Final Design of Facility; Submission to Coordinating Board; Advertisement for Bids; Appropriation for Initial Phase; Executive Committee Award of Contracts; and Authority to Approve Additional Appropriations to Complete Total Project Funding	3
2. U. T. Pan American - Academic Services Building (Project No. 901-739): Request for Approval of Plaque Inscription	5
3. U. T. Pan American - Allied Health Annex (Project No. 901-742): Request to Redesignate Name of Building and Approval of Plaque Inscription	6
4. U. T. Permian Basin: Recommendation for Approval of an Amendment to Lease Agreement with The Art Institute for the Permian Basin, Odessa, Texas, and Request for Authority to Execute Agreement	6
5. U. T. San Antonio - Academic Building (Project No. 401-756): Presentation of Preliminary Plans; Request for Authorization to Prepare Final Plans and Specifications; and Appropriation Therefor	10
6. U. T. Southwestern Medical Center - Dallas - Aston Ambulatory Care Center - Ninth Floor Finish Out (Project No. 303-798): Request for Approval of Final Plans; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Appropriation Therefor; and Approval for Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity	11



7. U. T. Health Center - Tyler - Ambulatory Care Center Addition and Renovation (Project No. 801-789): Presentation of Preliminary Plans, Request for Authorization to Prepare Final Plans, and Appropriation Therefor

14

1. U. T. Austin - McDonald Observatory - Spectroscopic Survey Telescope (SST) (Project No. 102-724): Request to Increase Total Project Cost; Authorization for Partnership Agreements; Completion of Technical Design of Instrument; Retention of Professional Services; Completion of Final Design of Facility; Submission to Coordinating Board; Advertisement for Bids; Appropriation for Initial Phase; Executive Committee Award of Contracts; and Authority to Approve Additional Appropriations to Complete Total Project Funding.--

#### RECOMMENDATION

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

- a. Approve an increase in the total project cost for the Spectroscopic Survey Telescope (SST) for U. T. Austin - McDonald Observatory from \$12,000,000 to \$12,800,000
- b. Authorize U. T. Austin Administration to enter into partnership agreements with participating universities to guarantee their financial commitments for construction of the SST in exchange for subsequent use of the telescope
- c. Authorize completion of the technical design, specifications, bidding, and award of contracts for the production of the telescope instrument by U. T. Austin with assistance of outside consultants as needed
- d. Authorize U. T. Austin, in consultation with the Office of Facilities Planning and Construction, to retain the professional services of S. J. Medwadowski, Consulting Structural Engineer, San Francisco, California, for the design of the telescope optical support structure, and Simpson, Gumpertz and Heger, Consulting Engineers, Arlington, Massachusetts, to provide design standards for the facility to house the telescope
- e. Authorize U. T. Austin, in consultation with the Office of Facilities Planning and Construction, to retain additional Architect/Engineer services as required to complete final plans and specifications for the general construction of the SST facility
- f. Authorize submission of the project to the Texas Higher Education Coordinating Board
- g. Authorize the Office of Facilities Planning and Construction to advertise for bids for the general construction of the

SST facility upon completion of final review and approval of the Coordinating Board

- h. Approve the appropriation of \$10,000,000 to fund the initial phase of construction from the following sources:
  - \$ 5,400,000 from the other SST partner universities pending successful completion of agreements
  - \$ 2,550,000 in gifts and pledges
  - \$ 550,000 from the U. T. Austin Special Item state appropriation for the Center for Advanced Studies in Astronomy
  - \$ 1,500,000 from Available University Funds
  - \$10,000,000 (This includes previous appropriations authorized at the June 1992 meeting.)
- i. Authorize the Executive Committee to award all contracts associated with the general construction of the SST facility within the \$10,000,000 initial phase of construction
- j. Authorize the Executive Committee to approve additional appropriations from accounts and contributions to be determined to the maximum total project cost of \$12,800,000.

#### BACKGROUND INFORMATION

U. T. Austin - McDonald Observatory serves the academic and research needs of the Astronomy Department of the College of Natural Sciences. The newest telescope currently in use at the Observatory is 26 years old and is incapable of performance sufficient to the needs of U. T. Austin. The Spectroscopic Survey Telescope (SST) project will provide the facility and instrument necessary to keep U. T. Austin - McDonald Observatory at the forefront of competing institutions and universities in the field of astronomy.

The SST has been under development at U. T. Austin since 1985, and the Technical Design and Cost Estimate phase authorized by the U. T. Board of Regents in June 1992 has been completed. Fund raising, approved by the U. T. Board of Regents in February 1988, has produced gifts, funding, and promised contributions from partner institutions totaling \$10,000,000. This amount is sufficient for construction of a fully operational telescope. It is the intention of U. T. Austin - McDonald Observatory to continue fund raising efforts during construction to support additional expansion of the project via additions of equipment and upgrades to a total project cost of \$12,800,000.

Construction of the SST requires integration of various purchased components, a construction contract, and substantial U. T. Austin - McDonald Observatory engineering and labor to achieve success. This is the primary reason for requesting approval for U. T. Austin to manage the project in consultation with the Office of Facilities Planning and Construction. For the same reasons, the technical design of the telescope instrument can be handled in-house utilizing the skills of U. T. Austin - McDonald Observatory engineers with support of outside consultants. The design and general construction of the SST facility to house the telescope will be managed through standard procedures by the Office of Facilities Planning and Construction with consulting architect/engineer services as required and in close coordination with U. T. Austin.

This project is included in the Coordinating Board Master Plan, the U. T. Austin Strategic Plan, the Capital Improvement Plan, and the FY 1993 Capital Budget.

2. U. T. Pan American - Academic Services Building (Project No. 901-739): Request for Approval of Plaque Inscription.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that the U. T. Board of Regents approve the inscription set out below for a plaque to be placed on the Academic Services Building at U. T. Pan American. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

#### ACADEMIC SERVICES BUILDING 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	Miguel A. Nevarez
Sam Barshop	President, The University of Texas - Pan American
Zan W. Holmes, Jr.	
Tom Loeffler	
W. A. "Tex" Moncrief, Jr.	
Bernard Rapoport	Graeber, Simmons & Cowan, Inc.
Ellen Clarke Temple	Project Architect
	B-F-W Construction Co., Inc.
	Contractor

#### BACKGROUND INFORMATION

A construction contract for the Academic Services Building at U. T. Pan American was awarded by the U. T. Board of Regents at the April 1992 meeting.

3. U. T. Pan American - Allied Health Annex (Project No. 901-742): Request to Redesignate Name of Building and Approval of Plaque Inscription.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that the U. T. Board of Regents approve the request from U. T. Pan American to redesignate the name of the Allied Health Annex to Health Sciences Annex and approve the inscription set out below for a plaque to be placed on the building in accordance with the standard pattern approved by the U. T. Board of Regents in June 1979:

HEALTH SCIENCES ANNEX  
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	Miguel A. Nevarez
Sam Barshop	President, The University of Texas - Pan American
Zan W. Holmes, Jr.	
Tom Loeffler	
W. A. "Tex" Moncrief, Jr.	
Bernard Rapoport	Graeber, Simmons & Cowan, Inc.
Ellen Clarke Temple	Project Architect
	B-F-W Construction Co., Inc.
	Contractor

BACKGROUND INFORMATION

A construction contract for the Allied Health Annex at U. T. Pan American was awarded by the U. T. Board of Regents at the April 1992 meeting.

In addition, U. T. Pan American requests redesignation of the building name as Health Sciences Annex to better reflect the use of the building.

4. U. T. Permian Basin: Recommendation for Approval of an Amendment to Lease Agreement with The Art Institute for the Permian Basin, Odessa, Texas, and Request for Authority to Execute Agreement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the U. T. Permian Basin Administration that the U. T. Board of Regents approve an amendment to a long-term lease agreement (as set out on Pages FPCC 8 - 9) of campus land (approximately 2.42 acres) to The Art Institute for the Permian Basin, Odessa, Texas, to permit additional building construction.

It is further requested that the Executive Vice Chancellor for Academic Affairs be authorized to execute, on behalf of the U. T. Board of Regents, the lease amendment following approval by the Executive Vice Chancellor for Business Affairs and the Office of General Counsel.

#### BACKGROUND INFORMATION

At its April 1984 meeting, the U. T. Board of Regents approved a lease with The Art Institute for the Permian Basin for about 2.42 acres of U. T. Permian Basin campus land for construction of an art museum with all costs associated with the construction and maintenance of the building to be borne by the Institute. The current lease is for a term of 99 years, and U. T. Permian Basin may terminate the lease upon at least one year's prior notice except that the lease may not be so terminated during the initial 30 years of the lease. The governing board of the Institute now wishes to accept an offer from a donor to expand the building. However, prior to making the gift, the donor has requested that the existing lease be amended by deleting the reference to termination on one year's notice. Thus the lease will not be subject to termination during the remainder of its term.

This lease of university land is of benefit to the university community and does not conflict with the U. T. Permian Basin Land Use Master Plan. U. T. Permian Basin has had a successful relationship with The Art Institute for the Permian Basin and beneficial use of the facility for special events. The proposed construction plans will be subject to review and approval by the U. T. System Office of Facilities Planning and Construction for compatibility with existing campus buildings.

AMENDMENT TO LEASE AGREEMENT

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF ECTOR

WHEREAS, on April 12, 1984, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, on behalf of THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN ("Lessor"), entered into a lease agreement with THE ART INSTITUTE FOR THE PERMIAN BASIN ("Lessee"), for the construction of a building on land owned by Lessor, and said Agreement being attached hereto as\*Exhibit "A"; and

WHEREAS, Lessee is desirous of adding an addition to the existing building for the purpose of enlarging The Art Institute for the Permian Basin; and

WHEREAS, it is mutually AGREED by all parties to this Agreement that it is for the best interest of Lessor and Lessee to amend the existing lease agreement; and

NOW, THEREFORE, for and in consideration of the above premises and the mutual covenants and agreements hereinafter stipulated, Lessor and Lessee mutually agree that this amendment to the lease agreement shall become effective on \_\_\_\_\_, 1993, and Item 1 of the attached Lease is hereby amended as set out below in congressional style:

1. For valuable consideration paid and covenants herein contained on the part of Lessee to be kept and performed, Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the tract of land described on Exhibit "A" which is attached to and made a part of this Agreement (the "Leased Premises"), in its present condition, located in the City of Odessa, Ector County, Texas.

The initial term of this lease is ninety-nine (99) years, commencing on January 1, 1984, and ending on December 31, 2082.

~~[However, anything herein to the contrary notwithstanding, should Lessor determine that the leased premises are required for use as a part of the campus of The University of Texas of the Permian Basin, Lessor may terminate this Lease by giving Lessee written notice at least one (1) year prior to the termination date, except that it may not be so terminated during the initial thirty (30) years of this lease.]~~

Lessor and Lessee mutually AGREE that all other terms, provisions and conditions of the attached Agreement shall remain in full force and effect during all the terms of the Agreement as set out therein.

EFFECTIVE on the \_\_\_\_\_ day of \_\_\_\_\_, 1993.

\*Exhibit A not included in the Material Supporting the Agenda.

BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

\_\_\_\_\_  
James S. Wilson  
Executive Director-  
Endowment Real Estate

\_\_\_\_\_  
Linward Shivers  
University Attorney

ATTEST

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

\_\_\_\_\_  
Arthur H. Dilly  
Executive Secretary, Board of Regents  
The University of Texas System

ATTEST:

THE ART INSTITUTE FOR  
THE PERMIAN BASIN

\_\_\_\_\_  
Secretary, Board of Directors

By: \_\_\_\_\_  
Chairperson of The Art Institute  
for The Permian Basin



5. U. T. San Antonio - Academic Building (Project No. 401-756): Presentation of Preliminary Plans; Request for Authorization to Prepare Final 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. Approve preliminary plans and specifications for the Academic Building at U. T. San Antonio at an estimated total project cost of \$28,475,000
- b. Authorize the Project Architect to prepare final plans and specifications with authority for the Executive Vice Chancellor for Business Affairs to interrupt or delay work on the development of plans and specifications if Tuition Revenue Bonds or other funds are not available for construction
- c. Appropriate \$500,000 from U. T. San Antonio Unexpended Plant Funds to be reimbursed from Tuition Revenue Bonds when issued.

#### BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents in April 1992, preliminary plans and specifications for the Academic Building at U. T. San Antonio have been completed by the Project Architect, Ford, Powell & Carson Architects & Planners, Inc., San Antonio, Texas.

The critical importance of this new building of approximately 200,000 gross square feet cannot be overstated. The net assignable educational and general space at U. T. San Antonio is currently only 53.6% of the Coordinating Board space planning standard. When completed, this building will add thirty-four classrooms, auditoria/lecture halls, instructional theater/studios, and seminar and case study rooms having a combined seating capacity for more than 2,260 students. Thus the new building represents an increase of 37% in the campus student seating capacity. The new building is also designed to accommodate the faculty and administrative offices of the College of Business.

The original fund source for this project, Permanent University Fund Bond Proceeds, is not viable at this time due to the decline in interest rates on the Permanent University Fund necessitating a delay in all construction projects to be funded from this source. However, the Texas Legislature is currently considering authorization of a Tuition Revenue Bond financing package for a number of higher education facilities. If approved, this source of funds will replace the Permanent University Fund Bond Proceeds allowing this much needed project to proceed. If Tuition Revenue Bond financing is not approved, it will be necessary to interrupt or delay the

development of final plans until suitable funding can be assured. The additional funding required to complete the final plans for this project is approximately \$500,000.

6. U. T. Southwestern Medical Center - Dallas - Aston Ambulatory Care Center - Ninth Floor Finish Out (Project No. 303-798): Request for Approval of Final Plans; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Appropriation Therefor; and Approval for Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

#### RECOMMENDATION

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

- a. Approve the final plans and specifications for the Aston Ambulatory Care Center - Ninth Floor Finish Out at the U. T. Southwestern Medical Center - Dallas at an estimated total project cost of \$3,055,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids and authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- c. Appropriate \$3,055,000 from Revenue Financing System Bond Proceeds. Previous appropriations of \$170,000 from U. T. Southwestern Medical Center - Dallas Unexpended Plant Funds for project costs will be reimbursed.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Wildenthal that, in compliance with Section 5 of the Master Resolution Establishing The University of Texas System Revenue Financing System, approved by the U. T. Board of Regents in April 1990, amended October 12, 1990, and upon delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 13, the U. T. Board of Regents resolve that:

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

- c. U. T. Southwestern Medical Center - Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$3,055,000 for the construction of Aston Ambulatory Care Center - Ninth Floor Finish Out
- d. This resolution satisfies the official intent requirement set forth in Section 1.103-18 of the Treasury Regulations.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION


In accordance with authorization of the U. T. Board of Regents in October 1992, final plans for the Aston Ambulatory Care Center - Ninth Floor Finish Out at the U. T. Southwestern Medical Center - Dallas have been completed by the Project Architect, HKS, Inc., Dallas, Texas. The scope of the work will complete approximately 33,124 gross square feet of shell space to help address an increase in patient volume as well as the development of new programs in cancer, bone and joint disease, and a center for pain control.

