

MATERIAL SUPPORTING THE AGENDA

VOLUME XLIC

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

June 9, 1994  
August 11, 1994

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.: 879

Date: August 11, 1994

Location: Austin, Texas



BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Lobby, Commons Building  
J. J. Pickle Research Campus  
The University of Texas at Austin  
10100 Burnet Road  
Austin, Texas

Thursday, August 11, 1994

10:00 a.m. Convene in Open Session for  
the sole purpose of recessing  
to Executive Session

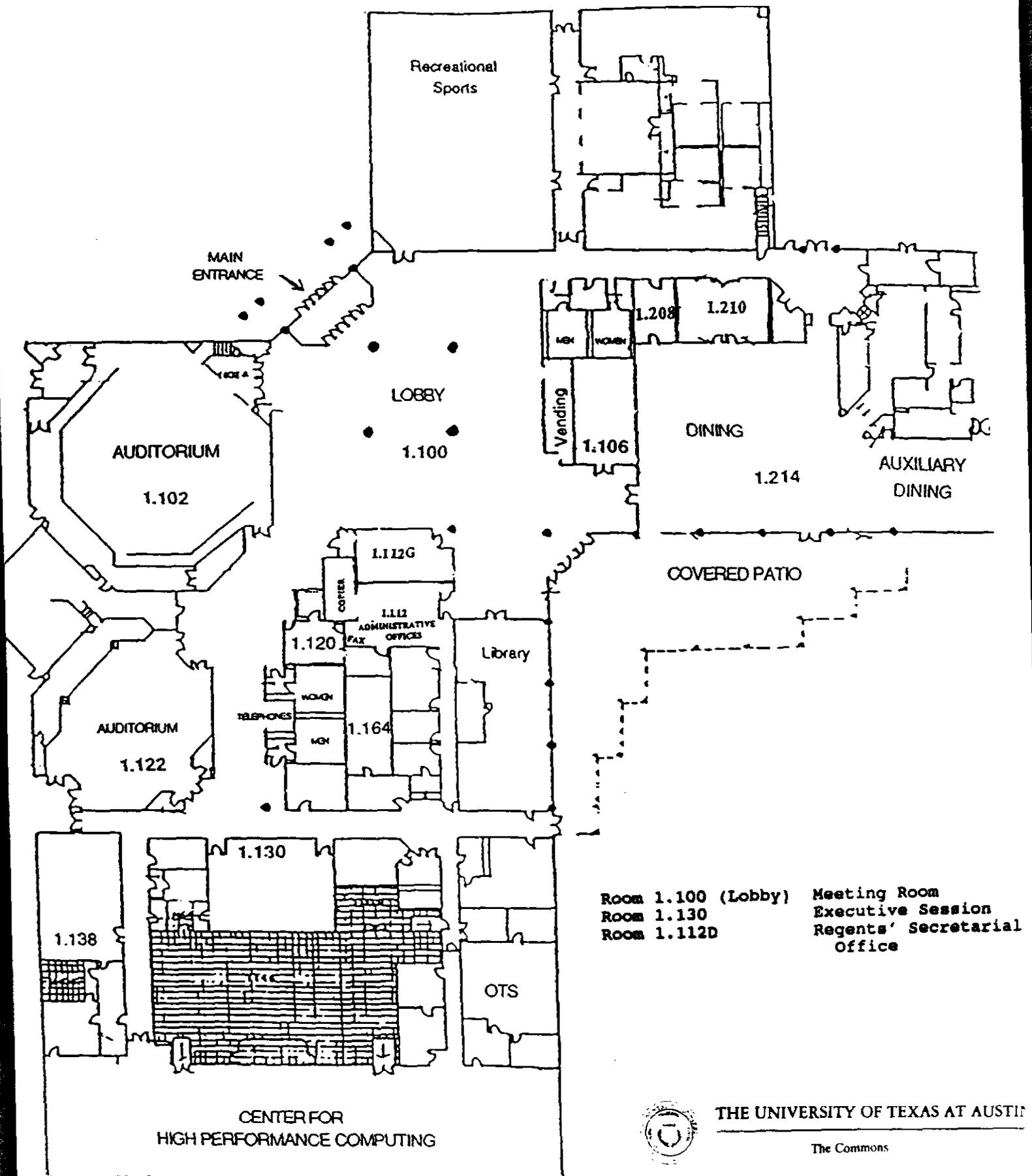
1:00 p.m. or Reconvene in Open Session to  
upon recess continue until completion of  
of Executive business  
Session

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Items A - N

Telephone Numbers

Administrative Office, Commons Building (512) 471-5950  
Office of the Board of Regents (512) 499-4402

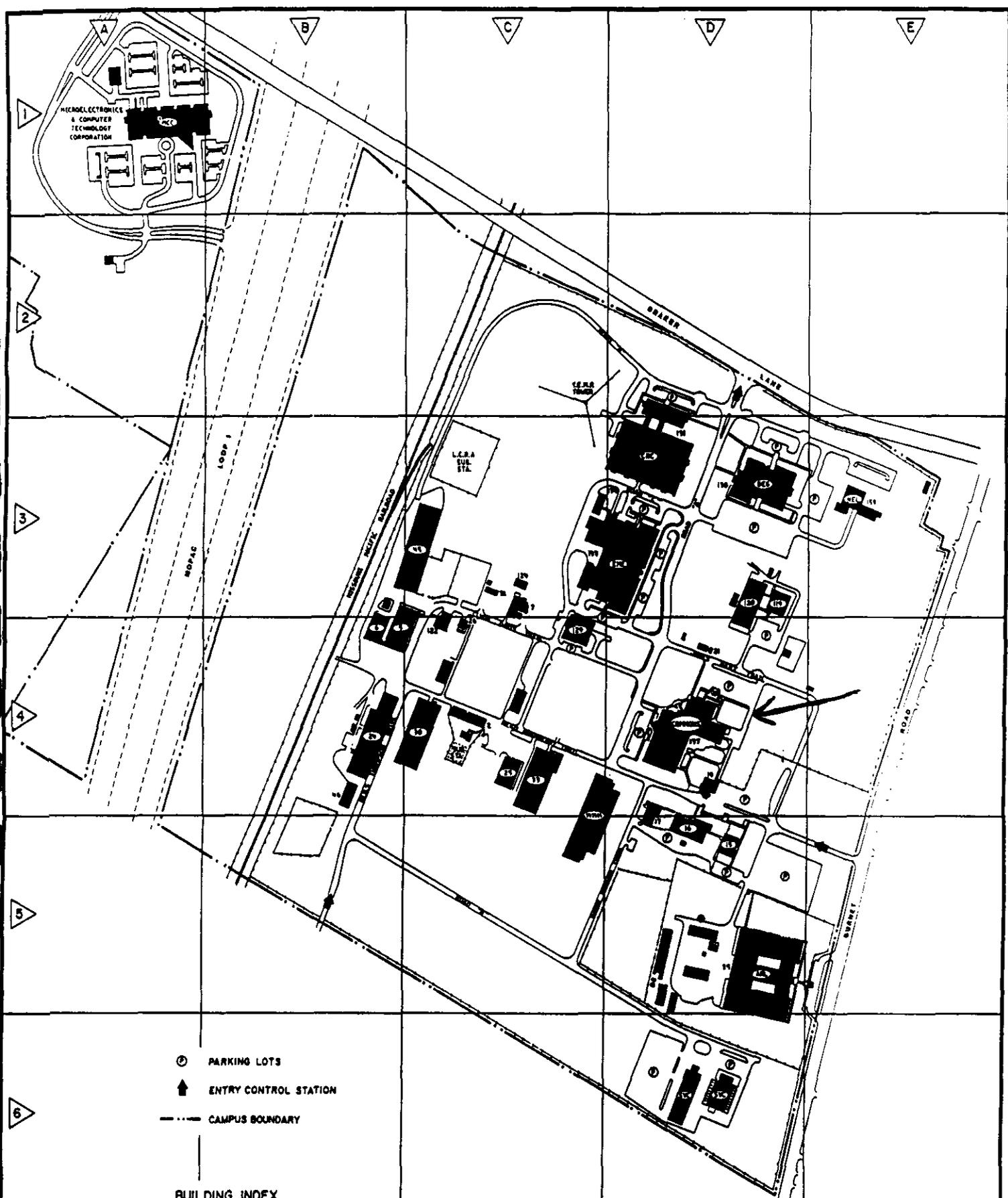
# J. J. Pickle Research Campus - Commons Building



THE UNIVERSITY OF TEXAS AT AUSTIN

The Commons

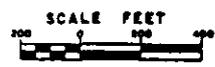
**J. J. Pickle  
 Research Campus**  
 The Commons, Suite 1.112  
 10100 Burnet Road  
 Austin, Texas 78758  
 TEL: (512) 471-5950  
 FAX: (512) 471-3679



- ⊙ PARKING LOTS
- ↑ ENTRY CONTROL STATION
- - - CAMPUS BOUNDARY

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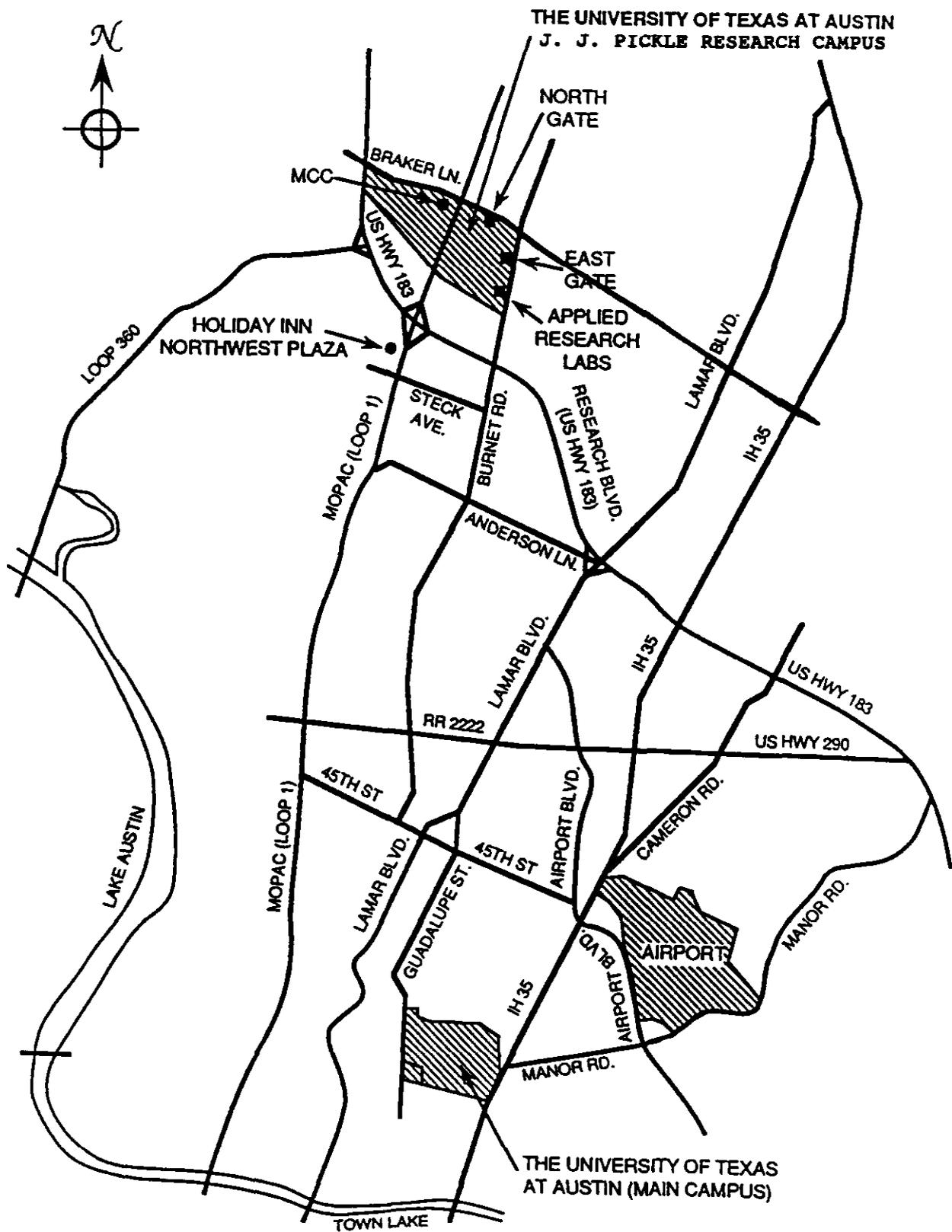
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# J. J. PICKLE RESEARCH CAMPUS

THE UNIVERSITY OF TEXAS AT AUSTIN

# North Austin Area



**Meeting of  
the Board**

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

**Date:** Thursday, August 11, 1994

**Time:** 10:00 a.m. Convene in Open Session for  
the sole purpose of recessing  
to Executive Session

1:00 p.m. or Reconvene in Open Session to  
upon recess continue until completion of  
of Executive business  
Session

**Place:** Lobby (Open Session) and Room 1.130 (Executive  
Session), Commons Building, J. J. Pickle Research  
Campus, U. T. Austin

A. CALL TO ORDER

B. RECESS TO EXECUTIVE AND BRIEFING SESSIONS

The Board will convene in Executive Session pursuant to  
Texas Government Code, Chapter 551, Sections 551.071,  
551.072, and 551.074 to consider those matters set out  
on Page Ex.S - 1 of the Material Supporting the Agenda.

C. RECONVENE IN OPEN SESSION

D. APPROVAL OF MINUTES OF REGULAR MEETING  
HELD JUNE 9, 1994

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

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

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

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

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

Health Affairs Committee: Chairman Ramirez  
Regent Cruikshank, Regent Hicks, Regent Temple  
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Facilities Planning and Construction Committee:  
Chairman Temple, Regent Holmes, Regent Lebermann,  
Regent Smiley  
MSA Page FPCC - 1

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

F. RECONVENE AS COMMITTEE OF THE WHOLE

G. ITEMS FOR THE RECORD

1. U. T. Austin - Clara M. Parker Delta Kappa Gamma Scholarship and the Maggie C. Murchison Delta Kappa Gamma Scholarship: Amendment to Minute Order of June 5, 1986, to Reflect Correct Administration of the Scholarship Endowment Funds.--

REPORT

At the June 1986 meeting, the U. T. Board of Regents, at the request of U. T. Austin, granted approval to enlarge the scope of eligible awardees for scholarships endowed by the Delta Kappa Gamma Society International to include qualified students accepted for enrollment at any component institution of the U. T. System.

The Clara M. Parker Delta Kappa Gamma Scholarship and the Maggie C. Murchison Delta Kappa Gamma Scholarship were funded by the Alpha Chapter of Delta Kappa Gamma, located in Travis County, Texas, with the intention that these two scholarships benefit students at U. T. Austin. Thus the June 1986 Board action is to be amended to reflect this designation.

2. U. T. Austin - Kelly H. Stevens Room (Room 3.335) in the Harry Ransom Humanities Research Center: Report on Change of Room Designation from Room 3.335 to Room 3.312.--

#### REPORT

At the April 1994 meeting, the U. T. Board of Regents approved changing the designation of the Kelly H. Stevens Room from Room 7.308 to Room 3.335 in the Harry Ransom Humanities Research Center at U. T. Austin. The relocation of the Kelly H. Stevens collection was recommended to make the Stevens material more accessible and to allow Room 7.308 to be used for other materials. The collection consists of furniture, paintings, sculptures, and other objects of art.

Subsequent to that approval, the art curator at the Harry Ransom Humanities Research Center suggested that the Stevens Room be located in an interior room to avoid light damage to the art works. As a result, administrative approval has been given to designate Room 3.312 in the Harry Ransom Humanities Research Center as the Kelly H. Stevens Room rather than Room 3.335 as approved by the U. T. Board of Regents in April 1994.

3. U. T. Austin and U. T. San Antonio: Lot 1, Section Three, Oak View Subdivision, Austin, Travis County, Texas - Amendment to Minute Order of June 9, 1994, to Reflect Correct Name of Subdivision.--

#### REPORT

At the June 1994 meeting, the U. T. Board of Regents authorized U. T. Austin to sell a parcel of land in Austin, Travis County, Texas, to U. T. San Antonio which in turn was authorized to sell the property to Miller Bros. of San Antonio, Texas. Unfortunately, the legal description of the parcel to be sold was listed incorrectly. Rather than "Lot 1, Section Three, Oak View Subdivision, Austin, Travis County, Texas," the parcel should have been described as "Lot 1, Balcones Subdivision, Austin, Travis County, Texas." The parcel is the same, but the name was changed when the property was resubdivided. Thus the June 1994 Board action is to be amended to reflect the correct name of the subdivision.

4. U. T. Pan American: Report on Private Development Fund Campaign for Support of Engineering Programs.--

#### REPORT

It is reported that the Private Development Fund Campaign for Support of Engineering Programs at U. T. Pan American authorized by the U. T. Board of Regents at the December 1990 meeting has been successfully concluded with the commitment of gifts, pledges, and legislative authorizations totaling \$30,567,621.

Scholarship gifts of \$1,273,253 have been pledged with \$200,786 received. Gifts to support endowed faculty positions total \$1,029,647 with \$521,147 received. Total support for equipment is \$1,872,061 with \$1,470,886 received.

Commitments in support of construction total \$26,040,000, including \$26 million in tuition revenue bond authority under the South Texas/Border Initiative. In addition, unrestricted gifts total \$352,660 with \$95,934 received.

A final report from development consultants Ketchum, Inc., Pittsburgh, Pennsylvania, providing detail on the gifts and pledges is on file in the Office of Academic Affairs.

5. U. T. Southwestern Medical Center - Dallas: Kent Waldrep Center for Basic Neuroscience Research - Amendment to Minute Order of April 14, 1994, to Reflect Correct Center Name.--

#### REPORT

At the April 1994 meeting, the U. T. Board of Regents, at the request of the U. T. Southwestern Medical Center - Dallas, established the Kent Waldrep Center for Basic Neuroscience Research. The word "Foundation" was inadvertently omitted from the name of the honoree in the title of the Center. Thus the April 1994 Board action is to be amended to reflect the Center as the Kent Waldrep Foundation Center for Basic Neuroscience Research.

6. U. T. Health Science Center - San Antonio: Philip A. Deffer, M.D. Lecture Series - Amendment to Minute Order of October 8, 1993, to Reflect Correct Endowment Name.--

#### REPORT

At the October 1993 meeting, the U. T. Board of Regents, at the request of the U. T. Health Science Center - San Antonio, established the Philip A. Deffer, M.D. Lecture Series. The abbreviated title "Sr.," which is consistent with the correct name of the honoree, was inadvertently omitted from the endowment title by the U. T. Health Science Center - San Antonio. Thus the October 1993 Board action is to be amended to reflect the endowment name as the Philip A. Deffer, Sr., M.D. Lecture Series.

H. CONSIDERATION OF ACTION ON ANY ITEMS DISCUSSED IN THE EXECUTIVE SESSION OF THE BOARD OF REGENTS PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551, SECTIONS 551.071, 551.072, AND 551.074

1. Pending and/or Contemplated Litigation - Section 551.071
  - a. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Litigation
  - b. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
  - c. U. T. Health Center - Tyler: Proposed Settlement of Medical Liability Litigation
  - d. U. T. Health Center - Tyler: Proposed Settlement of Medical Liability Litigation
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 551.072

U. T. Brownsville: Request for Authorization to Sell Property Located at 25 Calle Jacaranda, Brownsville, Cameron County, Texas
3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074

U. T. Health Science Center - Houston: Consideration of Recommendation of Hearing Tribunal Regarding Termination of Tenured Faculty Member

I. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

REPORT

The Board for Lease of University Lands has not met since its last meeting on May 10, 1994.

The 86th Oil and Gas Lease Sale has been set for November 10, 1994, at the Center for Energy and Economic Diversification near the Midland Airport. Nominations by the oil and gas industry for the tracts to be offered for this lease sale should be received in the Midland office by July 19, 1994.

J. REPORT OF SPECIAL COMMITTEES

K. OTHER MATTERS

L. SCHEDULED MEETINGS AND EVENTS

1. Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
October 7, 1994	U. T. Dallas
December 1, 1994	U. T. Pan American

2. The following dates and locations are proposed for meetings of the Board of Regents in 1995:

<u>Dates</u>	<u>Locations/Hosts</u>
February 9, 1995	U. T. Austin
April 13, 1995	U. T. Medical Branch - Galveston
June 8, 1995	U. T. San Antonio
August 10, 1995	Regents' Room - No Host
October 13, 1995	U. T. Arlington
December 7, 1995	U. T. Health Science Center - Houston

3. Other Events

September 29, 1994	U. T. M.D. Anderson Cancer Center: Faculty Honors Convocation
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M. OTHER BUSINESS

N. ADJOURNMENT

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

**Executive  
Committee**

EXECUTIVE COMMITTEE  
Committee Chairman Rapoport

Date: August 11, 1994

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

Place: Lobby, Commons Building, J. J. Pickle Research  
Campus, U. T. Austin

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8. U. T. Medical Branch - Galveston - West End Chilled Water Plant (Project No. 601-811): Chiller Prepurchase - Recommended Award of Procurement Contract to York International Corporation, York, Pennsylvania (Exec. Com. Letter 94-15) 17
9. U. T. M.D. Anderson Cancer Center - Bertner Complex - Phase II (Project No. 703-772) and Clinic Services Facility - Phase II (Project No. 703-773): Adoption of a Resolution Making a Guaranty to Argonaut Southwest Insurance Company, Menlo Park, California, Pertaining to the Owner Controlled Insurance Program (OCIP) (Exec. Com. Letter 94-14) 18
10. U. T. M.D. Anderson Cancer Center - Bertner Complex - Phase II (Project No. 703-772) and Clinic Services Facility - Phase II (Project No. 703-773): Special Systems - Recommended Award of Special Systems Contracts for Special System No. 2, Electric Tracked Vehicle System, to TransLogic Corporation, Denver, Colorado; for Special System No. 4, Fire and Smoke Detection System, to Simplex Time Recorder Co., Houston, Texas; for Special System No. 5, Lab Tracking Control System, to Automatic Temperature Controls, Inc., Houston, Texas; for Special System No. 6, Nurse Call System, to EDWARDS, A Division of GS Building Systems Corporation, Houston, Texas; for Special System No. 7, Pneumatic Trash and Linen System, to RAM Engineering, Inc., Wilton, Connecticut; for Special System No. 8, Pneumatic Tube System, to Pevco Systems International, Inc., Baltimore, Maryland; for Special System No. 9, Security Control System, to Sensormatic Electronics Corporation, Houston, Texas; for Special System No. 10, Finish Hardware, Locksets, to Door Pro Systems, Inc., Houston, Texas; for Special System No. 12, Modular Medical Casework System, to Milcare, Inc., Fort Worth, Texas; and General Construction - Recommended Award of General Construction Contract for Phase II to the George Hyman Construction Company, Dallas, Texas (Exec. Com. Letter 94-14) 23

1. U. T. System: Recommendation to Approve Policy for Preparation of Legislative Appropriations Request for the 1996-1997 Biennium (Exec. Com. Letter 94-15).--

### RECOMMENDATION

With the concurrence of the U. T. System Executive Staff, the Executive Committee concurs in the recommendation of the Chancellor that the U. T. Board of Regents approve the following policy for use in preparing the Legislative Appropriations Request for the 1996-1997 Biennium:

#### Policy for Preparing Legislative Appropriations Request for the 1996-1997 Biennium

In preparing the Legislative Appropriations Request for the Biennium beginning September 1, 1995, the instructions issued by the Governor's Office of Budget and Planning and the Legislative Budget Board are to be used as specific guidelines. These instructions will implement the State Strategic Planning and Budgeting System and in some cases will require new types of information.

The U. T. System institutions should not request additional funds for the 1996-1997 biennium except under the following circumstances:

- a. Funds are necessary to comply with court mandates or settlements
- b. Expenditures are required by federal mandate
- c. Expenditures are required by the Texas Constitution
- d. In an emergency.

The component institutions should request only nonformula items using a 1994-1995 appropriations base. This base has been calculated by the Legislative Budget Board and has been furnished to each institution. The Texas Higher Education Coordinating Board will include a recommendation for formula funding amounts in their 1996-1997 appropriations request.

#### 1996-1997 Legislative Appropriations Request Calendar

June 1994	U. T. Board of Regents' Approval of Policies via Executive Committee Letter
June 24, 1994 July 1, 1994	Three draft copies of Legislative Appropriations Request (bound) due to System Administration for preliminary review
July 5, 1994	Fifty copies of Legislative Appropriations Request (unbound) due to System Administration for binding
July 15, 1994	Filing Date for Legislative Appropriations Request

## BACKGROUND INFORMATION

An institution's appropriations request provides the bridge between the strategic planning process and the General Appropriations Act and is the financial expression of the priorities in the institution's strategic plan. The Governor, Lieutenant Governor, and the Speaker of the House have directed institutions of higher education and state agencies not to request additional funds for 1996-1997 except under the four circumstances listed above. Thus the Legislative Appropriations Requests for the U. T. System component institutions are to be submitted at 1994-1995 appropriated levels.

The Requests for Legislative Appropriations include only Educational and General elements of cost, i.e., they do not include auxiliary enterprises, contracts and grants, or restricted funds.

2. U. T. System: Recommended Approval of Financial Disclosure Statements Submitted by the Chancellor and the Institutional Chief Administrative Officers (Exec. Com. Letter 94-18).--

## RECOMMENDATION

Pursuant to requirements of the current U. T. Board of Regents' policy, the sworn financial disclosure statements of the Chancellor and the institutional chief administrative officers, previously submitted to the Texas Ethics Commission, as required by Chapter 572, Texas Government Code, are submitted for review and approval by the U. T. Board of Regents.

The Executive Committee recommends that the Board of Regents find that these financial disclosure statements have been reviewed by the appropriate Executive Vice Chancellor, are in the form prescribed by the Texas Ethics Commission, and meet the filing requirements of Texas law.

The statements are on file with the Office of the Board of Regents.

## BACKGROUND INFORMATION

Chapter 572 of the Texas Government Code requires the filing of financial disclosure statements by the Chancellor and the chief administrative officers with the Texas Ethics Commission on or before April 30 of each year. Current Regental policy requires these officers to submit financial disclosure statements to the U. T. Board of Regents for review and ratification as well.

The U. T. Board of Regents approved the current policy concerning its review and approval requirements in June 1990, and minor editorial changes were made to the policy in January 1994.

3. U. T. System: Recommended Monthly Premiums for the U. T. System Self-Funded Medical and Dental Plans, Health Maintenance Organizations, and Vision Service Plan to be Effective September 1, 1994 (Exec. Com. Letter 94-16).--

**RECOMMENDATION**

The Executive Committee concurs in the recommendation of the Chancellor and the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents approve the monthly premiums for the U. T. System self-funded medical and dental plans and health maintenance organizations to be effective September 1, 1994, as follows:

U. T. SYSTEM SELF-FUNDED MEDICAL PLAN PREMIUMS FOR 1994-95						
EMPLOYEE CATEGORY	POINT-OF-SERVICE PLAN WHERE OFFERED		PLAN A/\$200 DEDUCTIBLE WHERE OFFERED		PLAN B/\$500 DEDUCTIBLE WHERE OFFERED	
	94-95 Proposed Rate	93-94 Current Rate	94-95 Proposed Rate	93-94 Current Rate	94-95 Proposed Rate	93-94 Current Rate
Employee	\$174.86	\$174.86	\$174.86	\$174.86	\$133.14	\$133.14
Employee + Spouse	\$337.14	\$337.14	\$337.14	\$337.14	\$273.96	\$273.96
Employee + Child(ren)	\$310.41	\$310.41	\$310.41	\$310.41	\$225.61	\$225.61
Employee + Family	\$468.54	\$468.54	\$468.54	\$468.54	\$325.80	\$325.80

FREE-STANDING HMO (MEDICAL ONLY) PREMIUMS FOR 1994-95						
	PruCare Austin		PruCare Houston		Kaiser	
	Proposed 94-95 Rate	Current 93-94 Rate	Proposed 94-95 Rate	Current 93-94 Rate	Proposed 94-95 Rate	Current 93-94 Rate
Employee	\$158.44	\$161.67	\$150.62	\$143.45	\$163.10	\$159.04
Employee + Spouse	\$330.30	\$337.05	\$310.51	\$295.72	\$391.44	\$381.70
Employee + Child(ren)	\$298.35	\$304.47	\$280.94	\$267.56	\$326.90	\$318.08
Employee + Family	\$434.90	\$443.78	\$404.89	\$385.61	\$472.94	\$461.22

DENTAL PLAN PREMIUMS 1994-95					
EMPLOYEE CATEGORY	U. T. SYSTEM SELF-FUNDED DENTAL PREMIUMS				UNITED DENTAL (Dental HMO)
	Proposed 94-95 Non-Smoker Rate	Current 93-94 Non- Smoker Rate	Proposed 94-95 Smoker Rate	Current 93-94 Smoker Rate	Proposed 94-95 Rate
Employee	\$17.99	\$17.99	\$27.99	\$27.99	\$10.20
Employee + Spouse	\$33.43	\$33.43	\$43.43	\$43.43	\$19.00
Employee + Child(ren)	\$44.91	\$44.91	\$54.91	\$54.91	\$25.00
Employee + Family	\$56.29	\$56.29	\$66.29	\$66.29	\$30.00

OUT-OF-POCKET COSTS FOR U. T. SYSTEM SELF-FUNDED PLANS								
	Non-Smoker Medical & Dental (Employee and Dependents)*				Non-Smoker Employee-Only Medical & Dental and Dependent Medical-Only			
	Point-of-Service or PLAN A		PLAN B		Point-of-Service or PLAN A		PLAN B	
	94-95	93-94	94-95	93-94	94-95	93-94	94-95	93-94
Employee	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Employee + Spouse	\$63.18	\$63.18	-0-	-0-	\$47.74	\$47.74	-0-	-0-
Employee + Child(ren)	\$84.80	\$84.80	-0-	-0-	\$57.88	\$57.88	-0-	-0-
Employee + Family	\$142.74	\$142.74	-0-	-0-	\$104.44	\$104.44	-0-	-0-

The out-of-pocket costs for smokers will be \$10 higher than the above figures.

The balance of premium-sharing may not be used for any optional insurance.  
\* Assumes participation in the U. T. System self-funded dental plan.

OUT-OF-POCKET COSTS FOR FREE-STANDING HMOs FOR 1994-95						
	Medical & Dental (Employee and Dependents)*			Employee-Only Medical & Dental and Dependent Medical-Only		
	PruCare Austin	PruCare Houston	Kaiser	PruCare Austin	PruCare Houston	Kaiser
Employee	-0-	-0-	-0-	-0-	-0-	-0-
Employee + Spouse	\$56.34	\$36.55	\$117.48	\$40.90	\$21.11	\$102.04
Employee + Child(ren)	\$72.77	\$55.33	\$101.29	\$45.85	\$28.41	\$74.37
Employee + Family	\$109.10	\$79.09	\$147.14	\$70.80	\$40.79	\$108.84

The out-of-pocket costs for smokers will be \$10 higher than the above figures.

The balance of premium-sharing may not be used for any optional insurance.  
\* Assumes participation in the U. T. System self-funded dental plan.

U. T. SYSTEM SELF-FUNDED VISION PLAN PREMIUMS		
EMPLOYEE CATEGORY	1994-95 RATES	1993-94 RATES
Employee	\$ 7.93	\$ 6.10
Employee + Spouse	\$12.68	\$ 9.75
Employee + Child(ren)	\$12.93	\$ 9.95
Employee + Family	\$20.87	\$16.05

#### BACKGROUND INFORMATION

The premium rates shown for the self-funded medical, dental, and vision plans were set by the University based upon claims experience and projected claims experience. The premium rates for the self-funded medical and dental plans will remain the same for Fiscal Year 1995 as they are for Fiscal Year 1994. Because of poor claims experience, the premium rates for the vision plan will increase for Fiscal Year 1995. The premium rates for the free-standing HMOs and the United Dental Care HMO were set by each organization. PruCare Austin's premiums will decrease for Fiscal Year 1995 while Kaiser's and PruCare Houston's will increase. This will be the first year the United Dental Care HMO will be offered. It will only be offered in Austin, Dallas/Fort Worth, Houston, and San Antonio areas. Employees and retirees will be covered under the self-funded medical and dental plans unless they make an election to be covered under a free-standing HMO or the United Dental Care plan. Participation in the vision plan is optional.

The sources of premium payments are State and local funds contributed at rates set by the Legislature and employee or retiree contributions. The State and local funds contributions per employee or retiree will remain the same for Fiscal Year 1995 as they are in Fiscal Year 1994.

There will be no change in the premiums for the group term life, accidental death and dismemberment and the long-term disability plans for Fiscal Year 1995.

4. U. T. System: Request for Dissolution of Center for High Performance Computing (CHPC); Transfer of CHPC Assets to U. T. Austin; and Authorization for U. T. Austin to Issue a Request for Proposal to Purchase a Replacement Super-computer (Exec. Com. Letter 94-17).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Berdahl that, effective September 1, 1994, the U. T. System Center for High Performance Computing be dissolved with the assets transferred to U. T. Austin and that

U. T. Austin be authorized to issue a request for proposal to acquire by lease or purchase with or without trade-in of the U. T. System CRAY Y-MP 8/864 Model D supercomputer the following:

- a. A mid-scale vector processor computer system which is binary compatible with the present CRAY computer
- b. A mid-scale massively parallel computer system
- c. A large data storage facility
- d. Appropriate software.

#### BACKGROUND INFORMATION

The CRAY Y-MP 8/864 Model D supercomputer currently owned by the U. T. System now costs substantially more to operate and maintain than other computers which are capable of performing the work currently being done on the CRAY vector processing system. Furthermore, massively parallel computer systems which can be used to address certain classes of important research problems have recently become available. The massively parallel systems are significantly more cost effective than vector processing systems. To use efficiently, either system requires access to large data storage facilities and some additional software. By requiring that the mid-scale vector processor computer be binary compatible with the existing CRAY Y-MP computer, most of the very expensive software currently being used on that machine will continue to be used on the replacement machine.

Rapid advances in the supercomputer industry have reduced the market value of U. T. System's CRAY Y-MP computer to almost nothing. Furthermore, rapid advances in technology may similarly reduce the market value of replacement computers. Therefore, the request for proposal (RFP) will be structured to explore the trade-offs between leasing equipment which may become obsolete quite soon and the cost of purchasing. The RFP will also determine the real market value of the existing machine which may be traded for the replacements.

By issuing the RFP at this time, U. T. Austin will be able to acquire the information necessary to make a specific recommendation regarding the replacement of the existing equipment and recommendations for the associated operating budget reductions. Recommendations for trade, purchase, and/or lease may be brought to the U. T. Board of Regents as early as the regular meeting in August 1994. It is anticipated that the replacement of the existing CRAY system with the proposed equipment can be accomplished with existing reserves and no additional appropriation.

Dissolving the U. T. System Center for High Performance Computing and transferring the assets, including the previously reduced FY 95 operating budget, to U. T. Austin will maximize the computational capacity available to the faculty. U. T. Austin will continue to provide a vector processor computational capability through its computation center and will permit other components to purchase computational services as needed. U. T. Austin faculty have previously used the majority of the service provided by the U. T. System Center for High Performance Computing.

5. U. T. Arlington - Maverick Stadium - Addition of Athletic Offices (Project No. 301-804): Recommended Award of Construction Contract to K. B. Alexander & Co., Fort Worth, Texas (Exec. Com. Letter 94-15).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Amacher that the U. T. Board of Regents award a construction contract for the Maverick Stadium - Addition of Athletic Offices at U. T. Arlington to the lowest responsible bidder, K. B. Alexander & Co., Fort Worth, Texas, for the Base Bid and Additive Alternate Bid Nos. 1, 1A, 2, 2A, 3, 4, 5, 6, 7, and 8 in the amount of \$753,715.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1994, bids for the construction of the Maverick Stadium - Addition of Athletic Offices were received on May 24, 1994, as shown on Pages Ex.C 10 - 11.

The recommended award to K. B. Alexander & Co., Fort Worth, Texas, for the Base Bid and Additive Alternate Bid Nos. 1, 1A, 2, 2A, 3, 4, 5, 6, 7, and 8 in the amount of \$753,715 can be made within the authorized total project cost of \$854,700. K. B. Alexander & Co. stated in its proposal that it will have Historically Underutilized Business participation of approximately 10% for women-owned firms and 1% for minority-owned firms in the contract.

The total project cost is comprised of the following elements:

General Construction Cost @ \$81.04/GSF	\$753,715
Fees and Administrative Expenses	70,226
Future Work	
Testing and Air-Balancing	10,050
Miscellaneous Expense	7,309
Project Contingency	<u>13,400</u>
Total Project Cost	\$854,700

The new construction will contain approximately 9,300 gross square feet housing the U. T. Arlington athletic offices.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget and is funded by Unexpended Plant Funds in the amount of \$854,700. Funding from this account resulted from Auxiliary Enterprise Balance transfers in the amount of \$600,000 supplemented by \$254,700 of Interest Earned on Unexpended Plant Funds.

