

MATERIAL SUPPORTING THE AGENDA

VOLUME XLIVc

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

May 7-8, 1997
July 14, 1997
August 13-14, 1997

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.: 902

Date: May 7 - 8, 1997

Location: San Antonio, Texas

BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Date: Wednesday, May 7, 1997

Time: 4:00 p.m.

Place: Ballroom C
Omni San Antonio Hotel
9821 Colonnade Boulevard
San Antonio, Texas

Purpose: Convene in Open Session, Recess to
Executive Session per the Agenda on
Pages Ex.S 1 - 2, Reconvene in Open
Session, and Recess

See Pages B of R 1 - 2,
Items A - D

Date: Thursday, May 8, 1997

Time: 9:00 a.m.

Place: Room 1.463, School of Nursing
Expansion Building
The University of Texas Health
Science Center at San Antonio
7703 Floyd Curl Drive
San Antonio, Texas

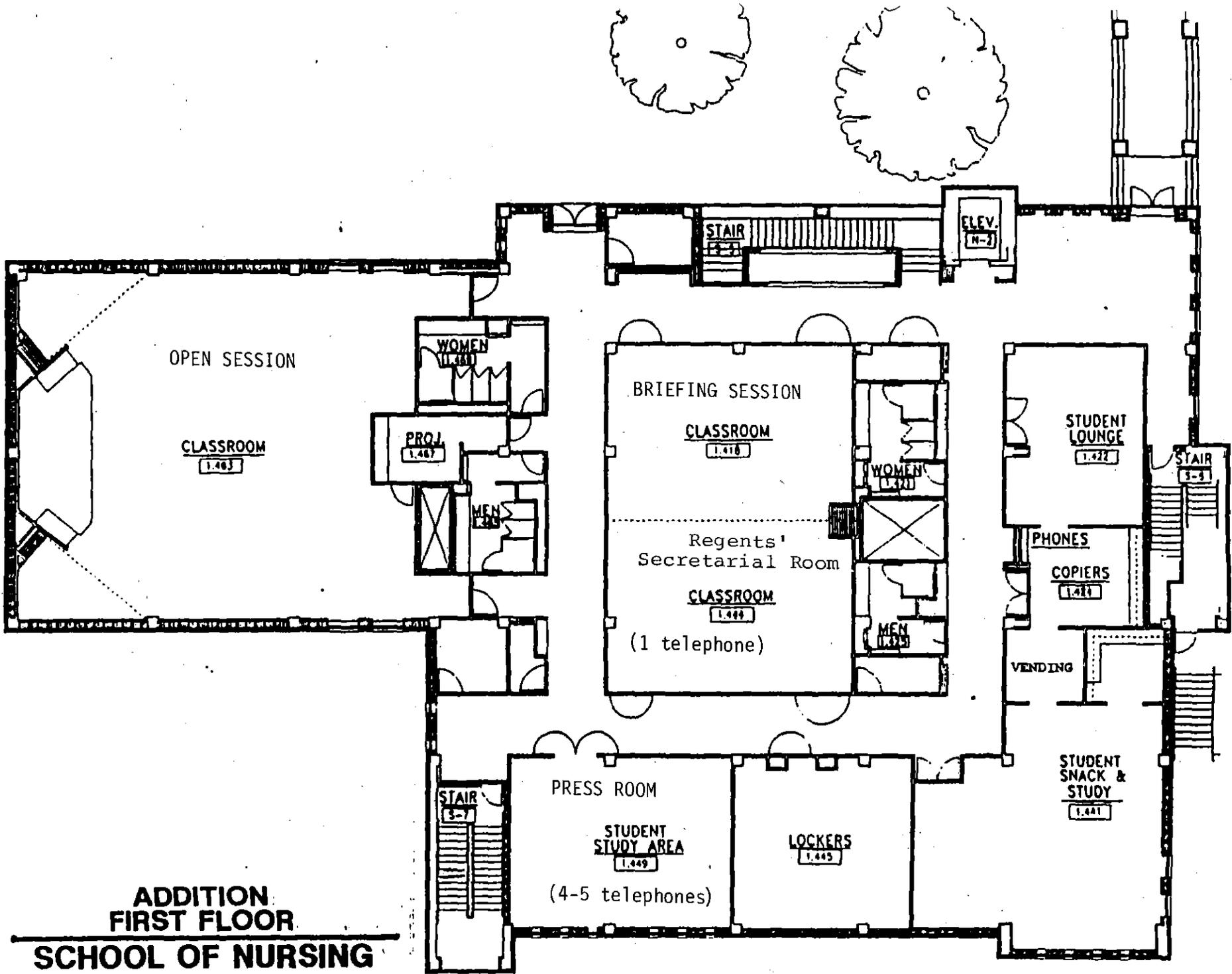
Purpose: Reconvene in Open Session to Continue
Until Completion of Business

See Pages B of R 3 - 25,
Items E - O

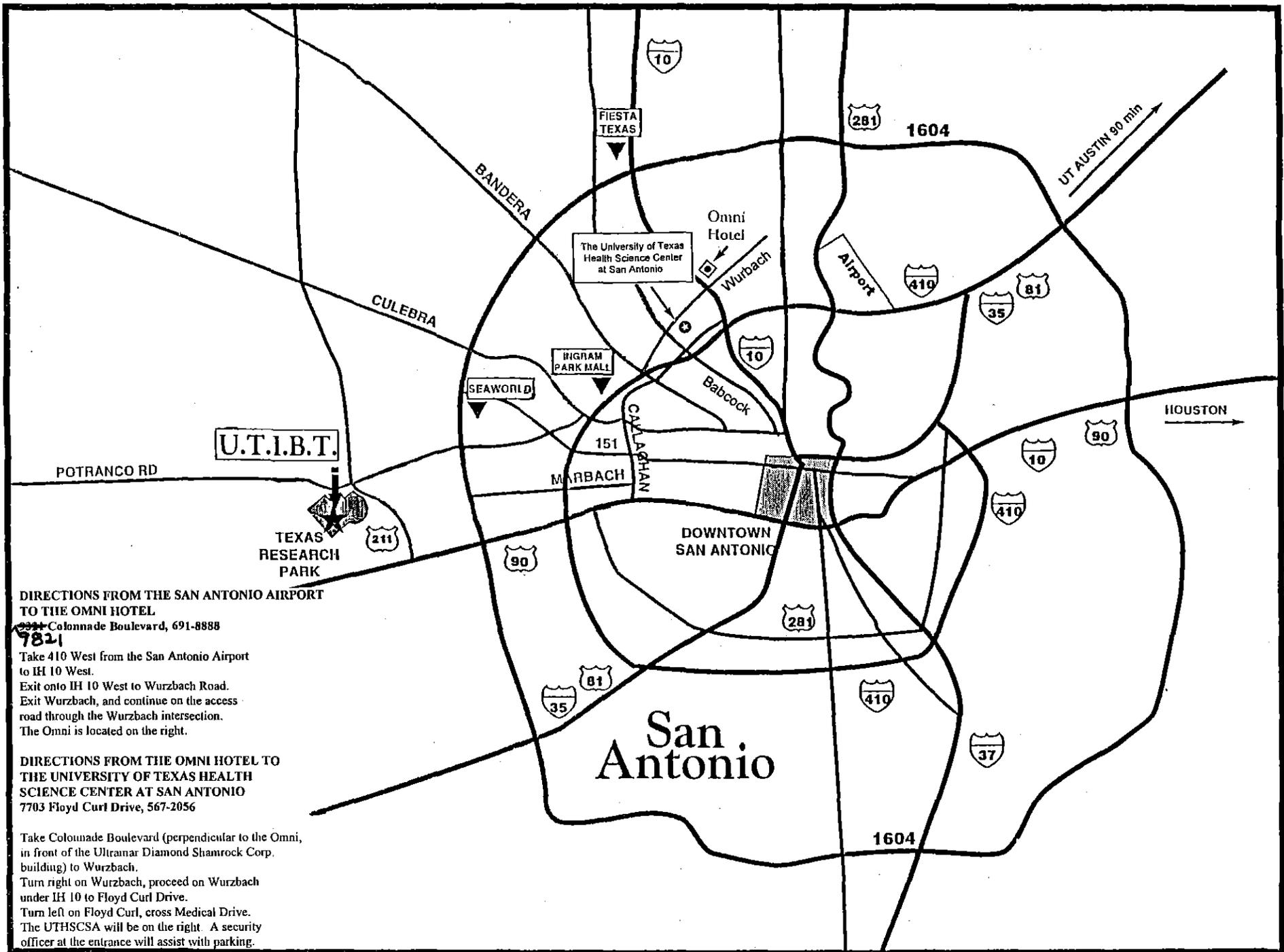
Board Luncheon and Briefing Session

Telephone Numbers

President Howe's Office	(210) 567-2050
Room 1.444, School of Nursing Expansion Building (for calls during the meeting)	(210) 567-7781
Omni San Antonio Hotel 9821 Colonnade Boulevard	(210) 691-8888



ADDITION
FIRST FLOOR
SCHOOL OF NURSING



**DIRECTIONS FROM THE SAN ANTONIO AIRPORT
TO THE OMNI HOTEL**

6221 Colonnade Boulevard, 691-8888

7821

Take 410 West from the San Antonio Airport
to IH 10 West.

Exit onto IH 10 West to Wurzbach Road.

Exit Wurzbach, and continue on the access
road through the Wurzbach intersection.

The Omni is located on the right.

**DIRECTIONS FROM THE OMNI HOTEL TO
THE UNIVERSITY OF TEXAS HEALTH
SCIENCE CENTER AT SAN ANTONIO**

7703 Floyd Curl Drive, 567-2056

Take Colonnade Boulevard (perpendicular to the Omni,
in front of the Ultramar Diamond Shamrock Corp.
building) to Wurzbach.

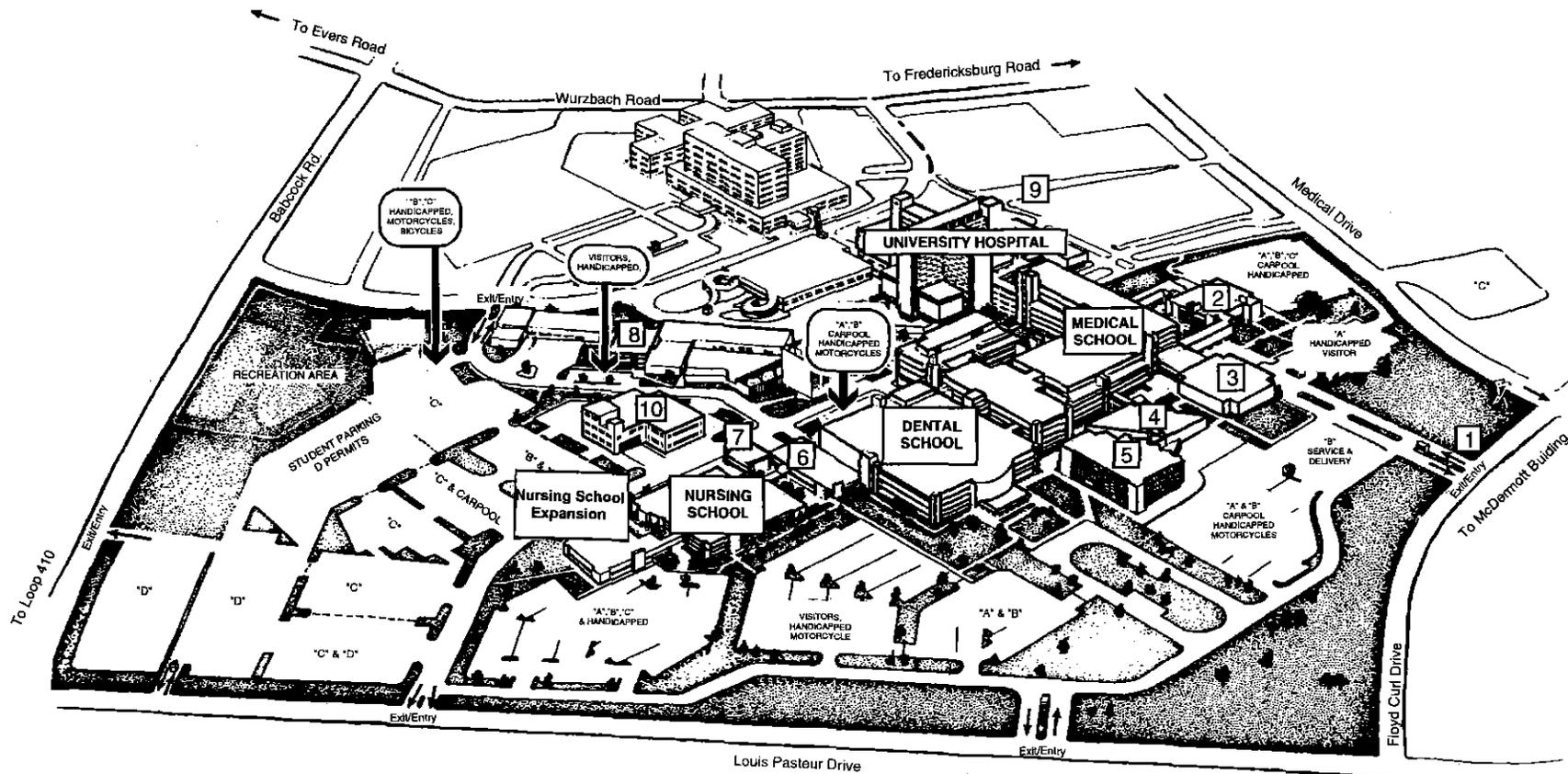
Turn right on Wurzbach, proceed on Wurzbach
under IH 10 to Floyd Curl Drive.

Turn left on Floyd Curl, cross Medical Drive.

The UTHSCSA will be on the right. A security
officer at the entrance will assist with parking.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

- | | | | |
|----|----------------------------------|-----|---------------------------------|
| 1. | Main Entrance | 6. | Health Science Center Cafeteria |
| 2. | Health Science Center Auditorium | 7. | University Police |
| 3. | Student Services | 8. | Administration Building |
| 4. | Lecture Hall | 9. | University Clinic |
| 5. | Library | 10. | Forensic Building |



Meeting of the Board

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

Date: Wednesday, May 7, 1997

Time: 4:00 p.m.

Place: Ballroom C
Omni San Antonio Hotel
9821 Colonnade Boulevard
San Antonio, Texas

A. CALL TO ORDER

B. RECESS TO EXECUTIVE SESSION (Texas Government Code, Chapter 551)

1. Consultation with Attorney Regarding Pending and/or Contemplated Litigation or Settlement Offers - Section 551.071
2. Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property - Section 551.072
 - a. U. T. Board of Regents: Recommendation to Sell 3.84 Acres of Land and Improvements Located at 6 Niles Road, Austin, Travis County, Texas, and Authorization to Execute All Documents Related Thereto
 - b. U. T. Austin: Request for Authorization from the Board of Regents, as Trustee for the Lundell Endowment, to Sell a 4.3165 Acre Tract of Land (East Side of U. S. Highway 75 Frontage Road, North of Plano Parkway) in Plano, Collin County, Texas, and Authorization to Execute All Documents Related Thereto

- c. U. T. Austin - C. B. Smith Centennial Chairs in U. S.-Mexico Relations: Request for Authorization to Sell a 19.9357 Acre Tract of Land Northwest of the Intersection of Teri Road and Friedrich Lane in Austin, Travis County, Texas, and Authorization to Execute All Documents Related Thereto
 - d. U. T. Dallas: Request for Authorization to Sell 12 Acres of Land Out of Tract 7, Synergy Park in Richardson, Collin County, Texas; Authorization to Grant an Option to Purchase an Adjacent 23.9 Acre Tract of Land Out of Tract 7, Synergy Park; and Authorization to Execute All Documents Related Thereto
 - e. U. T. Dallas: Request for Authorization to Sell a 44 Acre Tract of Land (Tract 9, Synergy Park) in Richardson, Collin County, Texas; Authorization to Receive a 5 Acre Tract of Land in Synergy Park in Dallas, Collin County, Texas, as Partial Consideration; and Authorization to Execute All Documents Related Thereto
3. Negotiated Contracts for Prospective Gifts or Donations - Section 551.073
- U. T. San Antonio: Proposed Acceptance of a Prospective Gift or Donation and Authorization for President Kirkpatrick to Execute All Documents Related Thereto
4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
- C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION MATTERS (ITEM B ABOVE)
- D. RECESS

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

Date: Thursday, May 8, 1997

Time: 9:00 a.m. Reconvene in Open Session to
Continue Until Completion of
Business

Place: Room 1.463, School of Nursing Expansion Building
U. T. Health Science Center - San Antonio

- E. RECONVENE IN OPEN SESSION
- F. WELCOME BY PRESIDENT HOWE
- G. APPROVAL OF MINUTES OF REGULAR MEETING HELD
FEBRUARY 5-6, 1997, AND SPECIAL MEETINGS
HELD FEBRUARY 24 AND APRIL 9, 1997
- H. SPECIAL ITEMS
 - 1. U. T. Board of Regents: Proposed Amendment to the
Regents' Rules and Regulations, Part One, Chapter I
(Board of Regents) to Add Section 11 to Recognize
the Importance of Attendance at Board and Committee
Meetings.--

RECOMMENDATION

Chairman Evans recommends that the Regents' Rules and Regulations, Part One, Chapter I (Board of Regents) be amended by adding Section 11 as set forth on Page B of R - 4 to recognize and emphasize the importance of attendance at Board and committee meetings.

Sec. 11. Importance of Attendance at Board and Committee Meetings.

Recognizing the broad authority and responsibility vested in the Board of Regents for the governance and operation of The University of Texas System, there is a specific expectation that members of the Board understand and recognize the importance of their attendance at Board and committee meetings and will make a sincere commitment to attend as many of these as possible.

BACKGROUND INFORMATION

In recent audits at other colleges and universities, the State Auditor has recommended that an institution's bylaws or rules and regulations include a statement recognizing the importance of and commitment by the members of the governing board to attendance at official meetings. This proposed addition to the Regents' Rules and Regulations is an effort to be responsive to what will, almost certainly, be a continuing recommendation by the State Auditor.

2. U. T. System: Report of Summary of Gift Acceptance and Related Administrative Actions Conforming to Board Policy for December 1, 1996 Through February 28, 1997.--

(See Pages B of R 5 - 9.)

ACCEPTANCE OF GIFTS HELD BY BOARD

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# ALL ITEMS	COMPONENT INSTITUTION	ASSET TYPES							MATCHING FUNDS	TOTAL VALUE
		CASH	SECURITIES	REAL ESTATE	PLEDGES	OTHER	TRANSFERS			
1	U. T. Arlington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	U. T. Austin	\$ 575,118	\$ 484,004	\$ -	\$ 89,825	\$ -	\$ 127,475	\$ -	\$ 1,197,147 *	
2	U. T. Dallas	\$ 15,000	\$ 52,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,313	
5	U. T. El Paso	\$ 143,080	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 343,080	
2	U. T. Pan American	\$ 469,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,025	
4	U. T. San Antonio	\$ 30,000	\$ 25,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,500	
6	U. T. SWMC-Dallas	\$ 544,515	\$ 5,175,638	\$ -	\$ 52,000	\$ -	\$ -	\$ 1,000,000	\$ 5,772,153 *	
14	U. T. M.B.-Galveston	\$ 554,572	\$ 1,872,098	\$ -	\$ -	\$ -	\$ 831,500	\$ -	\$ 3,258,170	
4	UTHSC-Houston	\$ 370,000	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 620,000	
3	UTHSC-San Antonio	\$ 42,928	\$ 152,526	\$ 1,270,000	\$ -	\$ -	\$ -	\$ -	\$ 1,465,454	
1	U. T. Austin/UTMDACC	\$ 26,000	\$ 2,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,048	
84	TOTAL	\$ 2,770,238	\$ 7,764,127	\$ 1,270,000	\$ 591,825	\$ -	\$ 958,975	\$ 1,000,000	\$ 13,275,890 *	

* Not included in total: U. T. Austin - \$79,275 of transfers of funds from one endowment to others;
 U. T. SWMC-Dallas - \$1,000,000 of board-held matching funds

NOTE: Compiled by Office of Development and External Relations

CLASSIFICATION OF GIFTS AND OTHER ACTIONS

<u>COMPONENT INSTITUTION</u>	<u>ENDOWMENTS</u>	<u>CHARITABLE REMAINDER TRUSTS</u>	<u>POOLED INCOME FUND</u>	<u>REMAINDER INTERESTS</u>	<u>HELD IN TRUST BY OTHERS</u>	<u>CURRENT PURPOSE</u>	<u>OTHER</u>
U. T. Arlington	1	--	--	--	--	--	--
U. T. Austin	33	--	2	--	7	--	--
U. T. Dallas	2	--	--	--	--	--	--
U. T. El Paso	5	--	--	--	--	--	--
U. T. Pan American	2	--	--	--	--	--	--
U. T. San Antonio	4	--	--	--	--	--	--
U. T. SWMC-Dallas	6	--	--	--	--	--	--
U. T. M.B.-Galveston	11	2	--	--	1	--	--
UTHSC-Houston	4	--	--	--	--	--	--
UTHSC-San Antonio	3	--	--	--	--	--	--
U. T. Austin/UTMDACC	--	--	1	--	--	--	--
TOTAL	71	2	3	--	8	--	--

B O I R - 6

PURPOSES OF GIFTS HELD BY BOARD AND OTHERS

<u>COMPONENT</u> <u>INSTITUTION</u>	<u>ENDOWMENT</u>							<u>CURRENT</u> <u>PURPOSE</u>	<u>OTHER</u> <u>PURPOSE</u>	
	<u>DIST.</u> <u>CHAIR</u>	<u>CHAIR</u>	<u>DIST.</u> <u>PROF'SHIP</u>	<u>PROF'SHIP</u>	<u>FACULTY</u> <u>FELLOWSHIP</u>	<u>GRADUATE</u> <u>FELLOWSHIP</u>	<u>SCHOLARSHIP</u>			<u>OTHER</u>
U. T. Arlington	--	--	--	--	--	--	--	1	--	--
U. T. Austin	--	--	--	--	--	1	29	3	--	3
U. T. Dallas	--	--	--	--	--	--	1	1	--	--
U. T. El Paso	--	--	--	--	--	--	2	3	--	--
U. T. Pan American	--	--	--	--	--	--	1	1	--	--
U. T. San Antonio	--	--	--	--	--	--	4	--	--	--
U. T. SWMC-Dallas	2	--	--	1	--	--	--	2	--	--
U. T. M.B.-Galveston	--	--	--	--	--	1	4	6	--	3
UTHSC-Houston	--	1	--	1	--	--	2	--	--	--
UTHSC-San Antonio	--	--	--	--	--	--	--	2	--	--
U. T. Austin/UTMDACC	--	--	--	--	--	--	--	--	--	1
TOTAL	2	1	--	2	--	2	43	19	--	7

Total purposes may not equal the total number of items because some items pertain to multiple purposes.