The Ninth Floor Finish Out project is included in the FY 1991 Capital Improvement Plan and the FY 1992 Capital Budget. The project was approved by the Coordinating Board in October 1992. Project funding will be \$3,055,000 from the issuance of tax-exempt Revenue Financing System Parity Debt. Revenue bonds will be serviced from designated funds but are also payable from any other "Pledged Revenue" as defined in the Master Resolution.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 2nd day of MARCH, 1993

  
\_\_\_\_\_  
Executive Vice Chancellor for Business Affairs

7. U. T. Health Center - Tyler - Ambulatory Care Center Addition and Renovation (Project No. 801-789): Presentation of Preliminary Plans, Request for Authorization to Prepare Final Plans, and Appropriation Therefor.--

#### RECOMMENDATION

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

- a. Approve preliminary plans and specifications for the Ambulatory Care Center Addition and Renovation at the U. T. Health Center - Tyler at an estimated total project cost of \$11,300,000
- b. Authorize the 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 \$565,000 from institutional gifts and grants designated for this project to cover costs through the completion of final plans.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in December 1991, preliminary plans, specifications and cost estimates for the construction of the Ambulatory Care Center Addition and Renovation project at the U. T. Health Center - Tyler have been prepared by the Project Architect, Simons-Burch-Clark, Tyler, Texas.

The U. T. Health Center - Tyler is treating increasing volumes of patients in an ambulatory care setting. Outpatient clinics strive to provide quality and efficient health care as well as a quality teaching environment for family practice residents and other medical, nursing, and allied health personnel. Although hospital admissions are now relatively steady, outpatient volume has increased by 160% since 1985 to more than 72,000 visits annually.

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

The plans provide a facility of approximately 80,000 gross square feet within a total project cost of \$11,300,000. Funding for the project will be \$4,800,000 from Patient Income, \$1,500,000 from private gifts and grants, and \$5,000,000 from Permanent University Fund Bond Proceeds. 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.

## **Asset Management Committee**

ASSET MANAGEMENT COMMITTEE  
Committee Chairman Cruikshank

Date: April 1, 1993  
Time: Following the meeting of the Facilities Planning  
and Construction Committee  
Place: Room 1.220, Nursing School Building  
U. T. Health Science Center - San Antonio

Page  
AMC

I. Permanent University Fund

Investment Matter

Report on Clearance of Monies to the  
Permanent University Fund for January  
and February 1993 and Report on Oil  
and Gas Development as of Febru-  
ary 28, 1993

6

II. Trust and Special Funds

Gifts, Bequests and Estates

U. T. ARLINGTON

1. Recommendation to Accept Gift to  
Establish the Laura Goodnight Poor  
Civil Engineering Scholarship for  
Women

7

U. T. AUSTIN

2. Barton Creek Country Club Men's Golf  
Association Endowed Scholarship in  
the Department of Intercollegiate  
Athletics for Men - Recommendation to  
Accept Additional Gifts, Pledge, and  
Transfer of Funds and Redesignate as  
the George Hannon Endowed Scholarship
3. Recommendation to Accept Gifts and  
Corporate Matching Funds to Establish  
the Board of Visitors Graduate Stu-  
dent Endowment Fund in the College of  
Natural Sciences and Eligibility for  
Matching Funds Under The Brackenridge  
Matching Program #2

7

8

U. T. AUSTIN

4. Recommendation to Accept Bequests from the Estate of Pauline Camp, Austin, Texas, to Establish the Pauline Camp Operatic Voice Scholarship and for Addition to the Z. T. Scott Family Endowment for the Performing Arts in the College of Fine Arts 9
5. Earl W. Cunningham Endowed Presidential Scholarship in the College of Business Administration and the Graduate School of Business - Recommendation to Amend Scholarship Guidelines 10
6. Recommendation to Accept Gift to Establish the Robert Smith Davis and Lyall Pickett Davis Scholarship Fund in the College of Natural Sciences 11
7. Thomas J. Dimiceli Endowed Presidential Scholarships in Accounting (#1, #2, #3, and #4) in the College of Business Administration and the Graduate School of Business - Recommendation to Transfer Funds to Establish the Thomas J. Dimiceli Endowed Presidential Scholarship in Accounting (#5) and for Addition to the Thomas J. Dimiceli Endowed Presidential Scholarships in Accounting (#1, #2, #3, and #5) in the College of Business Administration and the Graduate School of Business 11
8. Recommendation to Accept Gifts and Pledges to Establish the Mitzi I. Nuhn Dreher Endowed Presidential Scholarship in the School of Nursing 12
9. Priscilla Pond Flawn Fellowship in Early Childhood Education in the College of Education - Recommendation to Accept Transfer of Funds and Redesignate as the Priscilla Pond Flawn Regents Professorship in Early Childhood Education 13
10. L. D. Haskew Centennial Professorship in Public School Administration in the College of Education - Recommendation to Allocate Matching Funds Under The Regents' Endowment Program 13
11. Recommendation to Accept Transfer of Funds to Establish the Pat Hingle Endowed Presidential Scholarship in Theatre and Dance in the College of Fine Arts 14



U. T. AUSTIN

12. Recommendation to Accept Gifts to Establish the George M. Hocking Fund for the Collection of Floristic Books in the General Libraries 14
13. Longhorn Scholarship Fund - Recommendation to Designate Permissible Use of Endowment Account for The Second Century Fund for Endowed Athletic Scholarships in the Departments of Intercollegiate Athletics for Men and Women 15
14. Recommendation to Accept Gifts to Establish the Don M. Lyda Endowed Presidential Scholarship Fund in the College of Business Administration and the Graduate School of Business and Eligibility for Matching Funds Under The Regents' Endowment Program 16
15. Recommendation to Accept Gift and Transfer of Funds to Establish the Baker and Mary Montgomery Endowed Scholarship in the Department of Intercollegiate Athletics for Men 17
16. J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs - Recommendation to Allocate Matching Funds from The Brackenridge Matching Program #2 18
17. Recommendation to Accept Gifts to Establish the Donald T. and Gwen Rippey Endowed Scholarship in Community College Leadership in the College of Education 18
18. Recommendation to Accept Gifts to Establish the Margie and William H. Seay and Sarah M. and Charles E. Seay Endowed Scholarship in the Department of Intercollegiate Athletics for Men 19
19. Recommendation to Accept Gift to Establish the Anne Vickery Stevenson-Edward D. Vickery, Jr. Endowed Scholarship in the Department of Intercollegiate Athletics for Women 20
20. Recommendation to Accept Gift and Transfer of Funds to Establish the Patricia and Ralph Thomas Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women 20
21. Recommendation to Accept Gift to Establish the Gale White Endowed Fellowship in Geophysics in the College of Natural Sciences 21

U. T. AUSTIN	
22.	Recommendation to Establish Four Endowments in the School of Law 22
U. T. AUSTIN AND U. T. PAN AMERICAN	
23.	Recommendation to Transfer Current Restricted Funds to be Administered by U. T. Pan American 23
U. T. DALLAS	
24.	Recommendation to Accept Transfer of Funds to Establish the Geosciences Fund 24
U. T. EL PASO	
25.	Recommendation to Accept Gift to Establish the American Garment Finishers Endowed Excellence Fund for Entrepreneurial Development, Advancement, Research, and Support 24
26.	Recommendation to Accept Transfer of Funds to Establish the James D. DeGroat Memorial Library Fund 25
27.	Recommendation to Accept Transfer of Funds to Establish the Dr. John M. Hills Memorial Library Fund 25
28.	Recommendation to Accept Transfer of Funds to Establish the Robert P. & Margaret Love Library Fund 26
29.	Recommendation to Accept Gift to Establish the Arlene Smith McKinnon Endowment for Art 26
30.	Recommendation to Accept Gift to Establish the Bill and Jo Siedhoff Staff Scholarship Endowment 27
U. T. TYLER	
31.	Recommendation to Accept Gift to Establish The Stella Crews and Erwin Douglas Dyer Scholarship Endowment 27
32.	Report of Gift to the Liberal Arts/Fine and Performing Arts Complex 28
U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS	
33.	Recommendation to Accept Gift and to Allocate Funds from the Private Fund Development Campaign to Establish the Sarah M. and Charles E. Seay Chair in Pediatric Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 29

U. T. MEDICAL BRANCH - GALVESTON	
34. Recommendation to Accept Transfer of Funds to Establish the Mason Guest Scholar Program	30
U. T. HEALTH SCIENCE CENTER - HOUSTON	
35. Recommendation to Accept Gift to Establish the Joseph T. Ainsworth, M.D. Country Doctor Endowed Scholarship	30
U. T. HEALTH SCIENCE CENTER - SAN ANTONIO	
36. Endowed Professorship in the School of Nursing - Recommendation to Redesignate as The Oncology Nursing Endowed Professorship (NO PUBLICITY)	31
U. T. M.D. ANDERSON CANCER CENTER	
37. Recommendation to Accept Gift and Pledge to Establish the Paul and Mary Haas Endowment in Urologic Research and for Current Restricted Use	31
38. Recommendation to Accept Annuity Payments from The 1992 Beverly M. Sloan Charitable Lead Annuity Trust	32

III. Intellectual Property Matter

U. T. M.D. ANDERSON CANCER CENTER	
Recommendation for Approval of Sponsored Research Master Agreement with Aastrom Biosciences, Inc. (ABI), Ann Arbor, Michigan; Request for Approval to Accept Stock; and Request for Individual to Serve on the Board of Directors and Scientific Advisory Board	32

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTER

Report on Clearance of Monies to the Permanent University Fund for January and February 1993 and Report on Oil and Gas Development as of February 28, 1993.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for January and February 1993 and (b) Oil and Gas Development as of February 28, 1993, are submitted by the Executive Vice Chancellor for Business Affairs:

	<u>January 1993</u>	<u>February 1993</u>	<u>Cumulative Through February of this Fiscal Year (1992-1993)</u>	<u>Cumulative Through February of Preceding Fiscal Year (1991-1992)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$3,374,937.11	\$3,732,041.39	\$23,975,416.01	\$25,149,514.12	-4.67%
Gas	1,318,838.77	2,084,687.28	9,035,124.57	7,065,393.74	27.88%
Sulphur	0.00	0.00	0.00	(10,598.69)	--
Water	82,006.50	36,947.71	389,702.78	300,076.08	29.87%
Brine	5,447.55	5,167.45	35,466.30	27,647.30	28.28%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Lease	0.00	(1,971.43)	297,705.48	365,033.53	-18.44%
Other	665.31	400.00	(3,746.99)	4,547.70	-182.39%
Sale of Sand, Gravel, Etc.	0.00	0.00	0.00	6,990.00	--
Total University Lands Receipts Before Bonuses	<u>4,781,895.24</u>	<u>5,857,272.40</u>	<u>33,729,668.15</u>	<u>32,908,603.78</u>	<u>2.49%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	69,887.70	0.00	--
Amendments and Extensions to Mineral Leases	0.00	0.00	10.00	2,009.65	-99.50%
Total University Lands Receipts	<u>4,781,895.24</u>	<u>5,857,272.40</u>	<u>33,799,565.85</u>	<u>32,910,613.43</u>	<u>2.70%</u>
Gain or (Loss) on Sale of Securities	<u>18,250,454.49</u>	<u>14,791,948.47</u>	<u>55,374,999.16</u>	<u>24,017,525.14</u>	<u>130.56%</u>
TOTAL CLEARANCES	<u>\$23,032,349.73</u>	<u>\$20,649,220.87</u>	<u>\$89,174,565.01</u>	<u>\$56,928,138.57</u>	<u>56.64%</u>

Oil and Gas Development - February 28, 1993

Acreage Under Lease - 653,031

Number of Producing Acres - 528,522

Number of Producing Leases - 2,434

## II. TRUST AND SPECIAL FUNDS

### Gifts, Bequests and Estates

1. U. T. Arlington: Recommendation to Accept Gift to Establish the Laura Goodnight Poor Civil Engineering Scholarship for Women.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that a \$10,000 gift from Mrs. Laura Goodnight Poor, Dallas, Texas, be accepted to establish the Laura Goodnight Poor Civil Engineering Scholarship for Women at U. T. Arlington.

Income earned from the endowment will be used to provide financial support and recognition to deserving, qualified undergraduate and graduate students majoring in Civil Engineering at U. T. Arlington.

#### BACKGROUND INFORMATION

Mrs. Laura Goodnight Poor, Dallas, Texas, is funding this endowment in memory of her husband, Dr. Arthur R. Poor, who was Associate Director of the Construction Research Center and Professor of Civil Engineering at U. T. Arlington. Another endowment in Dr. Poor's memory, The Arthur R. Poor Graduate Scholarship in Civil Engineering at U. T. Arlington, was established at the April 1991 meeting of the U. T. Board of Regents.

2. U. T. Austin: Barton Creek Country Club Men's Golf Association Endowed Scholarship in the Department of Intercollegiate Athletics for Men - Recommendation to Accept Additional Gifts, Pledge, and Transfer of Funds and Redesignate as the George Hannon Endowed Scholarship.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$5,000 in gifts and a \$25,000 pledge, payable by December 31, 1996, from the Barton Creek Country Club Men's Golf Association, Austin, Texas, and a \$15,000 transfer of Second Century Fund matching funds for a total of \$45,000 be accepted for addition to the Barton Creek Country Club Men's Golf Association Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin for a total endowment of \$55,000 and that the Scholarship be redesignated as the George Hannon Endowed Scholarship.

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

### BACKGROUND INFORMATION

The Barton Creek Country Club Men's Golf Association Endowed Scholarship was established at the August 1991 meeting of the U. T. Board of Regents with a gift of \$10,000 from the Barton Creek Country Club Men's Golf Association, Austin, Texas. The donor wishes to honor Mr. George Hannon, former U. T. Austin golf coach from 1964 to 1981, and an exemplary model for many Texas golf athletes through the years.