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

MAVERICK STADIUM - ADDITION OF ATHLETIC OFFICES  
 THE UNIVERSITY OF TEXAS AT ARLINGTON  
 Bids Received May 24, 1994

BIDDER	<u>K. B. Alexander &amp; Co.</u> <u>Fort Worth, Texas</u>	<u>Sam Binion &amp; Associates, Inc.</u> <u>Arlington, Texas</u>	<u>Westland Construction, Inc.</u> <u>Burleson, Texas</u>
BASE BID	\$695,520	\$730,000	\$723,000
Alt. Bid #1 - Site Improvements	3,300	1,575	4,300
Alt. Bid #1A - Site Improvements	5,670	6,300	3,500
Alt. Bid #2 - Landscaping	3,025	11,000	13,400
Alt. Bid #2A - Landscaping	8,500	6,700	15,500
Alt. Bid #3 - Vinyl Wall Covering	2,400	3,800	3,700
Alt. Bid #4 - Vinyl Wall Covering	4,000	3,700	3,800
Alt. Bid #5 - Ceiling	2,800	2,800	2,700
Alt. Bid #6 - High Efficiency Furnace/Condensing Units	8,500	7,000	3,100
Alt. Bid #7 - Millwork	12,100	12,400	11,500
Alt. Bid #8 - Millwork	<u>7,900</u>	<u>8,000</u>	<u>9,600</u>
Recommended Contract Award - Base Bid Plus Alternate Bid Nos. 1, 1A, 2, 2A, 3, 4, 5, 6, 7, and 8	\$753,715	\$793,275	\$794,100

EX.C - 10

MAVERICK STADIUM - ADDITION OF ATHLETIC OFFICES  
 THE UNIVERSITY OF TEXAS AT ARLINGTON  
 Bids Received May 24, 1994

EX.C - 11

BIDDER	<u>Rome Construction, Inc.</u> <u>Dallas, Texas</u>	<u>Visa Construction, Inc.</u> <u>Dallas, Texas</u>
BASE BID	\$738,700	\$787,000
Alt. Bid #1 - Site Improvements	5,000	4,562
Alt. Bid #1A - Site Improvements	7,000	4,000
Alt. Bid #2 - Landscaping	13,500	9,250
Alt. Bid #2A - Landscaping	8,500	12,221
Alt. Bid #3 - Vinyl Wall Covering	3,300	3,396
Alt. Bid #4 - Vinyl Wall Covering	4,000	4,843
Alt. Bid #5 - Ceiling	3,000	2,634
Alt. Bid #6 - High Efficiency Furnace/Condensing Units	4,000	8,630
Alt. Bid #7 - Millwork	12,000	20,401
Alt. Bid #8 - Millwork	<u>9,000</u>	<u>4,160</u>
Recommended Contract Award - Base Bid Plus Alternate Bid Nos. 1, 1A, 2, 2A, 3, 4, 5, 6, 7, and 8	\$808,000	\$861,097

6. U. T. Arlington and U. T. Dallas: Request for Approval of Potential Participation in Multi-Institutional Teaching Center and Authorization to Execute License Agreement with Dallas CV, Inc., Dallas, Texas, and Related Necessary Documents (Exec. Com. Letter 94-14).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and Presidents Amacher and Rutford that U. T. Arlington and U. T. Dallas be authorized to participate in educational activities to be conducted in the multi-institutional teaching center to be known as the Dallas Education Center (Center), to be housed in the former Joske's Building located at 1901 Main Street, Dallas, Texas.

It is further recommended that, following review and approval by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel, Dr. Amacher and Dr. Rutford be authorized to execute the License Agreement with Dallas CV, Inc., Dallas, Texas, and other related necessary documents required for participants in the project.

#### BACKGROUND INFORMATION

Representatives of several institutions of higher education in North Texas, leaders in the Dallas business community, and staff of the Alliance for Higher Education (AHE), a nonprofit corporation in Dallas, Texas, have been working for several years to implement a multi-institutional teaching center in downtown Dallas. The proposed instructional center would provide baccalaureate and master's level courses and possibly, in the future, degree programs from several partner institutions to citizens who find the downtown location convenient. The former Joske's Building has been purchased from Federated Department Stores by 1901 Main LLC, Dallas, Texas, a limited liability corporation, which has leased the building to Dallas CV, Inc., Dallas, Texas, a nonprofit corporation.

Under the proposed License Agreement, Dallas CV, Inc. would license use of the facilities to participating institutions through AHE as manager of the Center. The proposed agreement grants to U. T. Arlington and U. T. Dallas nonexclusive rights to use designated portions of the Center to conduct course activities. In addition, the institutions will be assigned office space at the Center each academic semester.

The agreement has an initial term of five years and may be extended for two additional five-year terms. The institutions commit to offer a minimum of ten instructional courses for the initial fall semester and then to offer no fewer than the number of courses "made" during the preceding corresponding academic semester. Consideration to Dallas CV, Inc. for the licensed use of the facilities is the payment of \$25.00 per semester credit hour offered at the Center as a program administration payment. Dallas CV, Inc. will remit a portion of this payment to AHE for the provision of utilities, maintenance, and repair. U. T. Arlington and U. T. Dallas will utilize the general use fee charged to students enrolling

at the Center and an additional incidental fee for Center enrollees to fund the required \$25.00 per semester credit hour license fee. The additional incidental fees have been approved off-cycle and will be included in the annual incidental fees update presented via the U. T. System docket to the U. T. Board of Regents in February 1995. Additional financial support of \$500,000 has been committed to Dallas CV, Inc. by the Central Dallas Association, representing the Dallas business community.

At its April 1994 meeting, the Texas Higher Education Coordinating Board gave final approval to rules for the approval and implementation of multi-institutional teaching centers to assure that the course offerings would be of high quality, that enrollment projections demonstrate a sufficient ongoing student demand, and that there is assurance of adequate financing and facilities. The regulations require a contract of agreement submitted jointly by the governing boards of the "parent institutions" desiring to participate in providing course offerings at a shared site. At the same meeting, the Coordinating Board approved the operations of the Center as a model project. Institutions utilizing the Center will be East Texas State University, Dallas County Community College District, the University of North Texas, U. T. Arlington, U. T. Dallas, and the University of Dallas. The Coordinating Board found adequate evidence on the issues of quality, need, and financing and approved the offering of courses only at the site. Additional approval by the U. T. Board of Regents and the Coordinating Board would be required for the offering of degree programs at the Center.

Approval by the U. T. Board of Regents was sought via Executive Committee Letter because administrative review and approval of the proposed License Agreement by the Offices of Academic Affairs and General Counsel has just been completed and U. T. Arlington and U. T. Dallas desired to offer classes at the Center during the summer session 1994. Registration for the summer session began on June 5, 1994.

U. T. Arlington plans to offer courses in Business, Education, Architecture, and Nursing. Future expansion may include offering the general education requirements for undergraduate degrees. U. T. Dallas plans to offer courses in Management, General Studies, Social Sciences, and possibly Computer Sciences.

7. U. T. Medical Branch - Galveston - West End Chilled Water Plant (Project No. 601-811): Recommended Award of Construction Contract to Manhattan Construction Company, Houston, Texas (Exec. Com. Letter 94-18).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President James that the U. T. Board of Regents award a construction contract for the West End Chilled Water Plant at U. T. Medical Branch - Galveston to the lowest responsible bidder, Manhattan Construction Company, Houston, Texas, for the Base Bid and Alternates 2, 3, and 6 in the amount of \$8,264,000.

## BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in August 1993, bids for the construction of the West End Chilled Water Plant at U. T. Medical Branch - Galveston were received on June 16, 1994, as shown on Pages Ex.C 15 - 16.

The West End Chilled Water Plant will provide the necessary chilled water capacity and expanded distribution system to supply the new Medical Research Building and future demands of the campus. The recommended contract award to Manhattan Construction Company, Houston, Texas, for the Base Bid and Alternates 2, 3, and 6 in the amount of \$8,264,000 can be made within the total project cost of \$12,500,000. Manhattan Construction Company stated in its proposal that it will have Historically Underutilized Business participation of approximately 25%.

The West End Chilled Water Plant is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget at a total project cost of \$12,500,000 funded by Revenue Financing System Bond Proceeds. This project was approved by the Texas Higher Education Coordinating Board in April 1994.

WEST END CHILLED WATER PLANT  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received June 16, 1994

<u>BIDDER</u>	<u>Manhattan Construction Company Houston, Texas</u>	<u>J. T. Vaughn Construction Co., Inc. Houston, Texas</u>	<u>Comex Corporation Deer Park, Texas</u>
Base Bid	\$8,250,000	\$8,750,000	\$8,854,000
Alternate Bid No. 1 - Provide and install fill, piping, fan and other auxiliary mechanical and electrical equipment for Cooling Tower Cell No. 1	391,500	330,000	410,000
Alternate Bid No. 2 - Provide spare parts for cooling tower	60,000	61,500	63,000
Alternate Bid No. 3 - Completely repave a portion of Texas Ave.	79,000	115,000	150,000
Alternate Bid No. 4 - Connect the high zone of the Medical Research Building to the new chilled water mains	49,500	57,000	72,000
Alternate Bid No. 5 - Provide and install a fire alarm system in the new central plant	37,000	36,992	38,000
Alternate Bid No. 6 - Provide a composite pile foundation (DEDUCT)	(125,000)	(146,300)	(210,000)
Alternate Bid No. 7 - Provide two 20-inch valved stubouts in Valve Pit No. 3	<u>30,500</u>	<u>24,279</u>	<u>34,000</u>
Recommended Contract Award - Base Bid plus Alternates 2, 3, and 6	\$8,264,000	\$8,780,200	\$8,857,000

WEST END CHILLED WATER PLANT  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received June 16, 1994

<u>BIDDER</u>	<u>Way Engineering Company, Inc. Houston, Texas</u>	<u>Cajun Contractors, Inc. Deer Park, Texas</u>	<u>Spaw Glass Construction Corporation Houston, Texas</u>
Base Bid	\$9,354,807	\$9,696,000	\$ 9,984,000
Alternate Bid No. 1 - Provide and install fill, piping, fan and other auxiliary mechanical and electrical equipment for Cooling Tower Cell No. 1	329,000	345,000	290,000
Alternate Bid No. 2 - Provide spare parts for cooling tower	39,040	65,000	66,000
Alternate Bid No. 3 - Completely repave a portion of Texas Ave.	131,770	25,000	100,000
Alternate Bid No. 4 - Connect the high zone of the Medical Research Building to the new chilled water mains	56,099	50,000	49,000
Alternate Bid No. 5 - Provide and install a fire alarm system in the new central plant	36,600	35,000	40,000
Alternate Bid No. 6 - Provide a composite pile foundation (DEDUCT)	(141,258)	(75,000)	(75,000)
Alternate Bid No. 7 - Provide two 20-inch valved stubouts in Valve Pit No. 3	<u>22,840</u>	<u>25,000</u>	<u>35,000</u>
Recommended Contract Award - Base Bid plus Alternates 2, 3, and 6	\$9,384,359	\$9,711,000	\$10,075,000

8. U. T. Medical Branch - Galveston - West End Chilled Water Plant (Project No. 601-811): Chiller Prepurchase - Recommended Award of Procurement Contract to York International Corporation, York, Pennsylvania (Exec. Com. Letter 94-15).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President James that the U. T. Board of Regents award a procurement contract for the prepurchase of a 4,500 ton chiller for the West End Chilled Water Plant at the U. T. Medical Branch - Galveston to the lowest responsible bidder, York International Corporation, York, Pennsylvania, for Chiller Selection No. 3 Base Bid in the amount of \$1,284,410.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in August 1993, bids for the prepurchase of the chiller equipment for the West End Chilled Water Plant at the U. T. Medical Branch - Galveston were received on March 3, 1994, as shown below:

<u>Bidder</u>	<u>Base Bid</u>	<u>Alternate Bid Second Chiller</u>
York International Corporation York, Pennsylvania:		
Chiller Selection No. 1 3,700 Ton - R-22	\$1,065,420	\$ 871,050
Chiller Selection No. 2 4,000 Ton - R-22	1,146,510	943,530
Chiller Selection No. 3 4,500 Ton - R-22	1,284,410	1,077,110
Carrier Corporation Houston, Texas:		
Chiller Selection No. 1 3,700 Ton - R-134A	1,136,834	852,353
Chiller Selection No. 2 4,100 Ton - R-134A	1,140,965	861,533
Chiller Selection No. 3 4,500 Ton - R-134A	1,150,000	861,533
Chiller Selection No. 4 4,500 Ton - R-22	1,102,729	814,064

The project for the West End Chilled Water Plant is divided into two phases as follows: Prepurchase of the chiller equipment and the general construction of the plant and the thermal energy distribution system.

The procurement documents for the chiller equipment allowed each manufacturer to submit several chiller selections using two acceptable refrigerants and a cooling capacity range of 3,700 tons to 4,500 tons. Determination of the low responsible bid is based on the chiller efficiency which results in the lowest annual operating cost. Analysis by the Project Engineer, Burns DeLatte & McCoy, Inc., Houston, Texas, indicates that Chiller Selection No. 3 by York International Corporation provides the least cost per ton-hour and therefore is the most efficient selection resulting in the lowest annual operating cost. The 4,500 ton chiller selection also ensures adequate cooling capacity on the west side of the campus and qualifies for the highest rebate from Houston Light and Power.

Award of the Alternate Bid for a second chiller is not recommended at this time. Bids for the next phase of general construction of the plant will be received at a future date and recommendations for contract award will be presented to the U. T. Board of Regents for separate consideration. The recommended award to York International Corporation in the amount of \$1,284,410 for Chiller Selection No. 3 can be made within the authorized total project cost of \$12,500,000 to be funded from Revenue Financing System Bond Proceeds. The previous appropriation of \$750,000 from Unexpended Plant Funds will be reimbursed from tax-exempt Revenue Financing System Bond Proceeds when issued.

This project was approved by the Texas Higher Education Coordinating Board in April 1994, and is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget for a total project cost of \$12,500,000 to be funded from Revenue Financing System Bond Proceeds.

9. U. T. M.D. Anderson Cancer Center - Bertner Complex - Phase II (Project No. 703-772) and Clinic Services Facility - Phase II (Project No. 703-773): Adoption of a Resolution Making a Guaranty to Argonaut Southwest Insurance Company, Menlo Park, California, Pertaining to the Owner Controlled Insurance Program (OCIP) (Exec. Com. Letter 94-14).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President LeMaistre that the resolution set out on Page Ex.C - 19 be approved and adopted for Phase II of the Bertner Complex and Clinic Services Facility at the U. T. M.D. Anderson Cancer Center.

## RESOLUTION

WHEREAS, Argonaut Southwest Insurance Company (Argonaut), Menlo Park, California, will insure The University of Texas System and other persons under an Owner Controlled Insurance Program (Program) for Phase II of the Bertner Complex and the Clinic Services Facility at The University of Texas M.D. Anderson Cancer Center (Project);

WHEREAS, Pursuant to this Program, Argonaut will issue one or more workers' compensation insurance policies and comprehensive general liability insurance policies that contain \$250,000 per occurrence deductibles that include allocated costs and indemnity payments; however, such deductibles are subject to aggregate limits of \$3,517,289 for the Program;

WHEREAS, The Board of Regents of The University of Texas System understands and agrees that this large deductible Program requires the prompt reimbursement of sums advanced by Argonaut to adjust or pay claims within the deductibles, and the Board desires to guaranty to Argonaut the prompt reimbursement of the deductibles for the Program; now, therefore, be it

RESOLVED, That the Board hereby guarantees to Argonaut the prompt repayment of the sums advanced by Argonaut to adjust or pay claims within the deductibles for the Program, subject to the aggregate deductible limits for the Program. This guaranty shall remain fully binding although Argonaut may waive one or more defaults of the insured or fail to exercise any rights against the insured or modify one or more terms of the Program as required by law or with the consent of The University of Texas System; and, be it further

RESOLVED, That the Board represents and warrants to Argonaut that the funds necessary to reimburse Argonaut for the aggregate deductible liability of the insured for the Program are included in the appropriations for the Project heretofore approved by the Board.

## BACKGROUND INFORMATION

In an effort to effect greater cost control of construction projects within The University of Texas System, the Office of Business Affairs has investigated the feasibility of participating in an Owner Controlled Insurance Program (OCIP) for Phase II of the Bertner Complex and Clinic Services Facility at the U. T. M.D. Anderson Cancer Center. An OCIP can be the most effective and inexpensive method of insuring liability exposures for a large construction project. The OCIP is attractive because it is economical and can provide contractors, as well as the owner, with uniform coverage, higher limits, improved claims administration, and continuity of coverage through the contract term.

Provided below is a detailed explanation of an OCIP, the need and purpose for the proposed resolution, the benefits of an OCIP, and the potential premium cost savings for the Project:

#### Definition of an OCIP

An OCIP is the centralized purchasing of insurance (workers' compensation, general liability, excess liability, etc.) for all contractors working on the project site. Customarily this insurance is purchased by each contractor, in small quantities from different insurers, and the cost is passed through to the owner in the general contractor's bid. In an OCIP, there is usually only one insurance company who issues separate policies to the general contractor and each subcontractor.

#### Need and Purpose for Resolution

Insurance companies who provide coverage for an OCIP incur significant liabilities once the policies have been issued. The insurance companies are responsible for 100% of all claims whether or not the owner pays its share; i.e., the policy deductible. Consequently, insurance companies require the issuance of a letter of credit, security interest in the owner's property, promissory note or other substantial financial instrument to satisfy the requirements of their state insurance commission as well as the due diligence owed their stockholders. However, for The University of Texas System, Argonaut has agreed to accept the above resolution in lieu of a letter of credit, secured interest or promissory note. To our knowledge, no other entity participating in an OCIP has negotiated such a favorable agreement with its insurance company.

#### How an OCIP Works

Under an OCIP, the owner directs all contractors to prepare their bids excluding insurance costs related to the specific project. The owner secures policies for all contractors working on the project site. The net cost of the insurance policy placed by the owner would be "loss sensitive," in that savings in claim costs are returned to the owner rather than the contractor. A large emphasis would be placed on loss control and safety to maximize the savings potential for the owner.

The contractors would then report their job payrolls to the OCIP insurance carrier rather than to their own insurance companies. The owner would pay all premiums from the amount saved by having the bids omit insurance costs and receive all return premiums that may be earned. All claims related to the project site would be paid by the OCIP insurance carrier. Once the project is completed, all policies, except for completed operations coverage, are terminated.

An OCIP presents advantages over conventional construction insurance and loss control procedures for two specific reasons: (1) creating economies of scale by centralizing the purchased insurance coverage and (2) streamlining project management by coordinating a number of on-site functions (loss control, safety, security, record keeping, etc.) under a single authority. Control is the key to the operation and success of an OCIP, because it provides control of essential project insurance lines, control of subcontractors in all

tiers through their contracts, control of site security, and control of loss prevention and claims management programs by the owner.

### Benefits of an OCIP

Cost Savings. Insurance costs are considered an expense item in the contractor's and subcontractor's bids, consequently overhead charges are added to their individual insurance costs which result in an additional 5-10% cost addition to the owner. In addition, when the insurance is purchased on an individual basis by each contractor/subcontractor, the premium is paid up front in its entirety. In an OCIP, the combined purchasing power enables the project owner to structure its premium and loss reserve payments over a longer period of time.

Increases Project HUB Participation. An OCIP will provide insurance coverages and limits that small or HUB-owned businesses would normally not be able to purchase on their own.

Insurance Quality Control. Allowing the general contractor and subcontractors to purchase their policies of insurance separately and from different insurers creates a combination of varying limits, coverages, wordings, retentions, etc. An OCIP standardizes the overall program and assures the owner uniformity of coverage.

Improves Project Safety. By controlling the insurance through an OCIP, the owner will be able to control and standardize safety programs and procedures for the project. This is one of the key elements of the OCIP because "loss" dollars saved, flow directly back to the owner.

### Potential OCIP Premium Cost Savings for Phase II of the Bertner Complex and the Clinic Services Facility

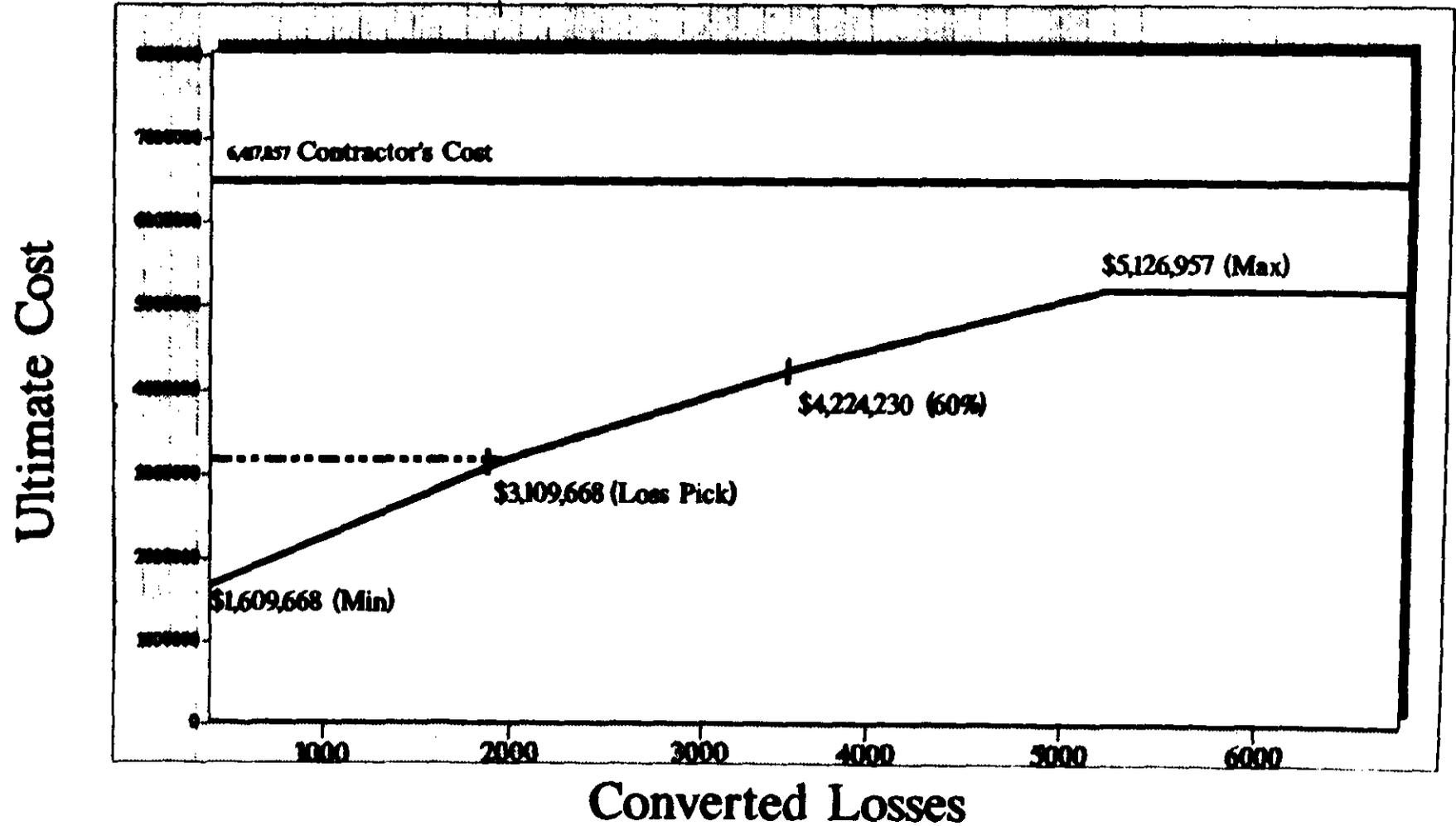
Estimated Contractor's Premium Cost under normal bid process (without OCIP)	\$6,417,857
OCIP Premium Cost at a 60% loss ratio	<u>4,224,230</u>
Estimated Premium Savings through use of the OCIP*	<u>\$2,193,627</u>

\*See Exhibit A shown on Page Ex.C - 22.

(Exhibit A graphically depicts the estimated insurance cost for the contractor as compared to insurance provided through an OCIP. As noted on the graph, the U. T. M.D. Anderson Cancer Center's minimum cost of insurance under the OCIP is \$1,609,668 with a maximum cost cap of \$5,126,957.)

# Argonaut Quote

\$250,000 Paid Loss Deductible ———  
\$250,000 Incurred Loss Deductible - - - - -



EX.C - 22

EXHIBIT A

10. U. T. M.D. Anderson Cancer Center - Bertner Complex - Phase II (Project No. 703-772) and Clinic Services Facility - Phase II (Project No. 703-773): Special Systems - Recommended Award of Special Systems Contracts for Special System No. 2, Electric Tracked Vehicle System, to TransLogic Corporation, Denver, Colorado; for Special System No. 4, Fire and Smoke Detection System, to Simplex Time Recorder Co., Houston, Texas; for Special System No. 5, Lab Tracking Control System, to Automatic Temperature Controls, Inc., Houston, Texas; for Special System No. 6, Nurse Call System, to EDWARDS, A Division of GS Building Systems Corporation, Houston, Texas; for Special System No. 7, Pneumatic Trash and Linen System, to RAM Engineering, Inc., Wilton, Connecticut; for Special System No. 8, Pneumatic Tube System, to Pevco Systems International, Inc., Baltimore, Maryland; for Special System No. 9, Security Control System, to Sensormatic Electronics Corporation, Houston, Texas; for Special System No. 10, Finish Hardware, Locksets, to Door Pro Systems, Inc., Houston, Texas; for Special System No. 12, Modular Medical Casework System, to Milcare, Inc., Fort Worth, Texas; and General Construction - Recommended Award of General Construction Contract for Phase II to the George Hyman Construction Company, Dallas, Texas (Exec. Com. Letter 94-14).--

#### RECOMMENDATION

##### SPECIAL SYSTEMS CONTRACT AWARDS

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President LeMaistre that the U. T. Board of Regents award contracts for U. T. M.D. Anderson Cancer Center - Bertner Complex - Phase II and Clinic Services Facility - Phase II to the lowest responsible bidder for the following special system packages:

- a. Special System Bid Package No. 1 - Air Handling Units. Reject all bids which were significantly over budget, change the specifications, and incorporate work into the general construction contract.
- b. Special System Bid Package No. 2 - Electric Tracked Vehicle System to TransLogic Corporation, Denver, Colorado, for the base bid in the amount of \$813,000
- c. Special System Bid Package No. 3 - Facilities Control and Management System. Reject the bid submitted by the single-source vendor which was significantly over budget, change the specifications, and incorporate work into the general construction contract.
- d. Special System Bid Package No. 4 - Fire and Smoke Detection System to Simplex Time Recorder Co., Houston, Texas, for the base bid and alternates A1, B1 and B2 in the amount of \$771,084

- e. Special System Bid Package No. 5 - Lab Tracking Control System to Automatic Temperature Controls, Inc., Houston, Texas, for the base bid and alternate A1 in the amount of \$970,646
- f. Special System Bid Package No. 6 - Nurse Call System to EDWARDS, A Division of GS Building Systems Corporation, Houston, Texas, for the base bid and alternates B1 and B2 in the amount of \$822,290
- g. Special System Bid Package No. 7 - Pneumatic Trash and Linen System to RAM Engineering, Inc., Wilton, Connecticut, for the base bid in the amount of \$559,000
- h. Special System Bid Package No. 8 - Pneumatic Tube System to Pevco Systems International, Inc., Baltimore, Maryland, for the base bid and alternates B1 and B2 in the amount of \$472,951
- i. Special System Bid Package No. 9 - Security Control System to Sensormatic Electronics Corporation, Houston, Texas, for the base bid and alternates B1 and B2 in the amount of \$632,184
- j. Special System Bid Package No. 10 - Finish Hardware, Locksets to Door Pro Systems, Inc., Houston, Texas, for the base bid and alternates A1, B1 and B2 in the amount of \$179,173
- k. Special System Bid Package No. 11 - Audio - Visual/Teleconferencing System, Tenth Floor, Clinic Services Facility. Due to budget constraints, award of Bid Package No. 11 is not recommended.
- l. Special System Bid Package No. 12 - Modular Medical Casework System to Milcare, Inc., Fort Worth, Texas, for the base bid in the amount of \$275,737.

#### GENERAL CONSTRUCTION CONTRACT AWARD

The Executive Committee also concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President LeMaistre that the U. T. Board of Regents award a General Construction Contract for Bertner Complex - Phase II and Clinic Services Facility - Phase II at U. T. M.D. Anderson Cancer Center to the lowest responsible bidder, George Hyman Construction Company, Dallas, Texas, for Base Bid "C" and Alternates A1, B1, and B2 in the amount of \$117,715,000.

## BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents on October 8, 1993, bids for Bertner Complex - Phase II and Clinic Services Facility - Phase II at U. T. M.D. Anderson Cancer Center were received on April 27, 1994, as shown on Pages Ex.C 26 - 42.

The project for the Bertner Complex and Clinic Services Facility is divided into three phases of construction. Award of the work for Phase I of the project was made by the U. T. Board of Regents in January 1993. The scope of work under Phase I included site preparation, foundations, building structures, exterior walls, glass and roofs for three buildings: the Bertner Patient Care Tower, the Bertner Research Building, and the Clinic Services Facility. Phase I is currently under construction.

Phase II of the project will complete the three buildings. When completed, the project will provide approximately 957,874 gross square feet of space. Phase II was bid before the work in Phase I was completed in order to permit the successful low responsible bidder for Phase II to prepare its construction schedule, to award subcontracts, to prepare shop drawings and submittals, and to place orders for materials before actual construction of Phase II begins. This procedure will minimize lost time between Phases I and II. A small future Phase III construction contract will remodel space in the existing Clark Clinic to make it functional and compatible with new space provided by Phase II.

The recommended General Construction Contract Award for Bertner Complex - Phase II and Clinic Services Facility - Phase II to the George Hyman Construction Company, Dallas, Texas, for Base Bid "C" and Alternates A1, B1, and B2 in the amount of \$117,715,000 can be made within the total project cost of \$248,600,000. The George Hyman Construction Company stated in its proposal that it will have Historically Underutilized Business participation of approximately 20%.

The project, which was approved by the Texas Higher Education Coordinating Board on October 1992, and all phases of the Bertner Complex and Clinic Services Facility are included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget for a combined Total Project Cost of \$248,600,000. Funding is from the following sources:

Educational and General Funds	\$ 82,605,000
Revenue Financing System Bond Proceeds	65,400,000
Gifts and Grants	<u>100,595,000</u>
Combined Total Project Cost	\$248,600,000

Approval of this item will amend the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget in terms of allocation of sources of funds.

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 1 - AIR HANDLING UNITS  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

<u>BIDDER</u>	<u>Vicon Equipment, Inc.</u> <u>Houston, Texas</u>	<u>Brod &amp; McClung - Pace Co.</u> <u>Portland, Oregon</u>
Base Bid (Bertner Complex)	\$5,525,000	\$5,935,235
Base Bid (Clinic Services Facility)	<u>450,000</u>	<u>524,765</u>
Base Bid Total	\$5,975,000	\$6,460,000
Alternate Bid No. 1 - Plug Fans	<u>( 101,000)</u>	<u>( 390,000)</u>
Low Bid Amount - Base Bid Total plus Alternate Bid No. 1	\$5,874,000*	\$6,070,000

\*Note: For Bid Package No. 1, reject all bids which were significantly over budget, change the specifications, and incorporate into the general construction contract.

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 2 - ELECTRIC TRACKED VEHICLE SYSTEM  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

BIDDER	<u>TransLogic Corporation</u> <u>Denver, Colorado</u>	<u>TELEngineering, Inc.</u> <u>Newfoundland, New Jersey</u>
Base Bid (Bertner Complex)	\$732,000	\$807,000
Base Bid (Clinic Services Facility)	<u>81,000</u>	<u>71,000</u>
Recommended Contract Award - Base Bid	\$813,000	\$878,000

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 3 - FACILITIES CONTROL AND MANAGEMENT SYSTEM  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

BIDDER	<u>Automatic Temperature Controls, Inc.</u> <u>Houston, Texas</u>
Base Bid (Bertner Complex)	\$2,667,789
Base Bid (Clinic Services Facility)	<u>357,362</u>
Base Bid Total	\$3,025,151
Alternate Bid No. A1 - Bertner Complex - Research Building Finish-Out of Basement and Level Five Laboratory Areas	12,453
Alternate Bid No. B1 - Clinic Services Facility - Finish-Out of Eighth Floor Dental Clinic	25,814
Alternate Bid No. B2 - Clinic Services Facility - Finish-Out of Seventh Floor Hematology Clinic	28,484
Alternate Bid No. B3 - Clinic Services Facility - Finish-Out of Tenth Floor Conference Center	<u>13,340</u>
Low Bid Amount - Base Bid Total plus Alternate Bid Nos. A1, B1, B2 and B3	\$3,105,242*

\*Note: For Bid Package No. 3, reject all bids which were significantly over budget, change the specifications, and incorporate into the general construction contract.

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 4 - FIRE AND SMOKE DETECTION SYSTEM  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

BIDDER	<u>Simplex Time Recorder Co.</u> <u>Houston, Texas</u>
Base Bid (Bertner Complex)	\$612,619
Base Bid (Clinic Services Facility)	<u>153,657</u>
Base Bid Total	\$766,276
Alternate Bid No. A1 - Bertner Complex - Research Building Finish-Out of Basement and Level Five Laboratory Areas	(615)
Alternate Bid No. B1 - Clinic Services Facility - Finish-Out of Eighth Floor Dental Clinic	3,026
Alternate Bid No. B2 - Clinic Services Facility - Finish-Out of Seventh Floor Hematology Clinic	2,397
Alternate Bid No. B3 - Clinic Services Facility - Finish-Out of Tenth Floor Conference Center	<u>3,753</u>
Recommended Contract Award - Base Bid plus Alternate Bid Nos. A1, B1, B2, and B3	\$774,837

BERTNER COMPLEX - PHASE II  
CLINIC SERVICES FACILITY - PHASE II  
BID PACKAGE NO. 5 - LAB TRACKING CONTROL SYSTEM  
THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
Bids Received March 22, 1994

BIDDER	<u>Automatic Temperature Controls, Inc.</u> <u>Houston, Texas</u>
Base Bid (Bertner Complex)	\$938,276
Alternate Bid No. A1 - Bertner Complex - Research Building Finish-Out of Basement and Level Five Laboratory Areas	<u>32,370</u>
Recommended Contract Award - Base Bid plus Alternate Bid No. A1	\$970,646

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 6 - NURSE CALL SYSTEM  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

<u>BIDDER</u>	<u>Executone Information System Inc. Houston, Texas</u>	<u>EDWARDS, A Division of GS Building Systems Corporation Houston, Texas</u>
Base Bid (Bertner Complex)	\$529,850	\$701,256
Base Bid (Clinic Services Facility)	<u>125,150</u>	<u>89,615</u>
Base Bid Total	\$655,000	\$790,871
Alternate Bid No. B1 - Clinic Services Facility - Finish-Out of Eighth Floor Dental Clinic	7,900	11,200
Alternate Bid No. B2 - Clinic Services Facility - Finish-Out of Seventh Floor Hematology Clinic	<u>20,461</u>	<u>20,219</u>
Recommended Contract Award - Base Bid plus Alternate Bid Nos. B1 and B2	\$683,361*	\$822,290

\*Note: The bid by Executone Information System Inc. did not comply with project specifications and was rejected as being nonresponsive.

BERTNER COMPLEX - PHASE II  
CLINIC SERVICES FACILITY - PHASE II  
BID PACKAGE NO. 7 - PNEUMATIC TRASH AND LINEN SYSTEM  
THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
Bids Received March 22, 1994

BIDDER	RAM Engineering, Inc. <u>Wilton, Connecticut</u>
Base Bid (Bertner Complex)	\$559,000
Recommended Contract Award - Base Bid	\$559,000

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 8 - PNEUMATIC TUBE SYSTEM  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

<u>BIDDER</u>	<u>Pevco Systems International, Inc.</u> <u>Baltimore, Maryland</u>	<u>TransLogic Corporation</u> <u>Denver, Colorado</u>
Base Bid (Bertner Complex)	\$406,150	\$427,300
Base Bid (Clinic Services Facility)	<u>58,850</u>	<u>72,500</u>
Base Bid Total	\$465,000	\$499,800
Alternate Bid No. B1 - Clinic Services Facility - Finish-Out of Eighth Floor Dental Clinic	2,051	0
Alternate Bid No. B2 - Clinic Services Facility - Finish-Out of Seventh Floor Hematology Clinic	<u>5,900</u>	<u>6,200</u>
Recommended Contract Award - Base Bid plus Alternate Bid Nos. B1 and B2	\$472,951	\$506,000

**BERTNER COMPLEX - PHASE II**  
**CLINIC SERVICES FACILITY - PHASE II**  
**BID PACKAGE NO. 9 - SECURITY CONTROL SYSTEM**  
**THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER**  
**Bids Received March 22, 1994**

<b>BIDDER</b>	<u>Sensormatic Electronics Corporation Houston, Texas</u>	<u>Maris Equipment Company, Inc. Houston, Texas</u>	<u>Security Control Systems, Inc. Houston, Texas</u>
Base Bid (Bertner Complex)	\$531,472	\$589,791	\$621,785
Base Bid (Clinic Services Facility)	<u>98,902</u>	<u>123,643</u>	<u>160,335</u>
Base Bid Total	\$630,374	\$713,434	\$782,120
Alternate Bid No. B1 - Clinic Services Facility - Finish-Out of Eighth Floor Dental Clinic	787	1,449	1,950
Alternate Bid No. B2 - Clinic Services Facility - Finish-Out of Seventh Floor Hematology Clinic	1,023	1,537	2,025
Alternate Bid No. B3 - Clinic Services Facility - Finish-Out of Tenth Floor Conference Center	<u>557</u>	<u>636</u>	<u>485</u>
Recommended Contract Award - Base Bid plus Alternate Bid Nos. B1 and B2	\$632,184	\$716,420	\$786,095

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 10 - FINISH HARDWARE  
 ARTICLE 2.07 LOCKSETS AND LATCHSETS  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

<u>BIDDER</u>	<u>Door Pro Systems, Inc.</u> <u>Houston, Texas</u>	<u>Best Locking Systems of Houston</u> <u>Houston, Texas</u>
Base Bid (Bertner Complex)	\$146,200	\$157,480
Base Bid (Clinic Services Facility)	<u>24,900</u>	<u>27,050</u>
Base Bid Total	\$171,100	\$184,530
Alternate Bid No. A1 - Bertner Complex - Research Building - Finish-Out of Basement and Level Five Laboratory Areas	942	1,950
Alternate Bid No. B1 - Clinic Services Facility - Finish-Out of Eighth Floor Dental Clinic	2,600	3,575
Alternate Bid No. B2 - Clinic Services Facility - Finish-Out of Seventh Floor Hematology Clinic	4,531	4,825
Alternate Bid No. B3 - Clinic Services Facility - Finish-Out of Tenth Floor Conference Center	<u>1,733</u>	<u>1,925</u>
Recommended Contract Award - Base Bid plus Alternate Bid Nos. A1, B1, and B2	\$179,173	\$194,880

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 11 - AUDIO - VISUAL/TELECONFERENCING SYSTEM  
 PORTION FOR THE TENTH FLOOR OF THE CLINIC SERVICES FACILITY  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

<u>BIDDER</u>	<u>Audio Communications Corporation Houston, Texas</u>	<u>Ford Audio-Video Systems, Inc. Oklahoma City, Oklahoma</u>	<u>Ancha Electronics, Inc. Dallas, Texas</u>
Base Bid (Clinic Services Facility)	\$865,466	\$887,765.14	\$951,552.25
Alternate #1 - Delete certain A/V Equipment	( 74,220)	( 36,171.35)	( 77,496.95)
Alternate #2 - Delete certain A/V Equipment	( 29,139)	( 22,318.31)	( 27,822.35)
Alternate #3 - Delete certain A/V Equipment	<u>( 19,544)</u>	<u>( 15,132.21)</u>	<u>( 18,448.26)</u>
Apparent Low Bid Amount - Base Bid plus Alternate Nos. 1, 2, and 3	\$742,563*	\$764,143.27	\$883,429.39

\*Note: Due to budget constraints, award of Bid Package No. 11 is not recommended.