OTHER ADMINISTRATIVE ACTIONS

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<u>COMPONENT INSTITUTION</u>	<u>ESTABLISH ENDOWMENT</u>	<u>REDESIGNATE ENDOWMENT LEVEL</u>	<u>OTHER REDESIGNATION</u>	<u>DISSOLVE ENDOWMENT</u>	<u>APPROVE/ALLOCATE MATCHING</u>	<u>ACCEPT TRUSTEESHIP</u>	<u>OTHER</u>
U. T. Arlington	--	--	--	--	--	--	1
U. T. Austin	33	--	6	--	--	--	--
U. T. Dallas	2	--	--	--	--	--	--
U. T. El Paso	5	--	--	--	--	--	--
U. T. Pan American	2	--	--	--	--	--	--
U. T. San Antonio	4	--	--	--	--	--	--
U. T. SWMC-Dallas	5	--	1	--	2	--	--
U. T. M.B.-Galveston	11	--	--	--	--	2	--
UTHSC-Houston	4	--	--	--	1	--	--
UTHSC-San Antonio	2	1	--	--	1	--	--
U. T. Austin/UTMDACC	--	--	--	--	--	--	--
TOTAL	68	1	7	--	4	2	1

COMPARATIVE SUMMARY OF GIFTS ACCEPTED VIA THE OFFICIAL ADMINISTRATIVE PROCESS

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COMPONENT INSTITUTION	FY 1996 FULL YEAR	FISCAL YEAR 1997		
		9/1/96 - 11/30/96	12/1/96 - 2/28/97	3/1/97 - 5/31/97
				FULL YEAR
U. T. System	\$ 40,000	\$ --	\$ --	
U. T. Arlington	\$ 157,630	\$ --	\$ --	
U. T. Austin	\$ 11,922,027	\$ 3,220,599	\$ 1,197,147	
U. T. Brownsville	\$ --	\$ --	\$ --	
U. T. Dallas	\$ 770,000	\$ --	\$ 67,313	
U. T. El Paso	\$ 627,444	\$ 2,115,682	\$ 343,080	
U. T. Pan American	\$ --	\$ 150,000	\$ 469,025	
U. T. Permian Basin	\$ 362,077	\$ --	\$ --	
U. T. San Antonio	\$ 645,959	\$ 25,000	\$ 55,500	
U. T. Tyler	\$ 886,046	\$ 25,000	\$ --	
U. T. SWMC-Dallas	\$ 13,409,431	\$ 4,107,068	\$ 5,772,153	
U. T. M.B.-Galveston	\$ 7,392,043	\$ 1,933,594	\$ 3,258,170	
UTHSC-Houston	\$ 2,872,941	\$ 465,914	\$ 620,000	
UTHSC-San Antonio	\$ 1,525,008	\$ 631,753	\$ 1,465,454	
UTMDACC	\$ 3,267,099	\$ 741,404	\$ --	
U. T. HC-Tyler	\$ 1,064,117	\$ --	\$ --	
UTEP/UTMB	\$ 1,028,125	\$ --	\$ --	
U. T. Austin/UTMDACC	\$ --	\$ --	\$ 28,048	
TOTAL	\$ 45,969,947	\$ 13,416,014	\$ 13,275,890	

I. MATTERS RELATED TO THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY (UTIMCO)

1. U. T. System: Report on Investments for the Fiscal Quarter Ended February 28, 1997.--

REPORT

Pages B of R 12 - 15 contain the Summary Reports on Investments for the fiscal quarter ended February 28, 1997.

Item a on Page B of R - 12 presents the summary report for Permanent University Fund (PUF) Investments. The PUF began the quarter with a market value of \$5.757 billion. During the quarter, income from the production of minerals on PUF Lands added \$20.2 million of new contributions to the Fund versus \$23.9 million for the first quarter of this fiscal year. In addition, total investment return was \$110.4 million of which \$63.8 million was income return and \$46.6 million was price return. Cash income of \$61.1 million was distributed to the Available University Fund (AUF) resulting in a quarter-end market value of \$5.823 billion.

During the period, \$20.0 million of new contributions were allocated to international equities. In addition, \$22.8 million of bond runoff was reallocated to small cap value equities. The allocation to bonds continues to be reduced gradually. At period-end, the allocation to fixed income securities was 40% versus 44% at year-end and the Fund's policy neutral allocation of 30%. Period-end allocation to equities was 60% with 42% in U. S. large and mid cap stocks, 5% in U. S. small cap stocks and 7% in non-U. S. equities. The balance or 6% was allocated to private market assets such as venture capital and other equities.

Income distributions to the AUF of \$61.1 million for the quarter increased by a nominal rate of 1.7% over the February 1996 fiscal quarter and by an inflation adjusted rate of -1.3%. Interest income from fixed income securities, which represents approximately 75% of total income generated, declined by 2.5% to \$43.5 million from \$44.6 million. Dividend income continued to grow increasing by 2.8% to \$14.5 million from \$14.1 million; the result of both asset additions and dividend increases. Finally, income from private market investments increased by 154.5% to \$2.8 million from \$1.1 million for the prior February fiscal quarter.

Total investment return (unannualized) for the quarter was 1.9% versus the exceptionally strong 9.5% for the previous quarter. Fixed income as an asset class continued to perform poorly versus equities with the Salomon Broad Bond Index generating a total return of -0.4%. The Fund's fixed income portfolio at -1.1% under performed the index due to the longer average maturity of the portfolio versus the index. Equities, as an asset class, continued to generate higher relative returns with the S&P 500 Index posting a 5.0% return. The PUF's equity (including international) portfolios under performed this index generating a 4.0% return due to diversification into lower returning non-U. S. and small cap growth equities. Finally, private investments produced a -1.4% return for the quarter, below its benchmark return of 6.2%.

Item b on Page B of R - 13 reports summary activity for the Long Term Fund (LTF). During the quarter, net contributions totaled \$21.4 million. Net investment return was \$45.5 million of which \$19.7 million was paid to the 4,316 endowment and other accounts underlying the LTF. The Fund's market value closed the quarter at \$1.924 billion versus \$1.876 billion for the preceding quarter-end. On a per unit basis, each endowment's ownership in the LTF increased from an average of \$4.21 per share to \$4.27 a share.

Asset allocation at quarter-end was 27% fixed income and 73% broadly defined equities (of which 53% was U. S. equities, 15% was non-U. S. equities and 5% was private market assets). For the six months to date, total unannualized investment return for the Fund was 12.0% and net 8.3% after expenses of 0.1%, inflation of 1.5% and spending of 2.1%.

Item c on Page B of R - 14 presents quarterly activity for the Short/Intermediate Term Fund. During the quarter, the Fund received net contributions of \$111.8 million. It earned \$4.2 million in total return, incurred expenses of \$0.1 million and paid \$21.6 million to U. T. System component institutions. Total return on the Fund was 0.3% for the quarter versus the Fund's performance benchmark of 0.7%.

Item d on Page B of R - 15 presents book and market value of cash, fixed income, equity and other securities held in funds outside of internally managed investment pools. Total cash and equivalents consisting primarily of component operating funds held in the money market fund increased by \$42.3 million to \$567 million at quarter-end. Asset values for the remaining asset types were fixed income securities: \$67 million; equities: \$25 million; and other investments of \$5.5 million.

a. PERMANENT UNIVERSITY FUND

Summary Investment Report at February 28, 1997 --

PERMANENT UNIVERSITY FUND (1)
INVESTMENT SUMMARY REPORT
(\$ millions)

	FY95-96	FY96-97		
	Full Year	1st Qtr	2nd Qtr	Year-To-Date
Beginning Market Value	4,958.5	5,292.1	5,757.0	5,292.1
PUF Lands Receipts(2)	65.7	23.9	20.2	44.1
Investment Income(3)	254.2	65.1	63.8	128.9
Change in Undistributed Income Payable to the Available University Fund(3)	(0.6)	3.8	(2.7)	1.1
Investment Income Distributed on Cash Basis(3)	(253.6)	(68.9)	(61.1)	(130.0)
Realized Gains (Losses)	196.8	45.4	55.2	100.6
Change in Unrealized Gains (Losses)	71.1	395.6	(8.6)	387.0
Ending Market Value	5,292.1	5,757.0	5,823.8	5,823.8
Distributed to the AUF:				
Investment Income	253.6	68.9	61.1	130.0
Surface Income	4.8	1.1	1.5	2.6
Total	258.4	70.0	62.6	132.6

B of R - 12

Report prepared in accordance with Sec. 51.0032 of the Texas Education Code.

- (1) Excludes PUF Lands mineral and surface interests with estimated June 30, 1996 values of \$410.1 million and \$158.7 million, respectively.
- (2) As of February 28, 1997: 860,133 acres under lease; 518,007 producing acres; 2,818 active leases; and 2,047 producing leases.
- (3) Change in presentation to reflect investment income earned as well as cash income distributed to the AUF.

b. LONG TERM FUND

Summary Investment Report at February 28, 1997.--

**LONG TERM FUND
SUMMARY REPORT
(\$ millions)**

	FY95-96	FY96-97		
	Full Year	1st Qtr	2nd Qtr	Year-To-Date
Beginning Net Assets	1,558.8	1,712.1	1,876.9	1,712.1
Net Contributions	54.1	24.7	21.4	46.1
Investment Return	182.3	160.8	46.6	207.4
Expenses	(3.7)	(1.1)	(1.1)	(2.2)
Distributions (Payout)	(76.4)	(19.5)	(19.7)	(39.2)
Distribution of Gain on Participant Withdrawals	(3.0)	(0.1)	(0.1)	(0.2)
Ending Net Assets	1,712.1	1,876.9	1,924.0	1,924.0
Net Asset Value per Unit	3.897	4.211	4.269	
No. of Units (End of Period)	439,352,911	445,668,754	450,718,468	
Distribution Rate per Unit	0.175	0.04375	0.04375	

Report prepared in accordance with Sec. 51.0032 of the Texas Education Code.

c. SHORT/INTERMEDIATE TERM FUND

Summary Investment Report at February 28, 1997.--

**SHORT/INTERMEDIATE TERM FUND
SUMMARY REPORT
(\$ millions)**

	<u>FY95-96</u>	<u>FY96-97</u>		
	<u>Full Year</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>Year-To-Date</u>
Beginning Net Assets	1,129.5	1,332.1	1,405.6	1,332.1
Net Contributions	216.7	40.9	111.8	152.7
Investment Return	58.2	52.9	4.2	57.1
Expenses	(0.2)	(0.1)	(0.1)	(0.2)
Distributions of Income	(72.1)	(20.2)	(21.6)	(41.8)
Ending Net Assets	<u>1,332.1</u>	<u>1,405.6</u>	<u>1,499.9</u>	<u>1,499.9</u>

Report prepared in accordance with Sec. 51.0032 of the Texas Education Code.

d. SEPARATELY INVESTED ASSETS

Summary Investment Report at February 28, 1997.--

SEPARATELY INVESTED ASSETS
SUMMARY REPORT
(\$ thousands)

ASSET TYPES	FUND TYPE													
	CURRENT PURPOSE				ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		OPERATING FUNDS		TOTAL	
	DESIGNATED		RESTRICTED		BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Beginning value 12/1/96	1,932	1,932	1,260	1,260	29,318	29,318	348	348	3	3	491,715	491,715	524,576	524,576
Increase/(Decrease)	1,491	1,491	918	918	(403)	(403)	1,018	1,018	-	-	39,284	39,284	42,308	42,308
Ending value 2/28/97	3,423	3,423	2,178	2,178	28,915	28,915	1,366	1,366	3	3	530,999	530,999	566,884	566,884
Debt Securities:														
Beginning value 12/1/96	10,584	10,593	7	4	41,919	42,636	7,829	8,158	-	-	7,381	7,481	67,720	68,872
Increase/(Decrease)	(1,008)	(1,011)	-	-	802	534	218	124	-	-	(908)	(959)	(896)	(1,312)
Ending value 2/28/97	9,576	9,582	7	4	42,721	43,170	8,047	8,282	-	-	6,473	6,522	66,824	67,560
Equity Securities:														
Beginning value 12/1/96	52	1,113	212	208	14,450	19,696	1,142	1,435	-	-	-	-	15,856	22,452
Increase/(Decrease)	-	379	(46)	(42)	72	373	1,447	1,452	-	-	-	-	1,473	2,162
Ending value 2/28/97	52	1,492	166	166	14,522	20,069	2,589	2,887	-	-	-	-	17,329	24,614
Other:														
Beginning value 12/1/96	-	-	624	624	(624)	(624)	4,976	4,976	-	-	-	-	4,976	4,976
Increase/(Decrease)	-	-	34	34	(34)	(34)	389	559	-	-	-	-	389	559
Ending value 2/28/97	-	-	658	658	(658)	(658)	5,365	5,535	-	-	-	-	5,365	5,535

B of R - 15

Report prepared in accordance with Sec. 51.0032 of the Texas Education Code.
Details of individual assets by account furnished upon request.

2. U. T. Board of Regents: Proposed Appointment of Members to the Board of Directors of UTIMCO.--

RECOMMENDATION

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommends that the following be appointed to the UTIMCO Board of Directors to serve until February 1, 1999, or until their successors are chosen and qualify, or until their earlier resignation or removal:

- a. Mr. A. W. "Dub" Riter, Jr., of Tyler, Texas
(to replace Mr. Donald L. Evans)
- b. Mr. J. Luther King, Jr., of Fort Worth, Texas
(reappointed)

BACKGROUND INFORMATION

Section 66.08 of the Texas Education Code requires that the U. T. Board of Regents appoint all members of the Board of Directors of UTIMCO.

Mr. Riter is a member of the Governor's Business Council, the U. T. Board of Regents, and serves on the Governor's Select Task Force on Public Education. He is also a member of the Executive Committee of The Chancellor's Council for The University of Texas System and a member of the board of directors of TCA Cable TV, Inc. Mr. Riter retired as Senior Chairman of the Board of NCNB Texas-Tyler and is a life board member of the Texas Research League. He is Chairman of The University of Texas Health Center at Tyler Development Board, Chairman of The University of Texas at Tyler Development Board, President of The University of Texas at Tyler Educational Foundation, Inc., and Chairman and President of the Texas Chest Foundation.

Mr. King is President of Luther King Capital Management, a registered investment advisor, which manages approximately \$4.5 billion for about 340 clients. He is a Chartered Financial Analyst, a former director of the Dallas Association of Investment Analysts, and a current member of the Board of Governors of the Investment Counsel Association of America.

3. U. T. Board of Regents: Proposed Approval of Appointments to the UTIMCO Audit and Ethics Committee.--

RECOMMENDATION

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommends that the U. T. Board of Regents approve the appointment of Mr. Robert H. Allen, Ms. Susan M. Byrne, and Mr. A. W. "Dub" Riter, Jr., to the Audit and Ethics Committee of the UTIMCO Board of Directors to serve until February 1, 1999, or until their successors are chosen and qualify, or until their earlier resignation or removal.

BACKGROUND INFORMATION

Section 66.08 of the Texas Education Code requires that the U. T. Board of Regents approve the appointment of members of the Audit and Ethics Committee of the Board of Directors of UTIMCO. Effective April 2, 1997, the UTIMCO Board of Directors adopted a resolution appointing Mr. Robert H. Allen, Ms. Susan M. Byrne, and Mr. A. W. "Dub" Riter, Jr., to the Audit and Ethics Committee of the UTIMCO Board of Directors to serve until February 1, 1999, and designated Mr. Robert H. Allen as Chairman of the Audit and Ethics Committee.

4. U. T. Board of Regents: Proposed Amendment to Section 3 of Article III (Board of Directors) of the Bylaws of UTIMCO.--

RECOMMENDATION

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommends that the U. T. Board of Regents amend Section 3 of Article III (Board of Directors)

I. MATTERS RELATED TO THE UNIVERSITY OF TEXAS INVESTMENT
MANAGEMENT COMPANY (UTIMCO)

SUBSTITUTE AGENDA ITEM

MAY 8, 1997

4. U. T. Board of Regents: Proposed Amendments to Article I (Structure and Purposes) and Article III (Board of Directors) of the Bylaws of UTIMCO.--

RECOMMENDATION

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommends that the U. T. Board of Regents add Sections 5 and 6 to Article I (Structure and Purposes) and amend Section 3 of Article III (Board of Directors) of the Bylaws of The University of Texas Investment Management Company as set forth below in congressional style:

ARTICLE I
STRUCTURE AND PURPOSES

Section 5. Prohibited Transactions. In addition to the prohibitions of the laws of the State of Texas, the Corporation may not enter into an agreement or transaction with a former director, officer, or employee of the Corporation, or a business entity in which a former director, officer, or employee of the Corporation has an interest, on or before the first anniversary of the date the person ceased to be a director, officer, or employee of the Corporation. For purposes of this Section, (i) a former director, officer, or employee of the Corporation has an interest in a business entity if such person owns (a) five percent or more of the voting stock or shares of the business entity or (b) five percent or more of the fair market value of the business entity, and (ii) a former director of the Corporation has an interest in a business entity if money received by such person from the business entity exceeds five percent of the person's gross income for the preceding calendar year. A two-thirds majority of the Board of Directors of the Corporation shall be required to forward to the Board of Regents a change to this Section.

Section 6. Revolving Door. A former officer or employee of the Corporation may not make any communication to or appearance before a director, officer, or employee of the Corporation before the first anniversary of the date an individual ceased to be an officer or employee of the Corporation if the communication or appearance is made (a) with the intent to influence, and (b) on behalf of any person in connection with any matter on which the person seeks action by the Corporation. If a director of the Corporation knowingly communicates with a former officer or employee of the Corporation, whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such director shall be subject to removal from serving as a director of the Corporation. If an officer or employee of the Corporation knowingly communicates with a former officer or employee of the Corporation whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such officer or employee shall be subject to disciplinary action. A two-thirds majority of the Board of Directors of the Corporation shall be required to forward to the Board of Regents a change to this Section.