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.

The U. T. Board of Regents at the August 1992 meeting approved acceptance of the first gift to The Second Century Fund prior to a formal recommendation on approval of the private fund development campaign. That formal recommendation will be presented via an Executive Committee Letter prior to the April 1993 meeting.

3. U. T. Austin: Recommendation to Accept Gifts and Corporate Matching Funds to Establish the Board of Visitors Graduate Student Endowment Fund in the College of Natural Sciences and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$27,425 in gifts from various donors and \$425 in corporate matching funds from Pennzoil Company, Houston, Texas, and Chevron Company, San Francisco, California, for a total of \$27,850 be accepted to establish the Board of Visitors Graduate Student Endowment Fund in the Department of Astronomy, College of Natural Sciences, at U. T. Austin.

It is further recommended that matching funds in the amount of \$13,925 be allocated under The Brackenridge Matching Program #2 to increase the endowment to a total of \$41,775.

Income earned from the endowment will be used to provide scholarship support to graduate students in the Department of Astronomy, based on need or merit.

### BACKGROUND INFORMATION

This endowment is being funded by various donors in honor of the McDonald Observatory and Department of Astronomy Board of Visitors. Primary among the donors are Vice Chairman of the Board of Visitors, Mr. William C. Block, Bergheim, Texas, and Associate Members of the Board of Visitors, Mr. Ralph Thomas, Houston, Texas, and Mr. William Ratz, Houston, Texas.

4. U. T. Austin: Recommendation to Accept Bequests from the Estate of Pauline Camp, Austin, Texas, to Establish the Pauline Camp Operatic Voice Scholarship and for Addition to the Z. T. Scott Family Endowment for the Performing Arts in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that specific bequests of \$10,000 and \$75,000 from the Estate of Pauline Camp, Austin, Texas, be accepted for the benefit of the College of Fine Arts at U. T. Austin.

It is further recommended that the \$10,000 bequest be used to establish the Pauline Camp Operatic Voice Scholarship in the Department of Music, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to award an annual scholarship in voice (opera) in the Department of Music within the College of Fine Arts.

Additionally, it is recommended that the bequest of \$75,000 be used for addition to the Z. T. Scott Family Endowment for the Performing Arts in the College of Fine Arts at U. T. Austin for a total endowment of \$2,328,306.82.

#### BACKGROUND INFORMATION

Ms. Pauline Camp served as Director of Public Programs in the College of Fine Arts at U. T. Austin and was very aware of the needs of the College and the Performing Arts Center.

The Performing Arts Series Endowment Campaign was reported to the U. T. Board of Regents in April 1988. This report identified the \$3,000,000 campaign as an effort to increase the Z. T. Scott Family Endowment for the Performing Arts, which is designated to support the professional performing art series offered by U. T. Austin.

Mrs. Camp's participation during her lifetime in the Performing Arts Series Endowment Campaign, and her reference in her Last Will and Testament to recognition of her gift in concert programs being similar to the Campaign literature notation that gifts of \$50,000 or more would be recognized in event programs, and the fact that the President's Office has sponsored a special program to match private contributions to this campaign, all evidence her intention that this gift be applied toward this Campaign. In accordance with Ms. Camp's Last Will and Testament, the College shall give special recognition to her \$75,000 bequest by referring to it in concert and event programs as the "Pauline Camp Performance Endowment."

5. U. T. Austin: Earl W. Cunningham Endowed Presidential Scholarship in the College of Business Administration and the Graduate School of Business - Recommendation to Amend Scholarship Guidelines.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the guidelines of the Earl W. Cunningham Endowed Presidential Scholarship in the College of Business Administration and the Graduate School of Business at U. T. Austin be amended to provide that the Scholarship be awarded to undergraduate or graduate students who have worked full-time in the past for the U. T. System, including any one of its component institutions, or who have a parent currently employed by, or retired from, the U. T. System.

It is further recommended that the guidelines be amended to provide that in years when suitable candidates meeting these requirements cannot be identified, decisions regarding the award of the Scholarship will be at the discretion of the Dean of the College of Business Administration and the Graduate School of Business.

The U. T. System Office of General Counsel has rendered an opinion that this modification is permissible under Section 65.36(f) of the Texas Education Code. This amendment is acceptable to the donor.

#### BACKGROUND INFORMATION

At the October 1989 meeting of the U. T. Board of Regents, the Earl W. Cunningham Endowed Presidential Scholarship in the College of Business Administration and the Graduate School of Business at U. T. Austin was established with \$25,047.58 in gifts and pledges from various donors. The income earned from the endowment was to be used to award scholarships to undergraduate or graduate students in the College of Business Administration and the Graduate School of Business, who had strong academic backgrounds and had worked for U. T. Austin or whose father or mother worked at or had retired from U. T. Austin. In any year when no student met these criteria, all distributed income would be reinvested in the endowment corpus.

The proposed authorization broadens the eligibility criteria to include students who have worked or had a parent who worked at the U. T. System or any U. T. System component institution.



6. U. T. Austin: Recommendation to Accept Gift to Establish the Robert Smith Davis and Lyall Pickett Davis Scholarship Fund in the College of Natural Sciences.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift from Mrs. Lyall Pickett Davis, Dallas, Texas, be accepted to establish the Robert Smith Davis and Lyall Pickett Davis Scholarship Fund in the College of Natural Sciences at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to junior, senior, or graduate students who are majoring in Physics, Botany, Chemistry/Biochemistry, Zoology, or Mathematics. Recipients will be selected on the basis of merit and financial need, with preference given to female students.

#### BACKGROUND INFORMATION

Mrs. Lyall Pickett Davis, Dallas, Texas, is funding this endowment in memory of her husband, Robert Smith Davis. Mr. Davis received his B.A. in English in 1938 and his M.Ed. in Science Education in 1962 from U. T. Austin. Mrs. Davis received her M.A. in Educational Psychology in 1968 from U. T. Austin and is a member of the American Association of University Women.

7. U. T. Austin: Thomas J. Dimiceli Endowed Presidential Scholarships in Accounting (#1, #2, #3, and #4) in the College of Business Administration and the Graduate School of Business - Recommendation to Transfer Funds to Establish the Thomas J. Dimiceli Endowed Presidential Scholarship in Accounting (#5) and for Addition to the Thomas J. Dimiceli Endowed Presidential Scholarships in Accounting (#1, #2, #3, and #5) in the College of Business Administration and the Graduate School of Business.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$38,732.80 be transferred from the Thomas J. Dimiceli Endowed Presidential Scholarship in Accounting (#4) in the College of Business Administration and the Graduate School of Business at U. T. Austin as follows.

Of the \$38,732.80 transferred, it is recommended that \$25,000 be used to establish a fifth endowment to be named the Thomas J. Dimiceli Endowed Presidential Scholarship in Accounting (#5) in the College of Business Administration and the Graduate School of Business at U. T. Austin. The remaining \$13,732.80 is to be allocated equally among the

Thomas J. Dimiceli Endowed Presidential Scholarships in Accounting (#1, #2, #3, and #5), all in the College of Business Administration and the Graduate School of Business at U. T. Austin, with \$3,433.20 transferred to each. This results in a total endowment of \$28,733.20 for #1, \$28,433.20 for #2, \$31,041.20 for #3, \$28,433.20 for #4, and \$28,433.20 for #5.

Income earned from the Thomas J. Dimiceli Endowed Presidential Scholarship in Accounting (#5) will be used to provide scholarship support to upper-division students in the area of accounting with special interest in the field of taxation in the College of Business Administration and the Graduate School of Business.

This recommendation is being made in accordance with the original intent of the donors, as expressed in the donative instrument.

#### BACKGROUND INFORMATION

At the April 1985 meeting of the U. T. Board of Regents, gifts and pledges totalling \$118,345 were accepted to establish four Thomas J. Dimiceli Endowed Presidential Scholarships in Accounting in the College of Business Administration and the Graduate School of Business at U. T. Austin with the provision for establishment of a fifth endowment should total additional gifts received ever be sufficient to fund five endowments of at least \$25,000 each. Total gifts received for these endowments now equal \$142,166, which would allow for five endowments of \$28,433.20 each. The additional gifts have historically been added to endowment #4 which had increased its balance to \$67,166. Additionally, the balance of endowment #1 includes \$300 of reinvested income and the balance of endowment #3 includes \$2,608 of reinvested income.

8. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Mitzi I. Nuhn Dreher Endowed Presidential Scholarship in the School of Nursing.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$15,230 in gifts and \$9,770 in pledges, payable by May 31, 1995, from The University of Texas at Austin School of Nursing Alumni Association, Austin, Texas, for a total of \$25,000 be accepted to establish the Mitzi I. Nuhn Dreher Endowed Presidential Scholarship in the School of Nursing at U. T. Austin.

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

### BACKGROUND INFORMATION

This endowment is being funded in honor of Mrs. Mitzi Irene Nuhn Dreher, Austin, Texas, who retired in 1991 as Assistant Dean for Student Affairs and Assistant Professor in the School of Nursing at U. T. Austin. Mrs. Dreher received her M.S. in Nursing from U. T. Austin in 1958.

9. U. T. Austin: Priscilla Pond Flawn Fellowship in Early Childhood Education in the College of Education - Recommendation to Accept Transfer of Funds and Redesignate as the Priscilla Pond Flawn Regents Professorship in Early Childhood Education.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that transfers of \$15,644.50 from current restricted funds and \$15,500 from accumulated income for a total of \$31,144.50 be accepted for addition to the Priscilla Pond Flawn Fellowship in Early Childhood Education in the College of Education at U. T. Austin for a total endowment of \$100,000 and that the Fellowship be redesignated as the Priscilla Pond Flawn Regents Professorship in Early Childhood Education.

### BACKGROUND INFORMATION

The Priscilla Pond Flawn Fellowship in Early Childhood Education was established at the December 1985 meeting of the U. T. Board of Regents with \$81,181.50 in matching funds from The Regents' Endowed Teachers and Scholars Program. Because of a shortfall in the expected gifts on which the matching funds were based, only \$68,855.50 in matching funds has actually been allocated for the endowment to date. The transfer of additional funds will increase the endowment to the level of a professorship.

10. U. T. Austin: L. D. Haske Centennial Professorship in Public School Administration in the College of Education - Recommendation to Allocate Matching Funds Under The Regents' Endowment Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that matching funds totalling \$11,660 be allocated from The Regents' Endowment Program to be added to the L. D. Haske Centennial Professorship in Public School Administration in the College of Education at U. T. Austin for a total endowment of \$274,070.14.

### BACKGROUND INFORMATION

At the December 1983 meeting, the U. T. Board of Regents accepted \$100,000 in gifts and pledges to establish the L. D. Haskew Centennial Professorship in Public School Administration in the College of Education at U. T. Austin.

This endowment was established in honor of Dr. Laurence DeFee Haskew, Austin, Texas, a distinguished professor and administrator at U. T. Austin for 31 years. Dr. Haskew passed away in February 1991, and the endowment was enhanced with \$23,469.14 from his Estate and a \$25 memorial gift for a total addition of \$23,494.14.

11. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Pat Hingle Endowed Presidential Scholarship in Theatre and Dance in the College of Fine Arts.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 transfer of current restricted funds be accepted to establish a quasi-endowment in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin to be named the Pat Hingle Endowed Presidential Scholarship in Theatre and Dance.

Income earned from the endowment will be used to award scholarships to outstanding students majoring in theatre and dance in the College of Fine Arts.

### BACKGROUND INFORMATION

This endowment is being funded in honor of Mr. Pat Hingle, Carolina Beach, North Carolina. Mr. Hingle has had a distinguished career as an actor, appearing in numerous Broadway plays, films, and television shows. He received his B.F.A. in Radio-Television-Film and his B.F.A. in Drama in 1949 from U. T. Austin.

12. U. T. Austin: Recommendation to Accept Gifts to Establish the George M. Hocking Fund for the Collection of Floristic Books in the General Libraries.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$10,000 in gifts from an anonymous donor be accepted to establish an endowment in the General Libraries at U. T. Austin to be named the George M. Hocking Fund for the Collection of Floristic Books.

Income earned from the endowment will be used to purchase floristic texts and related library materials to enhance the George M. Hocking Collection held by the General Libraries.

#### BACKGROUND INFORMATION

This endowment is being funded in honor of Dr. George M. Hocking, Auburn, Alabama. Dr. Hocking, who is widely recognized as an authority on medicinal plants, has given approximately 200 botanical texts, mostly floristic books accumulated as a reviewer for several journals, as well as by purchase, to the Plant Resource Center at U. T. Austin. These materials have now become part of the Life Science Library where they have been cataloged and made available to library users.

13. U. T. Austin: Longhorn Scholarship Fund - Recommendation to Designate Permissible Use of Endowment Account for The Second Century Fund for Endowed Athletic Scholarships in the Departments of Intercollegiate Athletics for Men and Women.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the Longhorn Scholarship Fund at U. T. Austin be designated for use as needed by the Departments of Intercollegiate Athletics for Men and Women at U. T. Austin for The Second Century Fund in order to match private gifts designated for student support endowments.

Subject to the availability of funds, the President of U. T. Austin may make recommendations to the Executive Vice Chancellor for Academic Affairs for the matching of private gifts to endow student athlete scholarships with funds from the income or principal of the Longhorn Scholarship Fund. The Longhorn Scholarship Fund currently has a principal balance in excess of \$3.2 million.

This recommendation has been reviewed and approved by the U. T. System Office of General Counsel.

#### BACKGROUND INFORMATION

The Longhorn Scholarship Fund was established at the June 1981 meeting of the U. T. Board of Regents with receipts of football seat option donations. All income from the Fund was to be used primarily for scholarships for student athletes, but with the approval of the institutional president and the Chancellor may be reinvested in the Fund or used for other purposes related to intercollegiate athletics at U. T. Austin. The corpus of the Fund may, at the discretion of the U. T. Board of Regents, be used in whole or in part to support programs and facilities development directly related to intercollegiate athletics programs 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. The Second Century Fund will assure that financial aid is provided to more than 350 student athletes. Many of these student athletes would not receive the quality of education they deserve without such assistance.

The U. T. Board of Regents at the August 1992 meeting approved acceptance of the first gift to The Second Century Fund prior to a formal recommendation on approval of the private fund development campaign. That formal recommendation will be presented via an Executive Committee Letter prior to the April 1993 meeting.