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 11 - AUDIO - VISUAL/TELECONFERENCING SYSTEM  
 PORTION FOR THE TENTH FLOOR OF THE CLINIC SERVICES FACILITY  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

<u>BIDDER</u>	<u>KM Company Dallas, Texas</u>	<u>Alford Media Sales Inc. Dallas, Texas</u>
Base Bid (Clinic Services Facility)	\$1,017,063	\$1,057,247.86
Alternate #1 - Delete certain A/V equipment	( 97,810)	( 87,853.49)
Alternate #2 - Delete certain A/V equipment	( 20,686)	( 22,828.00)
Alternate #3 - Delete certain A/V equipment	( <u>15,253</u> )	( <u>7,149.05</u> )
Low Bid Amount - Base Bid plus Alternate Nos. 1, 2, and 3	\$ 913,820*	\$ 939,417.32

\*Note: Due to budget constraints, award of Bid Package No. 11 is not recommended.

BERTNER COMPLEX - PHASE II  
 CLINIC SERVICES FACILITY - PHASE II  
 BID PACKAGE NO. 12 - MODULAR MEDICAL CASEWORK SYSTEM  
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
 Bids Received March 22, 1994

<u>BIDDER</u>	<u>American Seating Company</u> <u>Grand Rapids, Michigan</u>	<u>Milcare, Inc.</u> <u>Fort Worth, Texas</u>	<u>Max Grigsby Company, Inc.</u> <u>Houston, Texas</u>
Base Bid (Bertner Complex)	\$249,900	\$275,736.90	\$297,000
Recommended Contract Award - Base Bid	\$249,900*	\$275,736.90	\$297,000

\*Note: The bid by American Seating Company was incomplete and was rejected as being nonresponsive.

**BERTNER COMPLEX - PHASE II**  
**CLINIC SERVICES FACILITY - PHASE II**  
**GENERAL CONSTRUCTION**  
**THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER**  
**Bids Received April 27, 1994**

	<u>Proposal "A"</u> <u>Bertner Complex</u>	<u>Add Alt. A1</u> <u>Research Bldg.</u> <u>Finish-Out</u> <u>Basement and</u> <u>Level 5 Labs</u>	<u>Add Alt. A2</u> <u>Patient Care Tower</u> <u>Therapy Courtyard</u>	<u>Add Alt. A3</u> <u>Research Bldg.</u> <u>Charcoal Filtering</u> <u>Animal Unit</u>
George Hyman Construction Company Dallas, Texas	\$ 99,930,000	\$545,000	\$130,000	\$105,000
Centex Bateson Construction Company, Inc., Dallas, Texas	120,000,000	554,000	147,000	120,000
Hensel Phelps Construction Co. Austin, Texas	125,000,000	640,000	180,000	140,000
Constructors & Associates, Inc. Houston, Texas	No Bid	No Bid	No Bid	No Bid

**BERTNER COMPLEX - PHASE II**  
**CLINIC SERVICES FACILITY - PHASE II**  
**GENERAL CONSTRUCTION**  
**THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER**  
**Bids Received April 27, 1994**

	<u>Proposal "B"</u> <u>Clinic Services</u> <u>Facility</u>	<u>Add Alt. B1</u> <u>Finish-Out</u> <u>8th Floor Dental</u>	<u>Add Alt. B2</u> <u>Finish-Out</u> <u>7th Floor Hematology</u>	<u>Add Alt. B3</u> <u>Finish-Out</u> <u>10th Floor Conference</u>
George Hyman Construction Company Dallas, Texas	\$21,000,000	\$ 799,000	\$ 879,000	\$1,060,000
Centex Bateson Construction Company, Inc., Dallas, Texas	18,000,000	910,000	885,000	1,035,000
Hensel Phelps Construction Co. Austin, Texas	25,000,000	1,100,000	1,050,000	1,150,000
Constructors & Associates, Inc. Houston, Texas	17,560,000	876,000	951,000	1,196,000

**BERTNER COMPLEX - PHASE II**  
**CLINIC SERVICES FACILITY - PHASE II**  
**GENERAL CONSTRUCTION**  
**THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER**  
**Bids Received April 27, 1994**

	<u>Proposal "C"</u> <u>(Proposals</u> <u>"A" and "B"</u> <u>Combined)</u>	<u>Add Alt. A1</u> <u>Research Bldg.</u> <u>Finish-Out</u> <u>Basement and</u> <u>Level 5 Labs</u>	<u>Add Alt. A2</u> <u>Patient Care</u> <u>Tower</u> <u>Therapy</u> <u>Courtyard</u>	<u>Add Alt. A3</u> <u>Research Bldg.</u> <u>Charcoal</u> <u>Filtering</u> <u>Animal Unit</u>	<u>Add Alt. B1</u> <u>Clin. Serv.</u> <u>Facility</u> <u>Finish-Out</u> <u>8th Floor</u> <u>Dental</u>	<u>Add Alt. B2</u> <u>Clin. Serv.</u> <u>Facility</u> <u>Finish-Out</u> <u>7th Floor</u> <u>Hematology</u>	<u>Add Alt. B3</u> <u>Clin. Serv.</u> <u>Facility</u> <u>Finish-Out</u> <u>10th Floor</u> <u>Conference</u>
George Hyman Construction Company Dallas, Texas	\$115,492,000	\$545,000	\$130,000	\$105,000	\$ 799,000	\$ 879,000	\$1,060,000
Centex Bateson Construction Company, Inc. Dallas, Texas	123,995,000	554,000	147,000	120,000	910,000	885,000	1,035,000
Hensel Phelps Construction Co. Austin, Texas	129,755,000	640,000	180,000	140,000	1,100,000	1,050,000	1,150,000
Constructors & Associates, Inc. Houston, Texas	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid

BERTNER COMPLEX - PHASE II  
CLINIC SERVICES FACILITY - PHASE II  
GENERAL CONSTRUCTION  
THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
Bids Received April 27, 1994

Recommended Contract Award  
Base Bid "C" plus Alternate  
Bid Nos. A1, B1, and B2

George Hyman Construction Company Dallas, Texas	\$117,715,000
Centex Bateson Construction Company, Inc., Dallas, Texas	126,344,000
Hensel Phelps Construction Co. Austin, Texas	132,545,000
Constructors & Associates, Inc. Houston, Texas	No Bid

**Business Aff.  
and Audit Com.**

BUSINESS AFFAIRS AND AUDIT COMMITTEE  
Committee Chairman Loeffler

Date: August 11, 1994  
Time: Following the meeting of the Executive Committee  
Place: Lobby, Commons Building, J. J. Pickle Research  
Campus, U. T. Austin

	<u>Page</u> <u>BAAC</u>
1. U. T. System: Recommendation to Approve <u>Chancellor's Docket No. 77</u>	2
2. U. T. Board of Regents: Recommendation to Amend the Regents' <u>Rules and Regula-</u> <u>tions</u> , Part Two, Chapter VI, Section 5 (Workers' Compensation Insurance) and Section 6 (Unemployment Compensation Program)	2
3. U. T. System: Request to Approve an Aggregate Amount of Equipment Financ- ing for Fiscal Year 1995 and Approve the Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity	5

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 77.--

#### RECOMMENDATION

It is recommended that Chancellor's Docket No. 77 be approved.

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

2. U. T. Board of Regents: Recommendation to Amend the Regents' Rules and Regulations, Part Two, Chapter VI, Section 5 (Workers' Compensation Insurance) and Section 6 (Unemployment Compensation Program).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part Two, Chapter VI, Section 5 regarding Workers' Compensation Insurance and Section 6 regarding the Unemployment Compensation Program be amended as set forth below in congressional style:

##### Sec. 5. Workers' Compensation Insurance.

- 5.1 Pursuant to Section 503.001 et seq., Texas Labor Code, a self-insured System-wide Workers' Compensation Insurance (W.C.I.) Program will provide certain benefits for injuries sustained in the course and scope of employment.
- 5.2 The System Personnel Office, with the assistance of other appropriate System and component institution offices, shall investigate injuries.
- 5.3 The component institutions [~~System Personnel-Office~~] shall be responsible for reporting all work-related injuries to the System Personnel Office [~~covered-injuries to-the-Texas-Workers'-Compensation-Commission-(TWCC)~~]. The System Personnel Office shall file lost time injuries and occupational diseases with the Texas Workers' Compensation Commission (TWCC).
- 5.4 The System Personnel Office shall coordinate occupational safety and health activities.
- 5.5 The Office of General Counsel shall be responsible for a determination on appeal of TWCC decisions.

- 5.6 A percentage of annual payroll, as approved by the U. T. Board of Regents, shall be set aside to fund the Workers' Compensation Insurance Fund (W.C.I. Fund).
- 5.61 Each institutional chief business officer shall be responsible for the transmission of amounts to be added to the W.C.I. Fund for all salaries paid, as instructed by the System Personnel Office, for receipt into the W.C.I. Fund no later than 20 [15] days after the end of each month.
- 5.62 The W.C.I. Fund must be deposited or invested in the same manner as other local institutional funds as specified in Part Two, Chapter III, Section 4 of these Rules and Regulations.
- 5.7 The System Personnel Office shall be responsible for processing all W.C.I. claims for medical care and compensation.
- 5.8 The System Personnel Office shall prepare an annual report for the U. T. Board of Regents on the status of the W.C.I. Fund.

Sec. 6. Unemployment Compensation Insurance Program.

- 6.1 The System-wide Unemployment Compensation Insurance (U.C.I.) Program will provide weekly benefits as specified in Section 207.001 et seq., Texas Labor Code.
- 6.2 The Unemployment Compensation Insurance Fund (U.C.I. Fund) is established by the U. T. Board of Regents to be deposited or invested in the same manner as other local institutional funds as specified in Part Two, Chapter III, Section 4 of these Rules and Regulations. The System Personnel Office shall administer funding by assessment on all salary sources other than State General Revenue Funds as provided in Subsection [Section] 6.24 below.
- 6.21 The System will reimburse the State General Revenue Fund from the U.C.I. Fund for claims charge-backs paid by the State Comptroller for former employees paid from [other] funds other than State General Revenue Funds.
- 6.22 Claims charge-backs for former employees paid from State General Revenue Funds shall be referred to the State Comptroller for payment.
- 6.23 The U.C.I. Fund shall at all times operate under principles established [agreed-upon] by [the-System-and] the U. S. Department of Health and Human Services.
- 6.24 Assessment rates shall be calculated to [maintain-the-U.-C.-I.-Fund-balance within-a-range-of-\$1,215,000-to \$1,755,000-and-to] provide minimum U.C.I. Fund balance fluctuations and

maximum rate stability. Each institutional chief business officer shall be responsible for the transmission of such assessed amounts, as instructed by the System Personnel Office, for receipt into the U.C.I. Fund no later than 20 [15] days after the end of the month.

6.25 Expenditures from the U.C.I. Fund shall be limited to direct costs in accordance with Office of Management and Budget Circular A-21 [~~Federal-Management-Circular-73-87~~, Section-5-7].

6.3 The System Personnel Office, working in coordination with appropriate System and component institution offices, shall administer the U.C.I. Program and represent the System [~~and-component-institutions~~] in appeals to the Texas Employment Commission (T.E.C.).

. . . .

#### BACKGROUND INFORMATION

The proposed change to Part Two, Chapter VI, Section 5, Subsection 5.3 of the Regents' Rules and Regulations is intended to clarify the responsibility of the employing component institution to initiate an injury report and submit it to the System Personnel Office.

The proposed change to Part Two, Chapter VI, Section 6, Subsection 6.2, Subdivision 6.24 of the Regents' Rules and Regulations will remove outdated language regarding the U.C.I. Fund balance. Pursuant to the Department of Health and Human Services (DHHS) instructions, the U.C.I. Fund balance should not exceed: (1) claims submitted and adjudicated but not paid, plus; (2) claims submitted but not adjudicated, plus; (3) claims incurred but not submitted.

The Federal Management Circular 73-8 has been replaced by the Office of Management and Budget Circular A-21. The proposed modification to Part Two, Chapter VI, Section 6, Subsection 6.2, Subdivision 6.25 of the Regents' Rules and Regulations reflects this change. Editorial changes to Part Two, Chapter VI, Sections 5 and 6 are proposed to clarify the rules and to ensure uniformity. One such change in Section 6 is the addition of the word "insurance" following Unemployment Compensation to refer to the Unemployment Compensation Program. All references to this program throughout Section 6 reflect the name change to Unemployment Compensation Insurance (U.C.I.) Program.

The proposed receipt date change for transfers to the W.C.I. and U.C.I. Funds will allow component institutions to make one monthly wire transfer for medical, dental, vision, W.C.I., and U.C.I. premiums.

3. U. T. System: Request to Approve an Aggregate Amount of Equipment Financing for Fiscal Year 1995 and Approve the 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 Business Affairs that the U. T. Board of Regents approve an aggregate financed amount of \$31,276,000 under the Revenue Financing System for equipment to be purchased in Fiscal Year 1995 by the following U. T. System component institutions:

\$ 2,500,000	U. T. Arlington
\$ 2,000,000	U. T. Austin
\$ 180,000	U. T. Dallas
\$ 3,233,000	U. T. El Paso
\$ 1,000,000	U. T. San Antonio
\$ 550,000	U. T. Tyler
\$12,050,000	U. T. Medical Branch - Galveston
\$ 3,750,000	U. T. Health Science Center - Houston
\$ 2,000,000	U. T. Health Science Center - San Antonio
\$ 2,000,000	U. T. M.D. Anderson Cancer Center
\$ 2,013,000	U. T. Health Center - Tyler

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, 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 (the "Master Resolution"), and upon delivery of the Certificate of an Authorized Representative as set out on Page BAAC - 7, the U. T. Board of Regents resolve that:

- a. Parity Debt shall be issued to pay the project's cost paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. The component institutions to finance equipment, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$31,276,000 for the purchase of equipment.

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

#### BACKGROUND INFORMATION

At the April 1994 meeting, the U. T. Board of Regents approved the use of Revenue Financing System debt for equipment purchases in accordance with the Guidelines Governing Administration of the Revenue Financing System and approved an aggregate financing amount for certain equipment purchased in Fiscal Year 1994. This item requests approval of an aggregate amount of equipment financing for Fiscal Year 1995. Each fiscal year, the U. T. Board of Regents will be asked to approve an aggregate financing amount, and any amount approved for a fiscal year but not used may not be carried forward.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the 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 Board of Regents pursuant to Section 5 (a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance equipment cost at U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. San Antonio, U. T. Tyler, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, U. T. Health Center - Tyler, and U. T. M.D. Anderson Cancer Center, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution.

EXECUTED this 11 day of July, 1994

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

**Academic  
Affairs Com.**

ACADEMIC AFFAIRS COMMITTEE  
Committee Chairman Holmes

Date: August 11, 1994  
Time: Following the meeting of the Business Affairs and  
Audit Committee  
Place: Lobby, Commons Building, J. J. Pickle Research  
Campus, U. T. Austin

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1. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4 (Institutions and Entities Composing the System).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs that the Regents' Rules and Regulations, Part One, Chapter VIII, Section 4 (Institutions and Entities Composing the System) be amended as set forth below in congressional style:

- Sec. 4. Institutions and Entities Composing the System.--The System is composed of the component institutions and entities set forth below in paragraphs 4.1 et seq.[7] and such other component institutions and activities as may from time to time be assigned to the governance, control, jurisdiction, or management of the Board of the System. To insure uniformity and consistence of usage throughout the System, the component institutions and their respective entities shall be listed in the following order and the following titles shall be used:

	<u>Full Title</u>	<u>Short Title</u>
. . .		
4.5	The University of Texas at Brownsville	U.T. Brownsville
4.51	The University of Texas at Brownsville School of Business [and Industry]	
4.52	The University of Texas at Brownsville School of Education	
4.53	The University of Texas at Brownsville School of Health Sciences	
4.54	The University of Texas at Brownsville College of Liberal Arts	
4.55	The University of Texas at Brownsville College of Science, [and] Mathematics and <u>Technology</u>	
4.56	The University of Texas at Brownsville Division of Continuing Education	
. . .		

	<u>Full Title</u>	<u>Short Title</u>
4.7	The University of Texas at El Paso	U.T. El Paso
4.71	The University of Texas at El Paso College of Business Administration	
4.72	The University of Texas at El Paso College of Education	
4.73	The University of Texas at El Paso College of Engineering	
4.74	The University of Texas at El Paso College of Liberal Arts	
4.75	The University of Texas at El Paso College of Nursing and [Allied] Health Sciences	
4.76	The University of Texas at El Paso College of Science	
4.77	The University of Texas at El Paso Graduate School	
4.8	The University of Texas - Pan American	U.T. Pan American
4.81	The University of Texas - Pan American College of Arts and Sciences	
4.82	The University of Texas - Pan American School of Business Administration	
4.83	The University of Texas - Pan American School of Education	
4.84	The University of Texas - Pan American <u>School</u> [Division] of Health <u>Sciences</u> [Related Professions]	
4.9	The University of Texas of the Permian Basin	U.T. Permian Basin
4.91	The University of Texas of the Permian Basin <u>College of Arts and Sciences</u> [Division-of Behavioral-Science-and Physical-Education]	
4.92	The University of Texas of the Permian Basin <u>School</u> [Division] of Business	
4.93	The University of Texas of the Permian Basin <u>School</u> [Division] of Education	
	<del>4.94-----The-University-of-Texas of-the-Permian-Basin Division-of-Humanities and-Fine-Arts</del>	

Full Title

Short Title

4.95-----The-University-of-Texas  
of-the-Permian-Basin  
Division-of-Science  
and-Engineering]

. . .

4.(11)	The University of Texas at Tyler	U.T. Tyler
4.(11)1	The University of Texas at Tyler School of Business Administration	
4.(11)2	The University of Texas at Tyler School of Education and Psychol- ogy	
4.(11)3	The University of Texas at Tyler School of Liberal Arts	
4.(11)4	The University of Texas at Tyler School of Sciences and Mathe- matics	
<u>4.(11)5</u>	<u>The University of Texas</u> <u>at Tyler Division of</u> <u>Nursing</u>	

. . .

BACKGROUND INFORMATION

The names of the entities within the U. T. System are subject to change from time to time by virtue of Regental action and subsequent approval by the Texas Higher Education Coordinating Board or by nonsubstantive changes in the academic structure of an institution by virtue of U. T. System Administration approval and Coordinating Board approval. These proposed amendments reflect changes in names of various entities as approved by the appropriate officials or agencies.

2. U. T. Arlington: Request for Authorization to Establish a Master of Science in Management of Technology and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that authorization be granted to establish a Master of Science in Management of Technology at U. T. Arlington and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed degree program is consistent with U. T. Arlington's approved Table of Programs and its long-range academic plan. The Colleges of

Business Administration and Engineering will offer this program through a combination of existing courses. A description of the proposed 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. Arlington will be amended to reflect this action.

## BACKGROUND INFORMATION

### Program Description

The proposed 36 credit hour degree program would be interdisciplinary in nature with courses from both the College of Engineering and the College of Business Administration. The program would provide individuals in high technology firms or those who intend to pursue management career tracks in such firms an appropriate way to acquire both technical and business skills. The purpose of the proposed Management of Technology program is to provide engineering and scientific professionals with managerial skills needed to supervise other scientific and engineering professionals and to manage the technology development process itself. As such, the program is not intended to meet the needs of those who intend to pursue doctoral-level research-oriented degrees.

Admission to the program will require a minimum of three years work experience in the individual's professional field. Since experienced engineers, scientists, and others appropriately qualified for this program will vary with respect to their academic backgrounds, some may be advised, on an individual basis, to complete certain leveling courses prior to completion of the core and advanced courses in the program. As a result, the degree program will exceed 36 semester credit hours for some students.

### Need

The Dallas/Fort Worth Metroplex is ranked in the top five high technology centers in the nation. Worldwide high technology markets are now very competitive. The availability of the proposed master's degree program for interested high technology managers is particularly important for Texas to maintain competitiveness at this time. Also, as U. S. defense spending is reduced, many engineers and scientists are likely to seek positions as technical managers.

### Program Quality

The College of Business Administration currently offers several master's programs and a Ph.D. program to qualified students wishing to enhance their careers and develop their skills. The College of Engineering currently offers the Master of Science and Master of Engineering in Industrial Engineering and similar degrees in Aerospace Engineering, Civil Engineering, Electrical Engineering, Mechanical Engineering, and Biomedical Engineering. The graduate program in Industrial Engineering offers qualified students the opportunity to pursue a master's or doctoral degree in five specialty areas including Engineering Management. The proposed degree will be interdisciplinary with courses from both the College

of Engineering and the College of Business Administration and will draw on the recognized quality of both of these well established colleges.

#### Cost

The proposed program will use existing courses taught on a regular basis. No additional faculty, staff, equipment, or library costs are required to implement the proposed program.

#### Summary

U. T. Arlington is requesting authorization to establish a Master of Science in Management of Technology. The proposed degree program supports U. T. Arlington's long-range plan to support and contribute to the economic and technological growth of the North Texas region. High technology and the management of technologically-based businesses are key elements in the future success of the region.

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

3. U. T. Arlington: Request for Authorization to Establish a Master of Software Engineering Degree 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 Amacher that authorization be granted to establish a Master of Software Engineering degree with a major in Software Engineering at U. T. Arlington and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed degree program is consistent with U. T. Arlington's plans for offering quality degree programs to meet student and regional needs and is within its approved Table of Programs. 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. Arlington will be amended to reflect this action.

#### BACKGROUND INFORMATION

##### Program Description

The proposed Master of Software Engineering would be a 36 semester credit hour degree administered by the Computer Science and Engineering Department which currently administers Master of Science, Master of Computer Science, and Master of Engineering programs. The proposed program will complement rather than duplicate any of the existing programs and will

utilize existing courses which are also part of these programs. It will be engineering oriented with an emphasis on software analysis and design. All courses required for the Master of Software Engineering degree will be scheduled at least once per year over the TAGER closed circuit educational television network as well as on campus. Although enrollment shifts might occur among the new and current programs, enrollments are expected to be sufficiently large for all programs to remain viable. The department plans to limit enrollments to about seventy-five head count/fifty FTE students per year beyond the fifth year.

### Need

Many computer scientists and engineers working in industry desire to enter the software engineering field by earning an appropriate master's degree. The Association for Software Engineering Excellence (ASEE), a professional organization whose membership includes more than 25 major corporations and over 400 software professionals in the Dallas/Fort Worth area, has expressed a strong need for a software engineering master's program at a state university in the Dallas/Fort Worth area. U. T. Arlington was approached by representatives of the ASEE in the Spring of 1993 concerning establishment of the desired degree program. U. T. Arlington's experience and expertise in the field make it a logical choice to administer the proposed degree program. Enrollment trends in U. T. Arlington's current software engineering courses also indicate a growing demand for a Master of Software Engineering degree. A degree program in software engineering rather than a specialization within computer science is desired due to the growth of career opportunities in the field.

### Program Quality

The Computer Science and Engineering Department, which added software engineering as an emphasis area in 1982 in order to serve the needs of local aerospace and defense industries, currently has seven faculty members with expertise in various areas of software engineering. The proposed program has been designed to address the specific needs of industry in the North Texas area for a graduate-level degree program that focuses on problems associated with the development and maintenance of large software systems. U. T. Arlington's ten years of experience in software engineering education and research will form the program's base.

### Cost

No additional faculty positions, courses, space, equipment, or library resources are needed to implement the proposed program. However, if faculty vacancies occur in the department, the positions will be filled with candidates whose expertise supports the program as needs indicate.

### Summary

U. T. Arlington requests authorization to establish a Master of Software Engineering degree. The program will accommodate working software engineering professionals and will emphasize solutions to problems that these professionals face in their jobs. All required courses for the Master of Software Engineering degree will be scheduled at least once per year both on the U. T. Arlington campus and over the TAGER closed circuit educational television network to provide the maximum flexibility for students.

A copy of the proposal for the Master of Software Engineering degree program is on file in the U. T. System Office of Academic Affairs.

4. U. T. Austin: Proposed Appointments to Endowed Academic Positions Effective September 1, 1994.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the following initial appointments be made to endowed academic positions at U. T. Austin effective September 1, 1994:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Dr. Brian P. Levack Professor and Chairman Department of History	John E. Green Regents Professorship in History in the College of Liberal Arts; established June 1985
Dr. Ronald A. Crutcher Professor, Department of Music	The Marie and Joseph D. Jamail, Sr. Regents Professorship in Fine Arts in the College of Fine Arts; established June 1986

#### BACKGROUND INFORMATION

Dr. Levack, a faculty member at U. T. Austin since 1969, is recognized for his work in British law and witchcraft. He has authored or edited four books and written numerous articles and reviews which have appeared in well recognized scholarly journals and other publications. He is a recipient of the Liberal Arts Student Council Teaching Excellence Award and the President's Associates Teaching Excellence Award. Dr. Levack is a former Guggenheim Fellow, a Scholar-in-Residence at the Frances Lewis Law Center at Washington and Lee University School of Law, and is a member of the Board of Editors of Law and History Review.

Dr. Crutcher's appointment as Professor in the Department of Music at U. T. Austin has been approved effective September 1, 1994. He has served on the faculties of the Bonn School of Music, the American Institute of Musical Studies (Graz, Austria), Wittenberg University, and the University of North Carolina at Greensboro. Currently a member of the Cello and Chamber Music faculties at The Cleveland Institute of Music, Dr. Crutcher also serves as Vice President of Academic Affairs and Dean of the Conservatory. He is an active performer, having soloed in Germany, England, Belgium, Holland, Austria, Switzerland, Luxembourg, and Brazil and at Carnegie Hall. Dr. Crutcher is active in community and professional affairs and is a member of the board for several organizations including the Chamber of Music of America, The Musical Arts Association (The Cleveland Orchestra), and Phi Beta Kappa Association of Cleveland.

5. U. T. Austin: Request for Permission for Individual to Serve as a Commissioner of the Texas Parks and Wildlife Department [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that approval be given for Professor William P. Hobby, holder of the Sid Richardson Chair in Public Affairs at U. T. Austin, to accept appointment as a Commissioner of the Texas Parks and Wildlife Department.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Professor Hobby is of benefit to the State of Texas and (2) there is no conflict between his position at U. T. Austin and his appointment as a Commissioner of this Department.

#### BACKGROUND INFORMATION

In March 1993, Governor Ann Richards appointed Professor Hobby as a Commissioner of the Texas Parks and Wildlife Department through February 1, 1999. The appointment was confirmed by the Texas Senate during the 73rd Regular Session of the Texas Legislature. The requirement for concurrence of the U. T. Board of Regents was inadvertently overlooked until now.

The Texas Parks and Wildlife Department provides management and protection of wildlife and wildlife habitats and acquires and manages parklands and historic areas. Professor Hobby's appointment is to a nine-member commission that acts as a policy making body for the Department. Professor Hobby will serve in this capacity without additional compensation.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574 of the Texas Government Code and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

6. U. T. Austin: Recommendation to Name Room in Russell A. Steindam Hall (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that Room 113 in Russell A. Steindam Hall at U. T. Austin be named The H. Malcolm Macdonald Conference Room in accordance

with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

#### BACKGROUND INFORMATION

The proposed room naming is in recognition of Professor H. Malcolm Macdonald, ROTC Liaison Officer at U. T. Austin for over 44 years until his retirement in January 1994. Professor Macdonald joined the U. T. Austin faculty in 1939. His entire working career has been dedicated to U. T. Austin except for a period of service in the United States Navy in World War II and service for one year as an instructor at the United States Naval Academy.

7. U. T. Austin: Request for Approval of Second-Year and Third-Year Leaves of Absence for the 1993-94 and 1994-95 Fiscal Years (Regents' Rules and Regulations, Part One, Chapter III, Section 16, Subsections 16.3 and 16.4).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl for approval of second-year and third-year leaves of absence, without pay, to Professor Leslie Young, V. F. Neuhaus Centennial Professor in Finance at U. T. Austin, for the 1993-94 and 1994-95 fiscal years in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 16, Subsections 16.3 and 16.4.

#### BACKGROUND INFORMATION

Dr. Young holds a joint appointment in the Department of Economics, the Center for Asian Studies, and the Department of Finance at U. T. Austin. The second-year leave, which was not requested earlier, now needs ratification and the prospective third-year leave of absence will permit Dr. Young to continue his work on trade and finance at The Chinese University of The New Territories and at the Center for Hong Kong - American Educational Exchange, both in Hong Kong. In addition to his scholarly work, Professor Young has been instrumental in developing arrangements for cooperative programs between U. T. Austin and The Chinese University of the New Territories. The third-year leave will allow him to continue making progress on those programs, which will provide long-term educational and research opportunities for U. T. Austin students and faculty, thereby justifying the ratification of the second-year leave and the granting of the third-year leave of absence.

8. U. T. Austin: Recommendation for Approval of a Proposed Agreement with the Institute of International Education (IIE), New York, New York, on Behalf of the American-European Engineering Exchange Consortium and Request for Authorization to Execute Agreement.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that approval be given to the proposed agreement set out on Pages AAC 13 - 14 between U. T. Austin and the Institute of International Education (IIE), New York, New York, on behalf of the American-European Engineering Exchange Consortium.

It is further recommended that the President of U. T. Austin be authorized to execute the agreement with the understanding that any and all specific agreements arising from this agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

#### BACKGROUND INFORMATION

The Institute of International Education is a nonprofit New York corporation which administers international educational programs such as the Fulbright exchange programs and serves as administrator for the American-European Engineering Exchange Consortium. The consortium of U. S. engineering schools, working in collaboration with a consortium of European institutions, provides opportunities for undergraduate and graduate students to receive academic and practical training in other countries. Periods of training will range from 3 to 24 months and program costs will involve no net exchange of funds between participating universities.

The proposed agreement contains terms and conditions similar to exchange agreements previously approved by the U. T. Board of Regents and has been reviewed by the Office of General Counsel.

## American-European Engineering Exchange (AE<sup>3</sup>) Agreement

AE<sup>3</sup> is a consortium of US Engineering schools, working in collaboration with a consortium of European institutions, to provide opportunities for undergraduate and graduate students to receive academic and practical training in each other's countries for periods of 3 to 24 months. Program costs will involve no net exchange of funds between participating universities. The Institute of International Education (IIE), a private non-profit agency located at 809 United Nations Plaza, New York, NY 10017, is the administrative agency for the American members of the consortium.

Participating US institutions would be expected to:

- identify a person responsible for AE<sup>3</sup> liaison
- define requirements for participation by incoming and outgoing students
- evaluate incoming student dossiers for acceptance on a space-available basis  
provide assistance in locating housing (with costs to be covered by the incoming students)
- provide detailed course information to be used in the evaluation and transfer credit process
- evaluate in advance the outgoing students' proposed European program with the objective of maximizing credit transfers
- adhere to program deadlines for nomination of US students, for decisions on European incoming students, etc.
- arrange appropriate mentored internships in industry or the university with expectation of stipends
- provide academic mentors who will evaluate and report on performance of incoming students
- provide intensive English language instruction as needed on a cost per student basis
- contribute to the administrative costs through an annual membership fee.

Participating European universities would be expected to:

- identify a person responsible for AE<sup>3</sup> liaison
- define requirements for participation by incoming and outgoing students
- evaluate incoming student dossiers for acceptance on a space-available basis
- provide assistance in locating housing (with costs to be covered by the incoming students)
- provide detailed course information (in English) to be used in the evaluation and transfer credit process
- provide an intensive language and cultural program for incoming US students on a cost per student basis
- adhere to program deadlines for nomination of European students for decision on US incoming students, etc.
- provide appropriate mentored industrial internships with expectation of stipends
- provide academic mentors who will evaluate and report on performance of incoming students
- contribute to the administrative costs through an annual membership fee.

The consortium will elect a Chairperson and an Executive Committee of 4 to 6 members to serve for a period of two years. This committee is expected to conduct the business of the consortium including:

- develop guidelines for membership and invite new members
- fundraising
- identifying and overseeing the administrative agency (IIE)

The Institute of International Education (IIE) and the European coordinating body will be expected to:

- coordinate and participate with the Executive Committee in fundraising for the consortia
- receive and account for administrative funds
- collect and circulate dossiers of nominated students, after preliminary screening
- coordinate acceptances and recirculate dossiers as needed
- insure that proper visas and adequate health insurance are secured for incoming students according to the standards set out by member institutions
- oversee the placement process among the academic institutions and industrial sites
- provide an annual report and evaluation of the AE<sup>3</sup> process as required by funders to be made available to consortium and industry members
- provide periodic reports to the consortium
- other duties as requested by the Executive Committee.

A member institution may terminate its participation on six (6) months written notice.

By signature below, our institution agrees to join the AE<sup>3</sup> Consortium:

On behalf of the Consortium, we accept your institution into AE<sup>3</sup> and will provide the above services:

---

Robert M. Berdahl  
President  
The University of Texas at Austin

---

Peggy Blumenthal  
Vice President for Educational Services  
Institute of International Education

AE<sup>3</sup> Liaison:  
Thomas F. Edgar, Associate Dean  
College of Engineering

Date: \_\_\_\_\_

Date: \_\_\_\_\_

9. U. T. Brownsville: Recommendation for Approval of Ground Lease Agreement by and Between the Board of Trustees of Southmost Union Junior College District on Behalf of Texas Southmost College and the U. T. Board of Regents on Behalf of U. T. Brownsville and Request for Authorization to Execute Lease.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Garcia that the U. T. Board of Regents approve a Ground Lease Agreement by and between the Board of Trustees of Southmost Union Junior College District, for and on behalf of Texas Southmost College (TSC), and the U. T. Board of Regents, for and on behalf of U. T. Brownsville, in a form substantially equivalent to the draft lease set out on Pages AAC 18 - 42 and authorize the Executive Vice Chancellor for Academic Affairs to execute the lease upon final review and approval by the Executive Vice Chancellor for Business Affairs, President Garcia, and the Office of General Counsel.

Highlights of the proposed lease are as follows:

- a. TSC will lease approximately 3.8 acres in the northeast quadrant of the campus to U. T. Brownsville for the construction of the Science and Engineering Technology Building (a three-story building of approximately 150,000 square feet)
- b. Building is to be cooperatively utilized in furtherance of the Educational Partnership Agreement between the two institutions and all terms of the lease will comply with all terms of the partnership agreement; the parties will execute additional or amended cooperation agreements as needed to cover details of space use and operation of the building
- c. U. T. Brownsville will pay TSC nominal rental of \$100 per year during Lease Term
- d. U. T. Brownsville agrees to construct, operate, and maintain the facility in compliance with applicable state and federal laws and city ordinances and the terms of the Educational Partnership Agreement
- e. TSC is to review and approve the preliminary plans for landscaping, exterior appearance of the building, and its placement on the leased site. Style and materials are to be comparable to exterior of adjacent TSC buildings.
- f. U. T. Brownsville is responsible for payment of all taxes, if any

- g. To the extent allowed by law, U. T. Brownsville indemnifies TSC for loss or damage related to U. T. Brownsville's use of or operations on the leased site
- h. Ownership of the land remains with TSC; upon the later to occur of termination of the educational partnership or the expiration of 50 years from the effective date of the Lease, all improvements revert to TSC, in the absence of any statute prohibiting transfer and subject to latest sales of bonds
- i. If the lease is terminated for reasons other than expiration of the Lease Term, condemnation, abandonment by U. T. Brownsville, or destruction of the facility and inability to rebuild, title will not vest in TSC without payment to U. T. Brownsville of an amount that is the greater of outstanding bond debt or appraised value of the building and improvements
- j. In the event of damage or destruction of the facility, U. T. Brownsville pledges its best efforts to explore all options to allow repair or replacement with an equivalent facility at no cost to TSC
- k. TSC may require U. T. Brownsville to demolish the facility at end of the Lease Term or in the event of inability to repair or replace the damaged facility during the Term
- l. In the event of termination of the Partnership prior to expiration of the minimum 50-year Term, TSC may continue to utilize same type and amount of classroom space upon payment of fair market value rental for the space used. Under such circumstances, U. T. Brownsville is obligated to pay annual rental for the leased land at fair market value rates
- m. The parties agree to utilize nonbinding arbitration in the event of disputes related to the Lease.