ARTICLE III
BOARD OF DIRECTORS

Section 3. Appointment and Term. Except for those Directors named in the Articles of Incorporation, Directors shall be appointed by the Board of Regents, except that the Chancellor of the System shall serve as a Director so long as he remains Chancellor of the System. Until otherwise changed by the Board of Regents in compliance with applicable law, the members of the Board of Directors shall include (i) the Chancellor of the System, (ii) at least three (3) persons then serving as members of the Board of Regents ("Regental Directors"), and (iii) one or more persons selected by the Board of Regents from a list of candidates with substantial background and expertise in investments that is submitted by the Board of Regents of The Texas A&M University System. The three (3) Regental Directors shall serve for two-year terms that expire on the first day of February of each odd-numbered year, except that the initially-appointed Regental Directors shall serve until February 1, 1997. The remaining Directors (other than the Chancellor of the System and the Regental Directors) shall serve three-year [~~staggered~~] terms that expire on the first day of February of the appropriate year, except that the term of all [~~one of the initially-appointed~~] Directors serving on May 8, 1997, shall end on February 1,

~~1999. [7, the term of two (2) initially appointed Directors shall end on February 1, 1998, and the term of the remaining two (2) initially appointed Directors shall end on February 1, 1999; provided, however, that no such Director (other than the Chancellor of the System or the Regental Directors) shall serve more than three (3) full three year terms.]~~

Notwithstanding the foregoing, the Board of Regents may from time to time alter the terms of the Directors. Each person serving as a Director shall serve until the earlier to occur of (i) the expiration of such Director's term or (ii) such Director's death, resignation, or removal as provided in these Bylaws.

BACKGROUND INFORMATION

Section 66.08 of the Texas Education Code requires that the U. T. Board of Regents approve the Bylaws of UTIMCO and all amendments to those Bylaws. Addition of Sections 5 and 6 to Article I is recommended in order to formally incorporate into the Bylaws certain provisions requested by the Governor's office in signing S.B. 616. On March 13, 1997, the UTIMCO Board of Directors adopted a resolution approving the amendment to Section 3 of Article III of the Bylaws of The University of Texas Investment Management Company as presented above. The amendment was approved in order to allow for a director evaluation process that would occur simultaneously with the expiration of board terms.

of the Bylaws of The University of Texas Investment Management Company as set forth below in congressional style:

Section 3. Appointment and Term. Except for those Directors named in the Articles of Incorporation, Directors shall be appointed by the Board of Regents, except that the Chancellor of the System shall serve as a Director so long as he remains Chancellor of the System. Until otherwise changed by the Board of Regents in compliance with applicable law, the members of the Board of Directors shall include (i) the Chancellor of the System, (ii) at least three (3) persons then serving as members of the Board of Regents ("Regental Directors"), and (iii) one or more persons selected by the Board of Regents from a list of candidates with substantial background and expertise in investments that is submitted by the Board of Regents of The Texas A&M University System. The three (3) Regental Directors shall serve for two-year terms that expire on the first day of February of each odd-numbered year, except that the initially-appointed Regental Directors shall serve until February 1, 1997. The remaining Directors (other than the Chancellor of the System and the Regental Directors) shall serve three-year ~~[staggered]~~ terms that expire on the first day of February of the appropriate year, except that the term of all ~~[one of the initially-appointed]~~ Directors servng on May 8, 1997, shall end on February 1, 1999. ~~[7, the term of two (2) initially appointed Directors shall end on February 1, 1998, and the term of the remaining two (2) initially appointed Directors shall end on February 1, 1999; provided, however, that no such Director (other than the Chancellor of the System or the Regental Directors) shall serve more than three (3) full three-year terms.]~~ Notwithstanding the foregoing, the Board of Regents may from time to time alter the terms of the Directors. Each person serving as a Director shall serve until the earlier to occur of (i) the expiration of such Director's term or (ii) such Director's death, resignation, or removal as provided in these Bylaws.

BACKGROUND INFORMATION

Section 66.08 of the Texas Education Code requires that the U. T. Board of Regents approve the Bylaws of UTIMCO and all amendments to those Bylaws. On March 13, 1997, the UTIMCO Board of Directors adopted a resolution approving the amendment to Section 3 of Article III of the Bylaws of The University of Texas Investment Management Company as presented

above. The amendment was approved in order to allow for a director evaluation process that would occur simultaneously with the expiration of board terms.

5. U. T. Board of Regents: Proposed Approval of Amendment to Investment Management Services Agreement with UTIMCO.--

RECOMMENDATION

The Board of Directors of The University of Texas Investment Management Company (UTIMCO) recommends that the U. T. Board of Regents approve the amendment of Section 7 d) and deletion of Section 7 e) of the Investment Management Services Agreement dated March 1, 1996, between the U. T. Board of Regents and UTIMCO as set forth below in congressional style:

- d) Annual Budget and Management Fee:
~~[At least sixty (60) days prior to August 31 of each year,]~~ UTIMCO shall submit to the U. T. Board its proposed annual budget [fee] for the following fiscal year (an "Annual Budget [Fee]") within the time frame specified by the Board. The Annual Budget [Fee] shall include all estimated expenses associated with the management of the Accounts. The Annual Budget shall also include an annual UTIMCO management fee (an "Annual UTIMCO Management Fee") ~~[be based on UTIMCO's annual budget]~~ which shall include all operating expenses associated with the general management of the Accounts, including, without limitation, salaries, benefits and performance compensation of portfolio management and support personnel, ~~[(to the extent that same are not budgeted for payment from the Q.E.I.E.)]~~ expenses for consulting services, office space lease expenses, office furniture and equipment expenses, professional, legal, payroll and other general services expenses, travel, insurance, capital expenditures, and other miscellaneous expenses incurred by UTIMCO in connection with the performance of its obligations hereunder.

At the same time that UTIMCO submits its Annual Budget [Fee], it shall also submit to the U. T. Board an allocation formula for charging the Annual Budget [Fee] to the Accounts. The Annual Budget [Fee] and the

allocation formula shall be approved or disapproved by the U. T. Board at its next regular meeting. The U. T. Board will not unreasonably withhold approval of the Annual Budget [Fee] or the allocation formula. Any such Budget [fee] or formula which is disapproved shall be promptly revised by UTIMCO and resubmitted to the U. T. Board for approval. [~~If any Annual Fee or allocation formula is not approved by the U. T. Board prior to the first day of the fiscal year covered by such Annual Fee or allocation formula, the Annual Fee and allocation formula, as the case may be, in effect during the previous fiscal year shall continue in effect until a new Annual Fee or allocation formula, as the case may be, has been approved for the new fiscal year. Notwithstanding the foregoing, the Annual Fee and allocation formula for the initial fiscal year (or remainder thereof) of this Agreement shall be set forth on Exhibit G.]~~]

On or before the first day of each fiscal quarter, UTIMCO shall be entitled to charge each Account with its allocable share (determined in accordance with the allocation formula then in effect) of one-fourth of the amount of the Annual UTIMCO Management Fee to pay UTIMCO's operating expenses for the succeeding fiscal quarter. [~~provided, that following an audit of UTIMCO's financial statements for any fiscal year, if it is determined that UTIMCO's operating expenses during such fiscal year were less than its Annual Fee, UTIMCO shall credit the surplus amount charged to the Accounts during such fiscal year (based upon the allocation formula then in effect) against the amount charged to each respective Account on or before the first day of the next fiscal quarter; provided, further, that UTIMCO shall credit investment earnings realized on funds pending disbursement to pay operating expenses in the same fashion as set forth in the immediately preceding proviso.~~] UTIMCO shall be entitled, with the approval of the U. T. Board, to revise the Annual UTIMCO Management Fee and allocation formula at any time during a fiscal year. Any statements for partial quarters at the beginning or end of this Agreement shall be prorated to reflect the actual time services were rendered during such partial quarters.

UTIMCO is hereby authorized to pay from each Account direct expenses incurred for portfolio management, custodian, auditing, and other services which are performed by external vendors specifically for each

Account. UTIMCO is authorized to pay expenses incurred on behalf of the Permanent University Fund by submitting a purchase voucher to the State Comptroller for payment of said expenses from the Available University Fund. Notwithstanding the above, vouchers submitted for quarterly payment of the UTIMCO annual management fee from the AUF shall require the approval of the Office of Investment Accounting of the U. T. System (or any successor to the functions of that office).

[e) Performance Compensation:

~~In addition to the fees provided for above, the U. T. Board shall pay to UTIMCO from the Q.E.I.E. the amount of performance compensation actually awarded to UTIMCO staff, subject to the maximum amount of such compensation budgeted for payment from the Q.E.I.E. pursuant to UTIMCO's annual budget. Amounts distributed from the Q.E.I.E. in any given year in excess of amounts paid to UTIMCO shall be reinvested and shall be available for future payment to UTIMCO pursuant to this subsection (e).]~~

BACKGROUND INFORMATION

Amendment of Section 7 d) is recommended in order to provide for a consolidated budget for expenses associated with the investment of all assets managed by UTIMCO. Further amendment of Section 7 d) to delete the rebate of unspent fees is recommended because calculation of the annual budget on a net basis is simpler and more efficient than calculating a gross budget with an annual cash rebate.

Deletion of Section 7 e) is recommended because expenses for performance compensation will be incorporated into the consolidated budget. Consequently, performance compensation will not be paid exclusively from the Long Term Fund (LTF) funded Quasi-Endowment for Investment Excellence but will be allocated and paid from all investment funds under management.

J. 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 Evans
Vice-Chairman Loeffler, Vice-Chairman Clements
MSA Page Ex.C - 1

Business Affairs and Audit Committee: Chairman
Riter, Regent Hicks, Regent Oxford
MSA Page BAAC - 1

Academic Affairs Committee: Chairman Lebermann
Regent Clements, Regent Riter, Regent Smiley
MSA Page AAC - 1

Health Affairs Committee: Chairman Loeffler
Regent Clements, Regent Oxford, Regent Sanchez
MSA Page HAC - 1

Facilities Planning and Construction Committee:
Chairman Clements, Regent Lebermann, Regent Sanchez
MSA Page FPCC - 1

K. RECONVENE AS COMMITTEE OF THE WHOLE

L. ITEMS FOR THE RECORD

1. U. T. Austin: Borden-Superior Dairies, Inc. Property Lease with Purchase Option on Two Parcels of Land (a 1.75 Acre Tract and a .66 Acre Tract) in Austin, Travis County, Texas - Report to Reflect Correction of Sale Price as Provided in the August 8, 1996 Minutes.--

REPORT

At the August 8, 1996, U. T. Board of Regents' meeting, authorization was given to the U. T. System Real Estate Office to negotiate, on behalf of U. T. Austin, a lease with purchase option on two parcels of land (a 1.75 acre tract and a .66 acre tract) in downtown Austin, Travis County, Texas. The two parcels of land covered in the lease with purchase option agreement are remainder portions of a larger property that was donated for the benefit of U. T. Austin by Borden-Superior Dairies, Inc. in December 1985. It is reported for the record that the stipulated sales price was erroneously stated as \$3,330,000 and should be corrected to reflect \$3,300,000. All other terms remain as approved in the Minutes of the August 8, 1996 meeting.

2. U. T. Austin: Report on Houston Endowment, Inc. Gift for Art Museum.--

REPORT

In an emergency meeting on December 20, 1996, the U. T. Board of Regents approved a negotiated letter contract outlining the terms and conditions for a major contribution to U. T. Austin. Subsequent to that action, negotiations with Houston Endowment, Inc. were successfully concluded with the result that the foundation will make a gift of \$12,000,000 toward the "Jack S. Blanton Museum of Art" to be constructed on the U. T. Austin campus. Mr. Blanton is Chairman of the Houston Endowment, Inc. Board of Directors, a former member and Chairman of the

U. T. Board of Regents, and a Distinguished Alumnus of U. T. Austin. This most generous gift was publicly announced on February 5, 1997.

M. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

REPORT

The Board for Lease of University Lands last met on Tuesday, November 12, 1996, in the Regents' Meeting Room of Ashbel Smith Hall in Austin, Texas. A Board for Lease meeting and lease sale are scheduled for May 13, 1997, at the Center for Energy and Economic Diversification in Midland, Texas. On that date, 119,560 acres of Permanent University Fund lands will be offered for lease in the Regular Oil and Gas Lease Sale No. 91.

Regents Lowell H. Lebermann, Jr., and Martha E. Smiley have been selected by Chairman Evans to serve as members of the Board for Lease of University Lands. Formal approval of these Regent members to the Board for Lease was given by the U. T. Board of Regents at its meeting on April 9, 1997. Each Regent member will serve a term expiring February 1, 1999.

N. OTHER MATTERS

1. U. T. System: Annual Report of the Activities of the Faculty Advisory Council.--

REPORT

U. T. System Faculty Advisory Council Chair Alan Cline, Professor in the Department of Computer Sciences and David Bruton, Jr., Centennial Professor in Computer Sciences (#2) at U. T. Austin, will make a short presentation concerning the Council's activities during the past year.

2. U. T. Board of Regents: Certificate of Appreciation.--

O. SCHEDULED EVENTS

1. Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
August 14, 1997	U. T. Dallas
November 13, 1997	U. T. Brownsville

2. Official Commencements - 1997

May 9	U. T. Tyler U. T. Nursing School - Houston
May 10	U. T. Pan American U. T. Permian Basin U. T. San Antonio
May 16	U. T. Brownsville
May 17-18	U. T. Arlington
May 17	U. T. Austin U. T. Dallas U. T. El Paso
May 24	U. T. Medical School - Galveston U. T. Nursing School - San Antonio
May 31	U. T. Southwestern Medical School - Dallas and U. T. Southwestern G.S.B.S. - Dallas

3. Other Events

September 4, 1997	U. T. M.D. Anderson Cancer Center: Faculty Honors Convocation
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P. OTHER BUSINESS

Q. ADJOURNMENT

1997 CALENDAR

January 1997 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 1997 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 1997 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 1997 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 1997 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 1997 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	July 1997 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 1997 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
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Executive Committee

EXECUTIVE COMMITTEE
Committee Chairman Evans

Date: May 8, 1997

Time: Following the Reconvening of the Board of Regents
at 9:00 a.m.

Place: Room 1.463, School of Nursing Expansion Building
U. T. Health Science Center - San Antonio

Page
Ex.C

Business Affairs & Audit Committee

BUSINESS AFFAIRS AND AUDIT COMMITTEE
Committee Chairman Riter

Date: May 8, 1997
Time: Following the Meeting of the Executive Committee
Place: Room 1.463, School of Nursing Expansion 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. 89</u>	2
2. U. T. System: Recommendation to Approve 1998 Budget Preparation Policies and Limitations for General Operating Budgets, Auxiliary Enterprises, Contracts and Grants, Restricted Current Funds, Designated Funds, and Service and Revolving Funds Activities and Calendar for Budget Operations	2
3. U. T. Medical Branch - Galveston: Request for Approval to Accept Gift to Purchase Real Property Located at 1802 Water Street, City and County of Galveston, Texas, and Authori- zation to Execute All Documents Related Thereto	6
 <u>INFORMATIONAL REPORT</u>	
U. T. System: Discussion of the March 1997 Monthly Financial Report	7

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 89.--

RECOMMENDATION

It is recommended that Chancellor's Docket No. 89 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: Recommendation to Approve 1998 Budget Preparation Policies and Limitations for General Operating Budgets, Auxiliary Enterprises, Contracts and Grants, Restricted Current Funds, Designated Funds, and Service and Revolving Funds Activities and Calendar for Budget Operations.--

RECOMMENDATION

With the concurrence of the U. T. System Executive Officers, the Chancellor recommends that the U. T. Board of Regents approve the following Budget Preparation Policies and Limitations and Calendar for use in preparing the 1998 Operating Budget for the U. T. System:

U. T. System 1998 Budget Preparation Policies

General Guidelines - The regulations and directives which will be included in the General Appropriations Act enacted by the 75th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the 1998 Operating Budget, the Chief Administrative Officer of each component institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. Following legislative approval of the General Appropriations Act, the Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the component budget process.

Overall budget totals, including reasonable reserves, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

Salary Guidelines - Recommendations regarding salary policy are subject to the following directives.

1. **Salaries Proportional by Fund** - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in V.T.C.A., Education Code, Sec. 51.009 (a) and (c), shall be proportional to the source of funds.
2. **Merit Increases** - Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

To be eligible for a merit increase, classified staff must have been employed by the institution for at least six months as of August 31, 1997.

3. **Other Increases** - Equity adjustments, competitive offers, and increases to accomplish contractual commitments may also be granted in this budget and should also consider merit where appropriate, subject to available resources. Such increases should be noted and explained in the supplemental data accompanying the budget.
4. **New Positions** - New administrative and professional, classified staff and faculty positions are to be requested only when justified by work loads or to meet needs for developing new programs.
5. **It is the expectation that Fiscal Year 1998 increases for merit, equity, or other reasons be included in the Operating Budgets.**

Staff Benefits Guidelines - Recommendations regarding the state contribution for employees staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. Upon approval of this legislation, the Chancellor will issue appropriate instructions regarding the implementation of the benefits into the budget process.

Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund is \$.68 per \$100 of the first \$9,000 of salary paid per employee. Workers' Compensation Insurance rates have been experience rated for each component.

Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded work loads, for developing new programs, or for correcting past deferrals or deficiencies.

Budget Reductions and Limitations - The General Appropriations Act may contain provisions requiring budget reductions and budget restrictions which may impact the 1998 Operating Budget. Upon approval of this legislation, the Chancellor or other appropriate authority will issue instructions regarding the implementation of any of these reductions and limitations into the budgeting process.

BACKGROUND INFORMATION

The U. T. System 1998 Budget Preparation Policies will track the regulations and directives which will be included in the General Appropriations Act to be enacted by the 75th Texas Legislature. Following legislative approval of the General Appropriations Act, the Chancellor will issue detailed instructions regarding the implementation of these regulations and directives.

1998 Operating Budget Calendar

May 8, 1997	U. T. Board of Regents approve budget policies
June 2-10, 1997	Budget policy/resource allocation hearings with System Administration
June 25, 1997	Draft copies of budgets, salary rosters, and supplemental data due to System Administration
July 1-11, 1997	Technical budget hearings with System Administration
July 15, 1997	Final copies of budgets, salary rosters, and supplemental data due to System Administration
July 1997	U. T. Board of Regents' Committee Briefings
August 14, 1997	U. T. Board of Regents approve budget
August 21, 1997	Budgets due to System Administration for copying and binding

3. U. T. Medical Branch - Galveston: Request for Approval to Accept Gift to Purchase Real Property Located at 1802 Water Street, City and County of Galveston, Texas, and Authorization to Execute All Documents Related Thereto.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President James that the U. T. Medical Branch - Galveston be authorized to accept \$100,000 in gift funds from The Sealy & Smith Foundation, Galveston, Texas, to purchase unimproved property located at 1802 Water Street, described as Lots 8-11, Block 738, in the City and County of Galveston, Texas.

It is further recommended that the Executive Vice Chancellor for Business Affairs or his delegate be authorized to take all steps necessary to acquire the property at 1802 Water Street, to execute all documents, instruments, and other agreements, and take all such actions as deemed necessary to carry out the purpose and intent of the foregoing recommendations.

BACKGROUND INFORMATION

The property to be purchased with gift funds from The Sealy & Smith Foundation is located to the east of the U. T. Medical Branch - Galveston's Support Services Building, which is located at 1902 Harborside, and will provide surface parking for University employees.

Chevron U.S.A., as owner of this former bulk oil facility, complied with the Leaking Petroleum Storage Tank regulations as promulgated by the Texas Natural Resource Conservation Commission (TNRCC) and received a closure letter from the agency in October 1996. Chevron has agreed to participate in the TNRCC's Voluntary Cleanup Program so that a Certificate of Completion may be issued by TNRCC. With the Certificate of Completion, the U. T. Medical Branch - Galveston will be released from liability to the State of Texas for any future remedial actions as a result of the previously identified environmental condition. Title to the property will revert

to The Sealy & Smith Foundation if the property ever ceases to be used by the U. T. Board of Regents for purposes relating to the U. T. Medical Branch - Galveston or if the Board seeks to sell or convey its interest in the property.

INFORMATIONAL REPORT

U. T. System: Discussion of the March 1997 Monthly Financial Report.--

REPORT

Mr. R. D. Burck, Executive Vice Chancellor for Business Affairs, will discuss the March 1997 Monthly Financial Report for the U. T. System.

Academic Affairs Committee

ACADEMIC AFFAIRS COMMITTEE
Committee Chairman Lebermann

Date: May 8, 1997
Time: Following the Meeting of the Business Affairs and
Audit Committee
Place: Room 1.463, School of Nursing Expansion Building
U. T. Health Science Center - San Antonio

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1. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter VI, Sections 1 Through 3 (Student Services and Activities Including Facilities Use).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellors for Academic and Health Affairs and the Vice Chancellor and General Counsel that the Regents' Rules and Regulations, Part One, Chapter VI, Sections 1 through 3, relating to student services and activities including facilities use, be amended as set forth below in congressional style:

CHAPTER VI

STUDENT SERVICES AND ACTIVITIES INCLUDING FACILITIES USE

Sec. 1. General Provisions.

- 1.1 These policies and regulations apply to all component institutions of the System and shall be implemented appropriately in the Handbook of Operating Procedures for each institution.
- 1.2 When the designation "chief student affairs officer" appears in this Chapter, reference is made to the administrative officer or officers directly responsible for student affairs at each component institution. The designation "Dean of Students" or "Dean" in the context of this Chapter shall refer to the administrative officer or officers [~~directly~~] responsible for the administration of the disciplinary process at each component institution.
- 1.3 All authority held and exercised by a chief student affairs officer is delegated to that officer by the chief administrative officer. Any action taken by the chief student affairs officer is subject to review by the chief administrative officer.