14. U. T. Austin: Recommendation to Accept Gifts to Establish the Don M. Lyda Endowed Presidential Scholarship Fund in the College of Business Administration and the Graduate School of Business and Eligibility for Matching Funds Under The Regents' Endowment Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$25,000 in gifts from the Educational Foundation of the Texas Society of Certified Public Accountants, Inc., Dallas, Texas, be accepted to establish the Don M. Lyda Endowed Presidential Scholarship Fund in the College of Business Administration and the Graduate School of Business at U. T. Austin and that a \$1,000 gift from the Educational Foundation of the Texas Society of Certified Public Accountants, Inc., Dallas, Texas, be accepted and used to award the first 1993 scholarship under the endowment.

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 in the Master in Professional Accounting Program and the Professional Program in Accounting in the College of Business Administration and the Graduate School of Business.

#### BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Don M. Lyda, Austin, Texas, in recognition of his outstanding service to the Texas Society of Certified Public Accountants, Inc., Dallas, Texas. Mr. Lyda served as Vice President of the Texas Society of Certified Public Accountants, Inc. from 1970 to 1971 and as Chairman of the Texas State Board of Public Accountancy from 1977 to 1981. Mr. Lyda received a B.B.A. from U. T. Austin in 1949.

15. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Baker and Mary Montgomery 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 President Berdahl that a \$25,000 gift from Mr. and Mrs. Baker Montgomery (Mary), Dallas, Texas, and a \$12,500 transfer of Second Century Fund matching funds for a total of \$37,500 be accepted to establish the Baker and Mary Montgomery 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. and Mrs. Baker Montgomery (Mary), Dallas, Texas, are members of The Chancellor's Council, The President's Associates, and the Littlefield Society. Mrs. Montgomery received her B.S. in Elementary Education in 1969 from U. T. Austin and is a member of the Longhorn Association for Women's Athletics. Mr. Montgomery is a member of the Longhorn Foundation for Men's Athletics.

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.

The U. T. Board of Regents at the August 1992 meeting approved acceptance of the first gift to The Second Century Fund prior to a formal recommendation on approval of the private fund development campaign. That formal recommendation will be presented via an Executive Committee Letter prior to the April 1993 meeting.

16. U. T. Austin: J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs - Recommendation to Allocate Matching Funds from The Brackenridge Matching Program #2.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that matching funds totalling \$446,373 be allocated from The Brackenridge Matching Program #2 to increase the J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs at U. T. Austin for a total endowment of \$1,933,320.56.

BACKGROUND INFORMATION

At the August 1991 meeting, the U. T. Board of Regents accepted \$584,175.77 in gifts and pledges and established the J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs at U. T. Austin. At the April 1992 meeting, the U. T. Board of Regents approved \$120,000 in matching funds from The Regents' Endowment Program against \$1,000,000 in gifts and pledges received for the scholarship. At the August 1992 meeting, the U. T. Board of Regents accepted \$200,000 from the Estate of C. R. Smith, Washington, D. C., for addition to the J. J. "Jake" Pickle Scholarship Program and reserved the right to request matching funds at a later date. At the October 1992 meeting, the U. T. Board of Regents approved \$100,000 in matching funds from The Brackenridge Matching Program #2 on the \$200,000 received from the Estate of C. R. Smith.

17. U. T. Austin: Recommendation to Accept Gifts to Establish the Donald T. and Gwen Rippey Endowed Scholarship in Community College Leadership in the College of Education.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$38,175 in gifts from various donors be accepted to establish the Donald T. and Gwen Rippey Endowed Scholarship in Community College Leadership in the College of Education at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support for students enrolled in the Community College Leadership Program in the College of Education at U. T. Austin.



### BACKGROUND INFORMATION

This endowment is being funded in honor of Dr. Donald T. and Dr. Gwen H. Rippey, Austin, Texas, in recognition of their years of dedication to the betterment of higher education and to the professional development of community college leaders. Dr. Donald T. Rippey holds the W. K. Kellogg Professorship of Community College Leadership in the College of Education at U. T. Austin. He has been on the faculty at U. T. Austin since 1975. He served as Graduate Advisor for the Department of Educational Administration from 1985 to 1990 and as Department Chair from 1980 to 1985. Dr. Gwen H. Rippey is Vice President of Austin Community College, Austin, Texas.

18. U. T. Austin: Recommendation to Accept Gifts to Establish the Margie and William H. Seay and Sarah M. and Charles E. Seay 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 President Berdahl that a \$5,000 gift from Mr. Charles E. Seay, Dallas, Texas, and a \$5,000 gift from Mr. William H. Seay, Dallas, Texas, for a total of \$10,000 be accepted to establish the Margie and William H. Seay and Sarah M. and Charles E. Seay 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. and Mrs. Charles E. Seay (Sarah M.), Dallas, Texas, and Mr. and Mrs. William H. Seay (Margie), Dallas, Texas, are longtime supporters of U. T. Austin's academic and athletics programs. Mr. Charles Seay received his B.B.A. from U. T. Austin in 1936. Mr. William Seay received his B.B.A. in 1941 from U. T. Austin. Mrs. Margie Seay received her B.S. in Secondary Education from U. T. Austin in 1943. Both couples are members of The Chancellor's Council, The President's Associates, and the Littlefield Society.

19. U. T. Austin: Recommendation to Accept Gift to Establish the Anne Vickery Stevenson-Edward D. Vickery, Jr. Endowed Scholarship in the Department of Intercollegiate Athletics for Women.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 gift from Mr. and Mrs. E. D. Vickery, Houston, Texas, be accepted to establish the Anne Vickery Stevenson-Edward D. Vickery, Jr. Endowed Scholarship in the Department of Intercollegiate Athletics for Women at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support for student athletes within the Department of Intercollegiate Athletics for Women who have made the greatest improvement in their academic studies from the previous year at U. T. Austin.

#### BACKGROUND INFORMATION

Mr. and Mrs. E. D. Vickery, Houston, Texas, are funding this endowment in honor of their daughter and son, Mrs. Anne Vickery Stevenson, Sugar Land, Texas, and Mr. Edward D. Vickery, Jr., Houston, Texas. Mr. E. D. Vickery received his B.A. in Government in 1947 and his LL.B. in 1948 from U. T. Austin. Mrs. Vickery received her A.S. from U. T. Arlington in 1941. Mr. and Mrs. Vickery are members of The Chancellor's Council and the Littlefield Society. Mr. Edward D. Vickery, Jr. received his B.A. in Biology in 1973 from U. T. Austin.

20. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Patricia and Ralph Thomas Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from Mr. and Mrs. Ralph B. Thomas, Houston, Texas, and a \$12,500 transfer of Second Century Fund matching funds for a total of \$37,500 be accepted to establish the Patricia and Ralph Thomas Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to student athletes who have reached their fifth year of study, have completed athletic eligibility, and require financial assistance to complete an undergraduate degree or begin graduate studies. In any year that no fifth year student meets the criteria for this award, any student athlete within the Department of Intercollegiate Athletics for Women may be selected on the basis of need.

## BACKGROUND INFORMATION

Mr. and Mrs. Ralph B. Thomas (Patricia Allred) are funding this endowment in honor of Mrs. Thomas, a Longhorn Associate Advisory Council member whose own courage, determination, and enthusiasm for life are highly regarded by all that have had the pleasure of knowing and working with her. She received her B.S. in Elementary Education in 1966 from U. T. Austin. Mr. and Mrs. Thomas are members of The Chancellor's Council, The President's Associates, and the Littlefield Society. Mr. Thomas received his B.B.A. in 1966 and his M.B.A. in 1968 from U. T. Austin and is a Distinguished Alumnus of the College of Business Administration.

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.

The U. T. Board of Regents at the August 1992 meeting approved acceptance of the first gift to The Second Century Fund prior to a formal recommendation on approval of the private fund development campaign. That formal recommendation will be presented via an Executive Committee Letter prior to the April 1993 meeting.

21. U. T. Austin: Recommendation to Accept Gift to Establish the Gale White Endowed Fellowship in Geophysics in the College of Natural Sciences.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a gift of 500 shares of Texas Instruments, Inc. common stock valued at \$23,062.50 from Mr. Gale White, Weimar, Texas, be accepted to establish the Gale White Endowed Fellowship in Geophysics in the Institute for Geophysics, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to graduate students at the Institute for Geophysics with preference given to students specializing in the field of gravity research and instrumentation.

## BACKGROUND INFORMATION

Mr. Gale White, Weimar, Texas, received his B.A. in Geological Sciences in 1938 from U. T. Austin. He is a member of The President's Associates and a Life Member of The Ex-Students' Association.

22. U. T. Austin: Recommendation to Establish Four Endowments in the School of Law.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that four endowments in the School of Law at U. T. Austin be established as set out below. The funds for the endowments will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

ENDOWMENT:	Mark G. Yudof Endowed Research Professorship in Law
Donor:	The law firm of Susman Godfrey, Houston, Texas
Gift Amount:	\$100,000
Total Endowment:	\$100,000
ENDOWMENT:	Julius Glickman Research Chair in Legal and Professional Ethics
Donor:	Mr. Julius Glickman, Houston, Texas
Gift Amount:	\$250,000
Donor:	Mr. Jimmy Janacek, Houston, Texas
Gift Amount:	\$250,000
Total Endowment:	\$500,000
ENDOWMENT:	Ben and Mollye Glast Endowed Presidential Scholarship in Law
Donor:	Mr. Sam Glast, Dallas, Texas
Gift Amount:	\$12,500
Law School Fdn.	
Matching:	\$25,000
Total Endowment:	\$37,500
ENDOWMENT:	Judge Bill Junell Endowed Presidential Scholarship in Law
Donor:	The law firm of Sewell & Riggs, Houston, Texas, and various donors
Gift Amount:	\$29,817.96
Total Endowment:	\$29,817.96

Income earned from the first two endowments will be used to support the Professorship and the Chair, respectively.

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

BACKGROUND INFORMATION

Of the individual donors and honorees of these four endowments, several are alumni of the School of Law at U. T. Austin.

23. U. T. Austin and U. T. Pan American: Recommendation to Transfer Current Restricted Funds to be Administered by U. T. Pan American.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Presidents Berdahl and Nevarez that \$15,000 be transferred from the principal of the William Terry Pollard and Claire Ford Pollard Memorial Loan Fund (a current restricted fund) at U. T. Austin to U. T. Pan American for administration as a student loan fund.

The remaining principal of approximately \$37,000 will be maintained by U. T. Austin as an unrestricted student loan fund.

The U. T. System Office of General Counsel has rendered an opinion that this recommendation is permissible under Section 65.36(f) of the Texas Education Code. This recommendation is acceptable to the donor.

#### BACKGROUND INFORMATION

In 1961, Mr. J. H. Pollard, Mr. Terence A. Pollard, and Mrs. Katherine Pollard Carter funded a nonendowed student loan fund at U. T. Austin in memory of their parents, William Terry Pollard and Claire Ford Pollard. Gifts of \$1,500 initiated the fund, which has now grown to approximately \$52,000. The donors originally requested that their gifts be used as a student loan fund for at least 50 years, after which time U. T. Austin administration may elect to utilize the remaining principal for other constructive education purposes. In selecting students to receive loans, the donors requested that preference be given to students from Matagorda County, Texas, and that 20% of the funds be restricted to loans for students from that county.

Mr. Terence A. Pollard, Weslaco, Texas, survivor of the donors, has now requested that the William Terry Pollard and Claire Ford Pollard Memorial Loan Fund benefit students at both U. T. Austin and U. T. Pan American. He and remaining family members have a strong interest in the education of students from the South Texas area, and the expanded opportunities available to those students since Pan American University joined the U. T. System. The administration of U. T. Austin agrees that the donors' original intention to benefit Matagorda County, Texas, students can be best fulfilled by allowing a portion of the fund to be administered by U. T. Pan American rather than by retaining a restriction on the award of scholarships.

24. U. T. Dallas: Recommendation to Accept Transfer of Funds to Establish the Geosciences Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that an \$80,000 transfer of previously reported gifts from current restricted funds be accepted to establish a quasi-endowment at U. T. Dallas to be named the Geosciences Fund.

Seventy-five percent of the income earned from the endowment will be used to defray a portion of the costs of the Geosciences Program at U. T. Dallas. The remaining twenty-five percent of income earned will be reinvested in the corpus of the endowment.

BACKGROUND INFORMATION

The funds used to establish this quasi-endowment are comprised of gifts from various donors to the Geosciences Program at U. T. Dallas that have been accumulated over several years.

25. U. T. El Paso: Recommendation to Accept Gift to Establish the American Garment Finishers Endowed Excellence Fund for Entrepreneurial Development, Advancement, Research, and Support.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$10,000 gift and a \$40,000 pledge, payable by December 31, 1997, from Mr. Moshe Azoulay, El Paso, Texas, for a total of \$50,000 be accepted to establish the American Garment Finishers Endowed Excellence Fund for Entrepreneurial Development, Advancement, Research, and Support at U. T. El Paso.

Income earned from the endowment will be used at the discretion of the Dean of the College of Business Administration to support activities which stimulate, aid, and encourage entrepreneurial and/or small business development, with preference given to use in support of functions of CEDARS (Center for Entrepreneurial Development Advancement Research and Support) that have direct impact on small and developing businesses in El Paso.

BACKGROUND INFORMATION

Mr. Moshe Azoulay, President of American Garment Finishers Corporation, El Paso, Texas, serves on the Development Board at U. T. El Paso.

26. U. T. El Paso: Recommendation to Accept Transfer of Funds to Establish the James D. DeGroat Memorial Library Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that an \$11,515 transfer of funds from the Library Endowment Fund at U. T. El Paso, consisting of gifts from Mrs. James D. (Mary Carolyn) DeGroat, El Paso, Texas, and various donors, be accepted to establish an endowment at U. T. El Paso to be named the James D. DeGroat Memorial Library Fund.

Income earned from the endowment will be used to purchase books and periodicals for the University Library at U. T. El Paso.

BACKGROUND INFORMATION

Many family members and friends are funding this endowment in memory of Mr. James D. DeGroat. Mr. DeGroat was President of Carter Petroleum Corporation, El Paso, Texas, until his death in 1983, and had served as President of the U. T. El Paso Alumni Association. He received his B.B.A. from U. T. El Paso in 1950. Mrs. DeGroat is a member of the U. T. El Paso Matrix Society, The President's Associates, and The Chancellor's Council.