#### BACKGROUND INFORMATION

The 73rd Session of the Texas Legislature authorized the financing of the Science and Engineering Technology Building at U. T. Brownsville through Tuition Revenue Bonds in the amount of \$23,500,000 as part of the South Texas/Border Initiative (Section 55.1714, Texas Education Code). The U. T. Board of Regents at the October 1993 meeting approved the appointment of the project architect to prepare a comprehensive site development and programming study prior to the development of preliminary plans. The Science and Engineering Technology Building is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget.

The TSC Board of Trustees has approved the proposed lease in the form set out in the Material Supporting the Agenda; however, negotiations on minor rewording of lease provisions, including Article 5 on ownership of improvements, Article 8 on maintenance and repair, and Article 9 on destruction of improvements are ongoing to arrive at the most advantageous provisions for the partnership related to ownership and maintenance of the related thermal energy plant, adjacent parking lot and nearby existing buildings proposed for rehabilitation and use related to the facility. These negotiations are expected to be concluded soon.

Prior to commencement of construction, two additional agreements related to building operation and shared use of space will be executed under the authority of the Partnership Agreement.

See Item 4 on Page FPC - 11 related to the construction of the Science and Engineering Technology Building.

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GROUND LEASE

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by and between

THE BOARD OF TRUSTEES OF THE  
SOUTHMOST UNION JUNIOR COLLEGE DISTRICT  
for and on behalf of  
TEXAS SOUTHMOST COLLEGE

LANDLORD

and

THE BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM  
for and on behalf of  
THE UNIVERSITY OF TEXAS AT BROWNSVILLE

TENANT

Dated: \_\_\_\_\_, 1994

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## GROUND LEASE AGREEMENT

This Ground Lease Agreement ("Lease") is made and entered into as of the \_\_\_ day of \_\_\_, 1994, by and between the BOARD OF TRUSTEES OF THE SOUTHMOST UNION JUNIOR COLLEGE DISTRICT for and on behalf of TEXAS SOUTHMOST COLLEGE ("TSC" OR "Landlord") and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM for and on behalf of THE UNIVERSITY OF TEXAS AT BROWNSVILLE ("University" or "Tenant").

### RECITALS

A. Educational Partnership. This lease is entered into in furtherance of the purposes and agreements contained in the Educational Partnership Agreement between Landlord and Tenant dated September 1, 1991, and creating an educational partnership as authorized by Section 51.661 et seq. of the Texas Education Code to improve the continuity, quality, and efficiency of educational programs and services offered by the parties (the "Educational Partnership Agreement").

B. Demised premises. The Landlord is the owner of the tract being leased, which is located within the northeast quadrant of the campus of Texas Southmost College ("TSC campus"), said area containing approximately 3.8 acres, and being more particularly described in Exhibit "A", attached hereto and incorporated herein (known hereafter together with all improvements now or hereafter constructed thereon as the "Demised Premises").

C. Cooperation Agreement for Facility Operation. Landlord and Tenant will enter into a Cooperation Agreement for Facility Operation (the "Facility Operation Agreement") further describing the relationship between the parties and providing for the sharing and exchange of various services between Landlord and Tenant in connection with the parties' operations regarding the Demised Premises. The execution and performance of the parties' obligations under the Facility Operation Agreement is a part of the additional consideration exchanged for entering into this Lease.

D. Cooperation Agreement for Space Use. Landlord and Tenant will enter into a Cooperation Agreement for Space Use (the "Space Lease Agreement") by the terms of which the Tenant leases to the Landlord a certain amount of shell space in the building improvements to be erected by Tenant on

Demised Premises. The execution and performance of the parties' obligations under the Space Use Agreement is a part of the additional consideration exchanged for entering into this Lease.

E. Purpose of Ground Lease Agreement. The purpose of this Lease is to provide for the use of the Demised Premises for developing, constructing and operating the facilities for a Science and Engineering Technology Building, to be cooperatively utilized by Landlord and Tenant in furtherance of the purposes and agreements contained in the Educational Partnership Agreement and in accordance with the mutual obligations undertaken pursuant thereto.

## **ARTICLE 1 LEASE GRANT AND ACCESS**

**Section 1.1 Lease Grant.** Landlord, in consideration of the rents, covenants, agreements and conditions herein set forth, which Tenant hereby agrees shall be paid, kept, and performed, does hereby lease unto Tenant, and Tenant does hereby rent and lease under the terms set forth below, from Landlord, the Demised Premises described on Exhibit "A" attached hereto, together with all of Landlord's rights, interest, estates, and appurtenances thereto, and all improvements now or hereafter constructed thereon.

**Section 1.2 Habendum.** TO HAVE AND TO HOLD the Demised Premises, together with all and singular the rights, privileges, and appurtenances thereunto attaching or in any wise belonging, exclusively unto Tenant, its successors and assigns, for the term set forth in Article 2, subject to termination as herein provided and subject to and in accordance with the above and below referenced covenants, agreements, terms, provisions and limitations.

**Section 1.3 Access.** Landlord hereby grants to Tenant, its agents, employees, contractors, licensees, invitees and guests, the right of ingress and egress over and upon all real property now or hereafter owned by Landlord which is adjacent to or having a boundary contiguous with the Demised Premises in order that Tenant, its agents, employees, contractors, licensees, invitees and guests may have reasonable access from a dedicated public right-of-way to and from the Demised Premises of sufficient size and area to facilitate the use and occupancy of the Demised Premises and reasonable pedestrian and vehicular access from and between such public right-of-way and the Demised Premises over the sidewalks, walkways, roads, streets and drives whether now existing or constructed in the future, located thereon. This grant of a right of ingress and egress shall be effective during the term of this Lease and any extension thereof.

The rights of ingress and egress granted hereby shall in no way restrict the Landlord from imposing reasonable restrictions, rules and regulations upon the sidewalks, walkways, roads, streets and drives located upon real property owned by Landlord. So long as reasonable ingress and egress is available as described above, Landlord shall in no way be prohibited from exercising any of its rights to develop, control, lease, sell or encumber any of the real property owned by Landlord and vehicular access from and between the Demised Premises and any public right-of-way shall be restricted to the roads, streets and drives intended for vehicular ingress and egress which are now or may hereafter be constructed on the real property owned by Landlord and such vehicular ingress and egress shall be subject to the reasonable rules and restrictions generally imposed by Landlord upon all vehicular traffic utilizing such private roads, streets and drives.

In addition to the above-described right of ingress and egress, Landlord hereby grants to Tenant, its agents, employees, officers and contractors, a temporary construction easement adjoining all boundary lines of the Demised Premises. Such temporary construction easement shall be of sufficient size and area to allow Tenant to construct the building, landscaping and other improvements and shall remain in effect only so long as Tenant is engaged in construction on the Demised Premises, provided that specific locations of such temporary construction easements must have the prior written approval of the Executive Director of TSC or the Executive Director's designee. The right of ingress and egress granted hereby shall constitute a covenant running with the Demised Premises and such other real property owned by Landlord and shall expire upon the expiration of the Term.

## **ARTICLE 2**

### **TERM, OPTION TO EXTEND, AND TERMINATION**

**Section 2.1 Effective Date and Term.** The effective date ("Effective Date") of this Lease shall be the date upon which the last party to the Lease executes the Lease. The lease term ("Term") of this Lease shall begin on the Effective Date and shall expire at midnight on that date which is later to occur of the following: (a) the date which is fifty (50) years from the Effective Date, or (b) the date upon which the Educational Partnership Agreement shall terminate.

**Section 2.2 Termination.** Except as specifically authorized by the provisions of this Lease, the Lease may be terminated only by the signed written agreement of Landlord and Tenant.

### **ARTICLE 3 RENT AND ADDITIONAL CONSIDERATION**

**Section 3.1 Rent.** Landlord reserves and Tenant covenants to pay to Landlord without demand and without any set-off or deduction whatsoever, in advance, on the Effective Date, and on each anniversary date thereof during the Term, a rental for the Demised Premises in the total amount of One Hundred Dollars (\$100) for each year of the Term.

**Section 3.2 Net Lease.** This Lease shall be deemed and construed to be a "net lease" and Tenant shall pay to Landlord absolutely net rent for the term of this Lease. Landlord shall be entitled to reimbursement as additional rents ("Additional Rents") any charges, assessments or impositions of any kind incurred by Landlord and attributable to the Demised Premises without abatement, deduction or set-off except as otherwise expressly provided herein or in another contractual agreement between the parties.

**Section 3.3 Additional Consideration.** In addition to the Rent reserved in Section 3.1 and the other covenants and agreements of the parties herein set forth, the following specific covenants shall be fulfilled as additional consideration exchanged for entering into this Lease:

(a) Landlord and Tenant shall execute a Facility Operation Agreement and a Space Use Agreement, both of which agreements are more fully described above in the Recitals portion of this Lease.

(b) Landlord and Tenant shall execute any easements, licenses or other agreements necessary for implementation of this Lease and operation of the improvements constructed hereunder.

### **ARTICLE 4 TAXES, ASSESSMENTS AND UTILITIES**

**Section 4.1 Payment of Taxes by Tenant.** Tenant shall pay all property taxes and assessments which may be lawfully levied and assessed against the Demised Premises and any improvements constructed thereon during the term of this Lease.

**Section 4.2 Contest of Tax.** Tenant may contest in good faith and with due diligence by appropriate proceedings at its own expense any such tax, assessment or similar item, provided that Tenant shall first have paid such item.

**Section 4.3 Property Tax Exemption.** Tenant agrees that it will claim exemption from the imposition of ad valorem property taxes on any improvements on or leasehold interest in the Demised Premises by reason of the fact that it is an institution of higher education and an agency of the State of Texas and Tenant will join with Landlord to secure an exemption from taxation for both the leasehold estate and the fee interest.

**Section 4.4 Utilities.** The rights and duties of Landlord and Tenant concerning utilities services for operations on the Demised Premises shall be as provided in the Agreement for Facility Operation to be entered into by the parties.

## **ARTICLE 5 IMPROVEMENTS**

**Section 5.1 Modifications to Improvements.** The Demised Premises are currently improved with a Vocational Trades building, parking lots, fencing and landscaping features. Tenant intends to construct new improvements on the Demised Premises and alter or demolish the existing improvements consistent with the use restrictions in Article 6 pursuant to the provisions set forth in this Article. During the Term of this Lease, when Tenant desires to construct one or more new buildings, make one or more major additions to existing buildings, demolish and rebuild one or more existing buildings (or major parts thereof), or make other major changes to the Demised Premises, Tenant shall comply with the provisions of Section 5.2 and other pertinent provisions of this Lease.

**Section 5.2 Construction of Improvements.** Tenant covenants and agrees, at its sole cost and expense, to provide for the financing, design, construction and operation of a Facility to be known as The University of Texas at Brownsville Science and Engineering Technology Building (the "Facility") on the Demised Premises, and a related thermal energy plant, substantially in accordance with the general concept plans which have heretofore been approved by Landlord and Tenant. Design and construction of the Facility and all improvements to the Demised Premises shall be performed under the authority of The University of Texas System Office of Facilities Planning and

Construction. The Facility initially shall be a three-story building of approximately 150,000 gross square feet, with standard lighting and landscaping. Tenant shall deliver to Landlord for review Tenant's plans showing the building location, landscaping and exterior appearance of all improvements to the Demised Premises. Tenant covenants that from and after the commencement of construction of the Facility, Tenant will cause such construction to be prosecuted with due diligence, in a good and workerlike manner, substantially in accordance with all plans theretofore reviewed by Landlord. The Facility shall be designed and constructed so as to be appropriate for uses consistent with the purposes set forth in the Educational Partnership Agreement. Tenant covenants that the design and construction of any improvements or modification of any improvements on the Demised Premises shall be in accordance with the applicable laws and ordinances of all governmental and public authorities having jurisdiction, and shall be in such a style and of such materials as to be comparable in appearance and quality to the exterior of the other buildings in the adjacent areas of the TSC campus. Tenant covenants to pay or cause to be paid all costs, expenses and liabilities of such construction, and to keep the Demised Premises free and clear of all liens in any way arising out of or connected with the construction of the improvements.

**Section 5.3 Construction Period Insurance.** Landlord shall be an additional named insured on any insurance policies related to the construction of improvements on the Demised Premises.

**Section 5.4 Ownership of Improvements.**

(a) The parties agree that ownership of all presently existing improvements and all fixtures and equipment purchased with tuition revenue bond proceeds and installed therein, and all alterations and improvements thereto and replacements thereof, shall be and remain in Tenant during the Term. The parties further agree that upon expiration of the Term as defined in Section 2.1 and in the absence of state law prohibiting such transfer, (i) ownership of all improvements made or owned by Tenant shall vest in Landlord, and (ii) Tenant shall execute all instruments necessary to formally transfer title to Landlord free and clear of any liens or encumbrances, and without any payment therefor by Landlord, except as hereinafter provided. Notwithstanding the foregoing sentence, the parties acknowledge that the improvements to the Demised Premises will be financed with proceeds from revenue bonds issued by Tenant pursuant to the authority delegated in Section 55.1714, Texas Education Code, as amended; and the parties therefore agree that, so long as any of the said revenue bonds remain outstanding, ownership of all improvements made or

owned by Tenant shall not vest in Landlord until the parties have entered into a written agreement as to the disposition of the outstanding bond indebtedness.

(b) All personal property belonging to Tenant that can be removed without structural injury to any buildings and improvements and all trade fixtures shall remain the property of Tenant, and may be removed from the Demised Premises. Notwithstanding the first sentence of Section 5.4(a), the parties acknowledge that their shared operations may require installation and use within the Demised Premises of certain equipment and other personal property that is owned by Landlord or by third parties, under a loan or other permissive use arrangement. Any such equipment or personal property that is not owned by Tenant and is to be located on the Demised Premises shall remain the property of the owner, provided such property is permanently marked as to ownership and is identified to Tenant by delivery of an itemized written inventory list.

(c) Notwithstanding any other provision herein, if this Lease is terminated prior to expiration of the Term for any reason except for (i) abandonment of the Demised Premises by the Tenant, (ii) destruction of the Facility as provided in Article 9, or (iii) condemnation of the Demised Premises as provided in Article 10, then the Facility and other improvements to the Demised Premises shall not automatically vest in the Landlord, and Landlord shall not have title to the Facility and other improvements until Landlord has paid to Tenant an amount which is the greater of (a) the then-outstanding amount of the bond indebtedness incurred by Tenant in developing and constructing the Facility and any related improvements to the Demised Premises, or (b) the then-current value of the Facility and any related improvements to the Demised Premises, as determined based upon an appraisal, using the "cost-less-depreciation" method of appraisal, to be performed by an independent appraiser selected jointly by the parties. The fees and expenses of any jointly selected independent appraiser shall be borne equally by the parties. If Landlord and Tenant are unable to agree upon a single appraiser, then each shall at its own sole cost, by written notice to the other, appoint one appraiser to perform an appraisal by the "cost-less-depreciation" method. The value of the Facility and other improvements to the Demised Premises, for the purposes of this Section, shall be the average of the two appraisals.

(d) If the Educational Partnership Agreement between the parties terminates prior to the end of the 50-year Term specified in Section 2.1, then during the remainder of the Term, and notwithstanding any other provision of this Lease to the contrary, both of the following provisions shall become effective:

(i) Landlord shall have the right, at its option, to use classroom space in the Facilities that is smaller than or equal to the size and type of the classroom space provided to Landlord for the academic year during which the Educational Partnership Agreement terminated. Landlord's use of said classroom space shall be in accordance with a written space lease or space use agreement between Landlord and Tenant.

(ii) Tenant shall pay rental to Landlord for lease of the Demised Premises, and Landlord shall pay rental to Tenant for Landlord's use of classroom space in the Facilities, provided that the amounts of both such rentals shall be equal to the then-current fair market rental value for comparable real property in the City of Brownsville, as determined by mutual agreement between Landlord and Tenant, such rental rates to include a provision for adjustments to fairly reflect changes in the real estate market and in property operating costs. Rental payment periods shall be established by mutual agreement of the parties.

**Section 5.5 Additions to Facility.** Landlord and Tenant agree, upon written request of either party, to enter into good faith negotiations to establish mutually agreeable terms and conditions under which additional floors or other additions to the Facility will be constructed, financed and utilized. However, the written consent of Landlord must be obtained prior to undertaking any addition to or renovation of the Facility that will either (i) materially affect the exterior appearance of the Facility, or (ii) require the use of any land on the TSC campus outside of the Demised Premises.

**Section 5.6 Demolition and Reconstruction.** The provisions of this Article 5 shall apply to the subsequent demolition of existing improvements, any additional construction, or any structure thereafter erected on the Demised Premises and to the construction of any new structure to be erected in replacement thereof.

## **ARTICLE 6 USE OF PREMISES**

**Section 6.1 Use of Premises.** The Demised Premises and the Facilities shall be used during the Term only for purposes now or hereafter customarily related to or connected with the operation of a public institution of higher education and shall at all times be consistent with the purposes and agreements contained in the Educational Partnership Agreement. The Demised Premises and the Facility may not be used for purposes other than those described above, except pursuant to the prior written consent of Landlord. Landlord shall have

the right to enter upon the Demised Premises at all reasonable times to inspect same. Tenant covenants that it will operate the Facilities on the Demised Premises in compliance with all applicable federal, state and local laws and regulations affecting Tenant's operations on the Demised Premises. Subject to the specific requirements in the section entitled "Environmental Hazards" herein, the Demised Premises may not be used for processing, storage, or disposal of Hazardous Substances or solid wastes except in compliance with all applicable state and federal laws and regulations. The parties acknowledge that the TSC campus is located within an important historic site and the parties agree that all operations on the Demised Premises shall be consistent with the requirements associated with any such historical designation.

**Section 6.2 Cooperative Use of Facility.** It is the intention of the parties that, although the Facility will be owned and operated by Tenant, the use of the Facility and all other improvements on the Demised Premises will be shared among Landlord and Tenant as needed in order to fulfill their mutual obligations under the Educational Partnership Agreement to provide the facilities in which to offer college courses at lower-division, occupational/technical, upper-division, and graduate levels. The specific terms and conditions of the shared use of the Facility will be set forth in the Space Use Agreement, Facility Operation Agreement, and any other necessary related agreements.

**Section 6.3 Contest of Regulations.** Tenant may, at the Tenant's expense, contest the validity or application of any law, ordinance, regulation, order or requirement affecting Tenant's operations on the Demised Premises, provided Tenant agrees to indemnify Landlord, to the extent authorized by law, against the cost thereof, and against all liability for any damages, interest, penalties and expense resulting from such contest or noncompliance.

## **ARTICLE 7 DEVELOPMENT COOPERATION**

**Section 7.1** If requested by Tenant, Landlord will cooperate with Tenant in obtaining any necessary plan approvals or utilities permits. Tenant may request that Landlord cooperate in obtaining site development plan approvals, including granting of appropriate rights-of-way, easements and common areas, if needed for additional improvements or modifications to existing improvements. Such requests will not be unreasonably denied or delayed. Landlord will, where required by any applicable regulatory body, join in any and all applications for such approvals or permits; however, Landlord shall not be required to incur any

personal liability in connection with the obtaining of any such approvals or permits. Landlord will join with Tenant in granting to public entities or public service corporations, where reasonably required for serving the Demised Premises, rights-of-way or easements on or over the Demised Premises for telephone, electricity, natural gas, water, sanitary or storm sewers and for other utilities and municipal or special district services. The rental otherwise payable to Landlord by Tenant as provided in this Lease will not abate or be reduced because of dedication of any portion of the Demised Premises or grants of easements as provided by this section.

#### **ARTICLE 8 MAINTENANCE AND REPAIR**

**Section 8.1** Except as provided to the contrary in the Facility Operation Agreement or the Space Use Agreement, Tenant shall at its sole cost and expense keep and maintain the Demised Premises and buildings, improvements and related facilities heretofore or hereafter constructed thereon, including landscaping, sidewalks, driveways and parking areas located on the Demised Premises, in good and sanitary order, condition and repair and shall suffer no waste with respect thereto. Tenant shall at its sole cost and expense comply with any legally applicable requirements of federal, state, local, and municipal authorities now in force or which may hereafter be in force, pertaining to the Demised Premises. No provision of this Article shall preclude Tenant from contracting with Landlord or other parties for the provision of maintenance or other services on the Demised Premises. Subject to any contrary provisions of the Facility Operation Agreement or the Space Use Agreement, at the termination of this Lease, whether at the expiration of the Term or earlier as provided herein, the Demised Premises and all improvements shall be left broom-clean and in good condition, normal wear and tear excepted.

#### **ARTICLE 9 DESTRUCTION OF IMPROVEMENTS**

**Section 9.1** Repair or Replacement. If any building or improvement heretofore and hereafter erected upon the Demised Premises during the term of this Lease shall be destroyed or damaged in whole or in part, this Lease shall continue in full force and effect and Tenant shall give Landlord written notice within one hundred twenty (120) days after the damaging event, whether or not Tenant chooses to repair or replace the building or improvement. Prior to giving such notice, Tenant pledges to use its best efforts to explore all options to allow replacement of the destroyed or damaged building or improvements with

equivalent facilities at no cost to Landlord. If such destruction or damage occurs, and Tenant gives notice as required, Tenant may, at its sole cost and expense, promptly repair, replace and rebuild the same, as nearly as practicable to the character of the building or improvements existing immediately prior to such occurrence. Tenant may choose not to repair, replace or rebuild the damaged building or improvement. In the event that Tenant chooses not to repair, replace, or rebuild, then, at the Landlord's option, Tenant shall, at Tenant's sole cost and expense, demolish any remaining damaged buildings or improvements and restore that portion of the Demised Premises to a condition consistent with and aesthetically compatible to uses made of properties adjacent to the Demised Premises. Landlord shall give Tenant written notice of Landlord's exercise of its option to require demolition no later than one hundred twenty (120) days after receiving notice of Tenant's choice not to rebuild. If Landlord fails to give such notice within such time period, Landlord shall be deemed to have waived its option to have Tenant demolish the buildings or improvements. Upon receipt of such notice from Landlord, Tenant shall demolish the damaged buildings or improvements within one hundred and twenty (120) days. If the Tenant chooses to repair or replace said buildings or improvements, such repairs or replacement shall be in accordance with the following terms and conditions:

(a) Before commencing any such repair or replacement work, any plans and specifications required by law shall be filed with and approved by any municipal or other governmental authorities having jurisdiction thereto, the Landlord shall be notified of the proposed commencement date, and a firm estimate for the cost of such repairs or restoration shall be obtained.

(b) Such work shall be commenced within one hundred twenty (120) days after any necessary governmental approvals have been obtained, and such work shall be completed within a reasonable time, subject to force majeure and availability of funds, free and clear of all liens and encumbrances and in accordance with the plans and specifications. Landlord shall be an additional named insured on any insurance policies related to the construction and repair of the improvements on the Demised Premises.

**Section 9.2 Continuation of Lease.** Except as to default under other sections hereof, this Lease shall not terminate nor be affected in any manner by reason of the destruction or damage in whole or in part of any building or buildings or improvements now or hereafter standing or erected on the Demised Premises or by reason of the untenability of the Demised Premises or of any such buildings or improvements, and the rent reserved in this Lease as well as

all other charges payable hereunder, shall be paid by the Tenant in accordance with the terms, covenants and conditions of this Lease, without abatement or reduction.

**Section 9.3 Termination after Damage.** Notwithstanding the provisions of Sections 9.1 through 9.2, or any other provision of this Lease, if any loss takes place within the last five years of the term of this Lease, Tenant may terminate this Lease as to such portion of the Demised Premises by giving written notice to Landlord within fifteen (15) days of each loss. Tenant must, however, comply with the provisions of Section 9.1 in that, at the Landlord's option, any improvements located on the Demised Premises must be demolished or restored to a condition compatible with surrounding usage and may not be left partially or wholly destroyed, no matter how much or how little time remains in the Term, provided, however, that nothing herein shall be construed to require Tenant to restore any improvements to a quality or grade of construction or condition greater than that existing prior to such destruction or damage. If Tenant fails to comply with this term, Landlord may perform Tenant's obligations hereunder and charge said expenses to Tenant as additional rental under the terms of this Lease.

## **ARTICLE 10 CONDEMNATION**

**Section 10.1 Total Taking.** Should the entire Demised Premises be taken (which term, as used in this Article 10, shall include any conveyance in avoidance or settlement of eminent domain, condemnation, or other similar proceedings) by any Governmental Authority, corporation, or other entity under the right of eminent domain, condemnation, or similar right, then Tenant's right of possession under this Lease shall terminate as of the date of taking possession by the condemning authority, and the award therefore will be distributed as follows: (i) first, to the payment of all reasonable fees and expenses incurred in collecting the award; and (ii) second, the balance of the award shall be equitably apportioned between Landlord and Tenant, based on the then respective fair market values of Landlord's interest in the Premises (appraised by reference to all relevant factors and the then present value of Landlord's reversionary interest in the entire Premises after expiration of the Lease) and Tenant's interest in the Premises (appraised by reference to all relevant factors including the value of the use of the Premises for the remainder of the Term) with any award to Tenant payable to Tenant. If Landlord and Tenant are unable to agree on the respective fair market values of their interests in the Demised Premises, then the matter shall be submitted to arbitration as provided in Article 16. After the

determination and distribution of the condemnation award as herein provided, the Lease shall terminate.

**Section 10.2 Partial Taking.** Should a portion of the Demised Premises be taken by any Governmental Authority, corporation, or other entity under the right of eminent domain, condemnation, or similar right, this Lease shall nevertheless continue in effect as to the remainder of the Premises unless, in Tenant's reasonable judgment, so much of the Premises shall be so taken as to make it economically unsound to use the remainder for the uses and purposes contemplated hereby, whereupon this Lease shall terminate as of the date of taking of possession by the condemning authority in the same manner as if the whole of the Premises had thus been taken, and the award therefor shall be distributed as provided in Section 10.1.

**Section 10.3 Award on Partial Taking.** In the event of a partial taking where this Lease is not terminated, and as a result thereof Tenant will need to restore, repair, or refurbish the remainder of the Premises in order to put them in a usable condition, then (a) the award shall first be apportioned as provided in Section 10.1, considering the respective interests of Landlord and Tenant in the portion of the Premises taken, (b) the portion allocable to Landlord shall be paid to Landlord, and (c) the portion of the award payable to Tenant shall be paid to Tenant. If a portion of the Premises is taken and no repair or restoration work is required because thereof, the award therefor shall be apportioned as provided in Section 10.1, considering the respective interests of Landlord and Tenant in the portion of the Premises taken.

## **ARTICLE 11 ASSIGNMENT AND SUBLETTING**

**Section 11.1 Assignment.** Tenant may assign this Lease, provided the use of the Demised Premises by the assignee shall at all times be consistent with the purposes and agreements contained in the Educational Partnership Agreement between Landlord and Tenant. No assignment shall affect Landlord's rights as set forth in the Space Lease Agreement.

**Section 11.2 Procedure for Assignment.** No such assignment shall be binding on the Landlord until it has received a duplicate original of such assignment, duly executed by the assignee and in form and containing terms approved by the Landlord. No assignment shall be complete until Landlord has received an instrument duly executed by the assignee and in form for recording in the Cameron County Real Estate Records, by which the assignee agrees to

attorn to Landlord and to assume all obligations of Tenant to perform from and after the Effective Date of the assignment, all terms, covenants, and conditions of this Lease after the completion of said assignment, attornment and assumption, but not from liabilities, if any, which had accrued prior to said assignment, attornment and assumption.

**Section 11.3 Subleasing.** Subject to Landlord's written consent, Tenant may sublease a portion of the Demised Premises, provided however, the uses to be made by any Sublessee shall be compatible with Tenant's use of the Demised Premises authorized in Section 5.1 hereof and shall be consistent with the purposes and agreements contained in the Educational Partnership Agreement. Tenant shall not be released from any liability under the Lease by subleasing the Demised Premises. This section shall not apply to a sublease between Landlord and Tenant under a Space Lease Agreement, as more fully described in the Recitals hereof.

**Section 11.4 Landlord's Right of First Refusal.** Prior to Tenant's assigning this Lease in its entirety or with respect to any complete building or improvement, Landlord shall have the exclusive right and option to acquire Tenant's Lease or partial Lease of the Demised Premises or any complete building or improvement thereon, under the same terms and conditions that the Demised Premises or complete building or conditions under which the Lease or partial Lease of improvement would have been assigned otherwise. Tenant agrees to provide Landlord with written notice and all relevant data regarding any proposed assignment. Landlord may exercise this option by providing Tenant with written notice within one hundred twenty (120) days after receipt of Tenant's written notice of proposed assignment. If Landlord fails to exercise this option within the above-stated time period, then this option and Landlord's rights thereunder pertaining to that assignment shall automatically and unconditionally terminate without notice as to said assignment to the proposed assignee and under the same terms communicated to Landlord. If assignment is not so completed, then Landlord's right of first refusal shall continue to apply to the property subject to the proposed assignment.

## **ARTICLE 12 DEFAULT AND REMEDIES**

**Section 12.1 Events of Default.** It shall be deemed to be an event of default under this Lease if either Landlord or Tenant shall violate, breach or fail to comply with any term, provision or covenant of this Lease and the defaulting party shall not cure such failure within sixty (60) days after written notice

thereof to defaulting party except that no event of default shall be deemed to exist with respect to the performance of work required to be performed, or of acts to be done, or of conditions to be remedied, if steps shall, in good faith, have been commenced immediately after notice to rectify the same and shall be prosecuted to completion with diligence and continuity.

**Section 12.2 Remedies.** Upon the occurrence of any of the events of default specified in Section 12.1, the non-defaulting party shall have the option to pursue any or all cumulative remedies available in law or equity without any further notice or demand whatsoever.

**Section 12.3 Non-Waiver.** No waiver by Landlord or Tenant of any violation, breach or failure to comply with any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other concurrent or subsequent violations, breaches or failures to comply with any of the terms, provisions and covenants herein contained. Forbearance by Landlord or Tenant to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute any waiver of such default.

### **ARTICLE 13 INDEMNIFICATION**

**Section 13.1 Tenant to Indemnify Landlord.** To the extent authorized by the Constitution and laws of the State of Texas, Tenant shall indemnify and hold harmless the Landlord against any and all claims, demands, damages, liabilities and costs which directly or indirectly result from, or arise in connection with, any act or omission of Tenant, its agents or employees in performing Tenant's obligations under this Lease.

**Section 13.2 Environmental Hazards.** It is the intention of Landlord and Tenant to each assume responsibility for any cost, damages, expenses or liabilities which arise out of their respective usage or which occurred during their respective possession of the Demised Premises. Notwithstanding anything contained in this Lease to the contrary, if Tenant finds any Hazardous Materials (hereinafter defined) on the Demised Premises prior to February 1, 1995, then Tenant shall have the right to terminate this Lease by delivering written Notice to Landlord no later than March 1, 1995. If Tenant terminates this Lease as a result of finding Hazardous Materials on the Demised Premises, then neither party hereto shall have any further rights or obligations hereunder; however, the

parties agree to negotiate in good faith for a replacement lease on a mutually agreeably alternate tract.

As used in this Lease, "Hazardous Materials" shall mean (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6091 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 6091 et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) polychlorinated biphenyls; (iv) underground storage tanks, whether empty, filled or partially filled with any substance, (v) any substance the presence of which on the Demised Premises prohibited by any governmental requirements; and (vi) any other substance which by any governmental requirements requires special handling or notification of any federal, state or local governmental entity in its collection, storage, treatment or disposal.

Tenant shall not use the Demised Premises or knowingly permit the Demised Premises to be used so as to cause or allow any contamination of soils, ground water, surface water or natural resources on or adjacent to the Demised Premises resulting from any cause, including but not limited to spills or leaks of oil, gasoline, Hazardous Materials, or other chemical compounds. Tenant shall at all times during the Term comply with applicable state, federal and local laws, regulations and guidelines for the use, handling, storage and disposal of Hazardous Materials.

#### **ARTICLE 14 RIGHT TO PERFORM COVENANTS OF OTHER PARTY**

**Section 14.1 Tenant's Obligations.** If Tenant shall default in the performance of any of its covenants, obligations or agreements contained in this Lease, other than the obligation to pay rent, and such default shall continue beyond any applicable grace period, Landlord may, but shall not be obligated to, perform the same for the account and at the expense of Tenant, and the amount of any payment made or other reasonable expenses shall be payable by Tenant to Landlord on demand.

**Section 14.2 Landlord's Obligations.** If Landlord shall default in the performance of any of its covenants, obligations or agreements contained in this Lease, and such default shall continue beyond any applicable grace period, Tenant may, but shall not be obligated to, perform the same for the account and

at the expense of Landlord, and the amount of any payment made or other reasonable expenses of Landlord, and the amount of any payment made or other reasonable expenses may be deducted by Tenant from rentals due or shall be payable by Landlord to Tenant on demand.

#### **ARTICLE 15 WARRANTY OF PEACEFUL POSSESSION**

**Section 15.1** Landlord covenants that Tenant, on paying the Rent and performing and observing the covenants and agreements herein contained and provided to be performed by Tenant, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Demised Premises during the Term, and may exercise all of its rights hereunder, subject only to the provisions of this Lease, the other contractual agreements between the parties relating to this transaction, and applicable governmental laws, rules and regulations; and Landlord agrees to warrant and forever defend Tenant's right to such occupancy, use and enjoyment and the title to the Demised Premises against the claims of any and all persons whomsoever lawfully claim the same, or any part thereof, by, through or under Landlord, but not otherwise, subject only to the provisions of this Lease, the other contractual agreements between the parties relating to this transaction, and all applicable governmental laws, rules and regulations.

#### **ARTICLE 16 ARBITRATION**

**Section 16.1** Arbitration. If any controversy shall arise between the parties with respect to any of the matters stated in this Lease and such dispute shall not be resolved by the parties within ninety (90) days after either of the parties shall notify the other of its desire to arbitrate the dispute, then the dispute shall be settled by arbitration by the American Arbitration Association in accordance with its then prevailing rules, and judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, a settlement award reached by arbitration under this section shall not be binding on the parties except by mutual agreement thereof. The arbitrators shall have no power to change any of the provisions of this Lease in any respect nor to settle any issues involving Landlord's consent to assignment and subleases of the Lease and the jurisdiction of the arbitrators is hereby expressly limited accordingly. The arbitration shall be by a panel of three arbitrators, one of whom must be an attorney-at-law actively engaged in the private practice of the law outside the Counties of Travis and Cameron and the other two of whom shall have had ten

(10) years recent experience in a calling related to the subject matter of the dispute but outside the above listed counties.

If the subject of the dispute involves questions of valuation of land or permanent improvements, the other two members of the panel shall be members of the Appraisal Institute of the American Institute of Real Estate Appraisers (MAI).

#### **ARTICLE 17 MISCELLANEOUS**

**Section 17.1 Governing Law.** The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of Texas. This Agreement is performable in Cameron County, Texas.

**Section 17.2 Notice.** Whenever this Lease provides for notice from one party to the other, or if law requires or gives the right of serving a notice, the same shall be deemed delivered if actually received and whether or not actually received if sent by registered or certified mail, postage prepaid, addressed as follows:

**TO THE TENANT:**

Executive Vice Chancellor for Academic Affairs  
The University of Texas System  
601 Colorado Street  
Austin, Texas 78701

**WITH COPIES TO:**

Vice President for Business Affairs  
The University of Texas at Brownsville  
80 Fort Brown  
Brownsville, Texas 78520

AND TO:

General Counsel  
The University of Texas System  
201 West 7th Street  
Austin, Texas 78701

TO THE LANDLORD:

Executive Director  
Texas Southmost College  
80 Fort Brown  
Brownsville, Texas 78520

WITH COPIES TO:

Chairman of the Board of Trustees  
Southmost Union Junior College District  
80 Fort Brown  
Brownsville, Texas 78520

AND TO:

Secretary of the Board of Trustees  
Southmost Union Junior College District  
80 Fort Brown  
Brownsville, Texas 78520

Landlord and Tenant may at any time change the place of and the address for receiving notice by written notice of such change to the other.

**Section 17.3 Successors.** This Lease shall be binding upon and shall inure to the benefit of the parties hereto, their assigns, heirs, successors and personal representatives.

**Section 17.4 Modifications.** This Lease may be modified only by written agreement signed by the Landlord and Tenant.

**Section 17.5 Descriptive Headings.** The descriptive headings of this Lease are inserted for convenience in reference only and do not in any way limit or amplify the terms and provisions of this Lease.