- 1.4 The chief student affairs officer shall be the administrative officer primarily responsible for the development and administration of policies relating to students, for the development and implementation of services to students, and for the initial preparation of institutional regulations that will implement the policies and regulations set forth in this Chapter.
- 1.5 Any individual student, group of students, or student organization may petition the Board on any matter relating to these policies and regulations (other than a disciplinary action) through the chief student affairs officer, the chief administrative officer, the appropriate Executive Vice Chancellor, and the Chancellor.
- 1.6 Student Advisory Group.--At the discretion of the Chairman of the Board of Regents and the Chancellor, a student advisory group representing component institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the U. T. Board of Regents, the U. T. System Administration, and the component institutions. The Chairman and Chancellor will promulgate guidelines for the selection of student advisory group representatives. Representatives of the student advisory group may from time to time address the Board at meetings of the Board and may recommend action to the Board through the Chancellor. The student advisory group shall provide an annual report of activities, recommendations, and actions to the Board.

Sec. 2. Definitions.

- 2.1 Student.--The following persons shall be considered students for purposes of these policies and regulations:
 - 2.11 A person currently enrolled at a component institution of the System.
 - 2.12 A person accepted for admission or readmission to a component institution of the System.

- 2.13 A person who has been enrolled at a component institution of the System in a prior semester or summer session and is eligible to continue enrollment in the semester or summer session that immediately follows.
- 2.14 A person who engaged in [An individual for] prohibited conduct at a time when he or she met the criteria of Subdivisions 2.11, 2.12, or 2.13 [that occurred while an individual was a student].
- 2.2 Campus.--The campus consists of all real property, buildings or facilities owned or controlled by the component institution.
- 2.3 Hearing Officer.--An individual selected in accordance with procedures adopted by the component institution to hear disciplinary charges, make findings of fact and, upon a finding of guilt, impose an appropriate sanction(s).
- 2.4 Weekday.--Monday through Friday, excluding any day that is an official holiday of the component institution.
- 2.5 Day.--A calendar day.

Sec. 3. Student Conduct and Discipline.

- 3.1 The component institutions shall adopt rules and regulations concerning student conduct and discipline. Such rules shall be in compliance with the Regents' Rules and Regulations and shall become effective upon review and approval by the appropriate Executive Vice Chancellor. Each student is responsible for notice of and compliance with the provisions of the Regents' Rules and Regulations and the rules of the component institution.
- 3.2 All students are expected and required to obey federal, state, and local [the] laws, to comply with the Regents' Rules and Regulations, with System and institutional rules and regulations, [and] with directives issued by an administrative official of the System or component institution in the course of his or

her authorized duties, and to observe standards of conduct appropriate for an academic institution.

- 3.21 Any student who engages in conduct that violates [~~is prohibited by~~] the Regents' Rules and Regulations, the System or institutional rules and regulations, specific instructions issued by an administrative official of the institution or the System acting in the course of his or her authorized duties, or [~~by~~] federal, state, or local laws is subject to discipline whether such conduct takes place on or off campus or whether civil or criminal penalties are also imposed for such conduct.
- 3.22 Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.
- 3.23 Any student who is guilty of the illegal use, possession and/or sale of a drug or narcotic on the campus of a component institution is subject to discipline. If a student is found guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the minimum penalty shall be suspension from the institution for a specified period of time and/or suspension of rights and privileges.
- 3.24 Any student who engages in conduct that endangers the health or safety of any person on the campus of a component institution or on any property, or in any building, or facility owned or controlled by the System or component institution is subject to discipline.
- 3.25 Any student who, acting singly or in concert with others, obstructs, disrupts or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other

- activity or public performance authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by the System or component institution is subject to discipline. Obstruction or disruption includes but is not limited to any act that interrupts, modifies or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records or computer networks accessible through the university's computer resources.
- 3.26 Any student who engages in speech, either orally or in writing, that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action is subject to discipline.
- 3.27 Any student who engages in the unauthorized use of property, equipment, supplies, buildings, or facilities owned or controlled by the System or component institution [~~appropriates university resources for private gain~~] is subject to discipline.
- 3.28 Any student who, acting singly or in concert with others, engages in hazing is subject to discipline. Hazing in state educational institutions is prohibited by state law (Section[s] 51.936 [~~4.51 to 4.58~~], Texas Education Code). Hazing with or without the consent of a student whether on or off campus is prohibited, and a violation of that prohibition renders both the person inflicting the hazing and the person submitting to the hazing subject to discipline. Initiations or activities of organizations may include no feature which is dangerous, harmful, or degrading to the student, and a violation of this prohibition renders both the organization and participating individuals subject to discipline.
- 3.29 A student who alters or assists in the altering of any official record of the System or component institution or who submits false information or omits

requested information that is required for or related to an application for admission, the award of a degree, or any official record of the System or institution is subject to discipline. A former student who engages in such conduct is subject to bar against readmission, revocation of degree and withdrawal of diploma.

3.2(10) Any student who defaces, mutilates, destroys or takes unauthorized possession of any property, equipment, supplies, buildings, or facilities owned or controlled by [e#] a component institution or the System is subject to discipline.

3.2(11) A student is subject to discipline for prohibited conduct that occurs while participating in off-campus activities sponsored by a component institution or the System including field trips, internships, rotations or clinical assignments.

3.2(12) Unless authorized by federal, state, or local laws, a student who possesses or uses any type of explosive, firearm, imitation firearm, ammunition, hazardous chemical, or weapon as defined by state or federal law, while on campus or on any property or in any building or facility owned or controlled by the System or component institution, is subject to discipline.

3.2(13)[+2] A student who receives a period of suspension as a disciplinary penalty is subject to further disciplinary action for prohibited conduct that takes place on campus during the period of suspension.

3.3 A former student who has been suspended or expelled for disciplinary reasons is prohibited from being on the campus of any component institution during the period of such suspension or expulsion without prior written approval of the chief student affairs officer of the institution at which the suspended or expelled student wishes to be present.

3.4 The Dean of Students shall have primary authority and responsibility for the administration of student discipline at each component institution. It shall be the Dean's duty to investigate allegations that a student has engaged in conduct that violates [~~is prohibited by~~] the Regents' Rules and Regulations, the rules and regulations of the institution or the System, specific instructions issued by an administrative official of the institution or the System in the course of his or her authorized duties, or any provisions of federal, state, and/or local laws. The [~~In such cases, the~~] Dean may proceed with the investigation and with the disciplinary process [~~action~~], notwithstanding any action taken by other authorities.

3.41 A student may be summoned by written request of the Dean for a meeting to discuss the allegations. The written request shall specify a place for the meeting and a time at least three (3) weekdays after the date of the written request. The written request may be mailed to the address appearing in the records of the registrar or may be hand delivered to the student. If a student fails to appear without good cause, as determined by the Dean, the Dean may bar or cancel the student's enrollment or otherwise alter the status of the student until the student complies with the summons, or the Dean may proceed to implement the disciplinary procedures provided for in Subsection 3.5. The refusal of a student to accept delivery of the notice or the failure to maintain a current address with the registrar shall not be good cause for the failure to respond to a summons.

3.42[±] Pending a hearing or other disposition of the allegations against a student, the [The] Dean [of Students] may take such immediate interim disciplinary action as is appropriate to the circumstances, including: (a) suspension and bar from the campus when it reasonably appears to the Dean from the circumstances that the continuing presence of the student poses a potential danger to persons or property or a potential threat for disrupting any activity authorized by the institution; or (b) the withholding of grades, degree or official transcript when such action is in the best interest of the institution [~~including suspension pending a hearing, against a student~~]

~~for violation of a rule or regulation of the System or of the institution when the continuing presence of the student poses a danger to persons or property or an ongoing threat of disrupting any authorized university activity].~~

~~[3.42 The Dean may authorize interim withholding of a student's grades, degree or official transcript when such withholding would be in the best interest of the institution.]~~

3.43 When interim disciplinary action has been taken by the Dean under Subdivision 3.42, a hearing of the charges against the student will be held under the procedures specified in Subsection 3.5, but will be held within ten (10) days after the interim disciplinary action was taken unless the student agrees in writing to a hearing at a later time or unless the student waives a hearing and accepts the decision of the Dean in accordance with Subdivision 3.44
~~[The Dean may summon the student for purposes of discussing the allegations by mailing to the address appearing in the registrar's records a written request for the student to appear at a certain place and time at least three weekdays after the date of the letter. If the Dean of Students determines that allegations of misconduct are not unfounded, the Dean shall notify the student of the allegations and proceed under Subdivision 3.44 or Subsection 3.5 as appropriate. If a student fails to appear without a valid reason, the Dean may implement hearing procedures in the absence of the student or may bar or cancel the student's enrollment until the student appears or responds to the summons].~~

3.44 In any case where the accused student does not dispute the facts upon which the charges are based and executes a written waiver of the hearing procedures specified in Subsection 3.5, the Dean ~~[of Students]~~ shall assess one or more of the penalties specified in [a penalty pursuant to] Subsection 3.6 that is appropriate to the charges and inform the student of such action in writing. The minimum penalty that the Dean may assess when a student admits illegal use, possession, and/or sale of a drug or narcotic on campus is the penalty prescribed in Subdivision 3.23 of this Section.

~~[3.45] The decision of the Dean [of Students] on penalty only may be appealed to the chief administrative officer [as in the case of a decision rendered subsequent to a hearing in accordance with Subsection 3.5. The appeal is limited to the issue of penalty and no transcript will be required].~~

3.5 In those cases in which the accused student disputes the facts upon which the charges are based, such charges shall be heard and determined by a fair and impartial ~~[person, hereinafter called the]~~ Hearing Officer~~[, selected in accordance with procedures adopted by the institution].~~

3.51 Except in those cases where immediate interim disciplinary action has been taken ~~[under authority of Subdivisions 3.41 and/or 3.42],~~ the accused student shall be given at least ten (10) days written ~~[days¹]~~ notice of the date, time, and place for such hearing and the name of the Hearing Officer. The notice shall include a ~~[written]~~ statement of the charge(s) and a summary statement of the evidence supporting such charge(s). The notice shall be delivered in person to the student or mailed to the student at the address appearing in the registrar's records. A notice sent by mail will be considered to have been received on the third day after the date of mailing, excluding any intervening Sunday. The date for a hearing may be postponed by the Hearing Officer for good cause or by agreement of the student and Dean ~~[Hearings held following interim disciplinary action under Subdivisions 3.41 and/or 3.42 will be held under the same procedures set forth below, but will be held as soon as practicable within ten (10) days after the interim disciplinary action has been taken].~~

3.52 The accused student may challenge the impartiality of the Hearing Officer. The challenge must be in writing, state the reasons for the challenge, and be submitted to the Hearing Officer through the Office of the Dean at least three (3) days prior to the hearing. The Hearing Officer shall be the sole judge of whether he or she can serve with fairness and objectivity. In the event the Hearing Officer disqualifies himself or herself, a substitute will be chosen in accordance with procedures of the institution.

- 3.53[2] Upon a hearing of the charges, the Dean or other institutional representative has the burden of going forward with the evidence and has the burden of proving the charges by the greater weight of the credible evidence.
- 3.54 The Hearing Officer is responsible for conducting the hearing in an orderly manner and controlling the conduct of the witnesses and participants in the hearing. The Hearing Officer shall rule on all procedural matters and on objections regarding exhibits and testimony of witnesses, may question witnesses, and is entitled to have the advice and assistance of legal counsel from the Office of General Counsel of the System. The Hearing Officer shall render and send to the Dean and the accused student a written decision that contains findings of fact and a conclusion as to the guilt or innocence of the accused student. Upon a conclusion of guilt the Hearing Officer shall assess a penalty or penalties specified in Subsection 3.6. Guilt of the illegal use, possession, or sale of a drug or narcotic on campus requires the assessment of a minimum penalty provided in Subdivision 3.23.
- 3.55[3] The hearing shall be conducted in accordance with procedures adopted by the component institution ~~[and]~~ that assure the [both parties {]institutional representative and the accused student[}] the following minimal rights:
- (1) Each party shall provide the other party a list of witnesses, a brief summary of the testimony to be given by each, and a copy of documents to be introduced at the hearing at least five (5) [three] days prior to the hearing.
 - (2) Each party shall have the right to appear, ~~[and]~~ present testimony of witnesses and documentary evidence, cross-examine witnesses and be assisted by an advisor [in person or through a designated representative or counsel] of choice. The advisor may be an attorney. If the accused student's advisor is an attorney, the Dean's advisor may be an attorney from the Office of General Counsel of the System. An advisor may confer with and advise the Dean or accused student, but

shall not be permitted to question witnesses, introduce evidence, make objections, or present argument to the Hearing Officer.

- (3) The Dean may recommend a penalty to be assessed by the Hearing Officer. The recommendation may be based upon past practice of the component institution for violations of a similar nature, the past disciplinary record of the student, or other factors deemed relevant by the Dean. The accused student shall be entitled to respond to the recommendation of the Dean [~~Each party, or his or her designated representative or counsel, shall have the right to cross-examine witnesses~~].
- (4) The hearing will be recorded. If either party desires to appeal the decision of the Hearing Officer [~~finding~~], the official record will consist of the recording of the hearing, the documents received in evidence, and the decision of the Hearing Officer. At the request of the chief administrative officer the recording of the hearing will be transcribed and both parties will be furnished a copy of the transcript.

~~[3.54 The accused student may challenge the impartiality of the Hearing Officer up to three days prior to the hearing. The Hearing Officer shall be the sole judge of whether he or she can serve with fairness and objectivity. In the event the Hearing Officer disqualifies himself or herself, a substitute will be chosen in accordance with procedures adopted by the institution.]~~

~~3.55 The Hearing Officer shall render and send to both parties a written decision which shall contain findings of facts and conclusions as to the guilt or innocence of the accused student and shall assess a penalty or penalties pursuant to Subsection 3.6. If the Hearing Officer finds the student guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the Hearing Officer must assess a minimum penalty as provided in Subdivision 3.23 of this Section.]~~

- 3.6 The following penalties may be assessed by the Dean [~~of Students~~] pursuant to Subdivision 3.44 or by the Hearing Officer after a hearing in accordance with the procedures specified in Subdivision[~~s 3.41, 3.42, 3.44 and~~] 3.55:
- 3.61 Disciplinary probation.
 - 3.62 Withholding of grades, official transcript and/or degree.
 - 3.63 Bar against readmission.
 - 3.64 Restitution or reimbursement for damage to or misappropriation of institutional or System property.
 - 3.65 Suspension of rights and privileges, including participation in athletic or extracurricular activities.
 - 3.66 Failing grade for an examination or assignment or for a course and/or cancellation of all or any portion of prior course credit.
 - 3.67 Denial of degree.
 - 3.68 Suspension from the institution for a specified period of time.
 - 3.69 Expulsion (permanent separation from the institution).
 - 3.6(10) Revocation of degree and withdrawal of diploma.
 - 3.6(11) Other penalty as deemed appropriate under the circumstances.

3.7 Appeal Procedures.--A student may appeal a disciplinary penalty assessed [~~action taken~~] by the Dean in accordance with Subdivision 3.44. Either the Dean or the student may appeal the decision of [~~or~~] the Hearing Officer. An appeal shall be in accordance with the following procedures:

- 3.71 Written notice of appeal must be delivered to the chief administrative officer of the component institution within [~~Within~~] fourteen (14) days after the appealing party has [~~parties have~~] been notified of the penalty assessed by the Dean or the decision of the Hearing Officer [~~, either or both parties may give notice of appeal to the chief administrative officer of the institution~~]. If the notice of penalty assessed by the Dean or the decision of the Hearing Officer is sent by mail, the date the notice or decision is mailed initiates the fourteen (14) day period for giving notice of appeal. An appeal of the penalty

assessed by the Dean in accordance with Subdivision 3.44 will be reviewed solely on the basis of the written argument of the student and the Dean. The appeal of the decision of the Hearing Officer will be reviewed solely on the basis of the record from [transcript, if any, and evidence considered at] the hearing. In order for the appeal to be considered, all the necessary documentation to be filed by the appealing party, including written argument, must be filed with the chief administrative officer within fourteen (14) days after notice of appeal is given. [and the transcript, if any, is available. Both parties may,] At [at] the discretion of the chief administrative officer, both parties may present oral argument in an appeal from the decision of the Hearing Officer.

3.72 The chief administrative officer may approve, reject, or modify the decision in question or may require that the original hearing be reopened for the presentation of additional evidence and reconsideration of the decision. It is provided, however, that if the finding as to guilt is upheld in a case involving the illegal use, possession, and/or sale of a drug or narcotic on campus, the penalty may not be reduced below the minimum penalty prescribed by Subdivision 3.23 of this Section.

3.73 The action of the chief administrative officer shall be communicated in writing to the student and the Dean [~~of Students~~] within thirty (30) days after the appeal and related documents have been received. The decision of the chief administrative officer is the final appellate review.

3.8 Each component institution shall maintain a permanent written disciplinary record for every student assessed a penalty of suspension, expulsion, denial or revocation of degree and/or withdrawal of diploma. A record of scholastic dishonesty [~~violations~~] shall be maintained for at least five years unless the record is permanent in conjunction with the above stated penalties. A disciplinary record shall reflect the nature of the charge, the

disposition of the charge, the penalty assessed and any other pertinent information. This disciplinary record shall be maintained separately from the student's academic record, shall be treated as confidential, and shall not be accessible to or used by anyone other than the Dean, [revealed] except upon written authorization [request] of the student or in accordance with applicable state or federal laws or court order or subpoena.

. . . .

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

After receiving several suggestions for revisions of the Regents' Rules and Regulations, Part One, Chapter VI, Sections 1 through 3 relating to Student Services and Activities Including Facilities Use, the Office of Academic Affairs and the Office of Health Affairs solicited recommendations from all U. T. System components. The proposed amendments are a result of that process and have been reviewed by the Office of General Counsel, the chief administrative officers, and the Student Rights Committee of the U. T. System Student Advisory Group.

The proposed amendments include rearrangement of a number of sections and subdivisions into a more logical flow and changes that will clarify current provisions. Among the proposed changes, the following are the most substantive:

- a. In Subdivision 2.14, the definition of "student" has been amended to clarify the circumstances wherein a person is considered to be a student.
- b. Definitions of "Hearing Officer," "Weekday" and "Day" have been added in Subsections 2.3, 2.4, and 2.5, respectively.

- c. In Subsection 3.2, changes were made to clarify prohibited student conduct. A new Subdivision 3.2(12) has been added to prohibit the possession and use of firearms/ weapons by students on campus or on any property or in any building of a component or the U. T. System.
- d. Provisions relating to the investigation and disposition of student discipline by the Dean of Students have been reorganized under Subsection 3.4. This includes a new provision for summoning students by hand delivery of notice. The amendment makes it the student's responsibility to assure that the registrar maintains his/her current address and specifies that refusal to accept delivery of mail does not excuse failure to respond to a summons.
- e. Hearing procedures for student discipline have been reorganized into a more logical format under Subsection 3.5.
- f. Subdivision 3.51 has been modified to add a provision for continuance of a student disciplinary hearing.
- g. Subdivision 3.54 has been added to the hearing procedures for student discipline to set forth the authority and responsibility of the Hearing Officer.
- h. Subdivision 3.55(2) has been changed to allow only limited involvement by a student's advisor during the hearing process.
- i. Subdivision 3.55(3) has been modified to allow the Dean to make a penalty recommendation for discipline of a student that may include information pertinent to the student's past disciplinary record or other factors that the Dean deems relevant.
- j. In Subdivision 3.55(4), the definition of the official hearing record has been changed to consist of the tape recording, documents received in evidence, and the Hearing Officer's decision. Transcription of the recording would only be required upon request by the chief administrative officer.

- k. Subsection 3.7 modifies procedures for filing an appeal and clarifies the information and documentation that may be considered upon review.

The proposed amendments to Sections 1 through 3 of Chapter VI will provide more definitive notice to students concerning standards of conduct and will provide administrative officers of the U. T. System component institutions more concise guidelines for implementing disciplinary procedures. These Sections, as revised, are consistent with current court decisions relating to student discipline.

2. U. T. System: Request to Adopt Guidelines for a Student Exchange Program Among Component Institutions (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that the U. T. Board of Regents adopt "Guidelines for a Student Exchange Program Among Component Institutions of the U. T. System" as set forth below. The policy is to be effective with the Fall Semester 1997, with appropriate catalog changes to be effected by each component when a new catalog is published.