27. U. T. El Paso: Recommendation to Accept Transfer of Funds to Establish the Dr. John M. Hills Memorial Library Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$10,769.91 transfer of funds from the Library Endowment Fund at U. T. El Paso, consisting of gifts from Mrs. John M. Hills, El Paso, Texas, and various donors, be accepted to establish an endowment at U. T. El Paso to be named the Dr. John M. Hills Memorial Library Fund.

Income earned from the endowment will be used to purchase books and periodicals for the University Library at U. T. El Paso.

### BACKGROUND INFORMATION

Family and friends of Dr. John M. Hills are funding this endowment in his memory. Dr. Hills, a member of the faculty of the Department of Geological Sciences at U. T. El Paso from 1967 until retiring as Professor Emeritus in 1980, was a respected petroleum consultant. He and his wife, Sally, were strong supporters of the Department of Geological Sciences at U. T. El Paso and members of The Chancellor's Council.

28. U. T. El Paso: Recommendation to Accept Transfer of Funds to Establish the Robert P. & Margaret Love Library Fund.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$10,460 transfer of funds from the Library Endowment Fund at U. T. El Paso, consisting of gifts from various donors, be accepted to establish an endowment at U. T. El Paso to be named the Robert P. & Margaret Love Library Fund.

Income earned from the endowment will be used to purchase books and periodicals for the University Library at U. T. El Paso.

### BACKGROUND INFORMATION

Family and friends of Mr. and Mrs. Robert P. Love, El Paso, Texas, are funding this endowment in their honor. Mr. and Mrs. Love have supported the University Library at U. T. El Paso for many years with cash donations as well as the donation of a rare set of 1910 Encyclopaedia Britannica volumes. Mr. Love is a member of the U. T. El Paso President's Associates and Mrs. Love was the founder of the Friends of the Library in El Paso prior to her death in August 1992.

29. U. T. El Paso: Recommendation to Accept Gift to Establish the Arlene Smith McKinnon Endowment for Art.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$10,000 gift from Dr. and Mrs. Andrew Bernat (Valerie), El Paso, Texas, be accepted to establish the Arlene Smith McKinnon Endowment for Art at U. T. El Paso.



Income earned from the endowment will be used to support the exhibition of student art and to provide stipends for art students whose works are awarded at the annual Spring juried Student Art Show held by the Department of Art at U. T. El Paso. The stipend awards will be used to purchase these students' art works to create a permanent University Student Art Collection to be available for viewing in public areas on the campus of U. T. El Paso.

#### BACKGROUND INFORMATION

This endowment is being funded in memory of Mrs. Arlene Smith McKinnon by her daughter and son-in-law, Dr. and Mrs. Andrew Bernat (Valerie), El Paso, Texas, in recognition of Mrs. McKinnon's lifelong interest in art. Dr. Bernat is Chair of the Computer Science Department at U. T. El Paso.

30. U. T. El Paso: Recommendation to Accept Gift to Establish the Bill and Jo Siedhoff Staff Scholarship Endowment.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$10,000 gift from Dr. Diana Natalicio, El Paso, Texas, be accepted to establish the Bill and Jo Siedhoff Staff Scholarship Endowment at U. T. El Paso.

Income earned from the endowment will be used for staff scholarships in accordance with the scholarship guidelines.

#### BACKGROUND INFORMATION

Dr. Diana Natalicio, who serves as President of U. T. El Paso, is funding this endowment in honor of her parents, Bill and Jo Siedhoff, to provide ongoing opportunities for members of U. T. El Paso's staff to pursue their educational aspirations.

31. U. T. Tyler: Recommendation to Accept Gift to Establish The Stella Crews and Erwin Douglas Dyer Scholarship Endowment.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Hamm that a \$45,000 gift from Dr. and Mrs. Thomas F. Eckert, Tyler, Texas, be accepted to establish The Stella Crews and Erwin Douglas Dyer Scholarship Endowment at U. T. Tyler.

Income earned from the endowment will be used to award scholarships to students at U. T. Tyler.

#### BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. and Mrs. Erwin Douglas (Stella Crews) Dyer, longtime educators in Tyler, Texas. Dr. Thomas F. Eckert, Tyler, Texas, is a podiatrist, and Mrs. Eckert is a community volunteer whose parents were friends of Mrs. Dyer.

#### 32. U. T. Tyler: Report of Gift to the Liberal Arts/Fine and Performing Arts Complex.--

#### REPORT

The Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Hamm report the receipt of a \$500,000 pledge from Mrs. Maurine G. Muntz, Tyler, Texas, to benefit the proposed Liberal Arts/Fine and Performing Arts Complex fund campaign at U. T. Tyler. The pledge is payable in quarterly installments of \$50,000 each, beginning March 31, 1993, with the final payment due September 30, 1995.

#### BACKGROUND INFORMATION

Mrs. Maurine G. Muntz, Tyler, Texas, is an active community leader who serves as a member of the U. T. Tyler Development Board, the U. T. Tyler Educational Foundation, and the Advisory Committee of the U. T. Tyler Friends of the Arts. She and her family donated the Robert R. Muntz Library to U. T. Tyler in 1982.

At the October 1985 meeting, the U. T. Board of Regents approved, as part of the Capital Improvement Plan, a liberal arts and performance complex at U. T. Tyler. At the August 1987 meeting, the U. T. Board of Regents approved a special private fund development campaign of \$5.0 million to raise funds for construction of the complex, pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.44.

33. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and to Allocate Funds from the Private Fund Development Campaign to Establish the Sarah M. and Charles E. Seay Chair in Pediatric Research 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 Sarah M. and Charles E. Seay Charitable Trust, Dallas, Texas, be accepted to establish the Sarah M. and Charles E. Seay Chair in Pediatric Research at the U. T. Southwestern Medical Center - Dallas.

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

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

#### BACKGROUND INFORMATION

Mr. and Mrs. Charles E. Seay, Dallas, Texas, have been involved in children's health-related activities in Dallas for many years. Their primary interest has been centered upon the U. T. Southwestern Medical Center - Dallas' affiliated Children's Medical Center of Dallas, where Mr. Seay has previously served on the Board of Trustees.

Mr. Charles E. Seay received his B.A. from U. T. Austin in 1936. Mrs. Sarah M. Seay also attended U. T. Austin. Mr. and Mrs. Seay are members of The Chancellor's Council, the Littlefield Society, and The President's Associates.

This endowment is being established under the Private Fund Development Campaign as set out in the Minutes of the December 1991 meeting of the U. T. Board of Regents whereby \$25,000,000 was accepted from an anonymous donor to serve as a challenge fund for matching endowment contributions for the support of research by faculty in the area of basic biomedical research as it relates to cancer, neuroscience, developmental biology, and genetics.

See Item 1 on Page HAC - 3 related to a proposed appointment to this Chair.

34. U. T. Medical Branch - Galveston: Recommendation to Accept Transfer of Funds to Establish the Mason Guest Scholar Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$50,000 transfer of MSRDP funds be accepted to establish an endowment at the U. T. Medical Branch - Galveston to be named the Mason Guest Scholar Program.

Income earned from the endowment will be used either to send a junior non-faculty scientist to a scientific meeting or training program, or to bring a respected scientist to the U. T. Medical Branch - Galveston for interaction with faculty members of the Department of Physiology and Biophysics.

BACKGROUND INFORMATION

This endowment is being established in memory of Dr. M. Mason Guest, Galveston, Texas, who was the former Chairman and Ashbel Smith Professor of Physiology and Biophysics at the U. T. Medical Branch - Galveston.

35. U. T. Health Science Center - Houston: Recommendation to Accept Gift to Establish the Joseph T. Ainsworth, M.D. Country Doctor Endowed Scholarship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that a \$50,000 gift from the Houston Livestock Show and Rodeo, Houston, Texas, be accepted to establish the Joseph T. Ainsworth, M.D. Country Doctor Endowed Scholarship at the U. T. Health Science Center - Houston.

Ninety percent of the income earned from the endowment will be used to provide financial assistance for academically able students who intend to return to a rural area in Texas upon completion of their medical degree. The remaining ten percent of income earned will be reinvested in the corpus of the endowment.

BACKGROUND INFORMATION

This endowment is being funded in honor of Joseph T. Ainsworth, M.D., Houston, Texas, for his many years of service to the Houston Livestock Show and Rodeo.

Dr. Ainsworth joined the faculty of the U. T. M.D. Anderson Cancer Center in 1977 as an Associate Internist and served the hospital in several administrative capacities until 1987 when he was appointed Special Assistant to the President.

36. U. T. Health Science Center - San Antonio: Endowed Professorship in the School of Nursing - Recommendation to Redesignate as The Oncology Nursing Endowed Professorship (NO PUBLICITY).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the Endowed Professorship in the School of Nursing at the U. T. Health Science Center - San Antonio be redesignated as The Oncology Nursing Endowed Professorship.

This redesignation is being made at the request of the donor.

#### BACKGROUND INFORMATION

At the February 1993 meeting, the U. T. Board of Regents accepted a \$100,000 gift from USAA Federal Savings Bank, San Antonio, Texas, to establish the Endowed Professorship in the School of Nursing.

#### NO PUBLICITY

37. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Gift and Pledge to Establish the Paul and Mary Haas Endowment in Urologic Research and for Current Restricted Use.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$275,000 gift and a \$225,000 pledge, payable by December 31, 1997, from Mr. and Mrs. Paul R. Haas, Corpus Christi, Texas, for a total of \$500,000 be accepted for the benefit of the U. T. M.D. Anderson Cancer Center. The \$275,000 gift will be used to establish a term endowment to be named the Paul and Mary Haas Endowment in Urologic Research and the \$225,000 pledge will be used for the construction of a Urology Laboratory to be located in the Bertner Research Center at the U. T. M.D. Anderson Cancer Center.

Income earned from the endowment and the corpus of the endowment, if necessary, will be used in support of research programs within the Department of Urology.

### BACKGROUND INFORMATION

Mr. Paul R. Haas, Corpus Christi, Texas, has been a longtime contributor to the U. T. M.D. Anderson Cancer Center and is a lifetime member of the Board of Visitors of the University Cancer Foundation.

38. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Annuity Payments from The 1992 Beverly M. Sloan Charitable Lead Annuity Trust.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that an income interest in The 1992 Beverly M. Sloan Charitable Lead Annuity Trust (to be held in trust by NationsBank of Texas, N.A., Harris County, Texas) be accepted for current unrestricted use at the U. T. M.D. Anderson Cancer Center.

### BACKGROUND INFORMATION

The 1992 Beverly M. Sloan Charitable Lead Annuity Trust was established by Ms. Beverly M. Sloan, Houston, Texas, to provide for the annual distribution of \$10,000 to the U. T. M.D. Anderson Cancer Center during her lifetime. Upon the death of Ms. Sloan, the Trust terminates and all remaining properties are to be distributed to her descendants.

### III. INTELLECTUAL PROPERTY MATTER

U. T. M.D. Anderson Cancer Center: Recommendation for Approval of Sponsored Research Master Agreement with Aastrom Biosciences, Inc. (ABI), Ann Arbor, Michigan; Request for Approval to Accept Stock; and Request for Individual to Serve on the Board of Directors and Scientific Advisory Board.--

### 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. Approve the Sponsored Research Master Agreement set out on Pages AMC 34 - 55 between U. T. M.D. Anderson Cancer Center and Aastrom Biosciences, Inc. (ABI), Ann Arbor, Michigan

- b. Approve the acceptance by U. T. M.D. Anderson Cancer Center of stock in Aastrom Biosciences, Inc. as partial consideration for such agreement
- c. Authorize Albert B. Deisseroth, M.D., Ph.D., Chairman of the Department of Hematology at U. T. M.D. Anderson Cancer Center, to serve on the Board of Directors and Scientific Advisory Board of ABI.

#### BACKGROUND INFORMATION

U. T. M.D. Anderson Cancer Center and Aastrom Biosciences, Inc. (ABI), a Michigan corporation, propose to enter into the Sponsored Research Master Agreement for purposes of collaborating in basic and clinical research programs in the growth of very powerful cells, called stem cells and progenitor cells, that may be transplanted into humans to produce normal tissues such as bone marrow. The collaboration may result in new avenues for expanded, affordable bone marrow transplantation on a medically effective basis. Dr. Deisseroth will direct the research program.

The agreement provides for ABI to fund not only the research program but also fellowships for postdoctoral training, clinical trials, and such other research and developmental activities as may be agreed upon by the parties. U. T. M.D. Anderson Cancer Center will license ABI to commercialize technologies resulting from the research at a royalty rate of two percent (2%) of net sales in excess of \$3,000,000.

As partial consideration for the Agreement, ABI will transfer 50,000 shares of ABI common stock to U. T. M.D. Anderson Cancer Center to be held by the U. T. System Office of Asset Management for the benefit of U. T. M.D. Anderson Cancer Center.

ABI has offered Dr. Deisseroth the opportunity to serve on ABI's Board of Directors and Scientific Advisory Board. It has been determined that such service by Dr. Deisseroth will not conflict with his academic and research responsibilities to U. T. M.D. Anderson Cancer Center.

The proposed acceptance of common stock by U. T. M.D. Anderson Cancer Center and Dr. Deisseroth's services are permitted with approval of the U. T. Board of Regents pursuant to Section 51.912 of the Texas Education Code and the Intellectual Property Policy of the Regents' Rules and Regulations, Part Two, Chapter XII, Section 6, Subsection 6.1 and Section 7, Subsection 7.1.

## SPONSORED RESEARCH MASTER AGREEMENT

This Agreement is entered into as of 12/14, 1992, by and between the Board of Regents, The University of Texas System ("Board"), The University of Texas M.D. Anderson Cancer Center, 1515 Holcombe Boulevard, Houston, Texas 77030 ("Institution"), a component of the University of Texas System ("System"), and Aastrom Biosciences, Inc., Ann Arbor, Michigan 48113-0469 ("Sponsor"), with respect to the following facts:

### RECITALS

A. Institution has been a progressive leader in the delivery of new therapies for patients of Institution. The fields of bone marrow transplantation and stem cell genetic therapy have become targets for new cures for cancer, as well as other immunologic and genetic diseases. To maintain and enhance the leadership role of Institution in providing effective and affordable patient care, investigators at Institution have sought to expedite the general development of new therapies, in order to accelerate the availability of new therapies to patients of Institution, and for the benefit of the people of the state of Texas.

B. Sponsor is a young company that has novel technology for growing very powerful cells, called stem cells and progenitor cells, that have the ability to be transplanted into humans, which cells then produce normal tissues, such as human bone marrow (hereinafter referred to as "Sponsor's Technology"). Sponsor's Technology is expected to provide new avenues for expanded bone marrow transplantation, on a more affordable and medically efficient basis. Sponsor's Technology is also expected to enable human stem cell gene therapy.