**Section 17.6 Separability of Provisions.** If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

**Section 17.7 Memorandum of Lease.** The parties hereto agree that this Lease shall not be recorded but rather that they shall execute a short form of this Lease, to be entitled Memorandum of Lease, and have the same properly acknowledged to be in recordable form, and that the same shall be the document recorded in the records of Cameron County, Texas.

**Section 17.8 Approval of Ancillary Documents.** Landlord agrees that in the event it becomes necessary or desirable for Landlord to approve in writing any ancillary documents concerning the Demised Premises or concerning the construction, operation or maintenance of the improvements thereon or to alter or amend any such ancillary agreements between Landlord and Tenant or to give any approval, notice or consent of Landlord required under the terms of this Lease, Landlord hereby authorizes, designates and empowers the following officers of U. T. at Brownsville to execute, after approval by the Executive Vice Chancellor for Academic Affairs, any such agreement, approvals, notices or consents necessary or desirable: the President or Vice President for Business Affairs or their successors in function.

**Section 17.9 Approval by Landlord's and Tenant's Governing Boards.** The parties executing this Lease represent that they have been authorized to execute this Lease on behalf of their respective agencies and that the terms and conditions herein have been approved by the Board of Regents of The University of Texas System and the Board of Trustees of Texas Southmost Union Junior College District or the respective authorized officers thereof.

**IN WITNESS WHEREOF,** this Lease is executed on behalf of Landlord and Tenant as of the day and year first above written.

THE BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM  
for and on behalf of  
THE UNIVERSITY OF TEXAS  
AT BROWNSVILLE

ATTEST:

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

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

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Juliet V. Garcia  
President  
The University of Texas at Brownsville

ATTEST:

LANDLORD:

APPROVED AS TO CONTENT:

THE BOARD OF TRUSTEES OF THE  
SOUTHMOST UNION JUNIOR  
COLLEGE DISTRICT  
for and on behalf of  
TEXAS SOUTHMOST COLLEGE

\_\_\_\_\_  
Michael B. Putegnat  
Executive Director

By: \_\_\_\_\_  
Mary Rose Cardenas  
Chair

By: \_\_\_\_\_  
Prax Orive, Jr.  
Secretary

10. U. T. Pan American: Request for Permission for Individual to Serve as a Member of the State Board of Examiners for Speech-Language Pathology and Audiology [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevárez that approval be given for Ms. Teri Mata-Pistokache, Clinical Supervisor in the Communication Disorder Program at U. T. Pan American, to accept reappointment as a member of the State Board of Examiners for Speech-Language Pathology and Audiology.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Ms. Mata-Pistokache is of benefit to the State of Texas and (2) there is no conflict between her position at U. T. Pan American and her membership on this Board.

#### BACKGROUND INFORMATION

Ms. Mata-Pistokache was first appointed in June 1992 to serve on the State Board of Examiners for Speech-Language Pathology and Audiology. The purpose of the Board is to protect the public from potential harm or injury by preventing unqualified individuals from practicing Speech-Language Pathology or Audiology and to provide ongoing review of professional practices of licensees, including the investigation of alleged violations of the licensure law. Ms. Mata-Pistokache's reappointment by Governor Ann Richards will be effective immediately for a term which expires on August 31, 1999. Ms. Mata-Pistokache will serve on this Board without additional compensation.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574 of the Texas Government Code and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

11. U. T. Pan American: Recommendation to Rename Room in the Learning Resource Center (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevárez that the Regency Room in the Learning Resource Center at U. T.

Pan American be renamed the Ralph Schilling Room in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

#### BACKGROUND INFORMATION

The proposed room naming is to honor the late Dr. Ralph F. Schilling, President of Pan American University from 1960 to 1981. During Dr. Schilling's presidency, the institution joined the state higher education system, became a university, boomed in enrollment, and moved to a new campus. Dr. Schilling set an enthusiastic and energetic example and left a legacy of significant accomplishments at the university and merits the honor of having this seminar room named for him.

12. U. T. Pan American: Request for Authorization to Establish a Master of Science in Social Work 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 Nevárez that authorization be granted to establish a Master of Science in Social Work at U. T. Pan American and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed master's degree program is consistent with U. T. Pan American'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. Pan American will be amended to reflect this action.

#### BACKGROUND INFORMATION

##### Program Description

The proposed Master of Science in Social Work (MSSW) is a 60 semester credit hour master's degree consisting of 18 hours of professional foundation courses, 12 hours of concentration in Social Work, 12 hours of courses in research evaluation design, 12 hours of field practicum, and 6 hours of electives. Students whose undergraduate degrees are from an accredited social work program may challenge up to 15 hours of required course work. Required courses will provide the student with a bicultural background, emphasizing the important social issues facing the Rio Grande Valley. The program will be administered by the Department of Social Work. The first group of students will be admitted in Spring 1995.

## Need

Graduates are expected to serve as professional social workers in the Rio Grande Valley, providing essential social work services to an area which is historically significantly underserved, and to provide research in bicultural settings. With the growing emphasis on access to health care without regard to income, the need for bilingual, bicultural social workers will escalate. The program is estimated to enroll 20 students per year for the first two years and 16 per year thereafter. This estimate is based upon previous experience with a cooperative MSSW program with U. T. Arlington, the number of social work baccalaureate degrees awarded, and interest expressed by area residents.

## Program Quality

The current faculty of the undergraduate program are actively involved in research and have participated in the delivery of the cooperative master's degree program. Finalists for three additional positions in the existing baccalaureate program all have established records of publication and grants procurement. The curriculum is designed to meet the accreditation standards of the National Association of Social Work as well as to provide the knowledge-base necessary to provide quality social work practice in the Rio Grande Valley. Admission standards include requirements for demonstrated leadership ability, motivation, and personal maturity in addition to the normal grade point average and Graduate Record Examination requirements of the University.

The program will be systematically evaluated by the faculty, academic committees, students, graduates, and employers. Accreditation will be sought as soon as the program has been in operation for a sufficient length of time.

## Cost

The proposed master's program will require the addition of one faculty position (estimated cost of \$36,000), two graduate assistantships (1 FTE), and minimal supplies to support the new faculty and students. Library resources, particularly monographs, need to be augmented significantly during the first three years of the program. Ongoing program costs are expected to be \$53,116 and total five-year implementation costs are estimated at \$202,000. Library expenditures are expected to be provided from HEAF funds, while personnel and other operating costs are expected to come from South Texas/Border Initiative special item funding for the first three years. After that, formula funds will cover the latter costs.

Once the program is implemented, ongoing costs, other than for personnel, are expected to be minimal.

## Summary

U. T. Pan American is requesting authorization to establish a Master of Science in Social Work degree program and to submit the proposed degree program to the Texas Higher Education Coordinating Board for approval. There is a strong need for professional social workers in the Rio Grande Valley region of Texas. The proposed MSSW will help to fill a strong need in the community and fulfill the desire by U. T. Pan American to meet the educational needs of students and community constituents in its region.

A copy of the proposal for the Master of Science in Social Work degree program is on file in the U. T. System Office of Academic Affairs.

13. U. T. Permian Basin: Recommendation to (a) Establish Differential Tuition Rates for Graduate Programs Effective with the Fall Semester 1994 and (b) Authorize Subsequent Increases (Catalog Change).--

#### RECOMMENDATION

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

- a. Approve the establishment of differential tuition rates for all graduate programs at U. T. Permian Basin. The proposed differential graduate tuition rate is \$32 per semester credit hour for resident students and \$175 per semester credit hour for non-resident students effective with the Fall Semester 1994.

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

- b. Authorize the Executive Vice Chancellor for Academic Affairs to approve subsequent increases in differential graduate tuition rates at U. T. Permian Basin with the following understandings:

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

#### BACKGROUND INFORMATION

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

Section 54.052(b) of the Texas Education Code provides for resident tuition to be the greater of \$100 per semester or twelve-week summer session or \$28 per semester credit hour (SCH) in 1994-95. This rate will increase \$2 per year until it reaches \$32 per SCH in 1996-97. For nonresidents, the Texas Education Code provides for the Texas Higher Education Coordinating Board to determine the cost of education which constitutes the tuition rate to be charged for nonresident and foreign students. That rate is \$171 per SCH for 1994-95. The proposed rates for the 1994-95 academic year are within the legislatively established limits.

The proposed graduate differential tuition was discussed with the newly formed Graduate Student Council. The administration expects to make requests for the differential rates to increase gradually in the next two academic years. Although no formal vote was requested, the Graduate Student Council did not object to the increased rates and expressed appreciation for an approach to phase in increases over several years. The increased revenue would be used for support of graduate students and graduate programs.

14. U. T. San Antonio: Recommendation to Approve Changes in Parking Permit and Enforcement Fees Effective with the Fall Semester 1994 (Catalog Change).--

#### RECOMMENDATION

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

	<u>1993-94</u> <u>Current</u> <u>Fees</u>	<u>1994-95</u> <u>Proposed</u> <u>Fees</u>
<u>Executive Officers Permits</u>		
Class E (executive)*	\$144.00	\$180.00
<u>Faculty/Staff Permits</u>		
Class A (reserved)	96.00	108.00
Class B (faculty/staff)	50.00	57.00
Class C (motorcycles)	16.00	18.00
Class H (disabled)**	50.00	57.00
Class P (administrator designated)	144.00	180.00
Class W (bicycles)	4.00	6.00

\* Previously designated as "Class O (reserved)."

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

	<u>1993-94</u> <u>Current</u> <u>Fees</u>	<u>1994-95</u> <u>Proposed</u> <u>Fees</u>
<u>Student Permits</u>		
Class C (motorcycles)	\$16.00	\$18.00
Class D (student resident)	36.00	N/A
Class F (dual parking)	36.00	40.00
Class G (general)	36.00	40.00
Class H (disabled)**	36.00	40.00
Class M (minicar)	26.00	29.00
Class S (car pool)	36.00	40.00
Class W (bicycles)	4.00	6.00

Other

Class T (vendors, sales- persons, technical representatives, other servicing personnel, and persons regularly using campus facilities)	20.00	23.00
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Replacement Permits

Replacement Fee	10.00	10.00
Exchange Fee	5.00	5.00

Enforcement Fees

Class A Violations

Student Vehicles	36.00	40.00
Faculty/Staff Vehicles	50.00	57.00
Motorcycles	16.00	18.00

Class B Violations	50.00	60.00
--------------------	-------	-------

Class C Violations

First Violation	15.00	20.00
Second Violation	20.00	30.00
Third Violation	25.00	50.00
Fourth and Subsequent Violations	30.00	75.00

Class D Violations

Up to 5 Violations	10.00	15.00
Over 5 Violations	15.00	20.00

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

Annual parking permit fees are prorated if purchased for the Spring Semester and/or Summer Session(s) only.

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

## BACKGROUND INFORMATION

U. T. San Antonio parking permit fees were last approved at the August 1993 meeting and enforcement fees were last approved in June 1992. Due to a projected increase in enrollment, additional parking facilities will be a necessity and a portion of the additional revenues from the increased fees will be set aside to establish a reserve fund for a proposed multilevel parking structure. The proposed rates have been reviewed and recommended by the U. T. San Antonio Parking and Traffic Committee.

In addition to increases in all the permit fees, except replacement fee charges and enforcement fees, U. T. San Antonio has also elected to change the "Class O (reserved)" permit to a "Class E (executive)" permit and to discontinue the separate student permit designation for "Class D (student resident)."

Additional proposed changes in U. T. San Antonio's parking and traffic regulations to be effective with the Fall Semester 1994 have been reviewed and approved by the Office of General Counsel and will be included in the October 1994 institutional Docket.

15. U. T. San Antonio: Request for Authorization to Establish a Master of Architecture Degree and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that authorization be granted to establish a Master of Architecture degree at U. T. San Antonio and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed master's degree program is consistent with U. T. San Antonio'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. San Antonio will be amended to reflect this action.

## BACKGROUND INFORMATION

### Program Description

The proposed Master of Architecture degree is a professional degree intended to prepare students for careers as registered professional architects and to provide them with the knowledge and skills required to obtain positions as licensed architects in San Antonio and South Texas. The program is a 57 semester credit hour degree, initially offering students specialization

options in Inter-American Practice or Site and Building Historic Preservation. The program will be fully articulated with the existing bachelor's degree program in architecture which will remain as the first part of a planned "Four-Plus-Two Program." The program is designed to address the interdisciplinary nature of architecture, to capitalize on U. T. San Antonio's multidisciplinary strengths, and to make use of the University's strong inter-American linkages. Accreditation will be sought for the program from the National Architectural Accrediting Board (NAAB).

### Need

A demonstrated need for registered architects exists in San Antonio and South Texas. A survey of 19 of San Antonio's 205 architectural firms confirmed a need for 32 to 46 architectural interns a year, and the Texas Employment Commission projects 225 statewide job openings a year through the year 2000. In addition, the Site and Building Historic Preservation specialization can make significant contributions to a historic multicultural city which is concerned with preserving the past while addressing the problems of rapid growth and change.

It is expected that the National Council of Architectural Registration Board will require future applicants to have a professional degree in order to take the registration examination. As a result, by 1997, the Texas Board of Architectural Examiners may no longer allow graduates of four-year preprofessional degree programs to sit for the examination, thus limiting the professional opportunities for those graduates holding only bachelor's degrees. The proposed Master of Architecture degree program would eliminate these barriers to career advancement for U. T. San Antonio graduates in architecture.

Between 12 and 16 graduate students will be admitted to the Master of Architecture degree program each year with an expected annual enrollment of 30 students. Admissions will be highly competitive as many more students are expected to apply than the program can accommodate. The bachelor's degree program at U. T. San Antonio, which will be a primary feeder program for the proposed master's degree program, now graduates from 23 to 34 students a year.

The Master of Architecture degree program will play an important role in helping U. T. San Antonio achieve several of its strategic directions:

- a. The specialization in Inter-American Practice will help to establish U. T. San Antonio as a center for international programs with particular emphasis on inter-American programs; graduates of the program will be prepared for joint ventures with Mexican architects and individual design commissions in Mexico and for addressing new issues in international professional practice
- b. The program will contribute toward establishing a model university linkage involving U. T. San Antonio, the City of San Antonio, and the South Texas region to address goals of mutual concern

- c. The program will help the University to become a national center for excellence in the education of Hispanics at the graduate level, in a field in which they are under-represented locally and nationally.

#### Program Quality

The National Architectural Accrediting Board (NAAB) is the recognized accrediting agency for the architecture profession. The proposed program is based on the NAAB's standards and will be subject to review by that agency. In addition, the program will be reviewed periodically through a thorough self-evaluation process at the University, which process will include a series of internal reviews and evaluations by external experts in the field.

A major strength of the proposed program is the individual and collective expertise of the Division of Art and Architecture's nationally and internationally recognized faculty. The seven continuing tenure and tenure-track faculty members in Architecture at U. T. San Antonio are highly respected in their field. A new Division Director, who will provide direction and strong leadership to the program, has recently been appointed, and four additional tenure-track positions will be added over the next three years. This base of distinguished scholars will be augmented by tapping the practical experience and interactive vitality of practicing professionals through the use of part-time teaching appointments.

#### Cost

In addition to two recently hired faculty members, four additional faculty positions will be filled in the first three years of the program, at an estimated cost of \$560,000 over five years. No additional clerical or administrative support is required. The U. T. San Antonio Library and the Architecture Slide Library are currently able to provide adequate support for the proposed program, and expenditures of \$4,800 annually will be used to enhance present holdings. Additional equipment needed for the program is expected to cost about \$51,000, and supplies and materials are estimated at a total of \$4,500 for the five-year period. A combination of Border Region development funds, eventual semester credit hour formula funds, and gifts and grants is expected to meet revenue requirements.

#### Summary

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

A copy of the proposal for the Master of Architecture degree program is on file in the U. T. System Office of Academic Affairs.

16. U. T. Tyler: Request for Authorization to Establish a Department of Computer Science and a Department of Mathematics by Division of the Department of Mathematics and Computer Science and to Submit the Proposed Change 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 Hamm that U. T. Tyler be authorized to establish a Department of Computer Science and a Department of Mathematics by dividing the existing Department of Mathematics and Computer Science and to submit the proposed change to the Texas Higher Education Coordinating Board for review and appropriate action.

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

#### BACKGROUND INFORMATION

U. T. Tyler now has a combined Department of Mathematics and Computer Science. Because of growth of interest in computer science and rapid changes in the computer science discipline, it is recommended that Computer Science be established as a separate department. No additional funding will be required by dividing the department into two separate administrative units. Thus U. T. Tyler can gain improved academic effectiveness with no additional cost through the proposed administrative change.

At the request of Coordinating Board staff, the proposed change is being treated as a substantive matter requiring formal approval by the U. T. Board of Regents.

A copy of the proposal to establish a Department of Computer Science and a Department of Mathematics is on file in the U. T. System Office of Academic Affairs.

17. U. T. Tyler: Recommendation to (a) Approve Proposed Partnership Agreement with Tyler Junior College and Authorize Submission to the Coordinating Board for Approval; (b) Authorize the Executive Vice Chancellor for Academic Affairs to Execute the Partnership Agreement; and (c) Authorize Appointments to Partnership Advisory Committee.--

#### RECOMMENDATION

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

- a. Approve a proposed educational partnership agreement as set out on Pages AAC 55 - 60

between U. T. Tyler and Tyler Junior College authorized by Section 51.661 et seq., Texas Education Code, and authorize submission of the partnership agreement to the Texas Higher Education Coordinating Board for approval

- b. Authorize the Executive Vice Chancellor for Academic Affairs, on behalf of the U. T. Board of Regents, to execute this parameters partnership agreement
- c. Authorize the Chairman of the U. T. Board of Regents to select three members of the U. T. Board of Regents and such U. T. System Administration staff to assist as appropriate to a Partnership Advisory Committee pursuant to Section 51.663, Texas Education Code.

#### BACKGROUND INFORMATION

U. T. Tyler and Tyler Junior College propose to establish a partnership combining certain administrative and academic functions of the two institutions in order to provide a seamless four-year undergraduate experience for qualified students seeking a bachelor's degree. Appropriate admissions, financial aid, and registration functions will be combined.

While the parties intend for all existing academic programs at both the junior college and the university to be maintained, this agreement will allow much greater flexibility in the use of faculty and facilities to meet student academic program requirements.

U. T. Tyler was established as an upper-level center by the 62nd Legislature in 1971. As an upper-level institution located in the same service region as Tyler Junior College, U. T. Tyler meets the conditions for a partnership agreement authorized by the Texas Education Code, Sections 51.661-51.668 which permits the establishment of a partnership to provide certain services for both the community college and the upper-level university. The law specifically requires that each governing board appoint three of its members to a joint advisory committee to oversee the operations of the partnership. Also, the law requires that all statutory responsibilities must continue to be met and that the assets of both institutions (including real property) must be retained by the respective governing boards.

The proposed agreement requires approval by the U. T. Board of Regents, the Tyler Junior College District Board of Trustees, and the Texas Higher Education Coordinating Board. Approval by all three bodies is required prior to implementation.

In accordance with the authorizing statute, the proposed parameters agreement provides that no powers or duties of either governing body will be abrogated, that current institutional missions will be furthered, and that role and scope approval requirements will be unchanged.

If approved, detailed biennial interagency agreements (contracts) and/or leases will be established for coordinating the use of personnel; the developing, financing, and delivery of academic programs; the collection of tuition and fees; and the use of facilities, library materials, and equipment.

The proposed agreement is to be effective upon approval by the Texas Higher Education Coordinating Board with an anticipated effective date no later than January 1, 1995, with the first group of partnership students enrolling in August 1995 for the Fall Semester 1995. Upon approval, the Partnership Advisory Committee (consisting of three U. T. Board of Regents' members and three Tyler Junior College District Board of Trustees' members) will assess local and regional needs and make specific recommendations concerning coordinated programs and services.

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

## A PARTNERSHIP AGREEMENT

BETWEEN  
TYLER JUNIOR COLLEGE  
AND  
THE UNIVERSITY OF TEXAS AT TYLER

### I. Parties

This Agreement is between the Board of Regents of The University of Texas System on behalf of The University of Texas at Tyler, hereinafter called "U. T. Tyler" and the Board of Trustees of Tyler Junior College District on behalf of Tyler Junior College, hereinafter called "TJC."

### II. Purpose

The purpose of this Agreement is to create an educational partnership as authorized by state law, Texas Education Code, Section 51.661 et seq., which utilizes the faculty, staff, programs, equipment, facilities, and other resources of TJC and U. T. Tyler to maximize the opportunity for students to remain in the East Texas region and participate in a continuous educational experience through which associate, baccalaureate, and graduate degrees may be obtained. The parties will use existing academic, technical, and support programs to provide the initial base for expanding both undergraduate and graduate programs that will be responsive to local and regional needs. In addition, the parties will collaborate with both public and private school districts to enhance educational access and opportunities for the citizens of the East Texas region.

### III. Program Characteristics

- A. The partnership, a collaborative venture of TJC and U. T. Tyler, shall provide:
1. concurrent admission policies and procedures to assure a continuous educational experience;
  2. a process which facilitates dual enrollment of students whose academic program needs can best be met by taking both lower and upper division courses in the same term;
  3. early counseling and academic advising by faculty and staff from both institutions which guides partnership students towards completion of an associate and a bachelor's degree without unnecessary courses or schedule delays;
  4. jointly developed student recruitment policies and procedures and special marketing plans with appropriate promotional materials and coordinated recruiting visits;
  5. special provisions for the recruitment of disadvantaged students;

6. special provisions for the recruitment of honor students and students prepared for accelerated completion of degree programs;
7. an integrated scholarship and financial aid program for eligible partnership students;
8. unified procedures for registration, fee payment, and maintenance of student records;
9. a partnership academic calendar integrated with the institutional calendars;
10. jointly approved media releases and publications;
11. appropriate supplemental and retention programs for disadvantaged students;
12. full integration of the use of learning resources and library materials of both institutions for partnership students;
13. continuous access to the facilities, services, and activities of TJC and U. T. Tyler;
14. access to special services and events designed specifically for the partnership students;
15. a feasibility study for a transportation system to facilitate convenient movement of students between the two institutions;
16. special vehicle parking arrangements on each campus to facilitate movement of partnership students between the two institutions;
17. a partnership faculty who share program quality responsibilities with representation from both institutions;
18. individual degree plans for partnership students that culminate in associate degrees from TJC and baccalaureate degrees from U. T. Tyler;
19. coordination between the partnership faculty to determine appropriate core curriculum requirements;
20. an evolving curriculum and other experiences to meet the needs of the partnership students;
21. collaborative programs with public and private secondary schools to provide special opportunities for entry into higher education;
22. provisions for early entry and advanced placement for qualified students;

23. an honors and international curriculum with special experiences for qualified students;
  24. provision for accelerated curriculum to accommodate students with appropriate preparation and abilities;
  25. monitoring of student progress to ensure appropriate retention and advancement;
  26. coordinated class scheduling to meet the needs of both students and faculty;
  27. orientation and class scheduling that ensure exposure of students to both campuses throughout the undergraduate experience;
  28. special interagency agreements that address financial considerations of the partnership;
  29. provision for appropriate joint appointments of faculty and staff to address the program needs of the two institutions
  30. use of the synergism of the combined faculties to provide additional undergraduate and graduate opportunities for the citizens of the East Texas region; and
  31. policies and procedures for evaluation and refinement of the partnership.
- B. Nothing in this or subsequent, related agreements will alter or amend the powers and duties of either governing board with regard to the governance of TJC or U. T. Tyler.
- C. This Agreement and subsequent, related agreements will always be interpreted to further the mission of TJC as contained in Texas Education Code, Sections 130.0011 and 130.003(e) and to further the mission of U. T. Tyler as authorized by Texas Education Code, Section 76.02 et seq. The role and scope of U. T. Tyler will continue to be subject to approval by the Texas Higher Education Coordinating Board.
- D. This Agreement and subsequent, related agreements will be interpreted to assure that each party will continue to be funded under existing formulas and to assure that appropriate records are kept for courses offered by each institution through the partnership.

#### IV. Partnership Advisory Committee

Each party will select three of its board members to constitute the Partnership Advisory Committee to oversee the operations of the educational partnership. The Partnership Advisory Committee, with staff support as appropriate and necessary, shall study local and regional needs and shall make recommendations to the respective boards concerning the development of coordinated programs, policy, and services to meet those needs. The committee

will give particular attention to the continuity of curriculum offerings and to the joint use of faculty and staff, facilities, and library services.

**V. Related Interagency Agreements**

Interagency cooperative agreements, approved by the respective Boards, will provide for transfer of tuition and fees collected by one party on behalf of the other and for compensation when resources of one party are used to carry out programs or activities of the other. Specifically, interagency cooperative agreements will be developed to cover collection of tuition and fees for dually enrolled students; reimbursement of salaries, wages, and benefits for faculty and staff who teach in or otherwise directly support both institutions; and reimbursement for the expenses incurred when buildings and equipment at one institution are used to each courses or otherwise directly support the programs and activities of the other.

**VI. Implementation Strategy and Calendar**

It is the intent of the parties that the partnership be implemented pursuant to the implementation strategy and calendar attached herein as Exhibit "A".

**VII. Term of Agreements**

This Agreement shall become effective on the later of January 1, 1995, or the date the Agreement is approved by the Texas Higher Education Coordinating Board, having been approved by the respective governing Boards of the institutions. This Agreement and subsequent, related agreements shall continue unless terminated as provided in Section VIII of this Agreement. This Agreement and subsequent, related agreements may be amended in writing by the mutual agreement of the parties. The parties shall jointly inform the Texas Higher Education Coordinating Board of subsequent, related agreements.

**VIII. Termination of Agreements**

Termination of this Agreement may be initiated by either party. Written notice of intent to terminate must be delivered to the other party at least six months prior to the effective date of termination. Students enrolled in any partnership academic program at the time of termination will be given the opportunity to complete the program in its entirety within a reasonable time.

Executed by both parties on the day and year below written in triplicate copies, each of which will be deemed an original.

BOARD OF TRUSTEES OF  
TYLER JUNIOR COLLEGE DISTRICT

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

FORM APPROVED:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Office of General Counsel  
The University of Texas System

By: \_\_\_\_\_  
Bernard Rapoport  
Chairman, Board of Regents of  
The University of Texas System

Date: \_\_\_\_\_

CONTENT APPROVED:

\_\_\_\_\_  
Executive Vice Chancellor for  
Academic Affairs  
The University of Texas System

APPROVED:

TEXAS HIGHER EDUCATION COORDINATING BOARD

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT "A"

### Implementation Strategy and Calendar

The goal of the partnership between Tyler Junior College and The University of Texas at Tyler is to initiate as many of the program characteristics as are feasible with the commencement of the 1995-96 academic year. A joint task force chaired by designees appointed by the respective presidents of each institution will implement this strategy and calendar that will lead to the initiation of this Agreement between Tyler Junior College and The University of Texas at Tyler. The co-chairs of the task force will provide quarterly progress reports beginning September 1, 1994, to each of the presidents with a final report being submitted by March 1, 1995. The following implementation strategies will be initiated:

- A. Admissions officers from each institution will provide leadership to develop items 1 through 8 of III-A.
- B. Chief academic officers from each institution will provide leadership to develop items 9 through 13 of III-A.
- C. Learning resources and library officers from each institution will provide leadership to develop item 14 of III-A.
- D. Student affairs officers from each institution will provide leadership to develop items 15 through 18 of III-A.
- E. Chief academic officers from each institution will provide leadership to develop items 19 through 28 of III-A.
- F. Financial officers from each institution will provide leadership to develop item 29 of III-A.
- G. Chief academic officers from each institution will provide leadership to develop items 30 through 32 of III-A.
- H. Presidents from each institution will provide leadership to obtain appropriate approvals for the partnership.
- I. The first class of students will begin the partnership program in the fall of 1995.

18. U. T. Board of Regents; Presentation of Resolution of Appreciation to President Rutford.--

**Health Affairs  
Committee**

HEALTH AFFAIRS COMMITTEE  
Committee Chairman Ramirez

**Date:** August 11, 1994  
**Time:** Following the meeting of the Academic Affairs  
Committee  
**Place:** Lobby, Commons Building, J. J. Pickle Research  
Campus, U. T. Austin

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1. U. T. System: Request for Authorization to Submit to the Coordinating Board Role and Mission Statements and Tables of Programs for Health Institutions.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and the presidents of the health component institutions that authorization be granted for the U. T. System Administration to submit to the Texas Higher Education Coordinating Board Role and Mission Statements and Tables of Programs which are consistent with the respective component institution's long-range strategic plan and the consolidated Table of Programs and Role and Mission Statements shown on Pages HAC 3 - 13.

### BACKGROUND INFORMATION

Section 61.051 of the Texas Education Code requires the Texas Higher Education Coordinating Board to review periodically the Role and Mission Statements, Tables of Programs, and all degree and certificate programs offered by public institutions of higher education. Tables of Programs for U. T. System health institutions were last reviewed and approved by the Coordinating Board in October 1990. The next comprehensive review and amendment to those tables will provide the framework and planning authorization for new degree programs to be implemented during the following four years. Upon approval by the U. T. Board of Regents, the U. T. System Administration will be authorized to negotiate with the Coordinating Board staff to expand the Tables of Programs adequately to provide for the planned addition of new degree programs.

The U. T. Board of Regents first approved Tables of Programs for U. T. component institutions in June 1984 as a part of the U. T. System strategic planning process. Those Tables of Programs have guided planning in the U. T. System since that time. Subsequently, the Coordinating Board adopted more detailed tables using footnotes in some instances to restrict degree program authority to subsets of the broad discipline categories shown in the tables. The Coordinating Board staff has indicated that they will continue to use the footnote approach. Consequently, U. T. System Administration and the institutional administrations will be called upon to work with Coordinating Board staff to resolve issues associated with those footnotes. The U. T. System Administration recommends that the U. T. Board of Regents continue to adopt the more generalized form of Tables of Programs first used in 1984 and followed in the consolidated Table of Programs.

The Role and Mission Statement and Table of Programs for each institution will be reported to the U. T. Board of Regents after they have been approved by the Coordinating Board. The Coordinating Board tentatively plans to consider the documents for the U. T. System health institutions at its October 1994 meeting.

Table 1

TABLE OF PROGRAMS  
UNIVERSITY OF TEXAS SYSTEM  
HEALTH INSTITUTIONS  
July 1994

Disciplines	Certificate				Bachelor				Masters				Doctoral				Professional			
	H	S	G	D	H	S	G	D	H	S	G	D	H	S	G	D	H	S	G	D
	O	A	A	A	O	A	A	A	O	A	A	A	O	A	A	A	O	A	A	A
	U	N	L	L	U	N	L	L	U	N	L	L	U	N	L	L	U	N	L	L
<b>Academic Disciplines</b>																				
Educational/Instructional Media Design																				
Environmental Sciences										1	2					1	2			
Health Occ. Teacher Ed.(Voc.)					1					2										
Bioengineering & Biomedical Engineering																				1
Dietetics/Human Nutritional Services					1			1		2										
Behavioral Sciences																1				
Biological Sciences/Life Sciences										1	1	1	1		1	1	1	1		
Radiological Physics											1					1				
Nuclear/Nuclear Power Technology/Technician											1									
Biological & Physical Sciences										1		1			1					
Clinical Psychology													1						1	
Public Policy Analysis															1					
Forensic Technology/Technician																1				
Multi/Interdisciplinary Studies, Other																			1	
<b>Health Professions and Related Sciences</b>																				
Communication Disorders Sciences and Services																				
Community Health Services																				
Dentistry (D.D.S.,D.M.D.)																				1 1
Dental Clinical Sci./Grad Denistry (M.S., PhD.)																				
Dental Services	A	A								1										
Health and Medical Administrative Services																				
Health and Medical Assistants																				
Health & Med. Diagnostic & Treatment Srv.	A	A																		
Health and Med. Lab. Technologies/Technicians																				
Health and Medical Preparatory Programs																				
Medicine (M.D.)																				1 1 1 1
Medical Basic Sciences																				
Medical Clinical Sciences (M.S.,PhD.)																				
Mental Health Services																				
Nursing																				
Optometry																				
Ophthalmic/Optometric Services																				
Pharmacy																				1
Public Health																				
Rehabilitation/Therapeutic Services																				
Miscellaneous																				
Emergency Medcl Tchncn: Basic																				A
Emergency Medcl Tchncn: Paramedic																				A
Gerontology & Geratric Services																				B
Blood Bank Technology																				B
Medical Technology																				B
Cytotechnology																				2

**KEY - Table of Programs Authorization Status**

1. Institutions have been given authority by the U. T. Board of Regents to develop degree programs in this discipline and level.
  2. Institutions are requesting U. T. Board of Regents authority to develop degree programs in this discipline and level.
- A. Institutions have been given authority by the U. T. Board of Regents to develop pre-baccalaureate certificate programs in this discipline.
- B. Institutions have been given authority by the U. T. Board of Regents to develop post-baccalaureate certificate programs in this discipline.

THE UNIVERSITY OF TEXAS SOUTHWESTERN  
MEDICAL CENTER AT DALLAS

MISSION, ROLE AND SCOPE

The University of Texas Southwestern Medical Center at Dallas is a component institution of The University of Texas System and is committed to pursuing high standards of achievement in instruction, research, and clinical activities. Since its inception in 1943, UT Southwestern has evolved as one of the leading biomedical institutions in the country and its programs are designed and implemented with the intent to sustain this progress in the future.

As an academic health science center, the central mission of the institution is to educate health professionals whose lifelong career objectives will be to provide the best possible care, apply the most appropriate treatment modalities, and continue to seek information fundamental to the treatment and prevention of disease. Within an environment of interdisciplinary activity and academic freedom at Southwestern, students receive training from faculty scholars who have in-depth expertise in the many specialties of health care and the biomedical sciences. Faculty members also engage in research and patient care so that they can generate new knowledge in the fight against disease and maintain their clinical skills while serving the people of Texas to the best of their ability. Research findings are made available directly to students and indirectly to the general public as practicing professionals adopt new treatment modalities. The focus of the faculty, students, and administration at The University of Texas Southwestern Medical Center at Dallas will remain on providing exemplary educational programs, creating new knowledge, delivering quality medical care, maintaining the highest ethical standards, advancing the scientific basis of medical practice, and demonstrating concern and compassion for all people. Every aspect of the university's operation will be conducted in as cost-effective a manner as possible.

The institution consists of the Southwestern Medical School, the Southwestern Graduate School of Biomedical Sciences, and the Southwestern School of Allied Health Sciences and offers degrees and programs with subject matter limited to health-related fields.

The central purpose of The University of Texas Southwestern Medical School at Dallas is to produce physicians who will be inspired to maintain lifelong medical scholarship and who will apply the knowledge gained in a responsible and humanistic manner to the care of patients. The Southwestern Medical School has assumed responsibility for the continuum of medical education. The institution offers instructional programs not only in undergraduate medical education leading to the M.D. degree, but also graduate training in the form of residency positions and fellowships as well as continuing education for practicing physicians and medical scientists. An important focus of the educational effort is training primary care physicians and preparing doctors who will practice in underserved areas of Texas. Another instructional role of SWMS faculty members is that of fully preparing those medical students who seek a career in academic medicine and research, including the opportunity to earn both the M.D. and Ph.D. degrees simultaneously.

The Southwestern Graduate School of Biomedical Sciences provides well-qualified individuals seeking an M.A., M.S., or Ph.D. degree with the opportunity and the encouragement to investigate rigorously and be creative in solving significant problems in the biological, physical, and behavioral sciences. In addition to acquiring information in their area of research expertise, graduate students at the U. T. Southwestern Medical Center - Dallas are encouraged to develop and test new ideas in the classroom and to communicate their ideas to others within the research-oriented medical community. Although enrolled in a specific program, the students are not restricted to courses in their major field of study. Exposure to a wide variety of academic disciplines is necessary to prepare each individual for the rapidly changing emphasis in the biomedical sciences. Therefore, graduate students at UT Southwestern gain a wide perspective of contemporary biomedical science through interdisciplinary courses, seminars and informal discussions involving scholastic interaction with students and faculty from other educational programs within the University.

The educational programs of the Southwestern Allied Health Sciences School have been established to educate individuals at the baccalaureate level and above for those professions which support the health care delivery team concept. The School offers eight baccalaureate degree programs, two post-baccalaureate courses of study, a certificate program, and graduate programs in cooperation with the Southwestern Graduate School of Biomedical Sciences. As an integral part of Southwestern Medical Center, the School works cooperatively in education, research, and service contexts. It prepares allied health professionals of the highest quality and competency to help meet health care needs of the people of Texas. Through research and scholarly pursuits related to health care, it advances scientific knowledge and practices of the allied health profession. It offers consultation, technical assistance, and professional services to meet education and health-care needs of the community. In addition, it contributes to the continued growth and development of allied health professions, including reduction of barriers to career advancement through pathways to graduate or post-graduate education. The School views its community obligations as being important and, therefore, works actively to publicize career opportunities and respond in an appropriate manner to the requirements of health-care institutions, agencies, and service providers in the area.

THE UNIVERSITY OF TEXAS  
MEDICAL BRANCH AT GALVESTON

MISSION STATEMENT

UTMB enjoys a unique position among the health science centers in the State of Texas in that it operates, under a single administration, its academic and patient-care programs and facilities. This unique position facilitates the integration of UTMB's education, research and patient-care programs and thus provides a strong, synergistic environment as UTMB becomes that rare institution known for its consistent strength and commitment to excellence. UTMB will take advantage of this synergistic environment to accomplish its mission:

The mission of The University of Texas Medical Branch is to provide scholarly teaching, innovative scientific investigation, and state-of-the-art patient care.