GUIDELINES FOR A STUDENT EXCHANGE PROGRAM AMONG COMPONENT INSTITUTIONS OF THE U. T. SYSTEM

I. INTRODUCTION

The component institutions of The University of Texas System (U. T. System) offer an impressive variety of outstanding academic programs and engage in significant world-class research activities. A cooperative exchange program can help interested, qualified students take advantage of unique educational opportunities at other component institutions and can reduce procedural requirements for students who wish to participate.

II. PURPOSE

- A. The student exchange program is designed to allow upper-level and graduate or professional students enrolled in an institution of the U. T. System to take courses or engage in research at another institution within the System during a regular semester or summer session.
- B. The program guidelines provide for reporting of grades, payment of charges, and continuation of financial aid during the semester or summer session in attendance at another institution.

III. GUIDELINES

- A. The U. T. System exchange program is limited to upper-level students (students with more than 60 semester credit hours of college-level work) and graduate or professional students.
- B. Each U. T. System component institution with degree programs will establish requirements for eligibility for participation such as a minimum grade point average and completion of a minimum number of semester credit hours at the home institution.
- C. Each institution will designate an individual to coordinate undergraduate student exchanges and graduate or professional student exchanges, as appropriate.
- D. A student's proposed exchange should clearly relate to the student's program and academic interest and be approved by the designated exchange program coordinator (undergraduate or graduate/professional) at both the home institution and the proposed exchange institution.
- E. Approval for an exchange will be contingent on space being readily available in the desired exchange program and, for participation in a research laboratory, on approval of the director of the laboratory.
- F. For continuity of financial aid, the exchange student should be registered at the home institution, with grades for any course taken at the cooperating institution reported to the home institution.

1. The home institution will identify at the time of registration the course title/number under which the exchange course credit would be recorded.
 2. The designated exchange coordinator at the exchange institution will report the student's grade(s) to the coordinator at the home institution at the end of each semester or summer session.
 3. The grade earned at an exchange institution will count toward the academic standing at the home institution and be counted in the calculation of the student's grade point average.
- G. The visiting student will be subject to the rules and regulations of the exchange institution as well as the home institution.
- H. To maintain consistency and to assure the integrity of student financial aid requirements, charges for tuition and required fees (including course-specific fees of the exchange institution) are to be paid to the home institution.
1. The home institution will transfer course-specific fees to the exchange institution.
 2. Although student services fees would be paid to the home institution, the exchange student will be given normal privileges associated with available student services at the exchange institution.
- I. Students on a fellowship or stipend or receiving other financial assistance at the home institution will be eligible to receive such assistance while attending the exchange institution.
1. Acceptance of financial support from the exchange institution will necessitate prior approval by the home institution.
 2. The usual eligibility requirements for financial aid at the home institution will apply to an exchange student.

- J. A visiting student will not be regularly admitted by the exchange institution for the period of the exchange and a student should not assume that he or she would be eligible for transfer to that institution.
1. If an exchange student desires to transfer to the cooperating institution, the student must comply with the regular transfer admission requirements and procedures.
 2. Normally, an exchange may last no longer than one long session semester or a long session semester and a summer session; otherwise, the student should apply for and be admitted to the cooperating institution.
- K. Each institution shall include in the appropriate catalog(s) information which describes the U. T. System student exchange program, specifies eligibility requirements, and identifies the designated exchange program coordinator(s) at that institution.

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

During the 1995-96 academic year, the U. T. System Student Advisory Group initiated discussions with the U. T. System Administration and the U. T. Board of Regents about expanding an exchange program between the U. T. System and The Texas A&M University System to allow for exchanges among the component institutions of the U. T. System. The U. T. Board of Regents approved the inter-System exchange agreement at the July 1979 meeting.

The U. T. System/Texas A&M University System agreement, which limited exchanges to graduate students, has provided the framework for students from each System to study or do research at an institution in the other System. Based on recommendations from members of the U. T. System Student Advisory Group, the proposed guidelines have been expanded to include exchanges for upper-level undergraduate students as well as graduate or professional students. Individual

review and approval by designated administrators at each of the cooperating institutions is required for a student's proposed exchange.

The guidelines have been designed to minimize complexities for students regarding registration, grade reporting, financial aid, and student services. While the number of participants is not expected to be large, the guidelines present extraordinary educational opportunities within a cooperative framework. In addition to being reviewed by the members of the U. T. System Student Advisory Group and the U. T. System Faculty Advisory Council, the guidelines have also been reviewed by the component chief administrative officers.

3. U. T. Arlington: Request for Approval of Policy for Undergraduate Admissions to be Effective with the Fall Semester 1998 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Witt that the U. T. Board of Regents approve the proposed Policy for Undergraduate Admissions at U. T. Arlington, as set out below, to be effective after September 1, 1997, for applicants seeking admission for the Fall Semester 1998 or a subsequent enrollment period.

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

The University of Texas at Arlington Policy for Undergraduate Admissions

- I. Entering Freshman
 - A. Applicants will be eligible for automatic admission if they have:
 1. graduated from high school with at least 20 acceptable high school units, including the subjects prescribed under "High School Units" described in this policy,

2. achieved a satisfactory level of performance on the Scholastic Assessment Test (SAT) or American College Test (ACT) as described in this policy, and
3. submitted a completed application by the priority deadlines published in the undergraduate catalog.

B. Admissions Examinations

Performance levels on the standardized SAT or ACT admissions examinations are based on the applicant's standing in his/her high school graduating class, as indicated below:

Rank in High School Graduating Class	Minimum Acceptable SAT Scores	Minimum Acceptable ACT Scores
Top 10%	No score required	No score required
Top quarter (below 10%)	900	19
Second quarter	950	20
Third quarter	1000	21
Fourth quarter	1150	25

The minimum scores on the SAT or ACT may be higher for students who apply for admission to certain programs, including architecture, engineering, and mathematics, as indicated in the undergraduate catalog.

C. High School Unit Requirements

The minimum high school units required for admission are:

1. **Language Arts**
 Required: Four units of English, one of which may be writing, world literature, speech or journalism. (For speakers of other languages, English may not be used to fulfill the language arts requirement, but may be counted as an elective.)

2. Science
Required: Three units of science, physical science, biology I and II, chemistry I and II, or physics I and II.
Strongly recommended: Students planning to enter scientific, engineering, and other technical fields are advised to take at least three units of laboratory science, including chemistry and physics. The additional unit may be counted as an elective. (See note below.)
3. Foreign Language
Required: Two units of a single language. American Sign Language may be used to fulfill the foreign language requirement.
Strongly recommended: Three units in a single language.
4. Mathematics
Required: Three units at the level of algebra I or higher: algebra, plane geometry, analytic geometry, elementary analysis, probability and statistics, solid geometry, calculus with analytic geometry, number theory. (Informal geometry and prealgebra are below achievement level courses and will not fulfill the mathematics requirement, but may be counted as electives.)
Strongly recommended: Students planning to enter scientific, engineering or other technical fields are advised to take at least four units of mathematics. The additional unit may be counted as an elective. (See note below.)
5. Social Studies
Required: Three units of anthropology, area studies, ethnic studies, economics, geography, government (civics), philosophy, social science, psychology, sociology, Texas history (advanced), United States history, world history.
Strongly recommended: Four units of social studies to include world history, world geography, U. S. history, U. S. government, or economics.

6. Electives

Strongly recommended: physical education, 1 1/2 units; health, 1/2 unit; computing proficiency, 1 unit; fine arts, 1 unit; and music, theater, art or other, 1 unit.

Note: Students may substitute specialization electives for the fourth year of mathematics and/or the fourth year of science.

Specialization electives include courses in two areas:

- (1) Language arts, science, social studies, fine arts, foreign language or computer science, or
- (2) Technical preparation, applied technology, or vocational education.

A variety of other courses not listed here, including developmental and remediation courses, are not acceptable for college preparation. Admission will not be granted to applicants who have not completed the required units listed above. Students whose high school curriculum does not include the courses necessary to complete the unit requirements may apply to the Director of Admissions for an exception. Students who are admitted by exception must remove deficiencies to graduate. Courses taken to remove a deficiency do not count toward the student's degree.

D. Early Admission Program

High school seniors who wish to gain college credit at U. T. Arlington while still attending high school may be considered for early admission. An applicant must submit:

1. Applications for both general freshman admissions and the Early Admission Program,
2. High school transcript showing work through the junior year and a standing in the top quarter of the class,
3. Admission test scores with SAT (or PSAT) of 900 or above or ACT of 19 or above, and
4. A final high school transcript showing graduation and final rank-in-class.

E. Applicants who do not qualify for automatic admission because of performance below the stated standards will be considered for admission on an individual basis and may be asked to submit additional information such as recommendations from teachers and counselors or a writing sample and may be asked to interview with an admissions counselor. Prospective freshmen who have graduated from a Texas high school and have completed the high school unit requirements but who are not otherwise admissible will be eligible for admission in the Provisional Admission Program.

F. Provisional Admission Program

Applicants for admission who: (1) have never attended college but have graduated from high school, (2) meet all requirements for admission except for an acceptable SAT or ACT score, (3) have not been admitted after individual review, and (4) have submitted completed applications by the deadlines published in the undergraduate catalog, are eligible to enroll for the Summer Session or the Spring Semester under the Provisional Admission Program (PAP). Students may not be admitted under this program during the Fall Semester.

A student who enrolls under the PAP may be admitted as a regular student for the next academic session by completing the following requirements:

1. Attending an orientation program on campus prior to registration for the purpose of being advised regarding general University courses, course load, course scheduling, and pre-registration. In addition, each PAP student will be required to attend prescribed study sessions based on academic load.
2. Enrolling in a minimum of 10 semester credit hours to include three hours in English, three in mathematics, and three from natural science or the social sciences and humanities, or foreign languages, and EDUC 1131, College Adjustment. A PAP student may not enroll for more than 14 semester credit hours.

3. Completing all courses enrolled in with a minimum 2.0 grade point average at the end of the Summer Session or Spring Semester in which the student enrolled. Students with less than a 2.0 grade point average will be dismissed and will be eligible to return on completion of at least 30 semester credit hours and a 2.0 grade point average at another college or university.
4. Enrolling as an undeclared major until the above requirements have been met.

G. Exceptional Admissions

Individual consideration and approval may be given to individuals whose qualifications do not meet the criteria for admission under any of the preceding options and who comply with the procedures and requirements published in the undergraduate catalog.

II. Undergraduate Transfer Students

A. Freshman Transfers

An applicant who has attended another college and has attempted fewer than 30 semester credit hours (excluding courses with a grade of W) must meet freshman admissions criteria and have earned a minimum of 2.0 grade point average for all college courses attempted. A transfer applicant with less than 30 hours who meets freshman admissions criteria but whose grade average falls below 2.0 may be considered for admission on probation.

B. Transfers with 31 or More Hours

An applicant who has attended another college or colleges and has attempted more than 30 semester credit hours (excluding courses with a grade of W) must have a 2.0 grade point average as computed by the U. T. Arlington Office of Admissions. Certain programs require a higher grade point average, as indicated in the undergraduate catalog.

C. Transfer of Credit

Junior/community college courses transfer as lower division (freshman or sophomore) credit. Undergraduate courses from senior colleges transfer at the same level (lower- or upper-division) as they

were taken. Graduate-level courses are not transferable as undergraduate credit. No limit is placed on the total amount of course credit accepted in transfer from either junior or senior institutions, although use of transfer credits toward particular degree programs may be limited by the respective academic dean.

III. International Admission

All prospective students from countries other than the United States who are not immigrants and have not been granted permanent residency must submit:

- (1) an International Student Application,
- (2) official transcripts of previous academic work,
- (3) standardized test scores when required,
- (4) the Test of English as a Foreign Language (TOEFL),
- (5) evidence of sufficient financial support while studying in this country, and
- (6) the application processing fee as published in the undergraduate catalog.

The applications of prospective students from countries other than the United States are reviewed on an individual basis and admissions decisions are based on the strength of the previous academic work, scores on the SAT if required, and the TOEFL score. Academic background and curriculum are important considerations in decisions on admissibility. The minimum acceptable TOEFL score is 550. The minimum acceptable score on the SAT for freshman applicants and transfer applicants with fewer than 30 hours is 900.

BACKGROUND INFORMATION

U. T. Arlington last adopted revised admissions policies in 1965, the year that the institution changed from The Texas A&M University System to the U. T. System. Thus, other than an action relating to provisional admissions adopted by the U. T. Board of Regents in April 1968, and periodic updates adopted in catalog provisions via the institutional dockets, the U. T. Board of Regents has not previously approved a formal undergraduate admissions policy for U. T. Arlington. The proposed changes, which are reflected in the policy, were initiated by the U. T. Arlington University Academic Standards Committee and approved by the Undergraduate Assembly in March 1997.

Highlights of the proposed policy that represent changes from the existing admissions requirements include the following:

- a. Applicants who graduate from high school in the top 10% of their graduating class would not have to achieve a specified score on the Scholastic Assessment Test (SAT) or the American College Test (ACT) to be given automatic admission, whereas the current provision applies to an applicant in the top quarter of his or her class. For other categories of class ranking, the minimum scores have been elevated slightly.
- b. The required high school unit requirements have been updated, with a change from two units of science to the recommended three units in science and a provision has been added that would allow a student who attended a high school that did not offer the necessary high school courses to be admitted by exception and would establish an expectation that such a student would remove any deficiencies by the time of college graduation.
- c. The requirements for applicants to the Early Admission Program reflect a change from eligibility if a student were in the top half of his/her class to being in the top quarter of his/her class and an increase in the minimum SAT/ACT score to an SAT of 900 or ACT of 19.
- d. A student admitted in the Provisional Admission Program would have to earn a minimum of 2.0 grade point average to be eligible for regular admission in the subsequent semester. Currently, a student with a 1.5 grade point average may continue on probation for an additional semester.
- e. Under the proposed policy, a freshman transfer applicant (a student with less than 30 hours of college credit) who would have met freshman admission standards, but whose grade point average falls below 2.0, may be considered for admission on probation.
- f. The provision for Transfer of Credit would delete a limit of 72 transferable hours and allow an unlimited number of hours to be transferred, but a notice is included that not all transferred credits may be applicable to a particular major.

U. T. Arlington expects the new requirements to provide an increase in the quality of entering freshmen, reduce the increasing burden in remediation courses, and improve retention and graduation rates. With an effective date for students applying for the Fall Semester 1998 or a subsequent enrollment period, the intensity of recruiting, admissions, financial aid, and retention initiatives at U. T. Arlington during the next academic year are expected to minimize the enrollment impact of increased admissions requirements. As retention rates improve, overall enrollment may be expected to increase accordingly.

The proposed changes in the admissions policy have been reviewed favorably by the U. T. System Office of General Counsel.

4. U. T. Austin: Request for (a) Approval of a Patent and Technology License Agreement with Mesotronix Corporation, Austin, Texas, and (b) Approval for Individual to Acquire Equity in and Serve as a Director of Mesotronix Corporation.--

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 the Patent and Technology License Agreement set out on Pages AAC 32 - 40 between the U. T. Board of Regents, for and on behalf of U. T. Austin, and Mesotronix Corporation, Austin, Texas
- b. Approve the acquisition of equity in and service as a director of Mesotronix Corporation by Dr. Paul Ho, holder of the Fifth Cockrell Family Regents Chair in Engineering at U. T. Austin.

BACKGROUND INFORMATION

Dr. Paul Ho of U. T. Austin has created inventions including (1) Micro-Tensile tester as described in University Invention Disclosure #95-046, and (2) Environmental Chamber and Support Carriage for Moiré Interferometer as described in University Invention Disclosure #95-055 (collectively the "inventions").

Under the proposed Patent and Technology License Agreement, Mesotronix Corporation is granted a royalty-bearing, exclusive, worldwide license to manufacture, have manufactured, use, and sell scientific instruments, namely, the inventions. Mesotronix Corporation will pay the U. T. Board of Regents (1) a license documentation fee of \$5,000, (2) a running royalty of five percent of net sales, and (3) one-half of gross revenues received from any sublicensee. Mesotronix Corporation also will reimburse U. T. Austin for all of its out-of-pocket expenses incurred in seeking patent prosecution for the inventions.

Dr. Ho is a shareholder in and a director of Mesotronix Corporation. A license to a faculty-owned company is appropriate inasmuch as the activities by Mesotronix Corporation will not involve basic research.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to Part Two, Chapter XII, Subsections 6.2 and 7.1 of the Regents' Rules and Regulations, approval by the U. T. Board of Regents is necessary for Dr. Ho to acquire equity in and serve as a director of Mesotronix Corporation concurrent with approval of the proposed license agreement with such company.

PATENT AND TECHNOLOGY LICENSE AGREEMENT

THIS AGREEMENT is made by and between the BOARD OF REGENTS (BOARD) OF THE UNIVERSITY OF TEXAS SYSTEM (SYSTEM), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN, and MESOTRONIX (LICENSEE), a Texas corporation having a principal place of business located at 8 Coleridge Lane, Austin, TX 78746.

WITNESSETH:

Whereas BOARD owns certain PATENT RIGHTS and TECHNOLOGY RIGHTS related to LICENSED SUBJECT MATTER, which were developed at The University of Texas at Austin, a component institution of The University of Texas System;

Whereas BOARD desires to have the LICENSED SUBJECT MATTER developed and used for the benefit of LICENSEE, the inventor, BOARD, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD; and

Whereas LICENSEE wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER;

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

I. EFFECTIVE DATE

This agreement shall be effective as of September 30, 1996, subject to approval by BOARD.

II. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings indicated:

2.1 LICENSED SUBJECT MATTER shall mean inventions and discoveries covered by PATENT RIGHTS or TECHNOLOGY RIGHTS within LICENSED FIELD.

2.2 PATENT RIGHTS shall mean BOARD'S rights in presently existing information or discoveries covered by patents and/or patent applications which may be filed whether domestic or foreign, and all divisions, continuations, continuations-in-part, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon, which name Dr. Paul Ho as either sole or joint inventor and which relate to the manufacture, use or sale of either the Micro-Tensile Tester as described in UNIVERSITY Invention disclosure #95-046 or the Environmental Chamber and Support Carriage for Moiré Interferometer as described in UNIVERSITY invention disclosure #95-055.

2.3 TECHNOLOGY RIGHTS shall mean BOARD'S rights in any presently existing technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing or data relating to either the Micro-Tensile Tester, #95-046 or the Environmental Chamber and Support Carriage for Moiré Interferometer, #95-055, which is not covered by PATENT RIGHTS but which is necessary for practicing the invention at any time covered by PATENT RIGHTS.

2.4 LICENSED FIELD shall mean all commercial applications of the technology described in 2.2.

2.5 LICENSED TERRITORY shall mean worldwide.

2.6 LICENSED PRODUCT shall mean any product SOLD by LICENSEE comprising LICENSED SUBJECT MATTER pursuant to this Agreement.

2.7 SALE or SOLD shall mean the transfer or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE or a SUBSIDIARY.

2.8 SUBSIDIARY shall mean any business entity more than 50% owned by LICENSEE, any business entity which owns more than 50% of LICENSEE, or any business entity that is more than 50% owned by a business entity that owns more than 50% of LICENSEE.

2.9 NET SALES shall mean the gross revenues received by LICENSEE 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).

III. REPRESENTATION: SUPERIOR-RIGHTS

3.1 Except for the rights, if any, of the Government of the United States (as described hereinbelow) and of Shih-Liang Chiu, an independent engineer, who may have joint ownership rights in the Micro-Tensile Tester, BOARD represents to the best of its knowledge that it is the owner of the right, title, and interest in and to LICENSED SUBJECT MATTER, and that it has the right to grant licenses thereunder, and that it has not knowingly granted licenses thereunder to any other entity that would restrict rights granted hereunder except as stated herein.

3.2 The LICENSED SUBJECT MATTER IS PROVIDED BY BOARD WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. THE BOARD MAKES NO REPRESENTATION OR WARRANTY THAT THE LICENSED PRODUCTS OR LICENSED SUBJECT MATTER WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT.

3.3 LICENSEE understands that the LICENSED SUBJECT MATTER may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any such agreement and any applicable law or regulation. To the extent that there is a conflict between any such agreement, applicable law or regulation, and this Agreement, the terms of such Government agreement, applicable law or regulation shall prevail.

IV. LICENSE

4.1 BOARD hereby grants to LICENSEE a royalty-bearing, exclusive license under LICENSED SUBJECT MATTER to manufacture, have manufactured, use, sell, import and offer for sale LICENSED PRODUCTS within LICENSED TERRITORY for use within LICENSED FIELD. This grant shall be subject to the payment by LICENSEE to BOARD of all consideration as provided in this Agreement, and shall be further subject to rights retained by BOARD to:

(a) Publish the general scientific findings from research related to LICENSED SUBJECT MATTER; and

(b) Use any information contained in LICENSED SUBJECT MATTER for research, teaching and other educationally-related purposes.

4.2 LICENSEE shall have the right to extend the license granted herein to any SUBSIDIARY provided that such SUBSIDIARY consents to be bound by this Agreement to the same extent as LICENSEE.