C. Institution and Sponsor have mutually determined that the most effective way to further the research and development of Sponsor's Technology is through a formalized collaboration for basic and clinical research programs (the "Stem Cell Research Program" or the "Research Program"), under the direction of Albert B. Deisseroth, M.D., Ph.D., an employee of Institution, as further described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, Institution and Sponsor agree as follows:

#### 1. Term.

1.1 This Agreement shall be effective commencing as of 12/14, 1992 (the "Effective Date"). This Agreement shall continue for a term of four years, expiring on the fourth anniversary of the Effective Date, unless terminated earlier pursuant to Section 10 below.



## 2. Research Program.

2.1 The Stem Cell Research Program shall be located at Institution and shall be directed by Dr. Deisseroth. The primary purpose of the Research Program will be to conduct research and development for the clinical application of Sponsor's Technology regarding stem cell expansion, as described in Recital B above.

2.2 The Research Program shall be supported financially by Sponsor, which support may include (a) grant funding for basic research, (b) fellowships for postdoctoral training, (c) funding for clinical trials, and (d) such other research and development activities as may be mutually approved by Sponsor and Institution.

2.3 It is contemplated that there will be several distinct research projects within the Research Program, each having a separate budget, time schedule, and research plan, all of which are to be mutually approved by Institution and Sponsor before commencement of the research project, and which, upon approval, shall be attached hereto as exhibit C-n, where n is the number of the project. The terms of this Agreement shall govern the parties' rights and obligations with respect to each such research project which is specified to be a part of the Research Program contemplated by this Agreement, such that this Agreement, together with the specific budget, time schedule, and research plan for each separate research project, shall govern each separate research project. An example of such a specific research project is the Sponsored Laboratory Study Agreement, dated 9/32, 1992, concerning "Ex Vivo Expansion of Stem Cells for Transplant," which has already been entered into between Institution and Sponsor and which is attached hereto as Exhibit C-1. In order to have consistency and uniformity for all such separate research projects, any inconsistent or conflicting provisions between this Agreement and said Sponsored Laboratory Study Agreement shall be governed by the terms of this Agreement, with the terms of this Agreement superseding and prevailing over the terms of said Sponsored Laboratory Study Agreement.

2.4 Sponsor shall provide scientific collaboration with Institution, on a project-by-project basis as needed, with Sponsor sharing information about Sponsor's Technology, and with Sponsor assisting in the training of members of Institution's research team working on the Research Program. In order to augment the effectiveness of the collaboration between Institution and Sponsor, for the ultimate goal of developing new therapies for benefitting patients, it is acknowledged that Dr. Deisseroth currently serves as a member of the Board of Directors of Sponsor, and Dr. Deisseroth currently serves as a member of Sponsor's Scientific Advisory Board; and it is contemplated that these positions held by Dr. Deisseroth will continue through the term of this Agreement, so long as such continuation is mutually agreed to by both Dr. Deisseroth and Sponsor.

2.5 Institution will use its reasonable best efforts to conduct the various research projects which are approved from time to time by Institution and Sponsor to be part of the Research Program. Institution will furnish the facilities, equipment, supplies, and

personnel necessary to carry out said research projects which constitute the Research Program. Dr. Deisseroth will serve as the principal investigator for the Research Program, and Dr. Deisseroth and Institution will utilize such additional personnel, associates and colleagues as may be reasonably required, in the discretion of Institution and Dr. Deisseroth.

2.6 Sponsor understands that Institution's primary mission is education, advancement of knowledge, and patient care, and consequently, the Research Program will be designed to carry out that mission within the criteria specified in the mutually approved specific plan for each research project. Institution does not guarantee specific results, and Institution does not guarantee that any patent rights will result from the Research Program, or that any patent rights which may result will be of commercial interest to Sponsor, or that any such patent rights will be free of dominance by other patents.

2.7 Institution shall conduct the Research Program on a reasonable-best-efforts basis, in accordance with the mutually approved specific plan for each research project. Institution will use its reasonable best efforts to conduct the Research Program in a manner which will not result in any third parties acquiring any proprietary rights to the results of the Research Program to which Sponsor is entitled.

### 3. Compensation and Financial Matters.

3.1 As consideration for the performance by Institution of each mutually approved specific plan for a research project which is to be a part of the Research Program, pursuant to this Agreement, Sponsor will pay Institution an amount equal to Institution's reasonable expenditures and overhead to conduct the research project, subject to a maximum expenditure limit and budget criteria as specified in the mutually approved budget for each such research project. Payment of said consideration will be pursuant to a schedule as set forth in the mutually approved budget.

3.2 As additional consideration for this Agreement, and particularly the intellectual property rights granted to Sponsor pursuant to this Agreement, Sponsor hereby agrees to issue to Institution fifty thousand (50,000) shares of the common stock of Sponsor. Said stock shall vest on an annual basis over four (4) years, with 25% of the stock becoming vested on each anniversary of the Effective Date of this Agreement, such that 100% of the stock shall be fully vested on the fourth anniversary. Vesting will cease automatically upon any termination of this Agreement prior to the normal expiration of the scheduled four-year term of this Agreement. Upon any termination of this Agreement, any unvested shares shall be reconveyed, without consideration, to Sponsor. The shares of stock shall be issued subject to the standard stock restriction agreement used by Sponsor, a copy of which has been furnished to Institution. Sponsor agrees to "piggy-back" Institution's shares in the event of any formal registration of Sponsor's stock on a basis with other common stock.

3.3 Institution hereby acknowledges that it (Institution) intends to use any proceeds or other financial benefits realized by Institution from the shares of stock issued

Received  
[Signature]

to Institution to support the continuing research programs of Institution's Department of Hematology for the benefit of Institution's patient's.

3.4 Institution will keep accurate financial records relating to each separate research project, and will make such records available to Sponsor or its authorized representatives throughout the term of this Agreement, during normal business hours and upon reasonable notice.

3.5 Institution shall maintain in a separate account all funds contributed by Sponsor for a separate research project; and Institution shall expend such funds for the expenses of said research project in accordance with the mutually approved budget for that research project.

#### 4. Consultation Reports.

4.1 During the term of this Agreement, Sponsor may consult informally with Institution's representatives regarding the Research Program, both personally and by telephone. Reasonable access to Institution's laboratories shall be given to Sponsor to review the research work being conducted in Institution's laboratories for the Research Program.

4.2 Dr. Deisseroth or his designated representative will make periodic oral reports as requested by Sponsor concerning the status, progress and expenses of each research project. Within sixty (60) days after the end of each anniversary date of this Agreement, Dr. Deisseroth shall submit to Sponsor a written report giving a detailed summary of the status, progress, results, data, expenses, and future plans for each research project within the Research Program.

#### 5. Intellectual Property Rights.

5.1 All patentable inventions and non-patentable technology which are, or result in, an improvement or modification of SPONSOR's documented or tangible technology disclosed or provided to carry out the research or clinical work, made by Institution resulting from the Research Program shall be owned by Board and licensed to Sponsor on an exclusive, world-wide basis, with right to sublicense, for a term equal to the life of the patent, or for a term ending fifteen (15) years after the date of first commercial sale of a product utilizing non-patentable technology, which ever occurs last.

5.2 Sponsor will pay the expenses to obtain, maintain, and defend such patent protection for the licensed, patentable inventions, as Sponsor deems reasonable and appropriate, using Sponsor's patent attorney, provided said patent attorney is reasonably acceptable to Institution.

5.3 In consideration of patent rights granted by Board and Institution under

this Agreement, Sponsor agrees to pay Institution the following:

- (a) A running royalty equal to two percent (2%) of annual Net Sales in excess of three million dollars (\$3,000,000) of products protected by a patent licensed by Institution to Sponsor ("Licensed Patent"), where Net Sales shall mean the gross revenues received by Sponsor from the sale of licensed products, less sales and/or use taxes actually paid, import and/or export duties actually paid, outbound transportation prepaid or allowed, and amounts allowed or credited due to returns (not to exceed the original billing or invoice amount). In the event that Net Sales result from a combination Product (i.e., a product which cannot be manufactured, used or sold without infringing the Licensed Patent, and also one or more patents held by Sponsor or a third party) or a Component Product (i.e., a product which is a distinct component of a product which contains multiple components) the Net Sales shall be determined in accordance with the following formula:

$$X = \frac{A}{B} \times C \quad \text{where:}$$

X = Net Sales attributable to the Component and/or Combination Product;

A = value of the contribution of the Sponsor's Licensed Patents or Component based on Licensed Patents;

B = aggregate value of all patent rights and or components;

C = Net Sales for the Combination and/or Component product.

The values described above shall be determined by the parties hereto in good faith. In the absence of agreement as to said values, the values shall be determined by arbitration, to the extent authorized by Texas law.

- (b) Sponsor shall have the right to grant sublicenses to any party, provided, however, that any such sublicense shall be subject in all respects to all the provisions of this Agreement. Sponsor shall pay Institution or cause its sublicensee to pay Institution, royalties on all Net Sales of sublicensee, the same as if such Net Sales had been made by Sponsor. In the event that Sponsor receives consideration for the granting of a sublicense in a form other than royalties on Net Sales, than Sponsor shall promptly notify Institution, and Sponsor and Institution shall promptly negotiate in good faith to properly characterize said consideration and to determine a fair and reasonable portion of said consideration which shall be paid to Institution.

5.4 Sponsor's rights under this Agreement to inventions or other intellectual property shall not be deemed to include a grant to rights to any inventions or intellectual property belonging to third parties; and Institution shall use reasonable best efforts to conduct the Research Program in a manner which does not result in any third party acquiring any rights to the results from the Research Program funded by Sponsor.

5.5 Sponsor shall have an obligation to use reasonable good faith efforts to reasonably exploit any patentable inventions and non-patentable technology which is licensed to Sponsor. Sponsor shall furnish to Institution on an annual basis a written report identifying the efforts which have been undertaken and which Sponsor intends to undertake to so exploit the inventions and technology. It is recognized that the research and development efforts by Sponsor will take many years, particularly for conducting clinical trials for obtaining approval from the United States Food and Drug Administration. So long as Sponsor demonstrates to the reasonable satisfaction of Institution that Sponsor is actively pursuing reasonable efforts in an attempt to exploit and commercialize the licensed inventions and technology, Sponsor shall be deemed to be in compliance with its good faith efforts obligation pursuant to this Section 5.5. Evidence that Sponsor has an ongoing and active research, development, manufacturing, marketing, or licensing program, as appropriate, directed toward ultimate development, production and sale of products based upon the licensed inventions and technology, shall be deemed to be in compliance with Sponsor's good faith efforts obligation pursuant to this Section 5.5.

5.6 Any patentable invention or non-patentable technology arising from a research project within the Research Program that does not meet the criteria of Section 5.1, made by Institution shall be owned by Institution. Sponsor shall not have an automatic, royalty-free license to such invention or technology; however, Sponsor shall have a right of first refusal to obtain a license to said invention or technology. Upon the request of either party, the parties shall pursue reasonable good faith negotiations, for a period of at least ninety (90) days, for establishing the terms for such a license, including the royalty rate, exclusivity, geographical territory, and other customary terms. For the period of such negotiations, Institution shall not pursue any negotiations with a third party, or entertain any proposal from a third party, to license said invention or technology to a third party. Additionally, if, during the term of this Agreement and for a period of three (3) years thereafter, Institution receives a bona fide offer from a third party to license or otherwise use the subject invention or technology (which is not covered by Sections 5.1 or 5.3), Institution shall give a written notice to Sponsor of the name of the third party who is the proposed licensee, and the details of the proposed license agreement, whereupon Sponsor shall have a period of sixty (60) days in which to exercise its right of first refusal to enter into a license agreement on the same terms. Only if Sponsor does not exercise its right of first refusal and enter into the same license agreement may Institution enter into said license agreement with said third party, as specified in the notice given to Sponsor. Upon Institution's so entering into said license agreement with said third party, Institution shall reimburse Sponsor for all patent-related costs paid by Sponsor with respect to any patentable invention so licensed to said third party. If said patent costs were also

attributable to patentable rights which remain available to Sponsor, then an equitable allocation of said patent costs shall be made, and only the allocable share of costs for the invention rights licensed to the third party shall be reimbursed.

#### 6. Publication and Confidentiality.

6.1 Institution and Dr. Deisseroth shall have the right to publish or otherwise publicly disclose information gained in the course of conducting the Research Program. Provided, however, in order to avoid loss of potential patent rights as a result of premature public disclosure of patentable information, Institution shall submit all prepublication materials to Sponsor for review and comment at least sixty (60) days prior to the planned submission for publication.

6.2 Subject to Article 6.3, below, Sponsor may use for any of its filings with the United States Food and Drug Administration, or any comparable governmental agency in another country, any and all data, results and findings from the Research Program.

6.3 Except as otherwise required by law or regulation, neither party shall release or distribute any materials or information containing the name of the other party or any of its employees, without the prior written approval of an authorized representative of the non-releasing party; but such approval shall not be unreasonably withheld.

6.4 In connection with the Research Program, and particularly the collaboration between Sponsor and Institution, it is expected that confidential information belonging to one party will be disclosed to the other party. Each party shall hold in confidence and not disclose to any third party any confidential information which has been disclosed by the other party. This confidentiality obligation shall remain in effect for a period of three (3) years after receipt of the confidential information. The parties acknowledge and agree that this confidentiality obligation shall not apply to information which:

- (a) is already in the recipient party's possession at the time of the disclosure thereof;
- (b) is or later becomes part of the public domain, through no fault of the recipient party;
- (c) is received by the recipient party from a third party having no obligation of confidentiality to the disclosing party;
- (d) is independently developed by the recipient party, without the benefit of the disclosure from the disclosing party; or
- (e) is required by law or governmental regulation to be disclosed.

## **7. Reserved Rights.**

7.1 Institution reserves and retains for Institution and System the right to use any information, including patentable inventions, arising from the Research Program for Institution's and System's own research, teaching and other educationally related purposes, excluding, however, any commercial uses, and excluding any transfer of technology to third parties. Provided, however, Institution and System shall not use or disclose any of Sponsor's confidential information, without Sponsor's prior written consent. Institution and System shall delay use and disclosure of information concerning patentable inventions until appropriate patent protection is obtained by Sponsor, if Sponsor elects to pursue patent protection, as specified in Section 6.1 above. Institution also reserves rights as required for the United States Government to the extent required by Public Law 96-517, if applicable.