EDUCATION

UTMB must educate Texas' most talented youth who have chosen to become physicians, physician specialists, nurses, biomedical scientists and allied health professionals to meet the health care needs of the citizens of Texas. This includes a commitment to solving the need for primary care in medically underserved regions of this state. Some of these individuals also must be trained to be effective teachers of the basics of health-care sciences.

RESEARCH

UTMB must discover and disseminate new scientific knowledge through high quality research programs to establish UTMB clearly as one of the outstanding academic health science centers in the nation. Health policy and health care outcomes research are integral parts of this endeavor.

PATIENT CARE

UTMB must lead in the discovery of new approaches to the prevention and treatment of disease and in the application of this new knowledge. This effort requires superior patient-care programs including rural primary care in each of its clinical departments, which will, in turn, nurture and support scholarly activities that underlie and nurture them.

PUBLIC SERVICE

UTMB must, in its pursuit of scientific knowledge, education of students and provision of high quality patient care, also inform the citizens of Texas and society at large of matters that affect their health.

THE UNIVERSITY OF TEXAS HEALTH  
SCIENCE CENTER AT HOUSTON

MISSION STATEMENT

The University of Texas Health Science Center at Houston (UTHSC-H) is a component of The University of Texas System and, as such, is committed to the pursuit of high standards of achievement in instruction, student performance, clinical service, research, and scholarly accomplishment.

As an academic health science center, the institution is one in which undergraduate, graduate, and post-graduate students are educated broadly in the sciences of health and disease and are prepared for health-related careers in the provision of human services, and in teaching and research. Within an environment of academic freedom, students learn from faculty scholars who have in-depth expertise in the various specialties of health care and the biomedical sciences. Such faculty, with the assistance of their students and trainees, engage in research both to extend human knowledge related to health and to develop and maintain their own scholarly and professional expertise.

The comprehensiveness of the UTHSC-H, including the presence of six major health-related schools - medicine, dentistry, public health, nursing, allied health, and biomedical science - provides many avenues for collaborative endeavors. The School of Public Health, the only school of its kind in the State of Texas, acknowledges and accepts its unique responsibility to reach throughout the state to prepare individuals for the challenges of this expanding field. Two satellite programs are already in place with others planned for the future to assist in meeting the increasing demand for public health professionals.

In addition to the six schools encompassing the major health science disciplines, the other unit in the UTHSC-H organization is the Harris County Psychiatric Center (HCPC). HCPC is committed to advancement in mental health education through clinical, research, and educational excellence.

Collectively, these units respond to the health-care manpower needs of the citizens of Texas, the City of Houston, and Harris and its surrounding counties by developing creative models for the training of health professionals, particularly emphasizing interdisciplinary educational models, and addressing the growing demand for primary care health professionals.

Together, faculty and students engage in patient care as an essential part of the teaching and learning experience. These professionals provide exemplary health services to directly benefit the individual recipient and to serve as models which other providers will emulate. The clinical aspects of research are also conducted in conjunction with patient care.

The University of Texas Health Science Center at Houston considers itself a member of a large learning community and works to contribute to and draw from the intellectual pursuit of the other institutions within the Texas Medical Center, and within the greater Houston area. Also, to benefit this local community and the entire State of Texas, the institution offers a program of continuing education to assist practicing health professionals in utilizing the latest findings of research

from the worldwide community of scholars in clinical and biomedical fields. As a result of participation in these professional enhancement programs, practitioners adopt new modalities for the treatment and prevention of disease.

The institution consists of the following units which are listed by date of establishment:

1. Dental Branch (established 1905; joined UT 1943)
2. Graduate School of Biomedical Sciences (1963)
3. School of Public Health (1967)
4. Medical School (1970)
5. School of Nursing (1972)
6. School of Allied Health Sciences (1973)
7. Harris County Psychiatric Center  
(established 1981; joined UT 1989).

The units included in the above list offer degrees and programs with subjects limited to health-related fields.

THE UNIVERSITY OF TEXAS HEALTH  
SCIENCE CENTER AT SAN ANTONIO

MISSION, ROLE AND SCOPE

The University of Texas Health Science Center at San Antonio is a component of The University of Texas System and, as such, is committed to pursue the highest standards of achievement in instruction, student performance, research and scholarly accomplishment, patient care, and service. The Health Science Center has established itself as a major research institution and, through its biomedical research programs, the faculty play a major role for the State, nation, and world in the discovery of new knowledge and the search for answers to society's health-care needs. Faculty members engage in teaching, research and patient care in an interdisciplinary environment that encompasses a breadth of expertise that would be impossible and impractical to achieve in a single department or school. The Health Science Center will nurture this environment and will continue to support this integration. An important element of the educational effort is educating primary care health professionals of the highest quality.

Faculty members engage in research and patient care while serving the people of Texas. As the only comprehensive academic health science university located in South Texas, the faculty have the unique advantage of focusing research questions on diseases that are prevalent among the citizens of South Texas, the Border, and Mexico. As a source of leadership in health care, the Health Science Center has the responsibility for providing programs and expertise for the ongoing education of the professional and lay communities. The Health Science Center through its educational and research roles provides the human and physical resources which facilitate the continuing development of the biosciences in the community and the region. Since the legislative chartering of the Medical School in 1959 as the South Texas Medical School, The University of Texas Health Science Center at San Antonio, with its five health professional schools, has developed into a major health university in the State and nation, and its continuing development should ensure this progress into the future.

The mission of The University of Texas Health Science Center at San Antonio includes teaching, research, patient care, and service. Through the undergraduate, graduate, and postgraduate programs, the faculty is committed to the education of health professionals whose lifelong career objectives will be to provide the best possible health care in the most cost-effective way, to apply contemporary treatment modalities, and to seek information that is fundamental to the treatment and prevention of disease.

Role and Scope

The institution consists of the School of Allied Health Sciences, the Graduate School of Biomedical Sciences, the Dental School, the Medical School, and the School of Nursing; and offers degrees and programs in health-related fields. The Clinical Laboratory Sciences, Physical Therapy, and Occupational Therapy Programs are offered jointly with The University of Texas at San Antonio. A Pharm.D. program is offered

jointly with The University of Texas at Austin. In addition, a component of the School of Public Health, The University of Texas Health Science Center at Houston, offers the M.P.H. on this campus.

The School of Allied Health Sciences has as its primary responsibility the developing and conducting of high quality education programs offering the opportunity for students to become competent health-care providers in allied health sciences. Included in the School's programs are both certificate and baccalaureate degree programs. Five programs are presently offered: Certificate programs in Dental Hygiene and Dental Laboratory Technology and baccalaureate programs in Clinical Laboratory Sciences, Occupational Therapy, and Physical Therapy. The Emergency Medical Technology Department provides paramedical training for San Antonio, Bexar County and surrounding areas. Two additional baccalaureate programs have been approved for educating Physician Assistants and Respiratory Care providers.

The Dental School has as its primary responsibility the developing and conducting of high quality education programs offering the opportunity for qualified students to participate in a program leading to the D.D.S. degree as well as to participate in advanced education programs in a variety of specialty areas and advanced General Dentistry. The dental clinical faculty providing these programs are in the Departments of Community Dentistry, Dental Diagnostic Science, Endodontics, General Practice, Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics, Restorative Dentistry, and Oral and Maxillofacial Surgery. The Dental School contributes significantly to the body of basic and applied knowledge related to oral health.

The Graduate School of Biomedical Sciences has as its primary responsibility the development and offering of high quality educational programs providing the opportunity for students to pursue M.S. and Ph.D. degrees. Master of Science and Ph.D.s are presently offered in Biochemistry, Cellular and Structural Biology, Microbiology, Molecular Medicine, Nursing, Pharmacology, Physiology, and Radiological Sciences. Four dental M.S. degree programs are offered in Periodontics, Endodontics, Prosthodontics, and Dental Diagnostic Science. The Graduate School jointly administers the graduate program in Pharmacy with The University of Texas at Austin which leads to the Doctor of Pharmacy degree. The Basic Science departments of Biochemistry, Cellular and Structural Biology, Microbiology, Pathology, Pharmacy and Physiology provide education in the basic sciences to students in Allied Health, Dentistry, Medicine and Nursing. The focus of the Graduate School is the discovery, creative application and transfer of knowledge to the solution of society's physical and mental ills.

The primary purpose of the Medical School is the developing and conducting of high quality education programs offering the opportunity for students to pursue the M.D. degree and for residents and fellows to pursue a full range of residency and fellowship training. The Medical Clinical faculty providing these programs are in the Departments of Anesthesiology, Family Practice, Medicine, Obstetrics and Gynecology, Ophthalmology, Orthopaedics, Pathology, Pediatrics, Physical Medicine and Rehabilitation, Psychiatry, Radiology, and Surgery. Conducting biomedical and other health-related research is an integral role of the Medical School.

The School of Nursing has as its primary responsibility the developing and conducting of high quality education programs offering the opportunity for students to participate in programs leading to the B.S.N., M.S.N., and Ph.D. degrees. These educational programs benefit from a faculty that supports competent clinical practice, participates in scholarly activity, and engages in community service.

THE UNIVERSITY OF TEXAS  
M.D. ANDERSON CANCER CENTER

MISSION

The mission of The University of Texas M.D. Anderson Cancer Center is to eliminate cancer and allied diseases as significant health problems throughout Texas, the nation, and the world by developing and maintaining integrated programs in patient care, research, education, and cancer prevention designed to:

- further the understanding of cancer
- prevent the development of cancer
- improve the detection and diagnosis of cancer
- perfect and provide treatment and rehabilitation for those individuals who develop cancer or allied diseases.

ROLE AND SCOPE

As created by the 47th Texas Legislature and reaffirmed by the 62nd Texas Legislature, The University of Texas M.D. Anderson Cancer Center is a state and global resource for the education, research, and treatment of cancer and allied diseases. This role was broadened and further defined by designation as a Comprehensive Cancer Center under the terms of the National Cancer Act of 1971. Education is a fully integrated and essential component of the institutional mission.

The Cancer Center is a fully established and accredited academic component of The University of Texas System. It does not have independent degree-granting status but has full participation in The University of Texas Graduate School of Biomedical Sciences at Houston for directing graduate students to the M.S., Ph.D., or M.D./Ph.D. degrees. In addition, the Cancer Center offers a variety of special programs for trainees from high school science programs, undergraduate universities, and medical, dental, and pharmacy schools.

The Cancer Center has a broad range of fully accredited post-graduate educational programs in biomedical science focused on aspects of oncology and health-care management and delivery. The institution offers undergraduate medical and residency programs in several medical specialties, in addition to serving as a major clinical training facility through affiliation with medical schools and universities. The institution has a broad range of continuing education programs in a number of health-care fields and is fully accredited by the Accreditation Council for Continuing Medical Education.

The Cancer Center is accredited by the Committee on Allied Health Education and Accreditation to offer nondegree allied health certification programs in Cytotechnology, Histotechnology, Radiation Therapy Technology, and Radiation Therapy Dosimetry (accreditation criteria under development). It also has planning authority to develop and submit for approval to The University of Texas System Board of Regents and the Texas Higher Education Coordinating Board certificate programs in Cytogenetics and Medical Technology (currently in preparation) and Diagnostic Radiology Technology (to be submitted).

THE UNIVERSITY OF TEXAS  
HEALTH CENTER AT TYLER

MISSION

The Mission of The University of Texas Health Center at Tyler is to provide leadership and excellence in the treatment and prevention of cardiopulmonary and chest diseases through the provision of quality patient care, biomedical research, and education. In addition, The University of Texas Health Center at Tyler is committed to providing the highest quality of primary care services; conducting clinical and basic research that may alleviate the diseases of mankind; facilitating health education by serving as a teaching hospital for students in medicine, nursing, and allied health; and providing community service by educating the public about preventive, acute, chronic, and occupational health issues, as well as scientific and ethical concerns.

ROLE AND SCOPE

As created by the 50th Texas Legislature and reaffirmed by the 65th Legislature, The University of Texas Health Center at Tyler is a state resource for the education, research, and treatment of cardiopulmonary and chest diseases. In addition, the Health Center is a provider of primary health-care services in the area.

The Health Center is a fully established and accredited component of The University of Texas System. It does not have independent degree-granting status, but serves as a teaching hospital for The University of Texas System, the Texas College of Osteopathic Medicine, and area colleges and universities. Education is a fully integrated and essential component of the institutional mission.

Medical education is offered through the Health Center's three-year Family Practice Residency Program and through core rotations in cardiopulmonary medicine for third and fourth-year medical students. Health education is offered through clinical rotations in nursing, respiratory therapy, physical therapy, radiology, medical laboratory technology, and exercise physiology. Biomedical research is conducted in the fields of cell biology, environmental sciences, biochemistry, biomathematics, molecular biology, epidemiology, physiology, and microbiology.

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

RECOMMENDATION

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

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Edward R. Johnson, M.D. Professor and Acting Chairman Department of Anesthesiology and Pain Management	Anesthesiology Alumni Professorship  See Item 25 on Page <u>AMC - 24</u> for establishment of this Professorship.
Joseph E. Zerwekh, Ph.D. Professor of Internal Medicine	The Frederic C. Bartter Professorship in Vitamin D Research  See Item 26 on Page <u>AMC - 25</u> for establishment of this Professorship.
Christopher B. Newgard, Ph.D. Associate Professor of Biochemistry	Gifford O. Touchstone, Jr. and Randolph G. Touchstone Distinguished Chair in Dia- betes Research  See Item 34 on Page <u>AMC - 31</u> for redesignation of this Chair.

BACKGROUND INFORMATION

Dr. Johnson completed his residency at Parkland Hospital of Dallas and joined the faculty at U. T. Southwestern Medical Center - Dallas in 1970. He has served as Assistant Dean of Students, President of the Faculty Senate, Vice Chairman of Anesthesiology, and is presently Acting Chairman of the Department of Anesthesiology and Pain Management.

Dr. Zerwekh began his career with U. T. Southwestern Medical Center - Dallas as a Research Scientist in 1976 and currently serves as Professor of Internal Medicine and Associate Director of the Center for Mineral Metabolism and Clinical Research. He is one of the nation's leading researchers in vitamin D and calcium metabolism and in renal stone formation and osteoporosis.

Dr. Newgard joined the U. T. Southwestern Medical Center - Dallas faculty in 1987. He is an outstanding researcher and has discovered a method for producing potentially transplantable cells that produce insulin which offer exceptional promise in treating diabetes.

3. U. T. Medical Branch - Galveston: Proposed Appointments to Endowed Academic Positions Effective September 1, 1994.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the following initial appointments to endowed academic positions at the U. T. Medical Branch - Galveston be effective September 1, 1994:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Karen D. Wagner, M.D., Ph.D. Associate Professor Department of Psychiatry and Behavioral Sciences	Clarence Ross Miller Professorship in Psychiatry; established August 1989
Russell Gardner, Jr., M.D. Professor, Department of Psychiatry and Behavioral Sciences	Dr. Harry K. Davis Endowed Professorship in Psychiatry and Behavioral Sciences; established December 1989

BACKGROUND INFORMATION

Dr. Wagner joined the faculty of the U. T. Medical Branch - Galveston in 1989 and currently serves as Vice Chair and Director of the Division of Child and Adolescent Psychiatry. Much of her work has focused on child and adolescent problems and she enjoys an excellent reputation as a clinical psychiatrist.

Dr. Gardner joined the faculty at the U. T. Medical Branch - Galveston in 1984. His expertise and service on national and state committees, instruction of medical students and residents, and administrative service as Director of the Consultation-Liaison Service in the Department of Psychiatry and Behavioral Sciences make this appointment most appropriate.

4. U. T. Medical Branch - Galveston: Recommendation to Name the Department of Pediatrics' Academic Resource Center (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the Department of Pediatrics' Academic Resource Center at the U. T. Medical Branch - Galveston be named The C. William Daeschner, Jr. Alumni Academic Resource Center. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

## BACKGROUND INFORMATION

The proposed naming of the facility honors C. William Daeschner, Jr., M.D., a former Chairman of the Department of Pediatrics at the U. T. Medical Branch - Galveston. Dr. Daeschner was the initial holder of the John Sealy Chair in Pediatrics and has been awarded the Ashbel Smith Professor Emeritus designation. For his outstanding accomplishments in medical education and dedicated service to professional organizations, Dr. Daeschner received the Lifetime Achievement Award from the American Academy of Pediatrics and the Distinguished Service Award from the National Board of Medical Examiners. He is an advocate for children and under his leadership the Children's Research Fund was created at the U. T. Medical Branch - Galveston. The University has been honored through his long-standing association, and it is a fitting tribute to recognize his dedication and service in this manner.

5. U. T. Health Science Center - Houston: Proposed Changes in Membership on the Board of Trustees of Affiliated Medical Services (AMS) Effective September 1, 1994.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Low that Robert C. Franks, M.D., Professor of Pediatrics, and Robert K. Creasy, M.D., Chair of the Department of Obstetrics, Gynecology and Reproductive Sciences at the U. T. Health Science Center - Houston, be appointed to the Board of Trustees of Affiliated Medical Services (AMS) effective September 1, 1994.

Upon approval of these appointments, the three members of the Board of Trustees of AMS designated by the U. T. Board of Regents will be as follows:

<u>Name</u>	<u>Address</u>
Frank Moody, M.D.	6431 Fannin, Houston, TX 77030
Robert C. Franks, M.D.	6431 Fannin, Houston, TX 77030
Robert K. Creasy, M.D.	6431 Fannin, Houston, TX 77030

All three terms will expire March 15, 1995, at which time they can be renewed via the institutional Docket.

## BACKGROUND INFORMATION

Administrative changes at the U. T. Medical School - Houston have prompted associated changes in membership on the Board of Trustees of Affiliated Medical Services (AMS). Dr. Franks replaces Jan van Eys, M.D., and Dr. Creasy replaces Jorge Blanco, M.D.

As authorized by the U. T. Board of Regents in December 1986, AMS is a nonprofit membership corporation organized for the purpose of providing health care to patients of Harris County Hospital District by faculty members, residents, fellows, and other health care professionals affiliated with Baylor College of Medicine and the U. T. Health Science Center - Houston.

The Articles of Incorporation of AMS provide for one-half of the Board members to be appointed by the U. T. Board of Regents and one-half by Baylor. The Board shall be composed solely of physicians licensed to practice medicine by the Texas State Board of Medical Examiners and actively engaged in the practice of medicine in Texas.

6. U. T. M.D. Anderson Cancer Center: Proposed Appointment to the Gilbert H. Fletcher Memorial Chair Effective Immediately.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that Lester John Peters, M.D., be appointed as initial holder of the Gilbert H. Fletcher Memorial Chair at the U. T. M.D. Anderson Cancer Center effective immediately.

## BACKGROUND INFORMATION

Dr. Peters, Professor and Chairman, Department of Radiotherapy at the U. T. M.D. Anderson Cancer Center, joined the staff in 1975 and has served in various administrative and clinical roles. In addition, he serves on numerous state, national, and international committees, editorial boards, and professional societies.

The Gilbert H. Fletcher Memorial Chair was established by the U. T. Board of Regents at the April 1994 meeting.

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

**FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**  
**Committee Chairman Temple**

**Date:** August 11, 1994  
**Time:** Following the meeting of the Health Affairs  
Committee  
**Place:** Lobby, Commons Building, J. J. Pickle Research  
Campus, U. T. Austin

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6. U. T. Pan American - Thermal Energy Plant Expansion for the Engineering Building (Project No. 901-821): Request for Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 18
7. U. T. San Antonio - Downtown Land Purchase: Request for Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 21
8. U. T. San Antonio - Engineering/Biotechnology Building - Phase II (Project No. 401-747): Request for Increase in Project Scope and Total Project Cost; Additional Appropriation and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 24
9. U. T. San Antonio - University Center Expansion (Project No. 401-800): Request for Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 27
10. U. T. Medical Branch - Galveston - Partial Remodel of McCullough Building: Request for Project Authorization; Appointment of Project Architect to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor 30
11. U. T. Medical Branch - Galveston - Support Services Renovation - Phase I: Request for Project Authorization; Appointment of Project Architect to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor 32
12. U. T. Health Center - Tyler - Ambulatory Care Center Addition and Renovation (Project No. 801-789): Request for Approval to Increase Total Project Cost; Authorization to Negotiate a Change Order to Construction Contract; Submission of the Project to the Coordinating Board; and Executive Committee to Approve Issuance of Change Order and Additional Appropriation Therefor 34

1. U. T. Arlington - Hazardous Waste Storage Facility: Request for Project Authorization; Management by U. T. Arlington Administration; Submission of the Project to the Coordinating Board; Approval of Evaluation of Solar Energy Economic Feasibility; Advertisement for Bids; Executive Committee Award of Contracts; 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 and President Amacher that the U. T. Board of Regents:

- a. Authorize a project for the construction of a Hazardous Waste Storage Facility at U. T. Arlington at an estimated total project cost of \$331,500 to be funded from \$303,000 in Revenue Financing System Bond Proceeds and \$28,500 in General Use Fee Balances
- b. Authorize U. T. Arlington Administration to manage the project through a professional services agreement with Haywood Jordan McCowan, Inc., Dallas, Texas, as Project Architect
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Approve the evaluation of solar energy economic feasibility
- e. Upon completion of final review and approval of the Coordinating Board, authorize the Office of Facilities Planning and Construction to advertise for bids
- f. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- g. Appropriate \$303,000 from Revenue Financing System Bond Proceeds. Previous appropriations have been \$28,500 from General Use Fee Balances.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Amacher that, 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 Board 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 tax-exempt Parity Debt in the amount of \$303,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

#### BACKGROUND INFORMATION

The proposed Hazardous Waste Storage Facility project at U. T. Arlington will consist of two small interconnecting structures containing approximately 3,000 gross square feet including a common off-loading facility. Included in the project is site work, mechanical, electrical, and plumbing systems, specialized materials for handling and storage, enhanced building finishes, and comprehensive graphics.

A Hazardous Waste Storage Facility is needed to meet current requirements of federal and state regulations and standards. The proposed facility will centralize the collection and storage of regulated waste on campus and greatly reduce the amount of storage in classroom buildings.

In December 1992, the Office of Academic Affairs gave U. T. Arlington approval to retain Haywood Jordan McCowan, Inc., Dallas, Texas, as Project Architect, and the firm has prepared final plans and specifications.

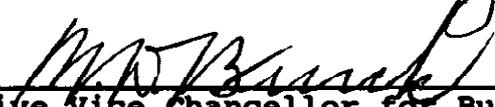
House Bill 2626, 73rd Session of the Texas Legislature, requires the governing body of the appropriate state agency to verify in an open meeting the economic feasibility of incorporating solar energy devices into new state buildings. In accordance with instructions from the State Energy Conservation Office of the General Services Commission, this evaluation has determined that a solar-generated domestic hot water system for the project is not economically feasible.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget funded with \$500,000 from Revenue Financing System Bond Proceeds. Approval of this recommendation will amend the FY 1995 Capital Budget for a total project cost of \$331,500 to be funded with \$303,000 from Revenue Financing System Bond Proceeds and \$28,500 from General Use Fee Balances.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the 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 Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of a Hazardous Waste Storage Facility at U. T. Arlington, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 11th day of August, 1994

  
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Executive Vice Chancellor for Business Affairs

2. U. T. Arlington - Science Building Phase I Expansion (Project No. 301-706): Request for Approval of Plaque Inscription with the Name of Chemistry Research Building.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that the U. T. Board of Regents approve the inscription set out below for a plaque to be placed on the Science Building Phase I Expansion at U. T. Arlington which will now be known as the Chemistry Research Building. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

CHEMISTRY RESEARCH BUILDING  
1993

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Vestal, Loftis, Kalista  
Architects, Inc.  
Project Architect  
The Cadence Group, Inc.  
Contractor

BACKGROUND INFORMATION

A construction contract for the Science Building Phase I Expansion at U. T. Arlington was approved by the U. T. Board of Regents at the April 1993 meeting. The building will now be known as the Chemistry Research Building which more accurately reflects the activities housed in the building.

3. U. T. Austin - Expansion of the Animal Resources Center (Project No. 102-707): Request for Approval to Increase Total Project Cost and Recommended Award of Construction Contract to Pyramid Constructors, Inc., Houston, Texas.--

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 a \$450,000 increase in the authorized total project cost for Expansion of the Animal Resources Center at U. T.

Austin from \$3,300,000 to \$3,750,000 to be funded from \$200,000 of Permanent University Fund Bond Proceeds Reserves and \$250,000 of U. T. Austin General Fee Balances

- b. Award a construction contract for Expansion of the Animal Resources Center at U. T. Austin to the lowest responsible bidder, Pyramid Constructors, Inc., Houston, Texas, for the Base Bid and Alternate Bid Nos. 1 and 2 in the amount of \$3,262,000.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in February 1994, bids for construction of the Expansion of the Animal Resources Center at U. T. Austin were received on June 21, 1994, as shown on Pages FPCC 9 - 10.

The expansion will add approximately 20,000 gross square feet to the existing 58,000 square foot building and will enable U. T. Austin to support a growing research program in the biological sciences while meeting federal standards for the care of laboratory animals.

The recommended award to Pyramid Constructors, Inc., Houston, Texas, for the Base Bid and Alternate Bid Nos. 1 and 2 in the amount of \$3,262,000 can be made within the recommended increase in the total project cost of \$3,750,000. Pyramid Constructors, Inc. stated in its proposal that it will have Historically Underutilized Business participation of approximately 10% for women-owned firms and 20% for minority-owned firms in the contract.

The total project cost is composed of the following elements:

General Construction Cost @ \$163.10/GSF	\$3,262,000
Fees and Administrative Expenses	333,000
Future Work	
Testing and Air Balance	24,500
Materials Testing	27,000
Energy Management System Interface	8,500
Miscellaneous Expenses	15,000
Project Contingency	<u>80,000</u>
Total Project Cost	\$3,750,000

Funding for the project is \$1,900,000 in Permanent University Fund Bond Proceeds Reserves and \$1,850,000 in U. T. Austin General Fee Balances for \$3,750,000 in total project funding. Approval of this item will amend the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget.

This project is exempt from Texas Higher Education Coordinating Board approval because Permanent University Fund Bond Proceeds provide more than 51% of the total project cost for a U. T. Austin project.

EXPANSION OF ANIMAL RESOURCES CENTER  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 Bids Received June 21, 1994

FPCC - 9

BIDDER	<u>Pyramid Constructors, Inc. Houston, Texas</u>	<u>Constructors &amp; Associates, Inc. Austin, Texas</u>
Base Bid	\$3,180,000	\$3,235,000
Alternate No. 1 - Construction of Rooms 0.240 and 0.240A	76,000	75,000
Alternate No. 2 - Epoxy Resin Work Surfaces	6,000	5,500
Alternate No. 3A - Contractor Furnished Sterilizers by "Getinge" (Rms. 1.218/1.230)	No Bid	120,000
Alternate No. 3B - Contractor Furnished Sterilizers by "Primus" (Rms. 1.218/1.230)	No Bid	No Bid
Alternate No. 3C - Contractor Furnished Sterilizers by "AMSCO" (Rms. 1.218/1.230)	134,000	140,000
Alternate No. 4A - Contractor Furnished Sterilizer by "Getinge" (Rm. 1.202)	No Bid	65,000
Alternate No. 4B - Contractor Furnished Sterilizer by "Primus" (Rm. 1.202)	No Bid	No Bid
Alternate No. 4C - Contractor Furnished Sterilizer by "AMSCO" (Rm. 1.202)	66,000	80,000
Alternate No. 5 - Fiberglass Reinforced Panels	60,000	75,000
Alternate No. 6 - Fiberglass Reinforced Panels	20,000	29,000
Alternate No. 7 - Fiberglass Reinforced Panels	42,000	48,000
Alternate No. 8 - Fiberglass Reinforced Panels	84,000	115,000
Alternate No. 9 - Fiberglass Reinforced Panels	<u>68,000</u>	<u>80,000</u>
Recommended Contract Award - Base Bid plus Alternate Nos. 1 and 2 Only	\$3,262,000	\$3,315,500

EXPANSION OF ANIMAL RESOURCES CENTER  
 THE UNIVERSITY OF TEXAS AT AUSTIN  
 Bids Received June 21, 1994

FPCC - 10

BIDDER	<u>M W Builders, Inc.</u> <u>Temple, Texas</u>	<u>Braun &amp; Butler Construction, Inc.</u> <u>Austin, Texas</u>
Base Bid	\$3,377,000	\$3,670,000
Alternate No. 1 - Construction of Rooms 0.240 and 0.240A	73,000	71,000
Alternate No. 2 - Epoxy Resin Work Surfaces	5,500	6,000
Alternate No. 3A - Contractor Furnished Sterilizers by "Getinge" (Rms. 1.218/1.230)	No Bid	No Bid
Alternate No. 3B - Contractor Furnished Sterilizers by "Primus" (Rms. 1.218/1.230)	No Bid	No Bid
Alternate No. 3C - Contractor Furnished Sterilizers by "AMSCO" (Rms. 1.218/1.230)	143,000	140,000
Alternate No. 4A - Contractor Furnished Sterilizer by "Getinge" (Rm. 1.202)	No Bid	No Bid
Alternate No. 4B - Contractor Furnished Sterilizer by "Primus" (Rm. 1.202)	No Bid	No Bid
Alternate No. 4C - Contractor Furnished Sterilizer by "AMSCO" (Rm. 1.202)	75,000	67,000
Alternate No. 5 - Fiberglass Reinforced Panels	43,000	75,000
Alternate No. 6 - Fiberglass Reinforced Panels	16,000	25,000
Alternate No. 7 - Fiberglass Reinforced Panels	46,000	50,000
Alternate No. 8 - Fiberglass Reinforced Panels	112,000	120,000
Alternate No. 9 - Fiberglass Reinforced Panels	<u>76,000</u>	<u>85,000</u>
Recommended Contract Award - Base Bid plus Alternate Nos. 1 and 2 Only	\$3,455,500	\$3,747,000

4. U. T. Brownsville - Science and Engineering Technology Building (Project No. 902-815): Request for Approval to Increase Total Project Cost; Presentation of Preliminary Plans; Approval of Evaluation of Solar Energy Economic Feasibility; Authorization to Prepare Final Plans and Specifications for Staged Construction; Submission of the Project to the Coordinating Board; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts for First and Second Stages; Additional 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 and President Garcia that the U. T. Board of Regents:

- a. Approve an increase in the total project cost for the Science and Engineering Technology Building at U. T. Brownsville from \$23,500,000 to \$23,875,000 to be funded from \$375,000 in gifts and grants from Texas Southmost College
- b. Approve preliminary plans and specifications
- c. Approve the evaluation of solar energy economic feasibility
- d. Authorize preparation of final plans and specifications in such a manner that contracts can be awarded in the following stages:
  1. Construction of the Thermal Energy Plant and attendant equipment, infrastructure, and site work
  2. Construction of the parking lot and attendant site work
  3. General construction of the Science and Engineering Technology Building and attendant equipment, infrastructure, and site work
- e. Authorize submission of the project to the Texas Higher Education Coordinating Board
- f. Upon completion of final review, authorize the Office of Facilities Planning and Construction to advertise for bids and the Executive Committee to award all contracts for the first and second stages. Final plans for the third stage will be presented to the U. T. Board of Regents for consideration at a future meeting

- g. Appropriate an additional \$3,600,000 for an aggregate total of \$4,175,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System for fees and administrative expenses through completion of final plans and specifications and construction for the first and second stages. Previous appropriations have been \$575,000 from the same source.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Garcia that, 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 - 14, 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 Board relating to the Financing System
- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$4,175,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents at the October 1993 meeting, preliminary plans, specifications, and a cost estimate for the Science and Engineering Technology Building at U. T. Brownsville have been prepared by the Project Architect, Marmon Mok, San Antonio, Texas.

The 73rd Session of the Texas Legislature authorized the financing of the Science and Engineering Technology Building through Tuition Revenue Bond Proceeds in the amount of \$23,500,000 as a part of the South Texas/Border Initiative. The project will be constructed in three stages to expedite construction.

The first stage of construction will relocate and expand the Thermal Energy Plant to approximately 4,400 gross square feet and include the relocation of two existing 250 ton chillers. It will also expand the existing thermal energy distribution system to serve this project. Texas Southmost College has contributed \$375,000 as their share of the cost to relocate the existing plant and equipment. The second stage of construction for the Parking Lot will provide approximately 275 parking spaces on land recently purchased by Texas Southmost College to replace a heavily used parking lot being displaced by construction of the third stage. The third stage will be the construction of the Science and Engineering Technology Building.

This building will contain approximately 157,000 gross square feet and house laboratories, classrooms, faculty offices, and support space for programs in chemistry, physics, computer science, electronics engineering technology, mechanical engineering technology, and manufacturing engineering technology. This third stage also includes approximately 21,000 gross square feet of renovation and expansion for the existing Thermal Energy Plant and two vocational laboratory buildings for use as engineering technology laboratories and faculty offices.

Construction cost for the three stages is approximately \$18,360,000, providing a unit price of \$101 per square foot. The total project cost, including equipment, is \$23,875,000. Also, U. T. Brownsville has received a \$2,000,000 grant from the Greater Brownsville Investment Corporation for equipment to serve engineering technology programs. These grant funds are not included in the total project cost and will be managed locally by U. T. Brownsville.

House Bill 2626, 73rd Session of the Texas Legislature, requires the governing body of the appropriate state agency to verify in an open meeting the economic feasibility of incorporating solar energy devices into new state buildings. Therefore, the Project Architect has prepared an evaluation for this project in accordance with instructions from the State Energy Conservation Office of the General Services Commission. This evaluation has determined that a solar-generated domestic hot water system for the project is not economically feasible since steam for this purpose is available at more competitive costs. The payback for a solar-generated domestic hot water system for this project is estimated to be twenty years.

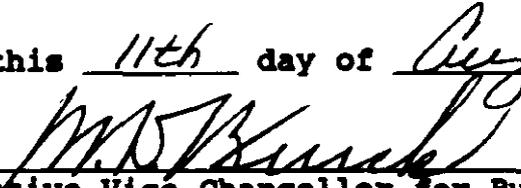
Funding for the project is \$23,500,000 in Tuition Revenue Bond Proceeds and \$375,000 in gifts and grants for \$23,875,000 in total project funding. Approval of this item will amend the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget.

See Item 9 on Page AAC - 15 related to a proposed ground lease agreement whereby Texas Southmost College will lease approximately 3.8 acres in the northeast quadrant of that campus to U. T. Brownsville for the construction of this facility.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the 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 Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of the Science and Engineering Technology Building at U. T. Brownsville, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 11th day of August, 1994

  
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Executive Vice Chancellor for Business Affairs

5. U. T. El Paso - Liberal Arts/Science Renovation Projects - Physical Science Building Renovation (Project No. 201-822): Request for Approval of Preliminary Plans; Authorization to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; Advertisement for Bids; Executive Committee Award of Contracts; Additional 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 and President Natalicio that the U. T. Board of Regents:

- a. Approve preliminary plans and specifications for the Liberal Arts/Science Renovation Projects - Physical Science Building Renovation at U. T. El Paso at an estimated total project cost of \$2,645,000
- b. Authorize preparation of final plans and specifications
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- e. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- f. Appropriate \$2,525,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System, and \$120,000 previously appropriated from Tuition Revenue Bond Proceeds for total project funding of \$2,645,000.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that, 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 Board relating to the Financing System

- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$2,645,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in December 1993, final plans, specifications, and a cost estimate for Liberal Arts/Science Renovation Projects - Physical Science Building Renovation have been prepared by the Project Architect, Carroll, Dusang and Rand, El Paso, Texas. The Physical Science Building houses all the Chemistry and Physics teaching and research space at U. T. El Paso. The laboratory space is now 25 years old and is not well suited to graduate programs and associated research activities that have been developed in Chemistry and Physics in recent years.

The project is proposed in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget to be funded by Tuition Revenue Bond Proceeds.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System originally 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 Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of Liberal Arts/Science Renovation Projects - Physical Science Building Renovation at U. T. El Paso, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 15 day of July, 1994

M. D. Busch  
Executive Vice Chancellor for Business Affairs

6. U. T. Pan American - Thermal Energy Plant Expansion for the Engineering Building (Project No. 901-821); Request for Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; Additional 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 and President Nevárez that the U. T. Board of Regents:

- a. Approve the final plans and specifications for the Thermal Energy Plant Expansion for the Engineering Building at U. T. Pan American within the authorized total project cost of \$3,800,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost
- c. Appropriate an additional \$2,946,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System, \$154,000 in Higher Education Assistance Funds (HEAF), and \$400,000 in Unexpended Plant Funds. Previous appropriations have been \$300,000 from Unexpended Plant Funds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Nevárez that, 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 FPC - 20, 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 Board relating to the Financing System

- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$2,946,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1993, final plans, specifications, and a cost estimate for the Thermal Energy Plant Expansion for the Engineering Building at U. T. Pan American have been prepared by the Project Engineer, Schuchart & Associates, Professional Engineers, Inc., San Antonio, Texas.

The existing Thermal Energy Plant has a capacity of 5,300 tons; however, only 4,200 tons is operational at this time due to a chiller failure. An analysis of the current campus cooling demand indicates that the Thermal Energy Plant's ability to serve the new Engineering Building is marginal. This project will increase the plant's ultimate capacity to 5,100 tons and provide the reliability to meet present demand, the new Engineering Building, and anticipated growth for several years.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. Total project funding is \$700,000 from Unexpended Plant Funds, \$2,946,000 from Tuition Revenue Bond Proceeds, and \$154,000 from Higher Education Assistance Funds (HEAF).