4.3 LICENSEE shall have the right to grant sublicenses consistent with this Agreement if LICENSEE has current exclusive rights under this Agreement. LICENSEE shall be responsible for the operations of its sublicensees relevant to this Agreement as if such operations were carried out by LICENSEE, including the payment of royalties whether or not paid to LICENSEE by a sublicensee. LICENSEE further agrees to deliver to BOARD a true and correct copy of each sublicense granted by LICENSEE, and any modification or termination thereof, within thirty (30) days after execution, modification, or termination. Upon termination of this Agreement, any and all existing sublicenses granted by LICENSEE shall be assigned to BOARD.

4.4 BOARD shall have the right at any time after two (2) years from the date of this Agreement, to terminate the exclusivity of the license granted herein in any national political jurisdiction within LICENSED TERRITORY if LICENSEE, within ninety (90) days after written notice from BOARD as to such intended termination of exclusivity, fails to provide written evidence that it has commercialized or is actively attempting to commercialize an invention hereunder within such jurisdiction. BOARD agrees to negotiate in good faith with LICENSEE for adjusting terms under such a non-exclusive arrangement. BOARD shall have the right at any time after three (3) years from the date of this Agreement to terminate the license completely in any national political jurisdiction if LICENSEE, within ninety days (90) after written notice from BOARD of such intended termination, fails to provide written evidence that it has

commercialized or is actively attempting to commercialize an invention licensed hereunder within such jurisdiction. Evidence provided by LICENSEE that it has an ongoing and active research, development, manufacturing, marketing or licensing program as appropriate, directed toward production and sale of products based on the invention disclosed and claimed in PATENTS or incorporating TECHNOLOGY within such jurisdiction shall be deemed satisfactory evidence.

V. PAYMENTS AND REPORTS

5.1 In consideration of rights granted by BOARD to LICENSEE under this Agreement, LICENSEE agrees to pay BOARD the following:

(a) A nonrefundable license documentation fee in the amount of five thousand dollars (\$5000.) which shall be due and payable when this Agreement is executed by LICENSEE;

(b) A running royalty equal to five percent (5%) of NET SALES of LICENSED PRODUCTS;

(c) One half of the gross revenues received by LICENSEE from any sublicensee or the amount payable under paragraph 5.1(b), whichever is greater.

5.2 During the Term of this Agreement and for one (1) year thereafter, LICENSEE shall keep complete and accurate records of its and its sublicensees' SALES and NET SALES of LICENSED PRODUCTS under the license granted in this Agreement in sufficient detail to enable the royalties payable hereunder to be determined. LICENSEE shall permit BOARD, at BOARD'S expense, to periodically examine its books, ledgers, and records during regular business hours for the purpose of and to the extent necessary to verify any report required under this Agreement. In the event that the amounts due to BOARD are determined to have been underpaid, LICENSEE shall pay the cost of such examination, and accrued interest at the highest allowable rate.

5.3 Within thirty (30) days after March 31, June 30, September 30 and December 31, LICENSEE shall deliver to BOARD at the address listed in paragraph 5.5, below, a true and accurate report, giving such particulars of the business conducted by LICENSEE and its sublicensees, if any exist, during the preceding three (3) calendar months under this Agreement as are pertinent to an account for payments hereunder. Such report shall include at least (a) the quantities of LICENSED SUBJECT MATTER that it has produced; including a breakdown by instrument, (b) the total SALES; (c) the calculation of royalties thereon; and (d) the total royalties so computed and due BOARD. Simultaneously with the delivery of each such report, LICENSEE shall pay to BOARD the amount, if any, due for the period of such report. If no payments are due, it shall be so reported.

5.4 Upon the request of BOARD but not more often than once per calendar year, LICENSEE shall deliver to BOARD a written report as to LICENSEE'S efforts and accomplishments during the preceding year in commercializing LICENSED SUBJECT MATTER in various parts of the LICENSED TERRITORY and its commercialization plans for the upcoming year.

5.5 All amounts payable hereunder by LICENSEE shall be payable in United States funds without deductions for taxes, assessments, fees, or charges of any kind. Checks shall be made payable to The University of Texas at Austin and mailed to: Executive Vice President and Provost, The University of Texas at Austin, Main Building 201, Austin, Texas, 78712-1111, Attention: Patricia C. Ohlendorf.

VI. TERM AND TERMINATION

6.1 The term of this Agreement shall extend from the Effective Date set forth hereinabove to the full end of the term or terms for which PATENT RIGHTS have not expired, and if only TECHNOLOGY RIGHTS are licensed and no PATENT RIGHTS are applicable, for a term of fifteen (15) years.

6.2 This agreement will earlier terminate:

(a) automatically if LICENSEE shall become bankrupt or insolvent and/or if the business of LICENSEE shall be placed in the hands of a receiver, assignee, or trustee, whether by voluntary act of LICENSEE or otherwise;

(b) upon ninety (90) days written notice if LICENSEE shall breach or default on any obligation under this License Agreement; provided, however, LICENSEE may avoid such termination if before the end of such period LICENSEE notifies BOARD that such breach has been cured and states the manner of such cure to the reasonable satisfaction of BOARD.

(c) Under the provisions of Paragraph 4.4 if invoked.

6.3 Upon termination of this Agreement for any cause, nothing herein shall be construed to release either party of any obligation matured prior to the effective date of such termination. LICENSEE may, after the effective date of such termination, sell all LICENSED PRODUCT and parts therefor that it may have on hand at the date of termination, provided that it pays earned royalty thereon as provided in this Agreement.

6.4 Upon and effective as of the date of termination of this Agreement pursuant to Paragraph 4.4 above, LICENSEE grants to BOARD a nonexclusive license with the right to sublicense others with respect to improvements made by LICENSEE in the LICENSED SUBJECT MATTER. BOARD'S right to sublicense others hereunder shall be solely for purposes of permitting others to develop and commercialize the entire technology package.

VII. INFRINGEMENT BY THIRD PARTIES

7.1 LICENSEE shall have the obligation of enforcing at its expense any patent exclusively licensed hereunder against infringement by third parties and shall be entitled to retain recovery from such enforcement. LICENSEE shall pay BOARD royalty on any monetary recovery to the extent that such monetary recovery by LICENSEE comprises damages, or a reasonable royalty in lieu thereof. In the event that LICENSEE does not file suit against a substantial infringer of such patents within six (6) months of knowledge thereof, then BOARD shall have the right to enforce any patent licensed hereunder on behalf of itself and LICENSEE (BOARD retaining all recoveries from such enforcement) and/or terminate the license granted hereunder.

7.2 In any suit or dispute involving an infringer, the parties shall cooperate fully, and upon the request and at the expense of the party bringing suit, the other party shall make available to the party bringing suit at reasonable times and under appropriate conditions all relevant personnel, records, papers, information, samples, specimens, and the like which are in its possession.

VIII. ASSIGNMENT

This Agreement may not be assigned by LICENSEE without the prior written consent of BOARD.

IX. PATENT MARKING

LICENSEE agrees to mark permanently and legibly all products and documentation manufactured or sold by it under this Agreement with such patent notice as may be permitted or required under Title 35, United States Code.

X. INDEMNIFICATION

LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, UNIVERSITY, its Regents, officers, employees and agents from and against any claims, demands, or causes of action whatsoever, including without limitation those arising on account of any injury or death of persons or damage to property caused by, or arising out of, or resulting from, the exercise or practice of the license granted hereunder by LICENSEE or its officers, employees, agents or representatives.

XI. USE OF BOARD AND COMPONENT'S NAME

LICENSEE shall not use the name of The University of Texas at Austin, SYSTEM, BOARD, or Regents without express written consent.

XII. CONFIDENTIAL INFORMATION

12.1 BOARD and LICENSEE each agree that all information contained in documents marked "confidential" which are forwarded to one by the other shall be received in strict confidence, used only for the purposes of this Agreement, and not disclosed by the recipient party (except as required by law or court order), its agents or employees without the prior written consent of the other party, unless such information (a) was in the public domain at the time of disclosure, (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns, (c) was lawfully disclosed to the recipient party by a third party having the right to disclose it, (d) was already known by the recipient party at the time of disclosure, (e) was independently developed or (f) is required to be submitted to a government agency pursuant to any preexisting obligation.

12.2 Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information as it uses to protect its own confidential information. This obligation shall exist while this Agreement is in force and for a period of three (3) years thereafter.

XIII. PATENTS AND INVENTIONS

LICENSEE shall reimburse BOARD for all expenses incurred by BOARD thus far and in the future in searching, preparing, filing, prosecuting and maintaining patent applications and patents relating to PATENT RIGHTS. If after consultation with LICENSEE it is agreed by BOARD and LICENSEE that a patent application should be filed for LICENSED SUBJECT MATTER, BOARD will prepare and file appropriate patent applications, and LICENSEE will pay the cost of searching, preparing, filing, prosecuting and maintaining same. If LICENSEE notifies BOARD that it does not intend to pay the cost of an application, or if LICENSEE does not respond or make an effort to agree with BOARD on the disposition of rights in the subject invention, then BOARD may file such application at its own expense and LICENSEE shall have no rights to such invention. BOARD will give LICENSEE a copy of any applications on which LICENSEE has paid the costs of filing, as well as copies of any documents received or filed during prosecution thereof. Reimbursements due BOARD hereunder shall be paid by LICENSEE within thirty (30) days of its receipt of a bill from BOARD.

XIV. GENERAL

14.1 This Agreement constitutes the entire and only agreement between the parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements, and understandings are superseded hereby. 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 the parties.

14.2 Any notice required by this License Agreement shall be given by prepaid, first class, certified mail, return receipt requested, addressed in the case of BOARD to:

BOARD OF REGENTS
The University of Texas System
201 West 7th Street
Austin, Texas 78701
ATTENTION: System Intellectual Property Office

with a copy to:

Office of the Executive Vice President and Provost
The University of Texas at Austin
Main Building 201
Austin, Texas 78712-1111
ATTENTION: Patricia C. Ohlendorf

or in the case of LICENSEE to:

Mesotronix Corporation
8 Coleridge Lane
Austin, TX 78746
ATTENTION: Paul Ho, Director

or such other address as may be given from time to time under the terms of this notice provision.

14.3 LICENSEE shall comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this Agreement.

14.4 This License Agreement shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.

14.5 Failure of BOARD to enforce a right under this Agreement shall not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

14.6 Headings included herein are for convenience only and shall not be used to construe this Agreement.

14.7 If any provision of this Agreement shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of the remainder of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this AGREEMENT.

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

MESOTRONIX CORPORATION

By _____
Ray Farabee
Vice Chancellor and General Counsel

By Paul F. Ho.
Paul Ho
Director

APPROVED AS TO CONTENT:

By Patricia C. Ohlendorf
Patricia C. Ohlendorf
Counsel to the President
Vice Provost
The University of Texas at Austin

APPROVED AS TO FORM:

By _____
Dudley R. Dobie, Jr.
Office of General Counsel

5. U. T. Brownsville: Request for Delegation of Authority to the Executive Vice Chancellor for Academic Affairs to Approve on Behalf of the U. T. Board of Regents and to Submit to the Coordinating Board Associate Degree Program Proposals Recommended by the Southmost Union Junior College District Board of Trustees on Behalf of Texas Southmost College.--

RECOMMENDATION

The Chancellor concurs in the recommendation of President Garcia that the Executive Vice Chancellor for Academic Affairs be delegated authority to review and approve on behalf of the U. T. Board of Regents proposed associate-level degree program proposals recommended by the Southmost Union Junior College District Board of Trustees on behalf of Texas Southmost College and to submit these associate-level degree program proposals to the Texas Higher Education Coordinating Board on behalf of the U. T. Brownsville/Texas Southmost College Partnership.

BACKGROUND INFORMATION

The U. T. Brownsville/Texas Southmost College Partnership is the operating entity accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. The U. T. Board of Regents is the officially designated governing body for that accredited entity. As such, the Board must now approve associate degree programs offered by the Partnership on behalf of the Southmost Union Junior College District (Texas Southmost College) and forward them to the Texas Higher Education Coordinating Board for final approval.

Since associate degrees are intended to serve the local community and are a part of the mission of the community college, it is recommended that the Southmost Union Junior College District Board of Trustees continue the initial review for Texas Southmost College associate degree proposals. Then, if the proposal is approved by the Trustees and recommended to the U. T. Board of Regents as the Partnership Governing Board consistent with the Partnership Agreement, it is recommended that the Executive Vice Chancellor for Academic Affairs be

authorized to approve the associate degree program on behalf of the U. T. Board of Regents. This approach is consistent with the Southmost Union Junior College District Board of Trustees' Concordance Policy, in which the Board has concurred with the U. T. Board of Regents on matters of fees and many other operating policies which affect both Texas Southmost College and U. T. Brownsville students in the Partnership.

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

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that authorization be granted to establish a Bachelor of Science degree in Allied Health at U. T. Brownsville and to submit the proposal to the Texas Higher Education Coordinating Board for approval. The proposed degree program is consistent with U. T. Brownsville's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The proposed Bachelor of Science in Allied Health is a 127 semester credit hour degree program to be administered by the Allied Health Department of the School of Health Sciences at U. T. Brownsville. The program is designed for allied health practitioners who hold a license or certificate and who have earned an Associate of Applied Science degree in an allied health specialty, allowing them to build upon and broaden their educational experience while completing a

baccalaureate degree. The student will be responsible for completing the University's general education requirements for a Bachelor of Science degree and advanced work in an allied health specialty. Since the program is targeted for working professionals, courses will be offered during the evening and possibly on weekends to accommodate work schedules.

Need

Since the creation of the U. T. Brownsville/Texas Southmost College Partnership, and the seamless transition from lower-level to upper-level work, the demand from students for bachelor's-level programs has increased, especially in the health-care fields. Students in U. T. Brownsville's current associate degree-level allied health programs, which graduate over 100 students per year, have asked for this program to complete their baccalaureate degrees. Surveys of current and past students of the associate degree program led to a projected starting enrollment of 15 students, increasing to 30 by the fifth year.

Quality and Cost

The University anticipates that two additional full-time faculty will be needed for this program. Since current faculty have various backgrounds in Education, Nursing and Health, the two new faculty members will be expected to have had extensive clinical practice experience in an allied health field and to have an earned doctorate. One current full-time clerical employee will be assigned to the program.

Minimal equipment purchases to support the program will be required, primarily for a computer, software and related office supplies. No additional facilities are required.

Existing library materials will be supplemented to support this program, with purchases of approximately \$4,000 per year. The library budget is also predicated on the development of a library partnership with U. T. Austin, enhancing availability of library resources to U. T. Brownsville.

Funding during the first two years for the above enhancements will be provided from the South Texas/Border Initiative Special Item funding, with formula funds supplanting this source in the third year. Additional funding will be provided by the Higher Education Assistance Fund for authorized expenditures.

Summary

U. T. Brownsville is requesting authorization to establish a Bachelor of Science degree in Allied Health and to submit the proposed program to the Texas Higher Education Coordinating Board for approval. The program is designed specifically to provide an opportunity to earn a bachelor's degree for allied health professionals who have completed a two-year associate's degree program in an allied health specialty. Graduates from the program would be qualified for supervisory-level positions in the profession.

A copy of the proposal for the Bachelor of Science degree in Allied Health for U. T. Brownsville is on file in the U. T. System Office of Academic Affairs.

7. U. T. Brownsville and U. T. Pan American: Request for Authorization to Establish a Shared Master of Science Degree in Criminal Justice in Lieu of a Previously Approved Master of Arts Degree in Criminal Justice at U. T. Pan American and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, President Garcia and President Nevárez that authorization be granted to establish a shared Master of Science Degree in Criminal Justice at U. T. Brownsville and U. T. Pan American in lieu of the Master of Arts Degree in Criminal Justice at U. T. Pan American which was approved by the U. T. Board of Regents in February 1996 and to submit the shared program to the Texas Higher Education Coordinating Board for approval. The proposed program is consistent with the Tables of Programs for each institution. A description of the program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

The U. T. Board of Regents approved at the February 1996 meeting a proposal from U. T. Pan American to offer a Master of Arts degree in Criminal Justice. Subsequent to that approval, U. T. Brownsville also indicated a desire to offer a similar program. Presidents Garcia and Nevárez have since agreed to share faculty and other resources to create a single program which will serve students at both institutions. Because a substitute program was being developed, the original proposal from U. T. Pan American has not been transmitted to the Coordinating Board.

The shared Master of Science degree program combines the more theoretical aspects of the study of the criminal justice system in the U. T. Pan American program with the U. T. Brownsville emphasis on the administration of police and corrections activities. Administration of the program will be shared by the two institutions by forming a joint Graduate Studies Committee. Students will be admitted to a "home institution" which will be responsible for supporting that student in the initial stages of the program. Subsequently, the student, with advice from the Graduate Program Director, will file a detailed plan of study which will include identifying the institution from which the majority of the instruction will be taken. That designated institution will then assume responsibility for the student and will award the degree.

Like the previously approved U. T. Pan American program, this program will require completion of 36 semester credit hours of master's-level courses in criminal justice with appropriate undergraduate prerequisites. This program will provide a greater selection of courses by drawing on the expertise of the faculty at both institutions and will serve a larger number of students. For some courses, interactive television will be used to offer the course at both locations simultaneously. By attracting a somewhat larger group of students, some efficiencies can be realized.

A copy of the proposal for the shared Master of Science degree in Criminal Justice is on file in the U. T. System Office of Academic Affairs.

8. U. T. Dallas: Request for Authorization to Establish a Bachelor of Arts Degree in Crime and Justice Studies and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Jenifer that authorization be granted to establish a Bachelor of Arts degree in Crime and Justice Studies with Majors in Criminology and in Justice Studies at U. T. Dallas and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed degree is consistent with U. T. Dallas' approved Table of Programs and institutional plans for offering quality degree programs to meet student needs. A description of the degree is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The interdisciplinary social science degree is to be administered by the School of Social Sciences at U. T. Dallas with a curriculum committee of faculty drawn from Sociology, Government and Politics, Economics, and Public Administration. The Criminology and Justice Studies majors, under the degree title Bachelor of Arts in Crime and Justice Studies, would each require completion of 120 semester credit hours, including a nine-hour core in crime and justice studies common to both concentrations and twelve-hour cores specifically designed for each concentration.

The criminology concentration emphasizes the traditional study of crime and criminals with a policy-related focus on the agencies and components of the criminal justice system. Persons selecting this concentration are expected to pursue employment in a criminal justice related occupation.

The justice studies concentration is a more theoretical option providing a foundation in theories of justice and the relationship between the law and various other societal institutions. Students in this concentration are expected to seek advanced degrees in public policy or a traditional discipline or to obtain public policy analysis positions in the public or not-for-profit sectors.

Need

A number of traditional criminal justice programs are offered by other public universities in Texas. Three criminology programs are also offered, including one at U. T. Permian Basin. However, none have the interdisciplinary policy focus of the proposed program. Only two other U. S. universities were identified by U. T. Dallas as having a similar policy-oriented program.

The University has surveyed prospective students and employers. Based on survey information, the University projects enrolling approximately 350 students per year within five years and estimates an annual graduation rate of 80 per year.

Program Quality

The University has identified nine current full-time faculty, five of whom hold the rank of Professor, who will be responsible for this program. The curriculum utilizes a number of already established and well-tested undergraduate courses in the social sciences.

Program Cost

The University anticipates adding two new Assistant Professors and acquiring some additional library materials to support the program, with funding from reallocation of existing resources until formula funding is generated.

Summary

The University of Texas at Dallas proposes to offer a Bachelor of Arts in Crime and Justice Studies. Although recognized by the Coordinating Board as two distinct programs, the two concentrations (majors) will be administered by the School of Social Sciences as a single degree program. Because most courses for this interdisciplinary program already exist, the cost will be quite modest.

A copy of the proposal for the Bachelor of Arts degree in Crime and Justice Studies with Majors in Criminology and Justice Studies for U. T. Dallas is on file in the U. T. System Office of Academic Affairs.

9. U. T. Dallas: Request for Authorization to Establish a Master of Science Degree in Computer Science with a Major in Software Engineering and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Jenifer that authorization be granted to establish a Master of Science degree in Computer Science with a Major in Software Engineering at U. T. Dallas and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed degree program complements the existing Master of Science in Computer Science and is consistent with U. T. Dallas' approved Table of Programs and institutional plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The proposed Master of Science degree program in Computer Science with a Major in Software Engineering will be administered by the Erik Jonsson School of Engineering and Computer Science at U. T. Dallas. The program is designed to provide graduate students in computer science with an officially recognized specialization in software engineering. U. T. Dallas is ideally suited to offer this degree because of its

existing software engineering expertise, its location in the middle of a high technology area, and the demand for software engineering professionals, both currently and for the foreseeable future.

The 36 semester credit hour requirement for the degree will include 15 hours of benchmark courses, plus nine hours of electives from among a group of specified alternative courses, and a six-hour course sequence for a software engineering project as a concluding requirement for the program.

Need

The Dallas area has developed a large high technology industry that employs many engineers and scientists. Currently, the graduating students from U. T. Dallas undergraduate programs in Computer Science are quickly employed. An employee of Texas Instruments who is involved with the Software Engineering Institute has estimated that approximately 100,000 individuals in the north Dallas area alone are engaged in the software engineering field. Many of these persons have earned graduate degrees in other technical disciplines and desire to receive more explicit education in software engineering.

Quality

Admission standards for the program will include having earned a bachelor's degree which includes calculus and linear algebra, a grade point average of at least 3.0 in the last 60 hours, and a Graduate Record Examination score of 1100 or above. Students with different qualifications who have appropriate professional experience will also be considered for the program. The faculty who will be involved in the program have excellent credentials and experience, with some already teaching existing courses in software engineering as part of the computer science curriculum.

Costs

The proposed new major will be offered within the framework of the current Master of Science in Computer Science degree. While eleven new courses in software engineering have been introduced into the Computer Science curriculum within the last three years, no additional new courses would be required to establish this major. Faculty staffing is currently adequate to support the program, although allowances for growth will need to be made for the entire computer science program since enrollment in computer science programs continues to grow.

Since the current engineering and computer science facility was new in 1992, no additional facilities will be needed to support the program. Students will have adequate access to computer equipment within the department, so no additional equipment purchases are anticipated.

Summary

U. T. Dallas proposes the addition of a major in Software Engineering to the existing Master of Science in Computer Science to meet the needs for the large base of high technology employers in the Dallas area. The primary impact of approving this program will be officially to recognize a specialization within the established and well recognized Master of Science in Computer Science.

A copy of the proposal for the Master of Science degree in Computer Science with a Major in Software Engineering for U. T. Dallas is on file in the U. T. System Office of Academic Affairs.

10. U. T. Pan American: Proposed Amendments to the Policy for Freshman Admissions to be Effective with the Spring Semester 1998 (Catalog Change).--

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 proposed amendments to the Policy for Freshman Admissions at U. T. Pan American to be effective after September 1, 1997, for applicants seeking admission for the Spring Semester 1998 or a subsequent enrollment period, as set out on Page AAC - 51 in congressional style.

The University of Texas - Pan American
Policy for Freshman Admissions

I. Regular Admission

A. Entering Freshman Admission Criteria

Applicants who have graduated from accredited United States high schools or their equivalents are eligible for regular admission if they meet one of the following criteria:

1. Completion of a high school curriculum certified as "Recommended" or "Advanced" or "with Honors," or
2. Completion of a regular high school program with a class rank in the top quartile [~~upper half~~] of the graduating class, or
3. An ACT Composite of 20 or above (SAT 930 or above).

. . . .

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

BACKGROUND INFORMATION

Approval was given at the May 1995 meeting of the U. T. Board of Regents for U. T. Pan American to establish a Policy for Freshman Admissions whereby graduates of an accredited high school would be granted regular admission if they met one of the following three criteria:

- a. Had completed a specified high school college preparatory curriculum,
- b. Had graduated in the top half of their class, or
- c. Had scored 20 or above on the American College Test or 930 or above on the Scholastic Assessment Test.

Students who did not meet one of these requirements for regular admission were enrolled in the Provisional Enrollment Program and were required to meet certain performance expectations to be changed to regular enrollment status.

The proposed revisions to the U. T. Pan American Policy for Freshman Admissions add to the options for college preparatory curricula the "Recommended" program established by the State Board of Education under Section 28.025 of the Texas Education Code. In addition, the proposed revisions would change the alternative requirement of having graduated in the top half of the graduating class to a requirement for having graduated in the top quartile. The policy for allowing applicants who do not meet the requirements for regular admission to enroll under the Provisional Enrollment Program would remain unchanged.

The new policy would affect students who apply for the Spring Semester 1998 or a subsequent enrollment period.

Public school leaders responded very positively to the admissions policy changes made in 1995, with the result of a much larger percentage of new freshman students in the Fall 1996 having completed a high school college preparatory curriculum. The proposed changes will be announced in advance to public school leaders and students to provide ample notice to prospective applicants. The changes are expected to be received positively and to encourage even more college-bound students to select appropriate courses in high school.

Health Affairs Committee

HEALTH AFFAIRS COMMITTEE
Committee Chairman Loeffler

Date: May 8, 1997
Time: Following the Meeting of the Academic Affairs
Committee
Place: Room 1.463, School of Nursing Expansion Building
U. T. Health Science Center - San Antonio

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HAC

U. T. Medical Branch - Galveston: Request
for Approval for Individuals to Acquire
Equity in and Serve as Directors of and
Consultants to GenesysStems, Inc., Clear
Lake, Texas

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U. T. Medical Branch - Galveston: Request for Approval
for Individuals to Acquire Equity in and Serve as
Directors of and Consultants to GenesyStems, Inc.,
Clear Lake, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents approve, on behalf of the U. T. Medical Branch - Galveston, the acquisition of equity in and service as directors of and consultants to GenesyStems, Inc., Clear Lake, Texas, by Dr. Brian R. Davis and Dr. David B. Brown, Professors at the U. T. Medical Branch - Galveston.

BACKGROUND INFORMATION

Dr. Brian R. Davis and Dr. David B. Brown of the U. T. Medical Branch - Galveston have created an invention entitled "Improved Methods for Incorporating Macromolecules into Cells." The U. T. Medical Branch - Galveston released the invention to Drs. Davis and Brown on the condition that they will pay the University five percent (5%) of monies received from commercialization of the invention after recovering their legal expenses. In turn, Drs. Davis and Brown have assigned their rights in the invention to Gencell, Inc. d/b/a The Rexford Group, the parent company of GenesyStems, Inc., which will commercialize the invention. GenesyStems, Inc. will have an office and laboratory in Clear Lake, Texas.

Dr. Davis and Dr. Brown each will receive \$50,000 and twenty-five percent (25%) of royalties and other considerations from licensing of the invention by GenesyStems, Inc. In exchange for service as directors of GenesyStems, Inc., Drs. Davis and Brown each will be granted 2,000,000 shares in the company with an option to acquire an additional 500,000 shares. For consulting services, Dr. Davis will receive between \$1,000 and \$2,500 per month and Dr. Brown will receive \$2,120 per month.

The proposed arrangement is consistent with Section 51.912 of the Texas Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to Part Two, Chapter XII, Subsections 6.2 and 7.1 of the Regents' Rules and Regulations, approval by the U. T. Board of Regents is necessary for Drs. Davis and Brown to acquire equity in and serve as directors of GenesyStems, Inc.

HEALTH AFFAIRS COMMITTEE

ADDITIONAL ITEM

MAY 8, 1997

2. U. T. M.D. Anderson Cancer Center: Recommendation to Approve First Amendment to License Agreement with M.D. Anderson Cancer Center Outreach Corporation.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Mendelsohn that the U. T. Board of Regents approve, on behalf of the U. T. M.D. Anderson Cancer Center, the proposed First Amendment to License Agreement between the U. T. Board of Regents and M.D. Anderson Cancer Center Outreach Corporation in substantially the form set forth on Pages HAC 6 - 7.

BACKGROUND INFORMATION

At its February 1990 meeting, the U. T. Board of Regents approved a license agreement whereby Outreach was permitted to use the name and trademark "M.D. Anderson Cancer Center Outreach Corporation" in the operation of the Orlando Cancer Center in Orlando, Florida. At its August 8, 1996 meeting, the U. T. Board of Regents approved a license agreement whereby Outreach was permitted to use that name and trademark and specific variants thereof in the entirety of the United States and its territories and possessions. Outreach now wishes to provide services in other countries under the names and trademarks "M.D. Anderson Cancer Center Outreach Corporation [name of country]," etc. The proposed First Amendment to License Agreement will permit such usage by Outreach and, with prior approval by the U. T. Board of Regents, by sublicensees of Outreach.

The proposed First Amendment to License Agreement with Outreach may be terminated upon the termination of any other agreement governing the provision of services by Outreach and is important to the continued effective functioning of Outreach.

FIRST AMENDMENT TO
LICENSE AGREEMENT

The Board of Regents of The University of Texas System (the "BOARD OF REGENTS") and M.D. Anderson Cancer Center Outreach Corporation, a Texas nonprofit corporation ("OUTREACH"), enter into this First Amendment to License Agreement ("AMENDMENT") effective as of the 1st day of May, 1997 for the purposes herein set forth. Except as otherwise provided herein, the defined terms used in this AMENDMENT shall have the meanings assigned to them in that certain LICENSE AGREEMENT (the "LICENSE AGREEMENT") entered into by the BOARD OF REGENTS and OUTREACH effective as of the 1st day of January, 1996. The BOARD OF REGENTS and OUTREACH are referred to collectively herein as the PARTIES.

WHEREAS, the BOARD OF REGENTS owns rights in certain marks used by The University of Texas System and or component institutions;

WHEREAS, the PARTIES entered into the LICENSE AGREEMENT in order that the BOARD could grant to OUTREACH a non-exclusive license to utilize LICENSED MARKS under the terms and conditions of the LICENSE AGREEMENT.

WHEREAS, Section 3.6 of the LICENSE AGREEMENT defines the LICENSED TERRITORY; and

WHEREAS, the PARTIES desire to amend Section 3.6 to expand the LICENSED TERRITORY.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the PARTIES agree as follows:

1. Section 3.6 shall be amended to provide as follows:

LICENSED TERRITORY means all countries of the world except for a portion of the United States, to wit, Orlando, Florida, which is and shall remain the subject of a separate License Agreement effective March 1, 1990, between the parties.

IN WITNESS WHEREOF, the PARTIES have caused this AMENDMENT to be executed in multiple originals, to be effective as of the day and the year first above written.

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: _____

Name: _____

Title: _____

Date Signed: _____

M.D. ANDERSON CANCER CENTER
OUTREACH CORPORATION

By: _____

Name: Robert N. Shaw

Title: President and Chief Executive
Officer

Date Signed: _____

Approved as to Form:

U.T. System
Office of General Counsel

**Facilities, Planning & Construction
Committee**

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
Committee Chairman Clements

Date: May 8, 1997
Time: Following the Meeting of the Health Affairs
Committee
Place: Room 1.463, School of Nursing Expansion Building
U. T. Health Science Center - San Antonio

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1. U. T. Arlington - Ransom Hall Computing Equipment: Appropriation Therefor and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Witt that the U. T. Board of Regents appropriate \$1,380,000 from Revenue Financing System Bond Proceeds - Special Program and \$620,000 from Permanent University Fund Bond Proceeds - Special Program for total project funding of \$2,000,000 for the Ransom Hall Computing Equipment project at U. T. Arlington.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 6, the U. T. Board of Regents resolves 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 U. T. Board of Regents relating to the Financing System
- c. U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt for Ransom Hall Computing Equipment in the amount of \$1,380,000

- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The FY 1996-2001 Capital Improvement Program was adopted by the U. T. Board of Regents in August 1995 to include a project for Ransom Hall Computing Equipment at U. T. Arlington at an estimated preliminary project cost of \$2,000,000.

This project involves the purchase, fabrication, and installation of the furniture and equipment required to support a computing facility for approximately 300 students. Included is computer hardware, software, work stations, network servers, and network controllers.

The Ransom Hall Renovation Project is scheduled for completion the first part of June 1997. The expenditures for the Ransom Hall Computing Equipment project will be incurred between May and August 1997 to ensure the facility and equipment are available for the Fall Semester 1997.

The 74th Texas Legislature authorized an increase in the maximum General Use Fee in an amount not to exceed the level of in-state undergraduate tuition. This initiative was in response to the need to provide capital funding for institutions that participate in Permanent University Fund Bond Proceeds at a level at least equivalent to those institutions that participate in the Higher Education Assistance Fund (HEAF). For each of the Fiscal Years 1996 and 1997, the General Use Fee per semester credit hour was increased at U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio, and U. T. Tyler. With the exception of U. T. Austin, \$1.55 per semester credit hour of the increase may be used directly for debt service for bonds to be issued. For U. T. Arlington, the increase of \$1.55 per semester credit hour will provide debt service for bond proceeds in an amount of approximately \$8,300,000 for each of the Fiscal Years 1996 and 1997. In the FY 1996-2001 Capital Improvement Program, U. T. Arlington identified three projects totaling \$5,000,000 to receive bond proceeds under this program; however, one such project, the Maverick Building Renovation Project in the amount of \$615,615, has since been removed from the Capital Improvement Program.

U. T. Arlington currently charges a General Use Fee of \$25.00 per semester credit hour for Fiscal Year 1997. Beginning in Fiscal Year 1998, the intended General Use Fee will increase to \$30.00 per semester credit hour, in Fiscal Year 1999 to \$33.00, in Fiscal Year 2000 to \$37.00, and in Fiscal Year 2001 to \$40.00. U. T. Arlington expects semester credit hours to decline by 6.4% and 5.0% in Fiscal Years 1997 and 1998, respectively. Beginning in Fiscal Year 1999, semester credit hours are expected to increase by 1.0%, in Fiscal Year 2000 by 2.0% and in Fiscal Year 2001 by 3.0%. Borrowing cost assumptions for the debt are 4.5% for the short-term, installation period and 6.5% for the long-term, fixed rate bonds.

Based upon the General Use Fee Budget, the issuance of this debt results in a debt service coverage during the installation period of 2.3 times in Fiscal Year 1997. Completion of the project installation is anticipated for September 1997, with the debt being converted to a fixed rate of interest, resulting in a minimum debt service coverage of 2.5 times. The financing forecast for this project is set forth on Page FPCC - 7.

This project is included in the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the "Master Resolution"), do hereby execute this certificate for the benefit of the U. T. Board of Regents pursuant to Section 5 (a) (ii) of the Master Resolution in connection with the authorization by the U. T. Board of Regents to issue "Parity Debt" pursuant to the Master Resolution to finance the construction cost of the Ransom Hall Computing Equipment project at U. T. Arlington, and do certify that to the best of my knowledge, the U. T. Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, the Second Supplemental Resolution, the Third Supplemental Resolution, and the Fourth Supplemental Resolution, and the Fifth Supplemental Resolution and is not in default of any of the terms, provisions, and conditions in said Master Resolution, First Supplemental Resolution, Second Supplemental Resolution, Third Supplemental Resolution, and Fourth Supplemental Resolution, and the Fifth Supplemental Resolution as amended.

EXECUTED this 8 day of May, 1997

John D. Roan
Assistant Vice Chancellor for Finance

**The University of Texas at Arlington
Ransom Hall Computing Equipment Project**

Project Level - General Use Fee Budget (\$ in thousands)	Actual			Forecast		
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Beginning Balance	285.2	1,232.8	930.4	945.2	1,783.0	4,296.3
General Use Fee Receipts	7,680.4	11,598.2	13,212.1	14,671.0	16,773.0	18,669.1
Existing Debt Service & Equipment	(2,619.8)	(4,905.5)	(4,844.8)	(4,935.7)	(4,837.2)	(4,710.5)
\$1.55 Debt Service (\$4.4 million @ 6.5%)	0.0	(197.1)	(397.5)	(397.5)	(397.5)	(397.5)
Income Available After Debt Service	5,060.6	6,495.6	7,969.8	9,337.8	11,538.3	13,561.1
Transfers to Educational & General	0.0	(2,900.0)	(3,300.0)	(3,450.0)	(3,750.0)	(3,862.5)
Operating Expense	(4,113.0)	(3,898.0)	(4,655.0)	(5,050.0)	(5,275.0)	(5,433.3)
Net Income	947.6	(302.4)	14.8	837.8	2,513.3	4,265.4
Ending Balance	1,232.8	930.4	945.2	1,783.0	4,296.3	8,561.7
Debt Service Coverage	2.9	2.3	2.5	2.8	3.2	3.7

Campus Level: U.T. Arlington (\$ in millions)

	Actual			Forecast				
	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Beg. Fund Balances	22.9	25.0	23.4	25.7	30.8	34.3	35.1	35.4
Total Current Revenues	143.3	143.6	155.8	159.0	162.7	165.2	169.7	174.6
Total Current Expenditures	(132.9)	(137.6)	(144.1)	(143.9)	(148.6)	(153.4)	(158.4)	(163.6)
Net Revenues	10.4	6.0	11.7	15.1	14.1	11.8	11.3	11.0
Debt Service	(5.0)	(5.3)	(6.2)	(7.6)	(8.1)	(8.4)	(8.3)	(8.2)
Other Mand. Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Mand. Transfers	(5.0)	(5.3)	(6.2)	(7.6)	(8.1)	(8.4)	(8.3)	(8.2)
Non-Mand. Transfers	(2.6)	(2.3)	(1.4)	(2.4)	(2.5)	(2.6)	(2.7)	(2.7)
Adjustments	(0.7)	0.0	(1.8)	0.0	0.0	0.0	0.0	0.0
Net Inc./(Dec.) for Year	2.1	(1.6)	2.3	5.1	3.5	0.8	0.3	0.1
End. Fund Balances	25.0	23.4	25.7	30.8	34.3	35.1	35.4	35.5
Debt Service Coverage	2.1	1.1	1.9	2.0	1.7	1.4	1.4	1.3

U.T. System (\$ in millions)

	Actual			Forecast				
	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Available Revenues	3,226.4	3,439.7	3,682.1	3,721.5	3,789.0	3,809.2	3,872.3	3,901.0
Operating Expenses	(3,033.6)	(3,239.9)	(3,353.6)	(3,513.0)	(3,562.4)	(3,586.1)	(3,624.6)	(3,661.1)
Net Avail. for Debt Serv.	192.8	199.8	328.5	208.5	226.6	223.1	247.7	239.9
Debt Service	(43.1)	(48.9)	(56.0)	(87.5)	(101.6)	(104.3)	(108.0)	(108.6)
Debt Service Coverage	4.5	4.1	5.9	2.4	2.2	2.1	2.3	2.2

2. U. T. Austin - Animal Resources Center - Renovation of Heating, Ventilating, and Air Conditioning System (HVAC): Request for Authorization to Amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to Include Project; Authorization for U. T. Austin Administration to Manage the Project by Retaining Professional Engineering Services to Prepare Plans and Specifications, Advertise for Bids, and Award Contracts; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to include a project at U. T. Austin for Animal Resources Center - Renovation of Heating, Ventilating, and Air Conditioning System (HVAC) at a preliminary project cost of \$1,750,000
- b. Authorize U. T. Austin Administration to manage the project by retaining professional engineering services to prepare plans and specifications, advertise for bids, and award contracts
- c. Appropriate \$1,750,000 from Educational and General Funds for total project funding.

BACKGROUND INFORMATION

This project will replace air handlers serving approximately 41,000 square feet of conditioned space in the U. T. Austin Animal Resources Center. The project will increase the energy efficiency and reliability of the system. The existing system will remain active until the new system is operational, then the old system will be removed.

It is important that this project move forward quickly in order to have the installation and operation of the new air handlers completed as soon as possible. Several issues make this schedule necessary. It has become clear that the existing air handlers are at the end of their useful life and "band-aid" solutions are less and less effective. Complete unit failure becomes more likely the longer these units operate. These units provide critical environmental support for this research facility which houses thousands of animals. HVAC failure would have a catastrophic impact on a number of ongoing research activities.

This project has been reviewed by the Office of Facilities Planning and Construction which agrees that the project should be managed by U. T. Austin Administration.

Total project funding will be \$1,750,000 from U. T. Austin Educational and General Funds.

Approval of this item will amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

3. U. T. Austin - J. J. Pickle Research Campus - New Warehouse Facility (Project No. 1-5978, 102-764): Proposed Appointment of Hearing Officer for Disputed Claim Under Construction Contract with American Constructors, Inc., Austin, Texas, and Authorization for Hearing Officer to Employ Personnel to Conclude Such Hearing and to Present Findings and Recommendations to the U. T. Board of Regents.--

RECOMMENDATION

The Chancellor, with the concurrence of the Executive Vice Chancellors for Academic and Business Affairs, recommends that the U. T. Board of Regents:

- a. Authorize the Chancellor to appoint Judge James Myers as Hearing Officer to represent the U. T. Board of Regents to hear the claim under the Disputes clause of a construction contract with American Constructors, Inc. (ACI), Austin, Texas, for a New

Warehouse Facility at the U. T. Austin J. J. Pickle Research Campus except claims for damages for delay, or if ACI makes objection to the appointment of Judge James Myers, authorize the Chancellor, with the concurrence of the Vice Chancellor and General Counsel, to appoint the State Office of Administrative Hearings (SOAH) to act as Hearing Officer pursuant either to SOAH hearing procedures or procedures privately agreed to by SOAH and the parties

- b. Empower the Hearing Officer to adopt such rules of procedure for the hearing as the Hearing Officer deems necessary and authorize the Hearing Officer, with the concurrence of the Vice Chancellor and General Counsel, to employ any personnel necessary to conclude such hearing in an expeditious manner
- c. Instruct the Hearing Officer, upon completion of testimony and receipt of all pertinent data, to present findings and recommendations to the U. T. Board of Regents for a decision regarding the validity of the claim.

BACKGROUND INFORMATION

The University of Texas at Austin (the Owner) awarded a construction contract to American Constructors, Inc. (ACI), Austin, Texas, dated November 14, 1991, in the amount of \$1,553,200 for a New Warehouse Facility at the J. J. Pickle Research Campus. By change order, the contract sum was increased to \$1,585,512. The original contract time for completion was 210 days or July 23, 1992. The date for completion was extended by change order to September 20, 1992. The actual date of substantial completion was March 2, 1993. The Owner charged liquidated damages of \$150 per day for 184 days of late completion for a total of \$27,600 plus a backcharge of \$1,372 for a 20-year weathertightness warranty endorsement.

ACI disputed the amount of liquidated damages assessed and claimed that it was owed \$73,546 from "unforeseen ground water," \$158,009 from a ceiling retrofit for the high density storage room, and \$63,937 in interest for a total of \$324,464.

ACI's position was denied by Mr. R. Wayne Price, Director of Physical Plant at U. T. Austin, in a decision under the Disputes clause of the contract. Mr. Price offered, as a settlement, to reduce liquidated damages by 58 days, or \$8,700, and offered an additional \$4,901 for excavation and \$1,517 for pumping, an additional \$15,118 for groundwater costs and time, and, as an accommodation, the forgiveness of an additional \$18,900 of liquidated damages. ACI refused this offer and appealed to Chancellor William H. Cunningham. After a new investigation and analysis were conducted on behalf of Chancellor Cunningham by the U. T. System Office of Facilities Planning and Construction, Chancellor Cunningham confirmed Mr. Price's settlement offer and ruling. ACI refused Chancellor Cunningham's offer and is appealing to the U. T. Board of Regents for the appointment of a Hearing Officer pursuant to the Disputes clause of the contract. The contract explicitly prohibits claims for "damage for delay."

4. U. T. Austin - Darrell K Royal - Texas Memorial Stadium, Renovation and Expansion of West Grandstand (Project No. 102-861): Request for Approval of Plaque Inscription.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Berdahl that the U. T. Board of Regents approve the inscription set forth on Page FPCC - 12 for a plaque to be placed on the Darrell K Royal - Texas Memorial Stadium, Renovation and Expansion of West Grandstand project at U. T. Austin.

DARRELL K ROYAL - TEXAS MEMORIAL STADIUM
RENOVATION AND EXPANSION OF WEST GRANDSTAND
1996

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of Texas at Austin

Heery International, Inc.
Project Architect

Hensel Phelps Construction
Company
Contractor

BACKGROUND INFORMATION

On December 9, 1996, the Chancellor approved the award of a construction contract for the Darrell K Royal - Texas Memorial Stadium, Renovation and Expansion of West Grandstand at U. T. Austin. The plaque is in keeping with the standard pattern approved by the U. T. Board of Regents in June 1979.

5. U. T. Dallas: Request for Authorization to Amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to Include a Project for McDermott Library Renovation - Phase II; Reallocation of Funds from the Campus Equipment and Rehabilitation Project; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to include a project for McDermott Library Renovation - Phase II at U. T. Dallas at a preliminary project cost of \$1,000,000
- b. Reallocate \$1,000,000 from the Campus Equipment and Rehabilitation project to the McDermott Library Renovation - Phase II project
- c. Appropriate \$1,000,000 from Permanent University Fund Bond Proceeds - Special Program for total project funding.

BACKGROUND INFORMATION

The McDermott Library at U. T. Dallas was occupied in 1976. At the May 1996 meeting, the U. T. Board of Regents authorized the McDermott Library Renovation - Phase I at a cost of \$1,000,000. The Phase I renovation work will be completed late this summer. The McDermott Library Renovation - Phase II at a cost of \$1,000,000 will enable U. T. Dallas to immediately move forward to address ADA issues, lighting, and traffic flow.

Approval of this item will amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

6. U. T. El Paso - Renovation of Nursing/Health Sciences Facilities (Project No. 201-910): Approval of Design Development Plans; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

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

- a. Approve design development plans for the Renovation of Nursing/Health Sciences Facilities at U. T. El Paso at an estimated total project cost of \$3,450,000
- b. Appropriate \$1,050,000 from Revenue Financing System Bond Proceeds - Special Program and \$2,400,000 from Permanent University Fund Bond Proceeds - Special Program for total project funding.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 17, the U. T. Board of Regents resolves 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 U. T. Board of Regents relating to the Financing System

- c. U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt for Renovation of Nursing/Health Sciences Facilities in the amount of \$1,050,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The FY 1996-2001 Capital Improvement Program was adopted by the U. T. Board of Regents in August 1995 to include a project for the Renovation of Nursing/Health Sciences Facilities at U. T. El Paso at an estimated preliminary project cost of \$3,450,000. In accordance with the revised Capital Improvement Program process approved by the U. T. Board of Regents in December 1994, the Chancellor appointed Brown and Caldwell, Inc., El Paso, Texas, as Project Engineer.

Design development plans and specifications have been prepared for this renovation project. This project involves substantial revision and modernization of heating, ventilating, and air-conditioning systems including replacement of fan coil units, mechanical pumps, chiller, and boiler. Work will take place in the College of Nursing Building and the Stanton Medical Building.

The 74th Texas Legislature authorized an increase in the maximum General Use Fee in an amount not to exceed the level of in-state undergraduate tuition. This initiative was in response to the need to provide capital funding for institutions that participate in Permanent University Fund Bond Proceeds at a level at least equivalent to those institutions that participate in the Higher Education Assistance Fund (HEAF). For each of the Fiscal Years 1996 and 1997, the General Use Fee per semester credit hour was increased at U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio, and U. T. Tyler. With the exception of U. T. Austin, \$1.55 per semester credit

hour of the increase may be used directly for debt service for bonds to be issued. For U. T. El Paso, the increase of \$1.55 per semester credit hour will provide debt service for bond proceeds in an amount of approximately \$5,700,000 for each of the Fiscal Years 1996 and 1997. In the FY 1996-2001 Capital Improvement Program, U. T. El Paso identified two projects totaling \$2,550,000 to receive bond proceeds under this program.

U. T. El Paso currently charges a General Use Fee of \$18.50 per semester credit hour for Fiscal Year 1997. Beginning in Fiscal Year 1998, the intended General Use Fee will increase to \$24.00 per semester credit hour. Additionally, enrollment growth is expected to be 0% in Fiscal Year 1998 and 1% per annum for Fiscal Years 1999 through 2001. Borrowing cost assumptions for the debt are 4.5% for the short-term, interim construction period and 6.5% for the long-term, fixed rate bonds.

Based upon the General Use Fee Budget, the issuance of this debt results in a debt service coverage during the interim construction period of 2.2 times and 2.8 times, respectively, in Fiscal Years 1997 and 1998. Completion of the project is anticipated for September 1998, with the debt being converted to a fixed rate of interest, resulting in debt service coverage ranging from 2.9 to 3.0 times thereafter, dependent upon growth in semester credit hours. The financing forecast for this project is set forth on Page FPCC - 18.

This project is included in the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991, and amended on October 8, 1993 (the "Master Resolution"), do hereby execute this certificate for the benefit of the U. T. Board of Regents pursuant to Section 5 (a) (ii) of the Master Resolution in connection with the authorization by the U. T. Board of Regents to issue "Parity Debt" pursuant to the Master Resolution to finance the construction cost of the Renovation of Nursing/Health Sciences Facilities project at U. T. El Paso, and do certify that to the best of my knowledge, the U. T. Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, the Second Supplemental Resolution, the Third Supplemental Resolution, and the Fourth Supplemental Resolution, and the Fifth Supplemental Resolution and is not in default of any of the terms, provisions, and conditions in said Master Resolution, First Supplemental Resolution, Second Supplemental Resolution, Third Supplemental Resolution, and Fourth Supplemental Resolution, and the Fifth Supplemental Resolution as amended.

EXECUTED this 8 day of May, 1997
John A. Roan
Assistant Vice Chancellor for Finance

**The University of Texas at El Paso
Renovation of Nursing / Health Sciences Facility**

Project Level - General Use Fee Budget (\$ in thousands)	Actual			Forecast		
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Beginning Balance	4,056.5	5,920.5	6,097.1	7,272.8	8,517.3	9,576.1
General Use Fee Receipts	6,700.2	7,073.8	9,125.3	9,214.8	9,305.3	9,396.6
Existing Debt Service & Equipment	(2,364.3)	(3,105.9)	(3,004.9)	(2,987.8)	(2,925.0)	(2,929.1)
\$1.55 Debt Service (\$2.55 million @ 6.5%)	0.0	(114.8)	(231.4)	(231.4)	(231.4)	(231.4)
Income Available After Debt Service	4,335.9	3,853.1	5,889.0	5,995.6	6,148.9	6,236.1
Transfers to Educational & General	0.0	(2,451.0)	(3,451.0)	(3,451.0)	(3,751.0)	(3,751.0)
Operating Expense	(2,471.9)	(1,225.5)	(1,262.3)	(1,300.1)	(1,339.1)	(1,379.3)
Net Income	1,864.0	176.6	1,175.7	1,244.5	1,058.8	1,105.8
Ending Balance	5,920.5	6,097.1	7,272.8	8,517.3	9,576.1	10,681.9
Debt Service Coverage	2.8	2.2	2.8	2.9	2.9	3.0

Campus Level: U.T. El Paso (\$ in millions)								
	Actual			Forecast				
	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Beg. Fund Balances	9.5	11.7	12.2	13.5	14.6	15.5	16.4	17.3
Total Current Revenues	101.6	104.0	105.7	109.5	112.6	115.7	119.0	122.3
Total Current Expenditures	(94.0)	(97.1)	(98.2)	(101.5)	(104.6)	(107.7)	(111.0)	(114.3)
Net Revenues	7.6	6.9	7.5	8.0	8.0	8.0	8.0	8.0
Debt Service	(3.2)	(3.3)	(4.3)	(5.3)	(5.4)	(5.4)	(5.3)	(5.3)
Other Mand. Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Mand. Transfers	(3.2)	(3.3)	(4.3)	(5.3)	(5.4)	(5.4)	(5.3)	(5.3)
Non-Mand. Transfers	(1.2)	(1.9)	(1.3)	(1.2)	(1.3)	(1.3)	(1.4)	(1.4)
Adjustments	(1.0)	(1.2)	(0.6)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net Inc./ (Dec.) for Year	2.2	0.5	1.3	1.1	0.9	0.9	0.9	0.9
End. Fund Balances	11.7	12.2	13.5	14.6	15.5	16.4	17.3	18.2
Debt Service Coverage	2.4	2.1	1.7	1.5	1.5	1.5	1.5	1.5

U.T. System (\$ in millions)								
	Actual			Forecast				
	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Available Revenues	3,226.4	3,439.7	3,682.1	3,721.5	3,789.0	3,809.2	3,872.3	3,901.0
Operating Expenses	(3,033.6)	(3,239.9)	(3,353.6)	(3,513.0)	(3,562.4)	(3,586.1)	(3,624.6)	(3,661.1)
Net Avail. for Debt Serv.	192.8	199.8	328.5	208.5	226.6	223.1	247.7	239.9
Debt Service	(43.1)	(48.9)	(56.0)	(87.5)	(101.6)	(104.3)	(108.0)	(108.6)
Debt Service Coverage	4.5	4.1	5.9	2.4	2.2	2.1	2.3	2.2

7. U. T. Tyler - Liberal Arts Complex (Project No. 802-719): Request for Approval to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Naming of Buildings and Other Facilities) and Approval of Plaque Inscription.--

RECOMMENDATION

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

- a. Approve redesignation of the Liberal Arts Complex at U. T. Tyler as the R. Don Cowan Fine and Performing Arts Center to recognize the accomplishments and contributions of Mr. R. Don Cowan and friends and family members of Mr. Cowan pursuant to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, relating to naming of buildings and other facilities
- b. Approve the inscription set out below for a plaque to be placed on the building in keeping with the standard pattern approved by the U. T. Board of Regents in June 1979:

R. DON COWAN
FINE AND PERFORMING ARTS CENTER
1995

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President, The University
of Texas at Tyler

C/A Alliance - Architects
Architect
C Construction Co., Inc.
Contractor

BACKGROUND INFORMATION

The family and friends of Mr. R. Don Cowan have pledged a total of \$1,800,000 (or almost 30%) of the total private support of \$5,320,000 for the new Liberal Arts Complex at U. T. Tyler. Mr. Cowan, a graduate of U. T. Austin and Harvard Graduate School of Business, established a presidential scholarship at U. T. Tyler.

After serving in the U. S. Army as a Captain during World War II, Mr. Cowan operated a Certified Public Accountant (CPA) practice in Tyler until joining TCA Cable in 1962 as treasurer. He retired in 1987 after 25 years with the company but continued to serve as vice-chairman of the board and director. He was a member of the American Institute of CPA's and the East Texas Chapter of CPA's. Mr. Cowan died in 1992, and is remembered as an accomplished businessman and devoted patron of the arts.

His widow, Frances, is one of the founders of the U. T. Tyler Friends of the Arts. Also, she is a member of the U. T. Tyler Educational Foundation, Inc., the President's Associates, and the U. T. Tyler Development Board. In 1994, Mrs. Cowan was named Patriot of the Year during the annual President's Dinner.

The proposed name of the Liberal Arts Complex as the R. Don Cowan Fine and Performing Arts Center is consistent with the Regents' Rules and Regulations on naming of buildings related to recognition of multiple gifts and other contributions made by Mr. and Mrs. Cowan to U. T. Tyler.

8. U. T. Health Science Center - San Antonio - Research Building in the Texas Research Park (Project No. 402-905): Request for Approval of Design Development Plans and Appropriation Therefor.--

RECOMMENDATION

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

- a. Approve design development plans for the Research Building in the Texas Research Park at the U. T. Health Science Center - San Antonio at an estimated total project cost of \$19,000,000
- b. Appropriate \$13,000,000 from Gifts and Grants and \$6,000,000 from Permanent University Fund Bond Proceeds for total project funding.

BACKGROUND INFORMATION

This Research Building in the Texas Research Park at the U. T. Health Science Center - San Antonio will provide approximately 88,000 square feet of which 53,000 square feet will be devoted to research laboratories. The balance of the space, approximately 35,000 square feet, will provide for telecommunications facilities, a library, dining area, and other common use facilities. The research programs to be housed in the facility would be directed toward the application of modern basic biology for human diseases, specifically those diseases prevalent in South Texas. The proposed activities for this building would complement the work currently being done by the Institute of Biotechnology in the Hayden Head Building at the Texas Research Park, as well as the work in drug development in the nearby facilities operated by the Cancer Therapy and Research Center.

This project is included in the FY 1996-2001 Capital Improvement Program at a preliminary project cost of \$12,000,000 in Gifts and Grants and \$6,000,000 in Permanent University Fund Bond Proceeds.

Approval of this item will amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to include the addition of a \$1,000,000 Federal grant resulting in a total project cost of \$19,000,000.

9. U. T. M.D. Anderson Cancer Center - Combined Backfill Renovations - Phase I, Stage 2: Request for Project Authorization; Authorize Management by U. T. M.D. Anderson Cancer Center Administration and the Office of Facilities Planning and Construction; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Authorize a project for the U. T. M.D. Anderson Cancer Center titled Combined Backfill Renovations - Phase I, Stage 2, at a preliminary project cost of \$10,000,000
- b. Authorize management of projects below \$600,000 by the U. T. M.D. Anderson Cancer Center Administration and management of projects exceeding \$600,000, as well as the overall project budget and contracting process, by the Office of Facilities Planning and Construction
- c. Appropriate \$10,000,000 from Educational and General Funds for total project funding.

BACKGROUND INFORMATION

The FY 1996-2001 Capital Improvement Program contains two projects, Combined Backfill Renovations - Phase I, and Combined Backfill Renovations - Phase II, at U. T. M.D. Anderson Cancer Center. The Phase I, Stage 1 project was authorized by the U. T. Board of Regents in November 1996. The Stage 2

project will consist of approximately twenty projects with a total combined project cost of \$10,000,000 funded from Educational and General Funds. The project includes the renovation of spaces in existing buildings that have been, or will be, vacated as the result of previous occupants moving into the Charles A. LeMaistre Clinic or the Albert B. and Margaret M. Alkek Hospital. The renovations included in Phase I, Stage 2 are those that will have a high impact on patient-care quality and capacity or are designed to directly support the new construction and/or planned to improve support services efficiencies.

This project, which will be completed in phases beginning June 1997 and ending in December 2000, includes approximately 124,000 assignable square feet at approximately \$80 per square foot.

10. U. T. M.D. Anderson Cancer Center - Combined Backfill Renovations - Phase II: Request to Amend the FY 1996-1997 Capital Budget to Include Project; Authorize Management by U. T. M.D. Anderson Cancer Center Administration and the Office of Facilities Planning and Construction; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Amend the FY 1996-1997 Capital Budget to include a project for Combined Backfill Renovations - Phase II at the U. T. M.D. Anderson Cancer Center at a preliminary project cost of \$32,000,000
- b. Authorize management of projects below \$600,000 by the U. T. M.D. Anderson Cancer Center Administration and management of

projects exceeding \$600,000, as well as the overall project budget and contracting process, by the Office of Facilities Planning and Construction

- c. Appropriate \$32,000,000 from Educational and General Funds for total project funding.

BACKGROUND INFORMATION

The FY 1996-2001 Capital Improvement Program contains two projects, Combined Backfill Renovations - Phase I, and Combined Backfill Renovations - Phase II, at U. T. M.D. Anderson Cancer Center. The Combined Backfill Renovations - Phase II is currently included in the FY 1996-2001 Capital Improvement Program at \$53,100,000. The Phase II work has now been reduced in scope and will include approximately fifty projects at a combined project cost of \$32,000,000 with funding from Educational and General Funds. It includes the continued renovation of spaces in six existing buildings that have been, or will be, vacated as the result of previous occupants moving into the Charles A. LeMaistre Clinic, the Bertner Project, or as a result of the subsequent space changes from Phase I. The services included in Phase II are those that will have a high impact on general Medical Center patient care and research or are designed to directly support the new construction and/or planned to improve support services efficiencies.

This project will be completed in approximately nine concurrent packages beginning June 1997 and ending January 2000. It includes approximately 260,000 assignable square feet at approximately \$123 per square foot.

Approval of this item will amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

Executive Session of the Board

BOARD OF REGENTS
EXECUTIVE SESSION

Pursuant to Texas Government Code

Chapter 551, Sections 551.071, 551.072, 551.073, and 551.074

Date: May 7, 1997

Time: 4:00 p.m.

Place: Ballroom C
Omni San Antonio Hotel
9821 Colonnade Boulevard
San Antonio, Texas

1. Consultation with Attorney Regarding Pending and/or Contemplated Litigation or Settlement Offers - Section 551.071

2. Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property - Section 551.072
 - a. U. T. Board of Regents: Recommendation to Sell 3.84 Acres of Land and Improvements Located at 6 Niles Road, Austin, Travis County, Texas, and Authorization to Execute All Documents Related Thereto

 - b. U. T. Austin: Request for Authorization from the Board of Regents, as Trustee for the Lundell Endowment, to Sell a 4.3165 Acre Tract of Land (East Side of U. S. Highway 75 Frontage Road, North of Plano Parkway) in Plano, Collin County, Texas, and Authorization to Execute All Documents Related Thereto

 - c. U. T. Austin - C. B. Smith Centennial Chairs in U. S.-Mexico Relations: Request for Authorization to Sell a 19.9357 Acre Tract of Land Northwest of the Intersection of Teri Road and Friedrich Lane in Austin, Travis County, Texas, and Authorization to Execute All Documents Related Thereto

- d. U. T. Dallas: Request for Authorization to Sell 12 Acres of Land Out of Tract 7, Synergy Park in Richardson, Collin County, Texas; Authorization to Grant an Option to Purchase an Adjacent 23.9 Acre Tract of Land Out of Tract 7, Synergy Park; and Authorization to Execute All Documents Related Thereto
 - e. U. T. Dallas: Request for Authorization to Sell a 44 Acre Tract of Land (Tract 9, Synergy Park) in Richardson, Collin County, Texas; Authorization to Receive a 5 Acre Tract of Land in Synergy Park in Dallas, Collin County, Texas, as Partial Consideration; and Authorization to Execute All Documents Related Thereto
3. Negotiated Contracts for Prospective Gifts or Donations - Section 551.073
- U. T. San Antonio: Proposed Acceptance of a Prospective Gift or Donation and Authorization for President Kirkpatrick to Execute All Documents Related Thereto
4. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074