## **8. Indemnification.**

8.1 Institution shall, to the extent authorized under the constitution and the laws of the State of Texas, indemnify and hold Sponsor harmless from liability resulting from the negligent acts or omissions of Institution, its agents or employees pertaining to the activities of Institution to be carried out pursuant to this Agreement. Provided, however, Institution shall not hold Sponsor harmless from claims arising out of the negligence or willful malfeasance of Sponsor, its officers, agents or employees, or any person or entity not subject to Institution's or System's supervision or control.

8.2 Sponsor shall indemnify and hold harmless System and Institution and their regents, officers, agents and employees from any liability or loss resulting from judgments or claims against them arising out of the activities to be carried out pursuant to the obligations of this Agreement or from Sponsor's use of the results of the Research Program. Provided, however, that Sponsor's obligation to indemnify and hold harmless shall not be applicable to any claims arising out of the:

(a) negligent failure of Institution or System or their regents, officers, agents or employees, to comply with any applicable governmental requirements or to adhere to the terms of the mutually approved research project; or

(b) negligence or willful malfeasance by System or Institution or their regents, officers, agents or employees.

8.3 Both parties agree that upon receipt of a notice of a claim or action arising out of the activities which are the subject of the indemnification obligations, the party receiving such notice will notify the other party promptly. The party obligated to provide the indemnity shall provide attorneys to defend against any such action which is the subject of the parties' indemnity obligation; and the other party shall cooperate in assisting to defend against such claim.

## 9. Independent Contractor.

9.1 For purposes of this Agreement and all research projects hereunder, the parties acknowledge and agree that they are independent contractors and are not agents or employees of the other party. Neither party shall have authority to make any statements, representations or commitments, or to take any action, which may be binding on the other party, except as may be expressly provided for herein or authorized in writing.

## 10. Termination.

10.1 This Agreement shall continue for a scheduled term of four (4) years, as specified in Section 1 above, unless sooner terminated in accordance with the provisions of this section. This Agreement shall be deemed to continue in effect during the scheduled four-year term so long as any one (1) or more of the following remain in effect and applicable:

(a) There remains in effect a research project which is being sponsored by Sponsor and conducted by Institution (including the existing research project referenced in Section 2.3 above); or

(b) Dr. Deisseroth remains as a member of Sponsor's Scientific Advisory Board or Board of Directors.

If neither of the foregoing remain in effect, then this Agreement shall be deemed to be terminated, unless both parties mutually agree in writing to continue the Agreement in effect.

10.2 In the event that either party shall be in default of its material obligations under this Agreement, or under any specific research project which is entered into pursuant to this Agreement, and said default shall not be remedied within sixty (60) days after the defaulting party receives a written notice of the default, then this Agreement shall terminate upon the expiration of said sixty-(60)-day notice period.

10.3 Termination, cancellation or expiration of this Agreement shall not affect the rights and obligations of the parties accrued prior thereto. Without limiting the generality of the foregoing, any funding obligations accrued and owing by Sponsor prior to a termination shall continue to be owed and paid thereafter; and any prepayment of funds for future research which has not been expended by Institution shall be refunded to Sponsor upon any such termination; and Sponsor's rights to license intellectual property arising from the Research Program prior to the termination shall remain in full force and effect; and the indemnity provisions shall remain in effect. Further, any other provisions of this Agreement which by their nature extend beyond the termination hereof shall survive such termination.

10.4 Upon any termination of this Agreement, Institution shall return to



Sponsor any of Sponsor's materials and/or equipment loaned or directly provided by Sponsor to Institution for the studies covered by this Agreement.

**11. General.**

11.1 This Agreement may not be assigned by either party without the prior written consent of the other party. Provided, however, Sponsor may assign its rights and obligations under this Agreement to any party which purchases substantially all of Sponsor's assets or stock, or into which Sponsor is merged, without needing any consent from Institution.

11.2 This Agreement, together with its Exhibits, constitutes the entire agreement between the parties relating to the Research Program, and all prior negotiations, representations, agreements and understandings are superseded hereby. Provided, however, the Sponsored Laboratory Study Agreement referred to in Section 2.3 above and attached hereto as exhibit C-1 shall be modified only to the extent necessary to make its terms consistent with the terms of this Agreement. Further, it is contemplated, as set forth in Article 2, that additional specific research projects will become part of this Agreement, by means of a mutually approved research plan, budget and schedule for each additional research project.

11.3 No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of both parties.

11.4 This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Texas.

11.5 Any notice required by this Agreement shall be given as follows:

To Institution at:    **Attn: Director, Technology Development**  
                          **The University of Texas**  
                          **M.D. Anderson Cancer Center**  
                          **1020 Holcombe, Suite 1405**  
                          **Houston, Texas 77030**  
                          **FAX: (713) 794-1356**  
                          **PHONE: (713) 792-7598**

To Sponsor at:       **Attn: President**  
                          **Aastrom Biosciences, Inc.**  
                          **P.O. Box 376**  
                          **Ann Arbor, Michigan 48106**  
                          **FAX: (313) 665-0485**  
                          **PHONE: (313) 930-5555**


Each notice shall be deemed delivered when received at the address specified above, with


the notice properly addressed to the attention of the officer as specified above. Said notice must be given in writing and may be transmitted by fax, telegram, mail, personal delivery, or in any other reasonable manner.

IN WITNESS WHEREOF, Institution and Sponsor hereby enter into this Agreement, effective as of the Effective Date defined in Section 1, and execute three original counterparts.

AASTROM BIOSCIENCES, INC.

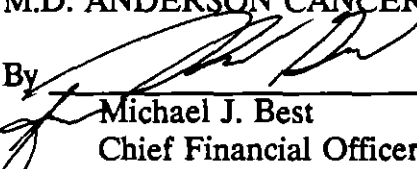
BOARD OF REGENTS  
THE UNIVERSITY OF TEXAS

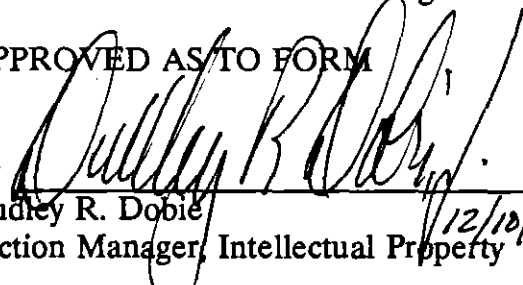
By:   
R. Douglas Armstrong, Ph.D.  
President/CEO

By:   
Thomas Ricks  
Vice Chancellor for Asset Management

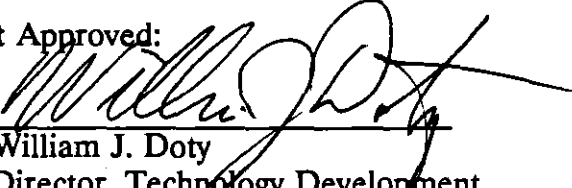
UNIVERSITY OF TEXAS  
M.D. ANDERSON CANCER CENTER

APPROVED AS TO FORM


By:   
Michael J. Best  
Chief Financial Officer

By:   
Dudley R. Dobie  
Section Manager, Intellectual Property 12/10/92

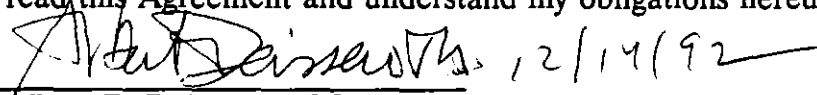
Content Approved:

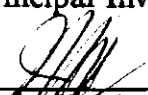
By:   
William J. Doty  
Director, Technology Development

Form Approved:

By:   
Matthew E. Burr, J.D.  
Legal Services Officer

I have read this Agreement and understand my obligations hereunder:

By:  12/14/92  
Albert B. Deisseroth, M.D., Ph.D.  
Principal Investigator

By:   
Irwin M. Krakoff, M.D.  
Head, Division of Medicine

## SPONSORED LABORATORY STUDY AGREEMENT

THIS Agreement is made this 11th day of September, 1992, between The University of Texas M.D. Anderson Cancer Center, 1515 Holcombe Boulevard, Houston, Texas 77030 ("Institution"), a component of The University of Texas System ("System"), and AASTROM Biosciences, Inc., Ann Arbor, Michigan 48113-0469 ("Sponsor"), to conduct a research study and evaluation ("Study"). Institution and Sponsor agree as follows:

1. PROTOCOL

- 1.1 Institution agrees to use its best efforts to conduct the Study, as an independent contractor, in accordance with Institutional policy, applicable laws and regulations and the Project, "Ex Vivo Expansion of Stem Cells for Transplant", as described in Exhibit A attached hereto and incorporated herein. The Study will be supervised by Albert B. Deisseroth, M.D., Ph.D. ("Principal Investigator"), at Institution, with assistance from associates and colleagues as required.
- 1.2 Sponsor agrees to engage the services of Institution to conduct the Study and further agrees to provide at no cost to Institution the cell expansion technology for the conduct of the Study.
- 1.3 Institution agrees to provide Sponsor access to all results of the Study, to provide Sponsor with a written report of the results of the Study, and to administer the funds in general accordance with the budget described in Exhibit B. Sponsor shall have the right to disclose, publish and use such reports, results, data and information developed by Institution hereunder.

2. AWARD

- 2.1 In consideration for performance of the Study by Institution, Sponsor shall pay Institution One Hundred Forty-Two Thousand Eight Hundred Four and No/100 Dollars (\$142,804.00) for Study expenses and other related costs. This amount, shown by approximate category of expense in Exhibit B attached hereto for information only, is payable in Four (4) installments as follows: (1) the first installment of Seventy-One Thousand Four Hundred Two and No/100 Dollars (\$71,402.00) is payable within thirty (30) days of the date herein above (2) the remaining Three (3) installments of Twenty-Three Thousand Eight Hundred and 67/100 Dollars (\$23,800.67) each are payable on a quarterly basis.

### 3. TERM

- 3.1 This Agreement shall continue in force until the earlier of completion of the Study as mutually agreed upon by the parties or one (1) year from the date set forth above; provided, however, that either party may terminate the Agreement by giving thirty (30) days advance notice to the other.
- 3.2 Upon early termination of this Agreement, Sponsor shall be liable for all reasonable costs incurred or obligated by Institution at the time of such termination, subject to the maximum amount specified in Article 2. Sponsor shall pay Institution for such costs within thirty (30) days of receipt of an invoice for same. Upon early termination by either Sponsor or Institution, Institution shall refund any unused funds.
- 3.3 Upon termination of this Agreement, Institution shall return Sponsor's materials and equipment to Sponsor.

### 4. INDEMNIFICATION

- 4.1 Institution shall, to the extent authorized under the Constitution and laws of the State of Texas, indemnify and hold Sponsor harmless from liability resulting from the negligent acts or omissions of Institution, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement; provided, however, that Institution shall not hold Sponsor harmless from claims arising out of the negligence or willful malfeasance of Sponsor, its officers, agents, or employees, or any person or entity not subject to Institution's supervision or control.
- 4.2 Sponsor shall indemnify and hold harmless System, Institution, their Regents, officers, agents and employees from any liability or loss resulting from judgments or claims against them arising from the use by Sponsor of the results of the Study; provided, however, that the following is excluded from Sponsor's obligation to indemnify and hold harmless:
- a. the negligent failure of Institution to comply with any applicable governmental requirements or to adhere to the terms of the project as described in Exhibit A; or
  - b. the negligence or willful malfeasance by a Regent, officer, agent, or employee of Institution or System.

### 5. PUBLICATION AND CONFIDENTIALITY

- 5.1 a. All data, know-how, and non-patentable technology resulting from Goals a and b or Specific Aims I and II of the Study shall be available for use by Sponsor, without additional payments.

- b. All patentable inventions that are specific improvements to or modifications of Sponsor's cell expansion equipment and related technology, made by the Institution that result directly from Goals a and b or Specific Aims I and II of the Study shall be owned by the Institution, and licensed to Sponsor for use within the fields of use described in the Study. Said license shall be on a non-exclusive, world-wide, royalty-free basis, with the right to sublicense. Sponsor shall have an obligation to use good faith efforts to reasonably exploit said licensed patentable inventions.
  - c. Sponsor shall have a right of first refusal to obtain a license to use all other patentable inventions not described in Section 5.1 (b), hereinabove, but arising from the pursuit of Goals a and b, or specific Aims I and II of the Study. Said license shall be on an exclusive, world-wide, royalty-bearing basis, with the right to sublicense. Said royalty shall be at a reasonable, commercial rate, to be determined by mutual agreement or by arbitration.
  - d. Sponsor will pay for any patent prosecution, maintenance or defense costs, to obtain and maintain such patent protection as Sponsor deems appropriate, using Sponsor's patent attorney, provided said attorney is acceptable to Institution.
  - e. Sponsor's rights under this Agreement to inventions or other intellectual property shall not include rights to inventions or intellectual property to which third parties have rights.
- 5.2 The parties reserve the right to publish or otherwise make public the data resulting from the Study. The party so wishing to publish or make public shall submit any such manuscript or release to the other party for comment thirty (30) days prior to publication or release. The reviewing party may request the publishing party to delay publication for a maximum of an additional sixty (60) days in order to secure patent protection for inventions described therein. It is the intent of the parties that no publication will contain any of the confidential information of the reviewing party without the reviewing party's prior written consent.
- 5.3 Except as otherwise required by law or regulation, neither party shall release or distribute any materials or information containing the name of the other party or any of its employees without prior written approval by an authorized representative of the non-releasing party, but such approval shall not be unreasonably withheld.

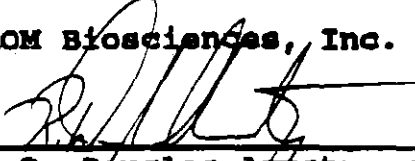
5.4 Each party shall hold in confidence for three (3) years after the termination of this Agreement any confidential information identified as confidential and obtained from the other party during the course of this Study. Nothing herein, however, shall prevent Institution or any other component of System from using any information generated hereunder for ordinary research and educational purposes of a university.

#### 6. GENERAL


- 6.1 This Agreement, including the attached Exhibit A and B, constitutes the entire and only Agreement between the parties relating to the Study, and all prior negotiations, representations, agreements, and understandings are superseded hereby. No agreements altering or supplementing the terms hereof, including the exhibits attached hereto, may be made except by a written document signed by the duly authorized representatives of the parties.
- 6.2 Any conflicts between the Study and this Agreement are controlled by this Agreement.
- 6.3 This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.
- 6.4 This Agreement anticipates educational training and may involve health science postgraduates and other students of the Institution.