This project was reviewed by the Texas Higher Education Coordinating Board in July 1994.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the 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 Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of the Thermal Energy Plant Expansion for the Engineering Building at U. T. Pan American, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 14th day of August, 1994

*M. W. Branch*  
Executive Vice Chancellor for Business Affairs

7. U. T. San Antonio - Downtown Land Purchase: Request for Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

#### RECOMMENDATION

As necessary action related to authorization by the U. T. Board of Regents at the June 1994 meeting for U. T. San Antonio to purchase Lot 25, Block 18, New City Block 302, E. A. M. Subdivision, U-1, in the City of San Antonio, Bexar County, Texas, the Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Kirkpatrick that, 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 FPC - 23, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the purchase price including any costs related to the purchase paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to Satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$670,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

#### BACKGROUND INFORMATION

At the meeting in June 1994, the U. T. Board of Regents approved the purchase of Lot 25, Block 18, New City Block 302, E. A. M. Subdivision, U-1, in the City of San Antonio, Bexar County, Texas, from Miller Bros., San Antonio, Texas, at an estimated total purchase cost of \$650,000. This property is a part of the real estate to be included in the downtown project of U. T. San Antonio.

The downtown project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. Total funding is \$20,000,000 from Tuition Revenue Bond Proceeds.

The total parity debt issuance of \$670,000 will cover the purchase price, environmental site assessment, and related costs.

This proposed purchase was reviewed by the Texas Higher Education Coordinating Board in July 1994.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the 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 Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of the Downtown Building at U. T. San Antonio, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 12 day of July, 1994

M. W. Burch  
Executive Vice Chancellor for Business Affairs

8. U. T. San Antonio - Engineering/Biotechnology Building - Phase II (Project No. 401-747): Request for Increase in Project Scope and Total Project Cost; Additional Appropriation 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 and President Kirkpatrick that the U. T. Board of Regents increase the scope of the project and the total project cost from \$17 million to \$17.3 million, appropriate an additional \$1,500,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System for the Engineering/Biotechnology Building - Phase II at U. T. San Antonio, and appropriate \$300,000 from General Use Fee Balances. Previous appropriations have been \$1,600,000 from Tuition Revenue Bond Proceeds. This additional appropriation will be used for renovation and equipping of laboratory and faculty office space within the existing Science Building, the Multidisciplinary Studies Building, and in West Campus space to meet the needs of current undergraduate and emerging doctoral programs.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Kirkpatrick that, 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 - 26, 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 Board relating to the Financing System
- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$3,100,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

## BACKGROUND INFORMATION

In October 1993, the U. T. Board of Regents authorized a revised total project cost of \$17,000,000 for the Engineering/Biotechnology Building - Phase II at U. T. San Antonio to be funded by Tuition Revenue Bond Proceeds as part of the South Texas/Border Initiative authorized by the 73rd Session of the Texas Legislature. Authorization was also granted to revise preliminary plans to be presented to the U. T. Board of Regents for consideration at a future meeting. Appropriations to date have totalled \$1,600,000 for fees and administrative expenses through completion of the revised preliminary plans and for renovation and equipment for faculty laboratories in the Division of Life Sciences.

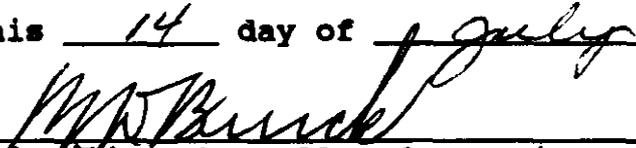
During the last several months, the Dean of the College of Sciences and Engineering has been working with Division Directors and the Provost to develop a comprehensive space plan in support of the current undergraduate and emerging master's and doctoral programs. The space plan has identified the need for further reassignment, renovation, and equipping of space within the existing Science Building, the Multidisciplinary Studies Building, and in West Campus space used by the college as teaching and research laboratory facilities. Additional funding in the amount of \$300,000 from General Use Fee Balances is required for the space reallocation and renovation plan to meet the needs of newly recruited faculty.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. This action amends the total project cost from \$17.0 million to \$17.3 million.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the 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 Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of Engineering/Biotechnology Building - Phase II at U. T. San Antonio, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 14 day of July, 1994

  
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Executive Vice Chancellor for Business Affairs

9. U. T. San Antonio - University Center Expansion (Project No. 401-800); Request for Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Additional 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 and President Kirkpatrick that the U. T. Board of Regents:

- a. Approve the final plans and specifications for the University Center Expansion at U. T. San Antonio at a total project cost of \$12,000,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost
- c. Appropriate an additional \$10,000,000 from Revenue Financing System Bond Proceeds and \$2,000,000 from Auxiliary Enterprise Balances for total project funding of \$12,000,000. Previous appropriations of \$800,000 from Unexpended Plant Funds will be reimbursed.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Kirkpatrick that, 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 - 29, 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 Board relating to the Financing System
- c. U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined

in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$10,000,000

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

#### BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents in October 1993, final plans, specifications, and a cost estimate for the University Center Expansion at U. T. San Antonio have been prepared by the Project Architect, Phelps/Garza/Bomberger, San Antonio, Texas, in association with Chumney and Associates, San Antonio, Texas.

The existing University Center was completed during FY 1986-1987. Enrollment at U. T. San Antonio in Fall 1986 was 12,413. Since that time, enrollment increased to more than 17,000 in Fall 1993, and the current projection for Fall 1996 is 20,431. The proposed expansion will include approximately 99,000 gross square feet of new space for the University Bookstore, Career Planning and Placement, expanded food service areas, meeting and theater spaces, work spaces for registered student organizations, and additional student life/programming areas which will be critically needed by the time the new space is ready for occupancy.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget. Total project funding is \$2,000,000 from Auxiliary Enterprise Balances and \$10,000,000 from Revenue Financing System Bond Proceeds serviced by a mandatory University Center student fee.

This project was approved by the Texas Higher Education Coordinating Board in April 1994.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the 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 Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of the University Center Expansion at U. T. San Antonio, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 11th day of August, 1994

  
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Executive Vice Chancellor for Business Affairs

10. U. T. Medical Branch - Galveston - Partial Remodel of McCullough Building; Request for Project Authorization; Appointment of Project Architect to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor.--

#### 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:

- a. Authorize the Partial Remodel of McCullough Building project at the U. T. Medical Branch - Galveston at an estimated total project cost of \$5,319,600 to be funded from Revenue Financing System Bond Proceeds
- b. Appoint a Project Architect from the list set forth on Page FPCC - 31 to prepare final plans, specifications, and a detailed cost estimate to be presented to the U. T. Board of Regents at a future meeting
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Appropriate \$300,000 from Unexpended Plant Funds for fees and administrative expenses through completion of final plans. This appropriation will be reimbursed from Revenue Financing System Bond Proceeds when issued. This action satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

#### BACKGROUND INFORMATION

The U. T. Medical Branch - Galveston has identified a need to complete a partial remodel of the McCullough Building to accommodate the needs of the Radiation Therapy Department to improve waiting and exam areas, provide space for a second simulator, and bring together staff who are currently dispersed across campus.

The department currently occupies approximately 10,000 net square feet on the first floor of the McCullough Building. The completion of the New Trauma Center has provided vacated space adjacent to Radiation Therapy. It is envisioned that the vacant space will allow a two or three-phase remodeling project to occur. The scope of this project will include remodeling of both the vacated space and the space currently occupied by Radiation Therapy. The total area involved is approximately 18,000 net square feet.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget with funding in the amount of \$5,319,600 from Revenue Financing System Bond Proceeds.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
Brooks Collier Houston, Texas	U. T. Medical Branch - Galveston: Radiation Therapy Department Master Planning Options, Galveston, Texas
	U. T. Medical Branch - Galveston: Pediatric Intensive Care Unit Renovation and Addition, Galveston, Texas
	The Methodist Hospital: Renovations; Angiography, Physical Medicine, Rehabilitation Unit, Houston, Texas
	Mainland Center Hospital: Renovations; Radiology, Outpatient Services, Foods and Nutrition, Texas City, Texas
Ambrose and McEnany, Architects Houston, Texas	Mutual of New York: 3700 Buffalo Speedway Office Building, Houston, Texas (J.V.)
	U. T. Medical Branch - Galveston: Microbiology Research Laboratory Renovation, Galveston, Texas
	Houston Independent School District: Burbank Middle School, Houston, Texas
	Southwestern Bell Telephone Company: Major Accounts Center, Houston, Texas
Pierce Goodwin Alexander & Linville Houston, Texas	Dallas County Hospital District: Parkland Memorial Hospital Master Plan, Dallas, Texas
	U. T. Medical Branch - Galveston: John Sealy Hospital Emergency Trauma Center, Galveston, Texas
	U. T. Health Science Center - Houston: Campus Master Plan, Houston, Texas
	U. T. Health Science Center - Houston: Relocation of Houston Administration Branch, Houston, Texas

11. U. T. Medical Branch - Galveston - Support Services Renovation - Phase I: Request for Project Authorization; Appointment of Project Architect to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor.--

#### 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:

- a. Authorize the Support Services Renovation - Phase I project at the U. T. Medical Branch - Galveston at an estimated total project cost of \$3,800,000 to be funded from Educational and General Funds
- b. Appoint a Project Architect from the list set forth on Page FPCC - 33 to prepare final plans, specifications, and a detailed cost estimate to be presented to the U. T. Board of Regents at a future meeting
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Appropriate \$200,000 from Educational and General Funds for fees and administrative expenses through completion of final plans.

#### BACKGROUND INFORMATION

The U. T. Medical Branch - Galveston has identified a need to complete an upgrade of several key areas for Support Services located at 1902 Water Street, also know as the Lipton Tea Building, to allow its use to be changed from a warehouse to office space.

The main elements of this upgrade effort include new chiller equipment, new electrical service gear, renovation of the envelope of the building to accommodate personnel entries and daylighting, improvements to parking areas, and preparation of approximately 25,000 square feet of Level 1 for office-type utilization.

This project is in the FY 1994-1999 Capital Improvement Plan and the FY 1995 Capital Budget with funding in the amount of \$6,000,000 from Educational and General Funds. Approval of this recommendation will amend the total project cost to \$3,800,000.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
Ford, Powell & Carson, Inc. San Antonio, Texas	George & Cynthia Mitchell: Washington Hotel, Galveston, Texas  Moody Foundation: Shearn Moody Plaza, Galveston, Texas  George & Cynthia Mitchell Interests: Berlocher Building Stabilization & Facade Restoration, Galveston, Texas
Pierce Goodwin Alexander & Linville Houston, Texas	Pennzoil Products Company: Research/Corporate Technology Center, The Woodlands, Texas  Tellepsen Corporation: Tellepsen Conversion, Houston, Texas  City of Houston: Public Health Engineering Office, Houston, Texas  Texas A&M University: Support Services Building, College Station, Texas
Ambrose and McEnany, Architects Houston, Texas	Mutual of New York: 3700 Buffalo Speedway Office Building, Houston, Texas (J.V.)  U. T. Medical Branch - Galveston: Microbiology Research Laboratory Renovation, Galveston, Texas  Houston Independent School District: Burbank Middle School, Houston, Texas  Rice University: Rice University School of Architecture, Houston, Texas

12. U. T. Health Center - Tyler - Ambulatory Care Center Addition and Renovation (Project No. 801-789): Request for Approval to Increase Total Project Cost; Authorization to Negotiate a Change Order to Construction Contract; Submission of the Project to the Coordinating Board; and Executive Committee to Approve Issuance of Change Order and Additional Appropriation Therefor.--

#### RECOMMENDATION

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

- a. Approve an increase in the total project cost of the Ambulatory Care Center Addition and Renovation at the U. T. Health Center - Tyler from \$11,300,000 to a cost not to exceed \$12,800,000
- b. Authorize representatives of the U. T. Health Center - Tyler and the Office of Facilities Planning and Construction to negotiate a change order to the construction contract with Boone & Boone Construction, Inc., Tyler, Texas
- c. Authorize submission of the increase in total project cost to the Texas Higher Education Coordinating Board
- d. Authorize the Executive Committee to approve the issuance of a change order and the appropriation of additional funds not to exceed \$1,500,000 from Educational and General Fund Balances.

#### BACKGROUND INFORMATION

At the April 1994 meeting of the U. T. Board of Regents, a construction contract was awarded to Boone & Boone Construction, Inc., Tyler, Texas, for the Ambulatory Care Center Addition and Renovation at the U. T. Health Center - Tyler for the Base Bid and Alternates 1, 2, 3, 4, and 10 in the amount of \$9,505,700. This award was made to the lowest responsible bidder within an authorized total project cost of \$11,300,000. This project is funded with \$5,000,000 in Permanent University Fund Bond Proceeds, \$4,800,000 from Educational and General Fund Balances, and \$1,500,000 from Gifts and Grants.

The project now under construction contains approximately 80,000 square feet and will accommodate significant growth in ambulatory care services, a family practice residency center, and clinic space for improved patient access and convenience. The additional space will also provide for the outpatient oncology service, plus expansion of outpatient surgery, radiology, and pathology services.

The foundation of the construction project underway has been designed to take two additional floors. The U. T. Health Center - Tyler has experienced dramatic growth in its ambulatory visits over the last several years and is forecasting continued growth. A recently completed feasibility study demonstrates that it is financially viable to construct the two additional floors as shelled space at this time. These additional floors of approximately 50,000 square feet, if initiated now, will save a considerable amount of money in future construction dollars. In addition, construction at this time will minimize disruption to ongoing activities on the lower floors.

**Asset  
Management Com.**

ASSET MANAGEMENT COMMITTEE  
Committee Chairman Cruikshank

Date: August 11, 1994  
Time: Following the meeting of the Facilities Planning  
and Construction Committee  
Place: Lobby, Commons Building, J. J. Pickle Research  
Campus, U. T. Austin

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AMC

I. Permanent University Fund

Investment Matter

Report on Clearance of Monies to the  
Permanent University Fund for May and  
June 1994 and Report on Oil and Gas  
Development as of June 30, 1994

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II. Trust and Special Funds

Gifts, Bequests and Estates

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U. T. AUSTIN

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U. T. AUSTIN

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I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTER

Report on Clearance of Monies to the Permanent University Fund for May and June 1994 and Report on Oil and Gas Development as of June 30, 1994.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for May and June 1994 and (b) Oil and Gas Development as of June 30, 1994, are submitted by the Executive Vice Chancellor for Business Affairs:

	<u>May 1994</u>	<u>June 1994</u>	<u>Cumulative Through June of this Fiscal Year (1993-1994)</u>	<u>Cumulative Through June of Preceding Fiscal Year (1992-1993)</u>	<u>Percent Change</u>
Permanent University Fund					
Royalty					
Oil	\$ 2,513,928.19	\$3,041,431.83	\$ 29,111,122.21	\$ 40,616,990.81	-28.33%
Gas	1,570,330.18	1,365,426.42	14,538,769.42	14,901,886.10	-2.44%
Sulphur	0.00	0.00	0.00	0.00	--
Water	105,959.29	64,768.37	778,120.29	666,516.77	16.74%
Brine	3,649.90	3,325.75	57,315.86	50,107.53	14.39%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Lease	176,981.11	99,607.88	551,816.65	576,036.14	-4.20%
Other	0.00	4,360.00	5,608.31	3,133.01	79.01%
Sale of Sand, Gravel, Etc.	0.00	1,684.80	1,684.80	23,979.00	-92.97%
Total University Lands Receipts Before Bonuses	<u>4,370,848.67</u>	<u>4,580,605.05</u>	<u>45,044,437.54</u>	<u>56,838,649.36</u>	<u>-20.75%</u>
Bonuses					
Oil and Gas Lease Sales	1,400,826.35	0.00	4,881,028.83	2,740,201.75	78.13%
Amendments and Extensions to Mineral Leases	0.00	0.00	43,364.72	10.00	--
Total University Lands Receipts	<u>5,771,675.02</u>	<u>4,580,605.05</u>	<u>49,968,831.09</u>	<u>59,578,861.11</u>	<u>-16.13%</u>
Gain or (Loss) on Sale of Securities	<u>12,476,138.52</u>	<u>3,147,499.77</u>	<u>83,384,970.39</u>	<u>307,640,362.10</u>	<u>-72.90%</u>
<b>TOTAL CLEARANCES</b>	<u>\$18,247,813.54</u>	<u>\$7,728,104.82</u>	<u>\$133,353,801.48</u>	<u>\$367,219,223.21</u>	<u>-63.69%</u>

Oil and Gas Development - June 30, 1994  
Acreage Under Lease - 768,779

Number of Producing Acres - 521,932

Number of Active Leases - 2,562

AMC - 7

## II. TRUST AND SPECIAL FUNDS

### Gifts, Bequests and Estates

1. U. T. Austin: Recommendation to Accept Gift to Establish the Virginia R. Allen Endowed Presidential Scholarship in Fine Arts in the College of Fine Arts and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$25,000 gift from the I. D. and Marguerite Fairchild Foundation, Lufkin, Texas, be accepted to establish the Virginia R. Allen Endowed Presidential Scholarship in Fine Arts in the College of Fine Arts at U. T. Austin.

It is further recommended that matching funds in the amount of \$12,500 be allocated under The Brackenridge Matching Program #2 to increase the endowment to a total of \$37,500.

Income earned from the endowment will be used to provide scholarship support to talented and promising students in the College of Fine Arts.

#### BACKGROUND INFORMATION

This endowment is being funded in honor of Miss Virginia R. Allen, Austin, Texas, former President of the I. D. and Marguerite Fairchild Foundation, Lufkin, Texas, in recognition of her lifelong commitment to education, her enthusiasm for the arts, and her many years of service to the Foundation. Miss Allen received her B.J. from U. T. Austin in 1946.

2. U. T. Austin: Recommendation to Accept Gift to Establish the Ari Yehiel Blattstein Endowed Presidential Scholarship in the College of Natural Sciences.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$25,000 gift from Drs. Abraham and Deborah Blattstein, Tucson, Arizona, be accepted to establish the Ari Yehiel Blattstein Endowed Presidential Scholarship in the Department of Zoology, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to award scholarships alternately to undergraduate and graduate students participating in the Brackenridge Field Laboratory of the Department of Zoology.

#### BACKGROUND INFORMATION

Deborah Blattstein, M.D., and Dr. Abraham Blattstein, Tucson, Arizona, each received an M.A. in 1977 and a Ph.D. in 1978 and 1979, respectively, in Educational Psychology from U. T. Austin. They are funding this endowment in memory of their son, Ari Blattstein, who had a great interest in nature and ecology.

3. U. T. Austin: Recommendation to (a) Accept Gifts of Core Warehouse and Core Samples to be Effective September 1, 1994; (b) Accept Pledge to Establish the Hubert Collins Endowment for the Bureau of Economic Geology; and (c) Authorize Execution of Agreement, Deed of Gift, Quitclaim Assignments, and Endowment Agreement (NO PUBLICITY).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that the U. T. Board of Regents take the following actions:

- a. Accept gifts, to be effective September 1, 1994, from Shell Oil Company and Shell Western E&P Inc., Houston, Texas, (together, "Shell") comprised of real estate (3.466 acres of land located in Sections 34 and 39, Block 38, T-1-S, T. & P. RR. Co. Survey, Midland County, Texas, together with all rights, privileges and appurtenances and all buildings and improvements thereon) and personal property (all rock materials and personal property located on the real estate described above, including but not limited to all whole and slabbed core, sidewall samples and drill bit cuttings, and all rock materials and personal property located at 2790 Holmes Road, Houston, Harris County, Texas, including but not limited to all whole and slabbed core, sidewall samples and drill bit cuttings), making up the donors' currently operating Midland core warehouse and core samples collections, for the benefit of the Bureau of Economic Geology at U. T. Austin
- b. Accept a \$1,350,000 pledge, payable by September 1, 1994, from Shell Oil Company and Shell Western E&P Inc., Houston, Texas, to establish the Hubert Collins Endowment for the Bureau of Economic Geology at U. T. Austin

- c. Authorize the Vice Chancellor for Asset Management to execute, on behalf of the U. T. Board of Regents, an Agreement, Deed of Gift, Quitclaim Assignments, and an Endowment Agreement upon final review and approval by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel.

The endowment income will be used to continue operations at the Midland core warehouse, and any excess income will be reinvested to build the principal. In addition to the endowment from Shell, the U. T. Austin Bureau of Economic Geology has received from the Department of Energy, Pittsburgh Energy Technology Center, Pittsburgh, Pennsylvania, a grant with an estimated total value of \$700,000, as announced in the June 28, 1994, Federal Register, to support activities at the Midland core warehouse.

#### BACKGROUND INFORMATION

Under the terms of the proposed Agreement and Deed of Gift, the U. T. Austin Bureau of Economic Geology will assume administration of the core warehouse and core sample collections, with the Houston collection to be moved to the Midland, Texas, site at Shell's expense. The Deed of Gift allows the U. T. Board of Regents to sell the property should that option be in U. T. Austin's best interest.

To minimize potential exposure to claims for damages under applicable laws governing the environment and hazardous materials, all appropriate inquiries were made and investigations completed as to the condition of the real estate. No significant environmental concerns were identified. In the unlikely event an environmental hazard is identified on the real property, Shell will indemnify the U. T. Board of Regents for all associated damage, liabilities, costs and expenses including any environmental clean-up costs incurred, up to \$500,000.00, within five years of the date of the gift.

The proposed Endowment Agreement establishes an endowment funded by Shell in honor of Mr. Hubert Collins of Midland, Texas. Mr. Collins has been general manager of the Midland core warehouse for many years.

In the event core warehouse operations cease after notice to Shell Oil Company, the U. T. Board of Regents may designate an alternate use for the endowment income or terminate the endowment and expend its principal and income to further the objectives of U. T. Austin, in the spirit of the donors' original purpose.

The donors have also requested an easement across the gifted real property to assure access to property adjoining the gift property. An Easement Agreement will be processed following standard approval procedures upon receipt of the gift and execution of necessary documents.

#### NO PUBLICITY

4. U. T. Austin: Recommendation to Accept Gift, Pledge, and Transfer of Funds to Establish the Fredricka Crain Endowed Presidential Scholarship in Art in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$10,000 gift and a \$15,000 pledge, payable by August 31, 1995, from E. Lillo Crain, Jr., M.D., Houston, Texas, and a \$12,500 transfer of President's designated funds for a total of \$37,500 be accepted to establish the Fredricka Crain Endowed Presidential Scholarship in Art in the Department of Art and Art History, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to graduate and undergraduate visual arts students in the Department of Art and Art History.

#### BACKGROUND INFORMATION

This endowment is being funded by E. Lillo Crain, Jr., M.D., Houston, Texas, in honor of his wife, Fredricka (Freddy) Crain, a member of the College of Fine Arts Foundation Advisory Council at U. T. Austin and a valuable supporter of U. T. Austin on many levels. Dr. and Mrs. Crain are life members of The President's Associates.

5. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Dallas Endowed Presidential Scholarship in Art in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that \$38,400 in gifts and \$20,000 in pledges, payable by August 31, 1995, from various donors for a total of \$58,400 be accepted to establish the Dallas Endowed Presidential Scholarship in Art in the Department of Art and Art History, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to upper-level undergraduate and graduate students in the Department of Art and Art History, with preference given to studio art majors.

## BACKGROUND INFORMATION

The fund raising effort for this endowment has been led by Mrs. J. W. (Mary Miller) Bartholow, Jr., Dallas, Texas, and the major funding has been provided by Dallas-area members of the U. T. Austin College of Fine Arts Foundation Advisory Council and other arts patrons. Fund raising will continue in an effort to reach a targeted goal of \$100,000 by August 1995.

6. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the S. D. and Nancy, Darrell and Gwyn, Earle and Lisa, Allen and Cindy David Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$103,343.75 transfer of previously reported gifts from the following donors be accepted to establish the S. D. and Nancy, Darrell and Gwyn, Earle and Lisa, Allen and Cindy David Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin:

- a. Mr. and Mrs. S. D. (Nancy) David, Jr.  
New Braunfels, Texas
- b. Mr. and Mrs. Darrell (Gwyn) David  
Austin, Texas
- c. Mr. and Mrs. Earle (Lisa) David  
Austin, Texas
- d. Mr. and Mrs. Allen (Cindy) David  
Austin, Texas.

Income earned from the endowment will be used to provide support for student athletes in golf and football and for the Dana X. Bible Academic Services program within the Department of Intercollegiate Athletics for Men.

## BACKGROUND INFORMATION

Mr. and Mrs. S. D. (Nancy) David, Jr., New Braunfels, Texas, and their sons and their spouses, are funding this endowment in support of the men's athletics program. The S. D. David, Jr. Family are members of the Littlefield Society. Mr. and Mrs. S. D. David, Jr. are members of The Chancellor's Council and life members of The President's Associates. Mr. and Mrs. Darrell David are members of The Chancellor's Council.

7. U. T. Austin: Recommendation to Accept Gift to Establish the Department of Microbiology Winifred Small Jones Endowed Excellence Fund in the College of Natural Sciences.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$500,000 gift from Mrs. John T. (Winifred Small) Jones, Jr., Hempstead, Texas, be accepted to establish the Department of Microbiology Winifred Small Jones Endowed Excellence Fund in the Department of Microbiology, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to support research and teaching activities in the Department of Microbiology.

#### BACKGROUND INFORMATION

Mrs. John T. (Winifred Small) Jones, Jr., Hempstead, Texas, received her B.A. in Botany from U. T. Austin in 1940. She has been on various higher education boards and committees throughout her life and has made many donations to U. T. Austin.

8. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Education Annual Fund Endowed Presidential Scholarship in the College of Education.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$25,000 transfer of previously reported gifts from current restricted funds be accepted to establish a quasi-endowment in the College of Education at U. T. Austin to be named the Education Annual Fund Endowed Presidential Scholarship.

Income earned from the endowment will be used to provide scholarship support to outstanding undergraduate and graduate students who are preparing for careers in education.

#### BACKGROUND INFORMATION

This endowment is being funded with a portion of the funds collected from alumni through the annual fund raising efforts of the College of Education to provide scholarship support for its students.

9. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Endowed Presidential Scholarship in Jazz Studies in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$25,000 transfer of President's discretionary funds be accepted to establish a quasi-endowment in the Department of Music, College of Fine Arts, at U. T. Austin to be named the Endowed Presidential Scholarship in Jazz Studies.

Income earned from the endowment will be used to provide scholarship support to outstanding students in the College of Fine Arts majoring in jazz studies.

#### BACKGROUND INFORMATION

This endowment is being funded to honor the significant contributions made by the U. T. Austin Jazz Orchestra and Jazz Ensemble to official institutional occasions over the years.

10. U. T. Austin: Recommendation to Accept Bequest from the Estate of Myrtle Faulkner Hunley, Houston, Texas, to Establish the William Jack Hunley Endowed Scholarship in the College of Business Administration and Graduate School of Business.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that fifty percent of the residue of the Estate of Myrtle Faulkner Hunley, Houston, Texas, in the amount of approximately \$105,000 be accepted to establish the William Jack Hunley Endowed Scholarship in the College of Business Administration and Graduate School of Business at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to students in the College of Business Administration and Graduate School of Business.

#### BACKGROUND INFORMATION

This endowment is being funded in memory of Mrs. Myrtle Faulkner Hunley's husband, Mr. William Jack Hunley. Mrs. Hunley was a member of the Littlefield Society.

11. U. T. Austin: Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture in the College of Liberal Arts - Recommendation to Accept Additional Gifts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that nine (9) Value Units of Class A Limited Partnership Interest in and to Kerr Interests, Ltd., a Texas limited partnership, and one (1) Value Unit of Class A Limited Partnership Interest in and to Kerr Family Limited Partnership, a Texas limited partnership, from Mr. and Mrs. Baine P. Kerr, Houston, Texas, be accepted for addition to the Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture in the College of Liberal Arts at U. T. Austin.

#### BACKGROUND INFORMATION

The Mildred Caldwell and Baine Perkins Kerr Centennial Professorship in English History and Culture was established at the February 1982 meeting of the U. T. Board of Regents with a \$100,000 gift and pledge from Mr. and Mrs. Baine P. Kerr, Houston, Texas. At the February 1989 meeting, the U. T. Board of Regents accepted an additional gift of common stock valued at \$433,687.50 and redesignated the Professorship as the Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture.

Mr. Kerr is the retired Chairman and President and currently a Director of Pennzoil Company, Houston, Texas. He received his B.A. in History and his LL.B. from U. T. Austin in 1942. Mrs. Kerr received her B.S. in Secondary Education from U. T. Austin in 1941. Mr. and Mrs. Kerr are members of The Chancellor's Council, The President's Associates, and the Littlefield Society.

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

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that four endowments in the School of Law at U. T. Austin be established as set out on Page AMC - 16. The funds for the endowments will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations.

<b>ENDOWMENT:</b>	<b>Thomas E. Berry Endowed Presidential Scholarship in Probate Law</b>
Donor:	Student Aid Foundation Enterprises (SAFE) Houston, Texas
Gift Amount:	\$12,500
Pledge Amount:	\$12,500, payable by April 1, 1995
Law School Fdn. Matching:	\$25,000
Total Endowment:	\$50,000
<b>ENDOWMENT:</b>	<b>Norman S. Davis Endowed Presidential Scholarship in Law</b>
Donor:	Mr. and Mrs. Norman S. (Anita P.) Davis San Antonio, Texas
Gift Amount:	1,632 shares of La Quinta Motor Inns, Inc. common stock valued at \$50,000
Law School Fdn. Matching:	\$50,000
Total Endowment:	\$100,000
<b>ENDOWMENT:</b>	<b>Charles and Betti Saunders Endowed Presidential Scholarship in Law</b>
Donor:	Mr. and Mrs. Charles A. (Betti Friedel) Saunders Houston, Texas
Gift Amount:	\$12,500
Law School Fdn. Matching:	\$12,500
Total Endowment:	\$25,000
<b>ENDOWMENT:</b>	<b>William Ellis Woods Endowed Presidential Scholarship in Law</b>
Donor:	Mr. and Mrs. William E. (Martha Brockman) Woods Easton, Maryland
Gift Amount:	\$6,000
Pledge Amount:	\$6,500
Law School Fdn. Matching:	\$12,500
Total Endowment:	\$25,000

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

#### BACKGROUND INFORMATION

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

13. U. T. Austin: Recommendation to Accept Gift to Establish the Anne and Oscar Mauzy Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$25,000 gift from Justice and Mrs. Oscar H. (Anne Rogers) Mauzy, Austin, Texas, be accepted to establish the Anne and Oscar Mauzy Endowed Presidential Scholarship in the Department of Intercollegiate Athletics for Women at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to students on the women's basketball team who have completed eligibility but require financial assistance to complete an undergraduate or graduate degree.

#### BACKGROUND INFORMATION

Justice Oscar H. Mauzy, a former member of the Texas Supreme Court, received his B.B.A. in 1950 and his L.L.B. in 1952, and his wife Anne received her B.A. in Psychology in 1948 all from U. T. Austin. They are both members of The Chancellor's Council and the Littlefield Society and have long been strong supporters of U. T. Austin.

14. U. T. Austin: Recommendation to Accept Gift and Allocate Matching Funds to Establish the Harry Ransom Distinguished Fellowship for the Harry Ransom Humanities Research Center.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$103,883.16 gift, comprised of proceeds from an American Enterprise Life Insurance Company annuity, from the late Mrs. Hazel H. Ransom, Austin, Texas, be accepted to establish the Harry Ransom Distinguished Fellowship for the Harry Ransom Humanities Research Center at U. T. Austin.

It is further recommended that \$49,000 in matching funds be allocated from the Borden, Inc. property funds and used to increase the endowment to a total of \$152,883.16.

Income earned from the endowment will be used to support visiting fellows to pursue advanced research at the Harry Ransom Humanities Research Center.

### BACKGROUND INFORMATION

Mrs. Hazel H. Ransom, Austin, Texas, who passed away on August 28, 1993, named the Harry Ransom Humanities Research Center as beneficiary of an annuity contract with American Enterprise Life Insurance Company. The beneficiary designation directed that the proceeds be used to establish the Harry Ransom Distinguished Fellowship, in memory of Mrs. Ransom's husband, Harry, former Chancellor Emeritus of the U. T. System and former President of U. T. Austin. Mrs. Ransom received her B.A. in Plan II in 1942 and her M.A. in English in 1944 from U. T. Austin. She was a member of The President's Associates, The Chancellor's Council, and the Littlefield Society.

15. U. T. Austin: Recommendation to Accept Remainder Interest in the D. F. Strickland Trust, San Antonio, Texas, for the Texas Memorial Museum.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that the remainder interest in the D. F. Strickland Trust, San Antonio, Texas, a testamentary trust created under the Will of Mr. D. F. Strickland, Mission, Texas, and comprised of cash and mineral interests valued at \$617,990.39 be accepted for the benefit of the Texas Memorial Museum at U. T. Austin.

### BACKGROUND INFORMATION

Mr. D. F. Strickland, a lawyer in Mission, Texas, attended the U. T. Law School from 1908 to 1911 and was a member of the U. T. Board of Regents from 1942 to 1946.

16. U. T. Austin - Touche Ross & Co. Faculty Fellowship in Accounting in the College of Business Administration and the Graduate School of Business: Recommendation to Redesignate as the Deloitte & Touche Faculty Fellowship in Accounting.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that the Touche Ross & Co. Faculty Fellowship in Accounting in the College of Business Administration and the Graduate School of Business at U. T. Austin be redesignated as the Deloitte & Touche Faculty Fellowship in Accounting.

This recommendation is in accordance with the request of the donor firm that the endowment reflect its current name. Representatives of the original donor concur with the change.

### BACKGROUND INFORMATION

At the August 1983 meeting, the U. T. Board of Regents established the Touche Ross & Co. Faculty Fellowship in Accounting with \$50,000 in pledges from the Texas offices of the accounting firm of Touche Ross & Co. Matching funds from The Centennial Teachers and Scholars Program were approved to increase the endowment to \$100,000. Touche Ross & Co. has subsequently merged with the firm of Deloitte Haskins & Sells to form the firm of Deloitte & Touche, Wilton, Connecticut.

17. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Waller Creek Natural Science Park Scholarship/Fellowship Fund in the College of Natural Sciences.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a \$10,000 transfer of previously reported gifts from current restricted funds be accepted to establish the Waller Creek Natural Science Park Scholarship/Fellowship Fund in the College of Natural Sciences at U. T. Austin.

Income earned from the endowment will be used to provide scholarship and fellowship support for students who are science majors and who are interested in outdoor activities in science.

### BACKGROUND INFORMATION

Dr. Joseph Jones, Austin, Texas, Professor Emeritus of English, and Dr. Samuel P. Ellison, Austin, Texas, Professor Emeritus in Geological Sciences, initiated the Waller Creek Natural Science Park Fund in 1988 to raise funds for scholarships and fellowships. An objective is for the scholarship recipients to provide educational information for general public use about the features along the banks of Waller Creek within U. T. Austin campus boundaries.

18. U. T. Austin: Fifteen Endowments in the School of Law - Recommendation to Accept Transfer of Funds.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Berdahl that a transfer of all funds held by The University of Texas Law School Foundation (an external foundation) for the fifteen previously established endowments set out on Page AMC - 20 in the School of Law at U. T. Austin be accepted.

Kae L. Brockermeyer Endowed Presidential Scholarship  
in Law, established 10/8/93

Maurice R. Bullock Endowed Presidential Scholarship  
in Law, established 10/8/93

Class of '51 Endowed Presidential Scholarship in  
Law, established 6/10/93

Class of '53 Endowed Presidential Scholarship in  
Law, established 6/10/93

Frank Douglass Endowed Presidential Scholarship in  
Law, established 6/10/93

Ben and Mollye Glast Endowed Presidential Scholar-  
ship in Law, established 4/1/93

Richard E. Gray, Jr. Endowed Presidential Scholar-  
ship in Law, established 8/12/93

Tom Ingram Endowed Presidential Scholarship in Law,  
established 10/8/93

Albert P. Jones Endowed Presidential Scholarship in  
Law, established 10/8/93

Judge Bill Junell Endowed Presidential Scholarship  
in Law, established 4/1/93

Chris Marshall Endowed Presidential Scholarship in  
Law, established 6/10/93

William J. Steeger Endowed Presidential Scholarship  
in Law, established 10/8/93

Thompson, Coe, Cousins, & Irons, L.L.P. Endowed  
Presidential Scholarship in Law, established 12/2/93

Ken Woodward Endowed Presidential Scholarship in  
Law, established 6/10/93

Roslyn Wright Memorial Endowed Presidential Scholar-  
ship in Law, established 10/8/93.

#### BACKGROUND INFORMATION

Between April 1993 and December 1993, the U. T. Board of Regents established these fifteen endowments for the benefit of the U. T. School of Law with all funds to be held by The University of Texas Law School Foundation as trustee. At the February 1994 meeting of the U. T. Board of Regents, matching funds under The Regents' Endowment Program were approved for these endowments via the docket, but it was not reported that upon approval of the matching funds, the Law School Foundation would transfer to the U. T. Board of Regents the funds held for each endowment. Such transfer has now been made, based on the requirement that all endowments approved to receive Regents' matching funds be held by the U. T. Board of Regents.

19. U. T. Dallas: Recommendation to Establish Two Endowments.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Rutford that a previously accepted gift from the Excellence in Education Foundation, Dallas, Texas, be used to establish the Excellence in Education Foundation Endowment and the Callier Center for Communication Disorders Endowment at U. T. Dallas in accordance with the terms of the Deed of Gift dated August 27, 1975, as clarified by the donor.

Income earned from the Excellence in Education Foundation Endowment will be used at the discretion of the President for the further attainment of excellence at U. T. Dallas. Income earned from the Callier Center for Communication Disorders Endowment will be used to support the operation of the Callier Center for Communication Disorders. In addition, a portion of the income of each of the Endowments, not to exceed 15%, may be used at the discretion of the President in accordance with the donor's specific wishes for certain administrative expenses at U. T. Dallas.

BACKGROUND INFORMATION

The Excellence in Education Foundation, Dallas, Texas, was established in August 1969 by Mr. Erik Jonsson, Mr. Cecil H. Green, and Mr. Eugene McDermott. The Foundation, which was dissolved in 1992, was a major supporter of U. T. Dallas.

The original gift of land from the Excellence in Education Foundation and the sale proceeds have been held since 1975 in accordance with the original Deed of Gift; however, the two endowments were never formally established. This was discovered during the preparation of Item 20 on Page AMC - 21 concerning support of the Cecil and Ida Green Center for the Study of Science and Society.

20. U. T. Dallas: Recommendation to Designate Income to Establish the Cecil and Ida Green Center Endowment.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Rutford that ten percent of the income earned from the Excellence in Education Foundation Endowment at U. T. Dallas and future gifts, up to \$3,375,000, be designated to establish a quasi-endowment at U. T. Dallas to be named the Cecil and Ida Green Center Endowment.

Income earned from the endowment will be used to provide program support and operating funds for the Cecil and Ida Green Center for the Study of Science and Society at U. T. Dallas.

#### BACKGROUND INFORMATION

Approval for the construction of the Cecil and Ida Green Center for the Study of Science and Society by the U. T. Board of Regents in June 1991 was premised upon an understanding that the entire program, including building operations and program support would be self-supporting. The U. T. Board of Regents committed funds to build the building, and Mr. Green gave U. T. Dallas over \$2.2 million to partially endow the program support. This gift was accepted by the U. T. Board of Regents in April 1991 and named the Cecil and Ida Green Center for the Study of Science and Society Endowment. Prior to its dissolution, the Excellence in Education Foundation, Dallas, Texas, donated \$350,000 to be held as an endowment named the Endowment for the Cecil and Ida Green Center for the Study of Science and Society. This gift was accepted by the U. T. Board of Regents in February 1992. Other fund raising efforts have resulted in additional gift commitments of approximately \$300,000, including a \$250,000 pledge from Mrs. Edward Kahn. U. T. Dallas still needs approximately \$3.375 million in additional endowment funds to sufficiently ensure the Center's program support and operating funds. If additional gifts are received, Excellence in Education Foundation Endowment income will be used only as needed for this purpose.

See Item 19 on Page AMC - 21 relating to formal establishment of the Excellence in Education Foundation Endowment.

21. U. T. El Paso: Recommendation to Accept Bequest from the Estate of Helen Roth, El Paso, Texas.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Natalicio that a specific bequest of books valued at \$358.00 from the Estate of Helen Roth, El Paso, Texas, be accepted for the benefit of the U. T. El Paso Library.

#### BACKGROUND INFORMATION

Although Mrs. Helen Roth, El Paso, Texas, had no known affiliation with U. T. El Paso, her interest in the furtherance of education is evidenced by her generous bequest.

22. U. T. El Paso: Recommendation to Accept Partial Remainder Interest in The Douglas E. and Burby M. Swartz Charitable Remainder Unitrust.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Natalicio that a 77.7778 percent remainder interest in The Douglas E. and Burby M. Swartz Charitable Remainder Unitrust, funded by Mr. Douglas E. Swartz, El Paso, Texas (to be held in trust by Mr. Steven Tredennick, El Paso, Texas, as Trustee), be accepted to establish an endowment at U. T. El Paso upon termination of the Trust. A request to establish the endowment will be made upon termination.

#### BACKGROUND INFORMATION

The Douglas E. and Burby M. Swartz Charitable Remainder Unitrust was established for the lifetime benefit of Mr. and Mrs. Douglas E. (Phyllis A.) Swartz. The Trust agreement provides for the payment of six percent of the annual net fair market value of the Trust assets to be paid quarterly to Mr. Swartz during his lifetime, and upon his death, thereafter to his wife, Mrs. Phyllis A. Swartz, for as long as she lives. Upon termination of the Trust, 77.7778 percent of the remaining principal and income of the Trust will be distributed to the U. T. Board of Regents to fund an endowment at U. T. El Paso to be named the Douglas E. and Burby M. Swartz Endowed Student Enhancement Fund in memory of Mrs. Burby M. Swartz and in recognition of her commitment to education.

Mr. Douglas E. Swartz, El Paso, Texas, and his late wife, Burby M. Swartz, came to El Paso in 1943 and established the B & D Sales and Equipment Company of which Mrs. Swartz was an officer. Mr. Swartz's association with the people of the community brought to his attention many underprivileged El Pasoans who could not afford a college education. He would now like to provide them that opportunity through his generous gift.

23. U. T. El Paso: Recommendation to Accept Gift to Establish the West El Paso Memorial Disabled Veterans Scholarship.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Natalicio that a \$10,000 gift from the West El Paso Chapter 66 of the Disabled American Veterans Inc., El Paso, Texas, be accepted to establish the West El Paso Memorial Disabled Veterans Scholarship at U. T. El Paso.

Income earned from the endowment will be used to provide scholarships, with preference given to members and family of members of the Disabled American Veterans Inc.

#### BACKGROUND INFORMATION

This endowment is being funded with monies raised through several small fund raising events by members of the West El Paso Chapter 66 of the Disabled American Veterans Inc., El Paso, Texas, in honor of all citizens of El Paso County, Texas, who have served honorably in the U. S. Armed Forces.

24. U. T. San Antonio: Recommendation to Accept Gift to Establish the Felix and Elizabeth McKinney Memorial Scholarship Fund (NO PUBLICITY).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Asset Management, and President Kirkpatrick that a \$10,000 gift from an anonymous donor be accepted to establish the Felix and Elizabeth McKinney Memorial Scholarship Fund at U. T. San Antonio.

Income earned from the endowment will be used to provide scholarship support to students based on financial need.

#### BACKGROUND INFORMATION

This endowment is being funded by an anonymous donor in memory of Mr. and Mrs. Felix (Elizabeth) McKinney, Texas land owners with a love and respect for learning.

#### NO PUBLICITY

25. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish the Anesthesiology Alumni Professorship.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that the Anesthesiology Alumni Professorship be established at the U. T. Southwestern Medical Center - Dallas. Funds for the endowment will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

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

### BACKGROUND INFORMATION

This endowment is being funded with \$100,000 in gifts from various alumni of the Anesthesiology Residency Training Program at the U. T. Southwestern Medical Center - Dallas.

See Item 2 on Page HAC - 14 related to a proposed appointment to this Professorship.

26. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish The Frederic C. Bartter Professorship in Vitamin D Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that a \$20,000 gift and a \$30,000 pledge, payable by September 1, 1996, from the Charles Y. C. Pak Foundation, Dallas, Texas, for a total of \$50,000 be accepted to establish The Frederic C. Bartter Professorship in Vitamin D Research at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$50,000 be allocated from the \$12,500,000 challenge fund established with MSRDP funds at the U. T. Southwestern Medical Center - Dallas as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$100,000.

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

It is further recommended that the actual income that will be earned on the \$20,000 gift and \$30,000 pledge, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

### BACKGROUND INFORMATION

This endowment is being funded by the Charles Y. C. Pak Foundation, Dallas, Texas, in memory of Frederic C. Bartter, M.D., one of America's greatest endocrinologists and clinical investigators and a mentor to Charles Y. C. Pak, M.D. Dr. Pak, recipient of the 1988 Frederic C. Bartter Memorial Award from the American Society of Bone and Mineral Research, is Director of the Center for Mineral Metabolism and Clinical Research at the U. T. Southwestern Medical Center - Dallas.

See Item 2 on Page HAC - 14 related to a proposed appointment to this Professorship.

27. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Bequest from the Estate of Bertha B. Cook, Dallas, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that fifty percent of the residue from the Estate of Bertha B. Cook, Dallas, Texas, valued at \$57,957.41 be accepted for the use and benefit of the Alzheimer's Disease Research Center at the U. T. Southwestern Medical Center - Dallas.

BACKGROUND INFORMATION

Miss Bertha B. Cook, Dallas, Texas, evidenced her concern for Alzheimer's disease research through this generous bequest to the U. T. Southwestern Medical Center - Dallas.

28. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish the Peter and Jean D. Dehlinger Professorship in Biomedical Science and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that a \$10,000 gift and a \$40,000 pledge, payable by January 31, 1998, from Dr. and Mrs. Kern (Marnie) Wildenthal, Dallas, Texas, and Dr. and Mrs. Peter J. (Arline) Dehlinger, Palo Alto, California, for a total of \$50,000 be accepted to establish the Peter and Jean D. Dehlinger Professorship in Biomedical Science at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$50,000 be allocated from the \$12,500,000 challenge fund established with MSRDP funds at the U. T. Southwestern Medical Center - Dallas as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$100,000.

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

It is further recommended that the actual income that will be earned on the \$10,000 gift and the \$40,000 pledge, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

## BACKGROUND INFORMATION

This endowment is being funded in honor of Dr. and Mrs. Peter (Jean D.) Dehlinger, Issaquah, Washington, parents of Mrs. Kern (Marnie) Wildenthal, Dallas, Texas, and Dr. Peter J. Dehlinger, Palo Alto, California. Dr. Peter Dehlinger is a retired professor and his wife, Jean, has been a nurse and volunteer civic leader.

29. U. T. Southwestern Medical Center - Dallas; Gertrude M. Gillespie Fund for Biomedical Research - Request for Authorization to Sell Real Property Located in Dallas, Dallas County, Texas, and Request for Authorization to Execute Documents.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that the Office of Endowment Real Estate, on behalf of the U. T. Southwestern Medical Center - Dallas, be authorized to sell the real property described below. The properties will be marketed for sale through separate requests for competitive offers and each property will be sold for the best offer at or above the appraised value.

- a. A retail shopping center located at 3517-3531 Oak Lawn Avenue and 3809 Bowser Avenue, Dallas, Dallas County, Texas. The site contains approximately 25,600 square feet of land including a 9,600 square foot parking lot and 9,061 square feet of gross leasable area.

An MAI appraisal by Butler & Burgher of Dallas, Texas, dated April 12, 1994, indicates that the leased fee interest of the property is \$900,000.

- b. A retail shopping center located at 3604-3610 Oak Lawn Avenue, Dallas, Dallas County, Texas. The site contains approximately 11,287 square feet of land with 6,510 square feet of gross leasable area.

An MAI appraisal by Butler & Burgher of Dallas, Texas, dated April 12, 1994, indicates that the leased fee interest of the property is \$650,000.

It is further recommended that the Executive Director of Endowment Real Estate, on behalf of the U. T. Southwestern Medical Center - Dallas, be authorized to execute all documents pertaining to the sale following approval of President Wildenthal, the Executive Vice Chancellor for Health Affairs, and the Office of General Counsel.

### BACKGROUND INFORMATION

Both retail shopping centers were received by the U. T. Southwestern Medical Center - Dallas through the Estate of Gertrude M. Gillespie which was accepted by the U. T. Board of Regents at its April 1992 meeting.

30. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gifts and Allocate Funds from the Private Fund Development Campaign to Establish the John R. Johnson Memorial Fund for Cancer Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that \$150,000 in gifts from various donors be accepted to establish the John R. Johnson Memorial Fund for Cancer Research at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$150,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$300,000.

Income earned from the endowment will be used to support the work of the oncology faculty at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that the actual income that will be earned on the \$150,000 gift and the \$150,000 in challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

### BACKGROUND INFORMATION

This endowment is being funded by various friends of Mr. John R. Johnson, who was principal and managing partner of the law firm of Johnson and Gibbs, Dallas, Texas, prior to his early death from cancer in 1992.

31. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish the Thomas Fariss Marsh, Jr. Professorship in Pediatrics.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that the Thomas Fariss Marsh, Jr. Professorship in Pediatrics be established at the U. T. Southwestern Medical Center - Dallas. Funds for the endowment will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

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

#### BACKGROUND INFORMATION

This endowment is being funded with a \$50,000 gift and a \$50,000 pledge, payable by January 31, 1997, from Mr. and Mrs. Tom F. Marsh, Dallas, Texas, longtime civic and cultural leaders, in memory of their son.

32. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish the Rosewood Corporation Chair in Biomedical Science and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that a \$62,500 gift and a \$187,500 pledge, payable by January 31, 1997, from The Rosewood Corporation and The Sands Foundation, both of Dallas, Texas, for a total of \$250,000 be accepted to establish the Rosewood Corporation Chair in Biomedical Science at the U. T. Southwestern Medical Center - Dallas.

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

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

It is further recommended that the actual income that will be earned on the \$62,500 gift, the \$187,500 pledge, as received, and the \$250,000 in challenge funds be certified to the appro-

priate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

The Rosewood Corporation, owned by Mrs. Caroline Rose Hunt and her son, Mr. Stephen Sands, both of Dallas, Texas, and The Sands Foundation, on whose board they serve, have been strong supporters of the U. T. Southwestern Medical Center - Dallas. Mrs. Hunt, Mr. Sands, and their family are longtime civic leaders in Dallas.

33. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Remainder Interest in the Carl J. and Hortense M. Thomsen Six and One-Quarter Percent Trust and to Accept Appointment as Trustee.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that the remainder interest in the Carl J. and Hortense M. Thomsen Six and One-Quarter Percent Trust, to be funded with a gift of bonds with a par value of \$500,000 from Mr. and Mrs. Carl J. Thomsen, Dallas, Texas, be accepted for the benefit of the U. T. Southwestern Medical Center - Dallas. Additionally, it is recommended that the U. T. Board of Regents accept appointment as Trustee of the Trust.

The trust agreement provides for the payment of six and one-quarter percent of the annual net fair market value of the trust assets or the actual income, whichever is less, to be paid quarterly to Mr. and Mrs. Thomsen for a term of six years or until their deaths. If the trust income for any taxable year exceeds six and one-quarter percent, the payment to the donors shall include such excess income to the extent that the total amounts paid to the donors in prior years is less than six and one-quarter percent of the aggregate net fair market value of the trust assets for such years. In any year when income is more than six and one-quarter percent, excess income will be added to the corpus of the Trust.

Upon termination of the Trust, the corpus and any accumulated or undistributed income of the Trust shall be distributed to the U. T. Board of Regents for the benefit of the U. T. Southwestern Medical Center - Dallas, specifically to be used at the discretion of the President of the U. T. Southwestern Medical Center - Dallas. The funds may not be used for the construction of any facilities.

### BACKGROUND INFORMATION

Mr. and Mrs. Carl J. Thomsen, Dallas, Texas, are longtime civic leaders in the Dallas community, as well as generous supporters of the U. T. Southwestern Medical Center - Dallas.

34. U. T. Southwestern Medical Center - Dallas: Gifford O. Touchstone, Jr. and Randolph G. Touchstone Chair in Diabetes Research - Recommendation to Accept Additional Gift and Pledge, Allocate Funds from the Private Fund Development Campaign, Redesignate as the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Distinguished Chair in Diabetes Research, and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that a \$125,000 gift and a \$125,000 pledge, payable by January 31, 1997, from Mr. and Mrs. Lucian Touchstone and Mr. and Mrs. Gifford O. Touchstone, all of Dallas, Texas, for a total of \$250,000 be accepted for addition to the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Chair in Diabetes Research at the U. T. Southwestern Medical Center - Dallas for a total endowment of \$750,000 and that the Chair be redesignated as the Gifford O. Touchstone, Jr. and Randolph G. Touchstone Distinguished Chair in Diabetes Research.

It is further recommended that \$250,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$1,000,000.

It is further recommended that the actual income that will be earned on the \$125,000 gift, the \$125,000 pledge, as received, and the \$250,000 in challenge funds be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

### BACKGROUND INFORMATION

The Gifford O. Touchstone, Jr. and Randolph G. Touchstone Chair in Diabetes Research was established at the April 1994 meeting of the U. T. Board of Regents with a \$30,000 gift and a \$220,000 pledge from Mr. and Mrs. Lucian Touchstone and Mr. and Mrs. Gifford O. Touchstone, all of Dallas, Texas, and a \$250,000 allocation of challenge funds from the Private Fund Development Campaign at the U. T. Southwestern Medical Center - Dallas.

See Item 2 on Page HAC - 14 related to a proposed appointment to this Chair.

35. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish the Jean Walter Center for Research in Movement Disorders.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Wildenthal that an endowment to be named the Jean Walter Center for Research in Movement Disorders be established at the U. T. Southwestern Medical Center - Dallas. Funds for the endowment will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

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

#### BACKGROUND INFORMATION

This endowment is being funded by the Communities Foundation of Texas, Inc., Dallas, Texas, with a \$1,000,000 grant, of which \$250,000 has been received and \$750,000 is payable by January 31, 1997, from the Jean H. and John T. Walter, Jr. Fund. Mr. and Mrs. John T. (Jean) Walter, Jr., Dallas, Texas, have been longtime supporters of the U. T. Southwestern Medical Center - Dallas. Mr. Walter has been active in the development of the M.D./Ph.D. program at the U. T. Southwestern Medical Center - Dallas and his wife, Jean, has a special interest in movement disorders and has supported research in bletherospasm.

36. U. T. Medical Branch - Galveston: Recommendation to Accept Partial Remainder Interest in the Sheila Emery Allen Charitable Remainder Trust.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President James that a fifty percent remainder interest in the Sheila Emery Allen Charitable Remainder Trust, funded with the residue of the Estate of Sheila Emery Allen, Fort Worth, Texas (to be held in trust by Bank One, Texas, Fort Worth, Texas), initially valued at \$1,409,850.19 be accepted for the benefit of the U. T. Medical Branch - Galveston.

### BACKGROUND INFORMATION

Upon termination of the Charitable Remainder Trust, fifty percent of the remainder will be used to fund The Dr. Daisy Emery Allen Trust (to be held in trust by Bank One, Texas, Fort Worth, Texas) for the benefit of the U. T. Medical Branch - Galveston. A request to accept the Medical Branch's interest in The Dr. Daisy Emery Allen Trust will be submitted at a later date.

Daisy Emery Allen, M.D., was the first woman to graduate from medical school in Texas, and she was a pioneer in medical education and practice. The Sheila Emery Allen Charitable Remainder Trust was established for the lifetime benefit of Dr. Allen's sister, Miss Frances Marion Allen. The Trust Agreement provides for the annual payment of five percent of the annual net fair market value of the trust assets.

37. U. T. Medical Branch - Galveston: Recommendation to Accept Transfer of Funds to Establish the William Bennett Bean Scholarship in the Medical Humanities.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President James that a \$10,000 transfer of institutional designated funds be accepted to establish a quasi-endowment at the U. T. Medical Branch - Galveston to be named the William Bennett Bean Scholarship in the Medical Humanities.

Income earned from the endowment will be used to provide scholarship support for the graduate program in medical humanities.

### BACKGROUND INFORMATION

This endowment is being funded in memory of William Bennett Bean, M.D., a renowned physician and prolific writer. Dr. Bean was a senior internist and editor of the Archives of Internal Medicine before becoming the first Director of the Institute for Medical Humanities at the U. T. Medical Branch - Galveston in 1974.

38. U. T. Medical Branch - Galveston: Recommendation to Accept Gift to Establish the Endowed Scholarship for the Institute for the Medical Humanities.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President James that a \$10,000 gift from an anonymous donor be accepted to establish the Endowed Scholarship for the Institute for the Medical Humanities at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to provide scholarship support for the graduate program in medical humanities.

BACKGROUND INFORMATION

The donors wish to remain anonymous.

39. U. T. Medical Branch - Galveston: Recommendation to Accept Gifts and Pledges to Establish the E. Burke Evans Chair in Orthopaedic Surgery Endowment Fund and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President James that \$235,077.50 in gifts and \$148,112.50 in pledges, payable by August 31, 1999, from various donors for a total of \$383,190 be accepted to establish an endowment at the U. T. Medical Branch - Galveston to be named the E. Burke Evans Chair in Orthopaedic Surgery Endowment Fund.

Income earned from the endowment will be reinvested in the corpus of the endowment until the minimum funding level of \$500,000 for a Chair is reached.

It is further recommended that the actual income that will be earned on the \$235,077.50 in gifts and \$148,112.50 in pledges, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

### BACKGROUND INFORMATION

E. Burke Evans, M.D., Galveston, Texas, obtained his orthopaedic residency training at the U. T. Medical Branch - Galveston and Hermann Hospital prior to joining the U. T. Medical Branch - Galveston faculty in orthopaedic surgery in 1953. Dr. Evans is currently the Ashbel Smith Professor of Surgery at the U. T. Medical Branch - Galveston.

40. U. T. Health Science Center - Houston: Recommendation to Accept Gift and Pledge to Establish the Theodore J. and Mary E. Trumble Professorship in Aging Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Low that a \$20,000 gift and an \$80,000 pledge, payable by December 31, 1994, from Mrs. Mary E. Trumble, The Woodlands, Texas, for a total of \$100,000 be accepted to establish the Theodore J. and Mary E. Trumble Professorship in Aging Research at the U. T. Health Science Center - Houston.

Ninety percent of the income earned from the endowment will be used to support the Professorship in the U. T. Nursing School - Houston. The remaining ten percent of the income earned will be reinvested in the corpus of the endowment.

It is further recommended that the actual income that will be earned on the \$20,000 gift and \$80,000 pledge, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

### BACKGROUND INFORMATION

This endowment is being funded in the U. T. Nursing School - Houston by Mary E. Trumble, M.S.N., R.N.-G.N.P., The Woodlands, Texas, in memory of her husband, Theodore J. Trumble, M.D., a prominent physician in the field of aerospace medicine in Houston, Texas. Dr. Trumble served as Adjunct Associate Professor at the U. T. Public Health School - Houston.

41. U. T. Health Science Center - San Antonio: Recommendation to Accept Gift to Establish the Evelyn Knott Woolley Ophthalmology Research Endowment Fund.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President Howe that a \$10,000 gift from Mrs. Evelyn Knott Woolley, San Antonio, Texas, be accepted to establish the Evelyn Knott Woolley Ophthalmology Research Endowment Fund at the U. T. Health Science Center - San Antonio.

Income earned from the endowment will be used to support research in the Department of Ophthalmology.

#### BACKGROUND INFORMATION

Mrs. Evelyn Knott Woolley, San Antonio, Texas, has long been a supporter of the U. T. Health Science Center - San Antonio, and it is anticipated that she will provide additional funds to this endowment via her estate plans.

42. U. T. M.D. Anderson Cancer Center: Report on Final Distribution from the Wilfred George Barnts Charitable Remainder Unitrust, Fort Bend, Texas, and Recommendation to Accept Bequest from the Estate of Wilfred George Barnts, Fort Bend, Texas, to Establish the Barnts Family Fund for Cancer Research.--

#### REPORT AND RECOMMENDATION

The Chancellor reports that the final distribution from the Wilfred George Barnts Charitable Remainder Unitrust, Fort Bend, Texas, has been received for a total distribution of \$586,076.41.

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that the \$586,076.41 distribution from the Wilfred George Barnts Charitable Remainder Unitrust be used to establish an endowment at the U. T. M.D. Anderson Cancer Center to be named the Barnts Family Fund for Cancer Research.

It is further recommended that the residue of the Estate of Wilfred George Barnts, Fort Bend, Texas, valued at approximately \$513,000 be accepted for addition to the Barnts Family Fund for Cancer Research at the U. T. M.D. Anderson Cancer Center for a total endowment of approximately \$1,099,076.41.

Income earned from the endowment will be used to support promising programs in cancer research.

### BACKGROUND INFORMATION

At the February 1990 meeting, the U. T. Board of Regents accepted the remainder interest in The Wilfred George Barnts Charitable Remainder Unitrust, funded by Mr. Wilfred George Barnts with an initial gift of \$500,000. At the December 1990 meeting, the U. T. Board of Regents accepted appointment as successor trustee of the Unitrust.

Mr. Barnts served on the Steering Committee of the President's Council of the University Cancer Foundation and as a volunteer at the U. T. M.D. Anderson Hospital.

43. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Mary Spainhour Gordon, Austin, Texas, and Remainder Interest in the Ambrose Gordon, Jr. Testamentary Trust, Austin, Texas.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that a residual interest in the Estate of Mary Spainhour Gordon, Austin, Texas, valued at \$1,507.27 be accepted for the unrestricted use of the U. T. M.D. Anderson Cancer Center.

It is further recommended that a remainder interest in the Ambrose Gordon, Jr. Testamentary Trust, Austin, Texas (to be held in trust by NationsBank of Texas, N.A., Austin, Texas), be accepted for the unrestricted use of the U. T. M.D. Anderson Cancer Center. The Ambrose Gordon, Jr. Testamentary Trust will terminate upon the thirty-fifth birthday of Mr. Gordon's son, Ambrose Gordon, III, or his death. Upon termination of the Trust, the balance of the Trust will be distributed pursuant to the terms of the heirship determination dated December 17, 1992.

### BACKGROUND INFORMATION

Although Mrs. Mary Spainhour Gordon, Austin, Texas, had no known affiliation with the U. T. M.D. Anderson Cancer Center, the Cancer Center was a beneficiary of her mother's estate, the Estate of Emily Robertson Spainhour, Houston, Texas. Because Mrs. Gordon predeceased her mother, a portion of her estate ultimately passed to the U. T. M.D. Anderson Cancer Center. Additionally, pursuant to an heirship determination, the U. T. M.D. Anderson Cancer Center is also named as a remainder beneficiary of the Ambrose Gordon, Jr. Testamentary Trust, Austin, Texas.

See related Item 47 on Page AMC - 39.

44. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Remainder Interest in the Carlotta T. Hamilton Trust, Houston, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that a one percent remainder interest in the Carlotta T. Hamilton Trust, Houston, Texas, valued at \$16,726.08 be accepted in memory of Mrs. Gladys T. McKechnie for the benefit of the U. T. M.D. Anderson Cancer Center to be used for research activities.

BACKGROUND INFORMATION

Mrs. Carlotta T. Hamilton, Houston, Texas, has made this gift in memory of her sister, Mrs. Gladys T. McKechnie. Mrs. Hamilton had no known affiliation with the U. T. M.D. Anderson Cancer Center.

45. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Gifts and Transfer of Funds to Establish the Eva Lotzova Memorial Fellowship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that \$2,625.59 in gifts from various donors and a \$52,000 transfer of previously reported gifts for a total of \$54,625.59 be accepted to establish a quasi-endowment at the U. T. M.D. Anderson Cancer Center to be named the Eva Lotzova Memorial Fellowship.

Income earned from the endowment will be reinvested in the corpus of the endowment until a future date.

BACKGROUND INFORMATION

This endowment is being funded with previously reported gifts administered by Eva Lotzova, M.D., prior to her death and various gifts subsequently received in her memory. Dr. Lotzova was a Professor of Surgery at the U. T. M.D. Anderson Cancer Center at the time of her death.

46. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Gift and Pledge to Establish the Deborah M. Richman Cancer Lecture Series within the Brain Tumor Center.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that a \$10,000 gift and a \$20,000 pledge, payable by January 1, 1995, from the Deborah Richman Cancer Research Philanthropic Fund of the Jewish Community Federation of Cleveland, Cleveland, Ohio, for a total of \$30,000 be accepted to establish an endowment at the U. T. M.D. Anderson Cancer Center to be named the Deborah M. Richman Cancer Lecture Series within the Brain Tumor Center.

Income earned from the endowment will be used to provide funding for lecturers to speak at the U. T. M.D. Anderson Cancer Center on significant advances in the research, diagnosis, and treatment of brain cancers.

BACKGROUND INFORMATION

Ms. Deborah M. Richman, Cleveland, Ohio, was a former patient at the U. T. M.D. Anderson Cancer Center.

47. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Emily Robertson Spainhour, Houston, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that one-seventh of the residue of the Estate of Emily Robertson Spainhour, Houston, Texas, in the amount of approximately \$409,475 be accepted for the unrestricted use of the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

Although Mrs. Emily Robertson Spainhour, Houston, Texas, had no known affiliation with the U. T. M.D. Anderson Cancer Center, her interest in the Cancer Center is evidenced by her generous bequest.

See related Item 43 on Page AMC - 37.

48. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Mary Ann Spinogatti, Broward County, Florida.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that the residue of the Estate of Mary Ann Spinogatti, Broward County, Florida, in the amount of \$23,628.44 be accepted to support cancer research at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

Ms. Mary Ann Spinogatti, Broward County, Florida, had no known affiliation with the U. T. M.D. Anderson Cancer Center.

49. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Mattye Stevens, Harris County, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that fifty percent of the residue of the Estate of Mattye Stevens, Harris County, Texas, in the amount of \$174,569.50 be accepted to support research programs at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

Although Miss Mattye Stevens, Harris County, Texas, had no known affiliation with the U. T. M.D. Anderson Cancer Center, her interest in the furtherance of cancer research is evidenced by her generous bequest.

50. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest from the Estate of Fannie Mae Townsley, Los Angeles, California.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Asset Management, and President LeMaistre that a bequest of twenty-five percent of the residue of the Estate of Fannie Mae Townsley, Los Angeles, California, in the amount of approximately \$4,250, with \$3,001.06 received to date, be accepted to support cancer research at the U. T. M.D. Anderson Cancer Center.

#### BACKGROUND INFORMATION

Although Miss Fannie Mae Townsley, Los Angeles, California, had no known affiliation with the U. T. M.D. Anderson Cancer Center, her interest in the furtherance of cancer research is evidenced by her generous bequest.

### III. OTHER MATTERS

1. U. T. Board of Regents: Proposed Amendment to the Regents' Rules and Regulations, Part Two, Chapter IX, Section 3, Subsection 3.5 (Exchange of Bonds).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the Regents' Rules and Regulations, Part Two, Chapter IX, Section 3 be amended by deleting in its entirety Subsection 3.5 regarding exchange of bonds as set forth below in congressional style:

[3.5--Exchange of Bonds--The Chancellor, the Vice Chancellor for Asset Management, the Executive Director for Investments, and the Investment Officers are each authorized to exchange bonds owned, from time to time, on a par-for-par basis (with such cash adjustments as may be required) for other eligible bonds or obligations--In any such exchange the cost of the bonds exchanged out (plus or minus the cash adjustments involved) shall be carried forward as the cost of the bonds or obligations acquired, even though the sale and purchase may be effected through different brokers--Such sales and purchases may be considered as exchanges provided there has been an improvement in book yield.]

### BACKGROUND INFORMATION

The referenced Subsection 3.5 was added to the Regents' Rules and Regulations at the August 1969 U. T. Board of Regents' meeting but is no longer applicable and should be deleted. This particular accounting method for the recording of bond exchanges is not in accordance with generally acceptable accounting principles. This accounting method is acceptable only in the area of Pension Accounting and Financial Reporting for Public Employee Retirement Systems. The Office of Asset Management prefers to record all future bond exchanges as purchases and sales using the completed transaction method. This method of accounting will assure proper recognition of gains and/or losses on bond exchanges. The Office of the Controller concurs in this recommendation.

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

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management and the Asset Management Committee that the U. T. Board of Regents approve the reappointment for a second term of Ms. Barbara Sublett Guthery, Austin, Texas, to the Investment Advisory Committee. The reappointment will be for a three-year period from September 1, 1994 to August 31, 1997.

### BACKGROUND INFORMATION

Ms. Barbara Sublett Guthery is President of Sublett Investments Inc. of Austin, Texas. An alumna of U. T. Austin, Ms. Guthery serves on the College of Business Administration Foundation Advisory Council, on the Longhorn Foundation Advisory Council, and as a director of the Century Club Board of the Business School. She is an At Large member of the executive committee of The Ex-Students' Association. She is also active with Westlake Hills Presbyterian Church as chair of the Long Range Planning - Resources Committee, the Foundation of St. David's Hospital in Austin, and the Austin Investment Association.

With approval of this recommended reappointment, the membership of the Investment Advisory Committee will be as follows:

<u>Members</u>	<u>Term Expires August 31</u>
Barbara Sublett Guthery	1997
Carol Lott	1995
L. Lowry Mays	1996
Robert E. Wise	1995
Unfilled	1995
Unfilled	1996
Unfilled	1997

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

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the Investment Guidelines section of the Permanent University Fund Investment Policy Statement be amended as set forth below in congressional style:

PERMANENT UNIVERSITY FUND  
INVESTMENT POLICY STATEMENT

INVESTMENT GUIDELINES

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

Investment restrictions include the following:

- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- Commercial paper and other short-term notes must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2) unless such obligations are PUF debt issued pursuant to Article 7, Section 18 of the Texas Constitution.
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased unless approved by the Vice Chancellor for Asset Management. Bonds rated below A3 or A- shall not constitute an excessive portion

of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Asset Management Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of bonds or preferred stocks rated below Baa3 or BBB-, unrated bonds, and unrated preferred stocks which have been purchased but have not been reviewed by the Asset Management Committee may not exceed 1% of the book value of the Fund.

- The weighted average maturity of the fixed income portfolio shall not exceed 17.5 years.
- Less than five percent of the voting securities of a corporation may be owned unless additional ownership is specifically authorized by the Vice Chancellor for Asset Management.
- No securities may be purchased or held which would jeopardize the Fund's tax-exempt status.
- No securities may be purchased on margin or leverage.
- No transactions in short sales will be made.
- Transactions in derivative instruments (other than those received as part of an investment unit) must be authorized by the Vice Chancellor for Asset Management and may occur only as part of a hedging, asset allocation, or other program authorized by the Asset Management Committee. For purposes of this policy, derivatives shall be defined as any instrument whose value is derived, in whole or part, from the value of any one or more underlying assets, or index of assets (such as stocks, bonds, commodities, interest rates, and currencies) and evidenced by forward, futures, swap, cap, floor, option, and other applicable contracts.
- Unaffiliated investment managers transacting solely within their assigned assets:
  - shall hold no more than 25% of their managed portfolio in any one industry at cost unless the manager was retained to concentrate in an industry or industries.
  - shall hold no more than 10% of their managed portfolio in the securities of one corporation at cost.
  - shall not hold investment in real estate, partnerships, and other such illiquid assets unless retained to manage this type of asset and shall hold no more than 10% of their managed portfolio at cost in any other asset category different than the type they were retained to manage. Short-term liquid investments are excluded from this limitation. Convertible securities are considered to be equity equivalents for purposes of this restriction.
  - shall hold no securities traded only in foreign markets unless they were retained to manage an international portfolio.

## BACKGROUND INFORMATION

At the April 1994 meeting, the U. T. Board of Regents approved a liquidity agreement with the State Treasurer of the State of Texas. Under the terms of the agreement, the State Treasurer agreed to purchase up to \$100 million U. T. Board of Regents Permanent University Fund Variable Rate Notes Series A in the event of a failure by the Remarketing Agent to remarket the Notes when due. The liquidity agreement also provides that the State Treasury shall have no obligation to purchase Notes in the event that:

- a. The U. T. Board of Regents fails to pay when due a money judgment entered by a court or other regulatory body against the Board in an amount exceeding \$5 million and the enforcement of such judgment remains in effect for a period of 60 consecutive days, or
- b. The U. T. Board of Regents fails to pay principal and interest on its PUF debt when due or the credit ratings assigned by Moody's Investors Service, Inc., Standard & Poor's Ratings Group, or Fitch Investors Service are reduced to below Investment Grade.

These two events of default imposed by the State Treasury prevent the Notes from being assigned the rating agencies' highest credit ratings. Such ratings are obtainable if the U. T. Board of Regents commits on behalf of the Permanent University Fund to purchase the Notes for the PUF in the event of a simultaneous failure to remarket and occurrence of an event of default under the liquidity agreement.

The Board of Regents of The Texas A&M University System also expects to enter into a liquidity agreement with similar terms under which the State Treasury would purchase Texas A&M Board PUF Notes in an amount not to exceed \$80 million.

Amendment of the PUF Investment Guidelines is recommended in order to allow for the purchase of PUF Notes issued by either the U. T. Board of Regents or the Texas A&M Board should the specified events of default occur. This authority and associated Note purchase commitment by the U. T. Board of Regents on behalf of the PUF will in turn allow for the assignment of the highest credit ratings on both U. T. System and A&M PUF Notes by the rating agencies.

Authority for the U. T. Board of Regents to purchase PUF bonds and notes as an investment for the PUF is provided for in Article 7, Section 18(g) of the Texas Constitution.

**Executive Session  
of the Board**

BOARD OF REGENTS  
EXECUTIVE SESSION  
Pursuant to Texas Government Code  
Chapter 551, Sections 551.071, 551.072, and 551.074

**Date:** August 11, 1994

**Time:** 10:00 a.m. The Board will convene in Open Session and immediately recess to Executive Session. The Open Session will reconvene about 1:00 p.m. and continue through adjournment.

**Place:** Lobby (Open Session) and Room 1.130 (Executive Session), Commons Building, J. J. Pickle Research Campus, U. T. Austin

1. Pending and/or Contemplated Litigation - Section 551.071

- a. U. T. Southwestern Medical Center - Dallas: Proposed Settlement of Medical Liability Litigation
- b. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
- c. U. T. Health Center - Tyler: Proposed Settlement of Medical Liability Litigation
- d. U. T. Health Center - Tyler: Proposed Settlement of Medical Liability Litigation

2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 551.072

U. T. Brownsville: Request for Authorization to Sell Property Located at 25 Calle Jacaranda, Brownsville, Cameron County, Texas

3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074

U. T. Health Science Center - Houston: Consideration of Recommendation of Hearing Tribunal Regarding Termination of Tenured Faculty Member