IN WITNESS WHEREOF, Institution and Sponsor hereby enter into this Agreement, effective as of the date first set forth above, and execute three (3) original counterparts.

AASTROM Biosciences, Inc.

BY:   
R. Douglas Armstrong, Ph.D.  
Title President/CEO


The University of Texas  
M.D. Anderson Cancer Center

BY:   
Michael J. Best  
Title Chief Financial Officer

I have read this agreement and understand my obligations hereunder:

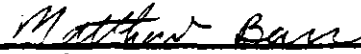
BY:   
Albert B. Deisseroth, M.D., Ph.D.  
Principal Investigator

CONTENT APPROVED:

BY:   
Donna S. Gilberg, CPA  
Manager, Sponsored Agreements

BY:   
Irwin H. Krakoff, M.D.  
Head, Division

FORM APPROVED:

BY:   
Matthew E. Burr, J.D.  
Legal Services Officer

Make Payment To:  
The University of Texas  
M.D. Anderson Cancer Center  
Tax I.D. 74 6001118 A1

AASTROM Correspondence:  
R. Douglas Armstrong, Ph.D.  
President/CEO  
AASTROM Biosciences, Inc.  
P.O. Box 376  
Ann Arbor, MI 48106

Mailing Name and Address:  
Dan Hale, Manager  
Grants and Contracts  
The University of Texas  
M.D. Anderson Cancer Center  
P. O. Box 297402  
Houston, TX 77297

EXHIBIT A

PROPOSAL TO AASTROM BIOSCIENCES, INC.  
EX VIVO EXPANSION OF STEM CELLS FOR TRANSPLANT

PROGRAM GOALS:

A. ESTABLISHMENT OF THE BIOREACTOR AT M.D. ANDERSON

In order to establish the ex vivo expansion of the hematopoietic stem cells and to explore ways of expanding stem cells after genetic modification, we have proposed to collaborate with AASTROM Biosciences, Inc. to study a chamber developed by this company called the Bioreactor for use in expanding stem cells.

We will use the AASTROM bioreactor for the ex vivo expansion of hematopoietic stem cells obtained at the time of bone marrow storage. We will characterize the number of cells which grow in this bioreactor with respect to their stage of maturation and growth potential. We will compare the types of cells growing using molecular assays (PCR, FISH, and FACS).

B. STUDY OF DIFFERENTIAL GROWTH OF LEUKEMIC AND NORMAL CELLS

Acute myelogenous leukemia (AML) is a disease which is usually treated by combination chemotherapy. Seventy-five percent of patients go into complete remission, but only 20% of patients overall are cured of their disease with chemotherapy. Another 20% are eligible for allogeneic bone marrow transplantation, either at the time of relapse or at the time of induction of remission, if some feature of the disease is predictive of relapse. For those individuals not eligible for allogeneic bone marrow transplantation, and for whom relapse has occurred, salvage regimens are necessary. One of the most effective salvage regimens includes the use of Famp Ara-C. Delivery of more than two courses of Famp high-dose Ara-C has been associated with progressive thrombocytopenia in our experience. This limits the number of courses of chemotherapy which can be delivered to these patients. This loss of platelet function cannot be corrected by the use of hematopoietic growth factors. Thus, this is a setting in which the use of the AASTROM bioreactor could play a role in the use of autologous stem cells to make safe and practical the delivery of effective salvage therapy.

However, contamination of the autologous cells with the leukemic population is the problem which requires study, before the AASTROM ex vivo expansion can be used in the clinic. It is possible that the AASTROM bioreactor conditions, which promote the growth of the normal hematopoietic cells, would not promote the growth of the abnormal hematopoietic cells. We are proposing to initially study in a preclinical model the relative efficiency of growth of the normal and abnormal hematopoietic progenitor cells in the smallest of the AASTROM bioreactors. The Molecular Hematology Section at the U.T. M.D. Anderson Cancer Center is uniquely equipped to resolve this question as it has a number of molecular assays (PCR, FISH, and FACS) available which can be used to follow



the number of normal or leukemic cells which remain in the patient's marrow cells following in vitro growth in the AASTROM reactor, and in the patient's bone marrow in vivo following each course of chemotherapy. Following establishment of data which suggests that AML cells do not grow in the AASTROM bioreactor, or that there is differential growth of the normal cells and suppression of the leukemic cells in the AASTROM bioreactor, we will apply it to clinical trials.

### C. EXPANSION OF THE HEMATOPOIETIC STEM CELLS FOLLOWING GENETIC MODIFICATION

The AASTROM bioreactor is a potentially useful device to enable expansion of hematopoietic stem cells following introduction of safety-modified retroviruses which carry sequences of potential value to the therapy of neoplastic diseases. Due to the low transduction frequency associated with the use of currently available retroviruses, we are proposing to use the AASTROM bioreactor to expand genetically-modified stem cells following transduction and selection for the modified cells. This will require optimization of the conditions of transduction and selection in the AASTROM bioreactor as well as the capability for expansion ex vivo.

#### **SPECIFIC AIMS OF PROPOSAL FOR YEAR 1:**

This program is designed to provide for the establishment of the technology and expertise at the U.T. M.D. Anderson Cancer Center Molecular Hematology Unit which is necessary for the operation of the AASTROM bioreactor. This will include technological studies designed to monitor the efficiency, quality, and reliability of the operation of the AASTROM bioreactor in the hands of the U.T. M.D. Anderson personnel in Houston, and the types of cells which grow in the reactor: leukemic versus normal, in those cases in which the marrow of leukemic patients are being grown in the reactor. The in vitro trials with the AASTROM bioreactor will also be devoted to the study of conditions which will be optimal for the use of safety-modified retroviruses for the genetic modification of hematopoietic stem cells from human marrow for use in the genetic therapy of hematopoietic neoplasms or solid tumors.

We will specifically examine the following:

1) SPECIFIC AIM I: ESTABLISHMENT OF THE OPERATION OF THE AASTROM BIOREACTOR IN THE HEMATOLOGY UNIT OF THE U.T. M.D. ANDERSON CANCER CENTER: AASTROM personnel will send to the U.T. M.D. Anderson Cancer Center the AASTROM bioreactor for use in expansion of the hematopoietic stem cells. This will involve initially the use of the smallest reactor, followed by the use of the intermediate and finally, the largest reactor for the expansion of engrafting numbers of hematopoietic stem cells. The growth of these cells will be followed by total nucleated cell count, culture assays of early, intermediate and late progenitor cells, in the

methylcellulose, delta and Dexter culture assays. The use of FISH assays for the normal and leukemic progenitors, and PCR assays for these two populations, will be used to monitor the types of cells which are growing in this bioreactor.

2) SPECIFIC AIM II: ESTABLISHMENT OF CONDITIONS UNDER WHICH NORMAL BUT NOT LEUKEMIC MYELOID PROGENITOR CELLS GROW IN THE AASTROM BIOREACTOR: The use of the AASTROM bioreactor for the expansion of marrow cells from AML patients will also be studied. These cells will be studied in the smallest reactor, on a small analytical scale, and then studied in the intermediate size reactor, and finally in the large transplantation sized reactor. Thus, a stepwise program will be used to establish the capability of ex vivo expansion using the AASTROM bioreactor and the types of cells which are growing in this bioreactor.

3) SPECIFIC AIM III: COLLABORATION OF THE U.T. M.D. ANDERSON CANCER CENTER UNIT AND AASTROM IN THE FIELD OF GENETIC MODIFICATION OF HEMATOPOIETIC STEM CELLS USING SAFETY-MODIFIED RETROVIRUSES: The Molecular Hematology Section of the U.T. M.D. Anderson Cancer Center will use the operation of the AASTROM bioreactor and the ongoing testing of this reactor at M.D. Anderson to: a) develop better means of transduction of the hematopoietic stem cells ex vivo with safety-modified retroviruses; and b) to test out the vectors under development at the University of Michigan and at AASTROM for the development of genetic therapy of human disease.

#### WORK PROPOSED:

SPECIFIC AIM I: ESTABLISHMENT OF THE OPERATION OF THE AASTROM BIOREACTOR AT M.D. ANDERSON CANCER CENTER:

In order to develop the expertise to expand stem cells in the AASTROM bioreactor, we are proposing to first use the smallest AASTROM bioreactor to develop the experience and expertise for the operation of the AASTROM bioreactor at M.D. Anderson. This will involve the use of human marrow samples from the bone marrow specimens incidentally obtained at M.D. Anderson for growth in the AASTROM bioreactor. This will require the principal investigator at the U.T. M.D. Anderson Cancer Center, Dr. Deisseroth, his co-investigators, and technical personnel, to successfully set up the apparatus, and apply the methods of FISH, FACS and PCR to follow in the methylcellulose, delta and Dexter culture systems the analysis of the cells which are growing in the bioreactor.

These samples will be characterized with respect to the number of total nucleated cells, late progenitors (CFUGM), intermediate progenitors (ones that grow in the delta assay and then grow in the methylcellulose assay, and which grow in the Dexter assay. Following the growth in the delta and Dexter assays, they will then be grown in methylcellulose as a final readout assay. The results will be compared with those previously obtained at AASTROM with respect to the number of cells which are growing, the rate at which they increase with time, and the clonogenicity and the degree of

maturation of each of these types of progenitor cells. The following types of marrow will be grown: marrow from non-leukemic individuals and from patients with acute and chronic myelogenous leukemia. The cells will be characterized with respect to the numbers of normal and CML cells which are growing by PCR, FISH, and cytogenetics.

These types of cells which are growing at varying times after inoculation will be studied with respect to the presence or absence of markers which are specific for CML [t(19;22)], and for marker chromosomes which are specific for AML: t(15;17), t(8;21), i16, i3, -5, -7, 5q-, 7q-, and +8.

The marrow grown from patients with ovarian cancer and with trophoblastic disease of pregnancy will also be studied for markers which are specific for these diseases.

**SPECIFIC AIM II: ESTABLISHMENT OF CONDITIONS UNDER WHICH NORMAL BUT NOT LEUKEMIC MYELOID PROGENITOR CELLS GROW IN THE AASTROM BIOREACTOR:**

Aspirates of marrow, obtained at the time of autologous harvest, or at the time of diagnostic aspirate (initial presentation in untreated patients, or at relapse, or in morphological remission), will be obtained in the course of regularly scheduled diagnostic or therapeutic procedures approved by the U.T. M.D. Anderson Cancer Center IRB. These cells will be subjected to discontinuous density gradient centrifugation (40/60 Percoll), and/or CD34 selection. These cells will be grown under the conditions outlined by AASTROM for the AASTROM bioreactor (initially the smallest, and later the intermediate size reactor). The cells will be characterized first for the cytogenetic composition by classical metaphase cytogenetics, in addition to which fluorescent in situ hybridization (FISH) assays, PCR assays, and FACS assays (for rare immunophenotypes which are characteristic of leukemic populations) will be performed in order to characterize the initial populations for molecular markers of use in the study of the differential growth of the leukemic and normal populations.

These same assays will be used to follow the composition of the cells in the AASTROM bioreactor. The Molecular Hematology group has the following assays for acute myelogenous leukemia cells: 2 color FISH for balanced translocations (chromosomal painting) for t(15;17), t(8;21), t(9;22), as well as centromeric FISH assays for +8, -7, and -5. In addition, specific probes exist for i16 and i3. PCR assays are available for 7q-, 5q-, t(15;17), t(9;22), and inversion 16. FACS analysis of leukemic populations has been used to develop assays for the presence of leukemic cells in minimal residual leukemic disease and remission duration. The reappearance of the cells bearing abnormal combinations of lineage-specific and maturation-specific markers can also be used to identify the presence of the abnormal cells. The combination of FISH for interphase cells with FACS and PCR measurement of residual leukemic cells will permit us to test if the AASTROM bioreactor

culture conditions can be used for the selective growth of normal cells from AML patients.

**SPECIFIC AIM III: DEVELOPMENT OF METHODS OF MODIFYING HEMATOPOIETIC STEM CELLS WITH SAFETY-MODIFIED RETROVIRUSES:**

Dr. Michael Clark has developed a series of vectors which he has shown to exhibit a high frequency transduction of hematopoietic stem cells. The laboratory of Dr. Deisseroth has also developed a series of retroviruses into which sequences have been introduced which can modify the growth of normal and abnormal hematopoietic stem cells. In this section, the investigators of AASTROM and Dr. Deisseroth's group will collaborate in the study of methods for the introduction of these retroviruses into the cells from the peripheral blood of individuals with leukemic and non-leukemic marrow. Ways of using the AASTROM bioreactor to enhance the transduction frequency into stem cells and to expand these cells after transduction will be studied.

EXHIBIT B  
SPONSORED LABORATORY STUDY AGREEMENT  
BETWEEN  
THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
AND  
AASTROM BIOSCIENCES, INC.  
"EX VIVO EXPANSION OF STEM CELLS FOR TRANSPLANT"

The approximate distribution of expenses related to the Study described in the covering Agreement is as follows:

Salaries (including fringe benefits)	\$ 71,981.00
Supplies	29,262.00
Travel	3,000.00
Other Miscellaneous Costs	10,000.00
Indirect Costs (institutional overhead)	<u>28,561.00</u>
TOTAL	<u>\$142,804.00</u>

These expenses are provided for information only. Institution reserves the right to modify the distribution of such expenses as necessary in the circumstances, provided that the stipulated total cost of \$142,804.00 is not exceeded.

## 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: April 1, 1993

Time: Following the meeting of the Asset Management Committee

Place: Rooms 1.220 and 1.228, Nursing School Building  
U. T. Health Science Center - San Antonio

1. Pending and/or Contemplated Litigation - Section 2(e)
  - a. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
  - b. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
  
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
  - a. U. T. Austin - Balcones Research Center: Request for Authorization to Lease Approximately 10.5 Acres of Land in Austin, Travis County, Texas
  - b. U. T. Austin - Brackenridge Tract: Request for Authorization to Lease Approximately 14 Acres of Land in Austin, Travis County, Texas
  - c. U. T. San Antonio: Request for Authorization to Complete Negotiations and to Accept a Gift of Lot 26, Block 18, New City Block 302, VISTA VERDE SOUTH UNIT 2, City of San Antonio, Bexar County, Texas
  - d. U. T. Medical Branch - Galveston: Request for Authorization to Purchase Two Parcels of Land in Galveston, Galveston County, Texas
  
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees