

MATERIAL SUPPORTING THE AGENDA

VOLUME XLIIIc

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

May 8-9, 1996
August 7-8, 1996

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.: 894

Date: August 7 - 8, 1996

Location: Tyler, Texas

BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Host Institution: The University of Texas at Tyler

Date: Wednesday, August 7, 1996

Time: 1:00 p.m.

Place: Constellation Ballroom I
Sheraton Tyler Hotel
5701 South Broadway
Tyler, Texas

Purpose: Convene in Open Session, Recess to
Executive Session per the Agenda, and
Reconvene in Open Session

See Page B of R - 1,
Items A - D

Date: Thursday, August 8, 1996

Time: 10:00 a.m.

Place: Room 301, Administration Building (Open
Session and Executive and Briefing
Sessions)
The University of Texas at Tyler
3900 University Boulevard
Tyler, Texas

Purpose: Reconvene in Open Session and Recess to
Executive and Briefing Sessions per the
Agenda

See Page B of R - 2,
Items E - F

Time: 1:00 p.m. or Upon Recess of Executive
and Briefing Sessions

Place: Room 401, Robert R. Muntz Library (Open
Session)
The University of Texas at Tyler
3900 University Boulevard
Tyler, Texas

Purpose: Reconvene in Open Session Through
Adjournment

See Pages B of R 2 - 15,
Items G - S

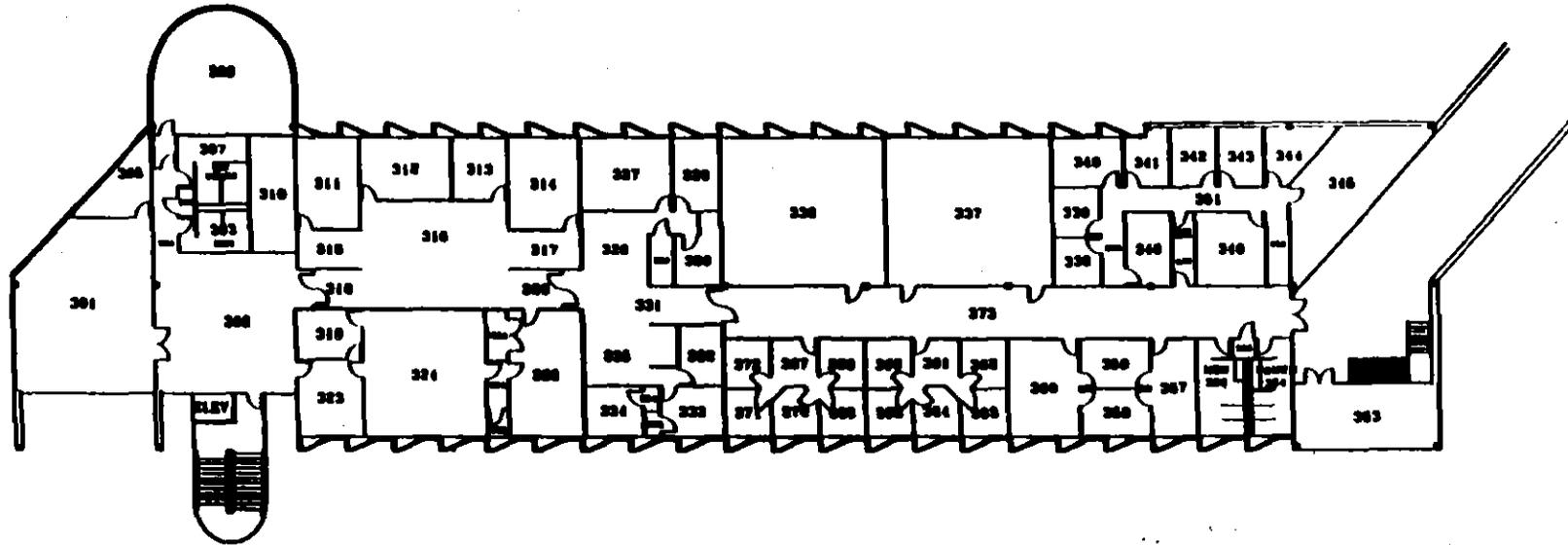
Telephone Numbers

President Hamm's Office	(903) 566-7100
Room 424, Robert R. Muntz Library (for calls during the meeting)	(903) 565-5551
Sheraton Tyler Hotel 5701 South Broadway	(903) 561-5800

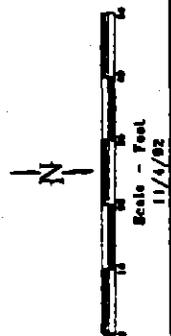
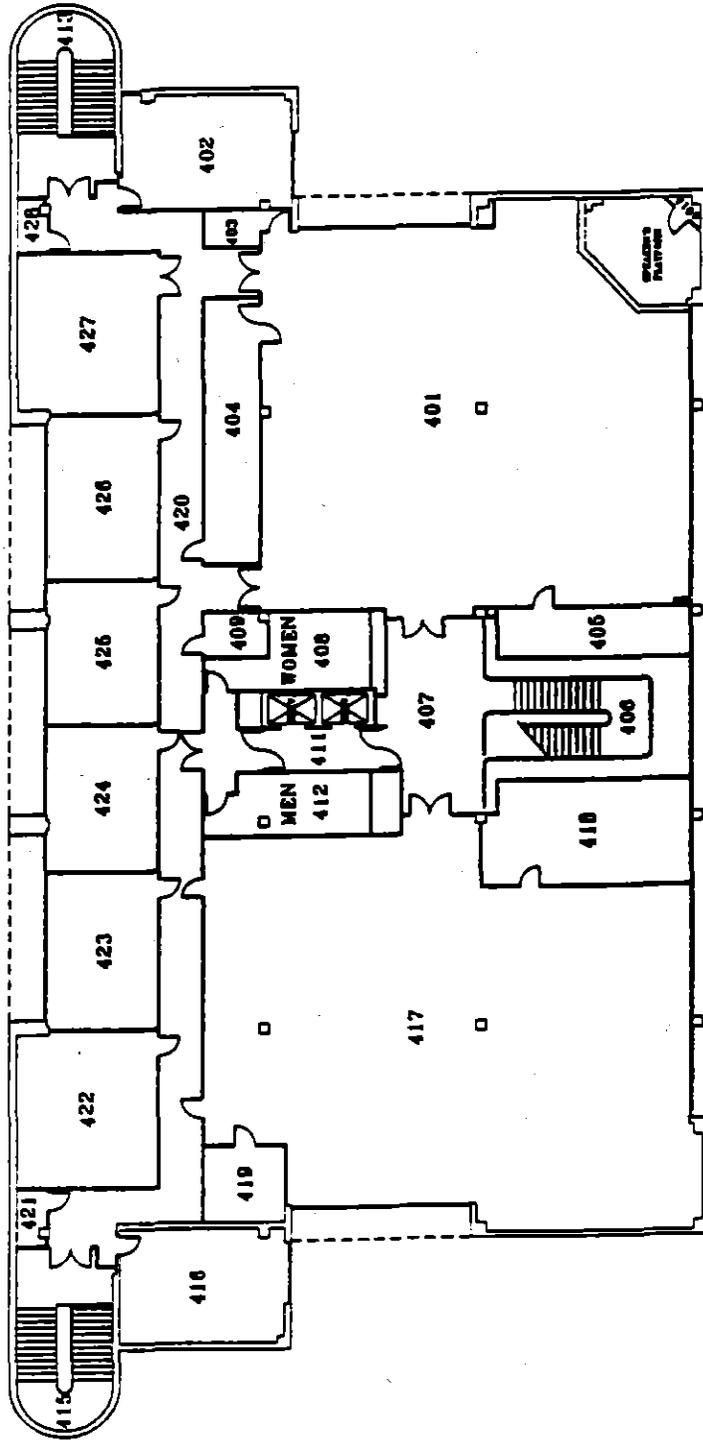
Room 301

Executive and Briefing Sessions

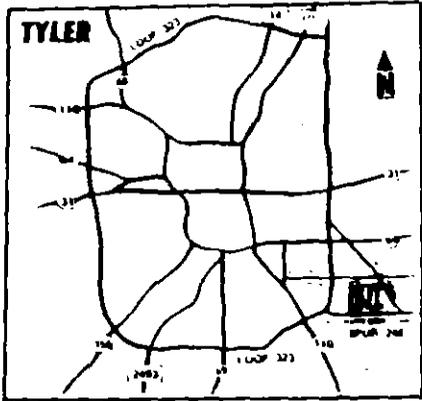
ADMINISTRATION BUILDING, FLOOR 3



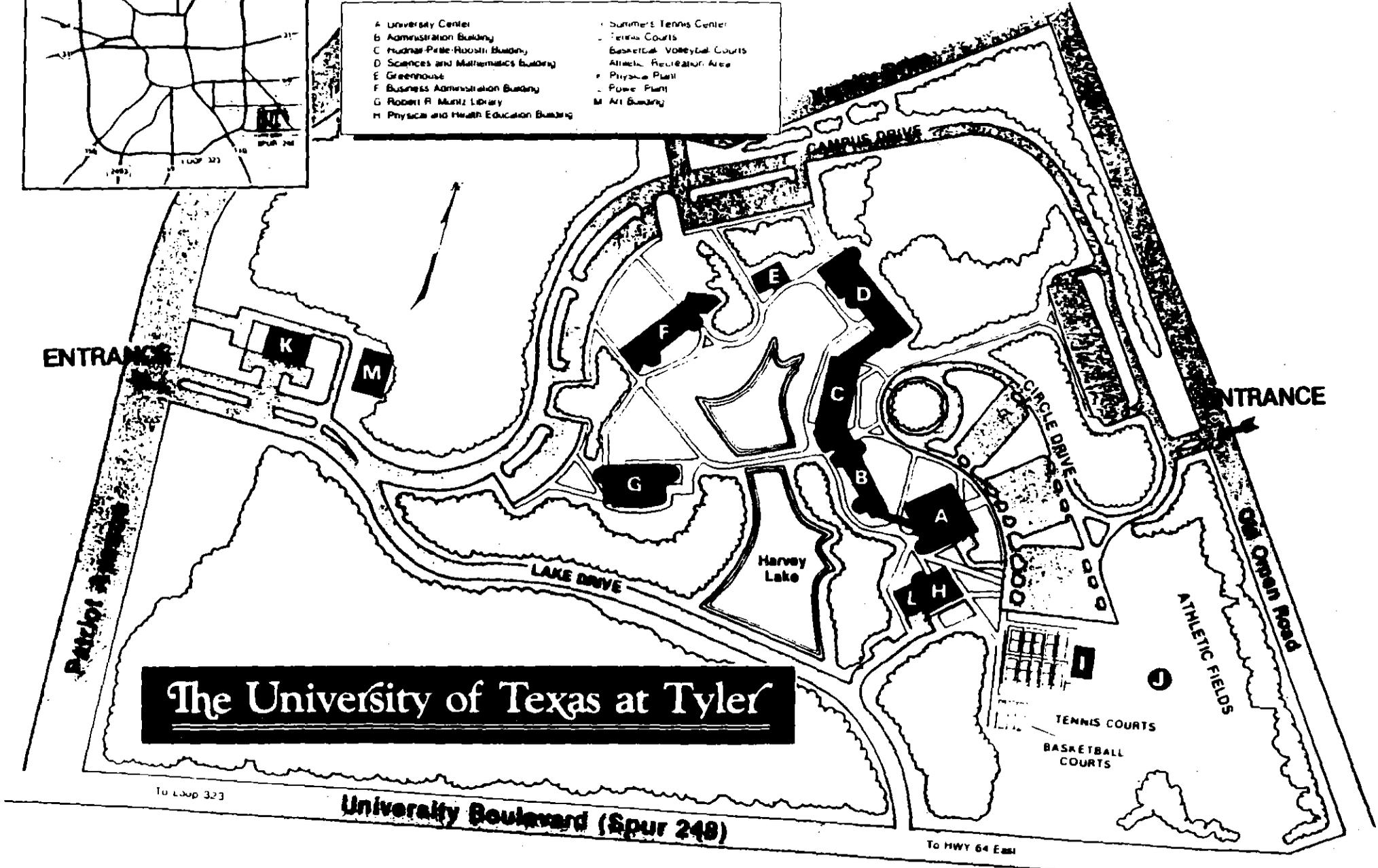
ROBERT R. MUNTZ LIBRARY - FLOOR 4



- Room 401 Regents' Meeting Room (Open Session)
- Room 424 Regents' Secretarial Office
- Room 425 Telephones for Staff/Press



- | | |
|--|--------------------------------|
| A University Center | I Summer's Tennis Center |
| B Administration Building | J Tennis Courts |
| C Human-Peak-Roostin Building | K Basketball-Volleyball Courts |
| D Sciences and Mathematics Building | L Athletic Recreation Area |
| E Greenhouse | M Physical Plant |
| F Business Administration Building | N Power Plant |
| G Robert R. Muntz Library | O Art Building |
| H Physical and Health Education Building | |

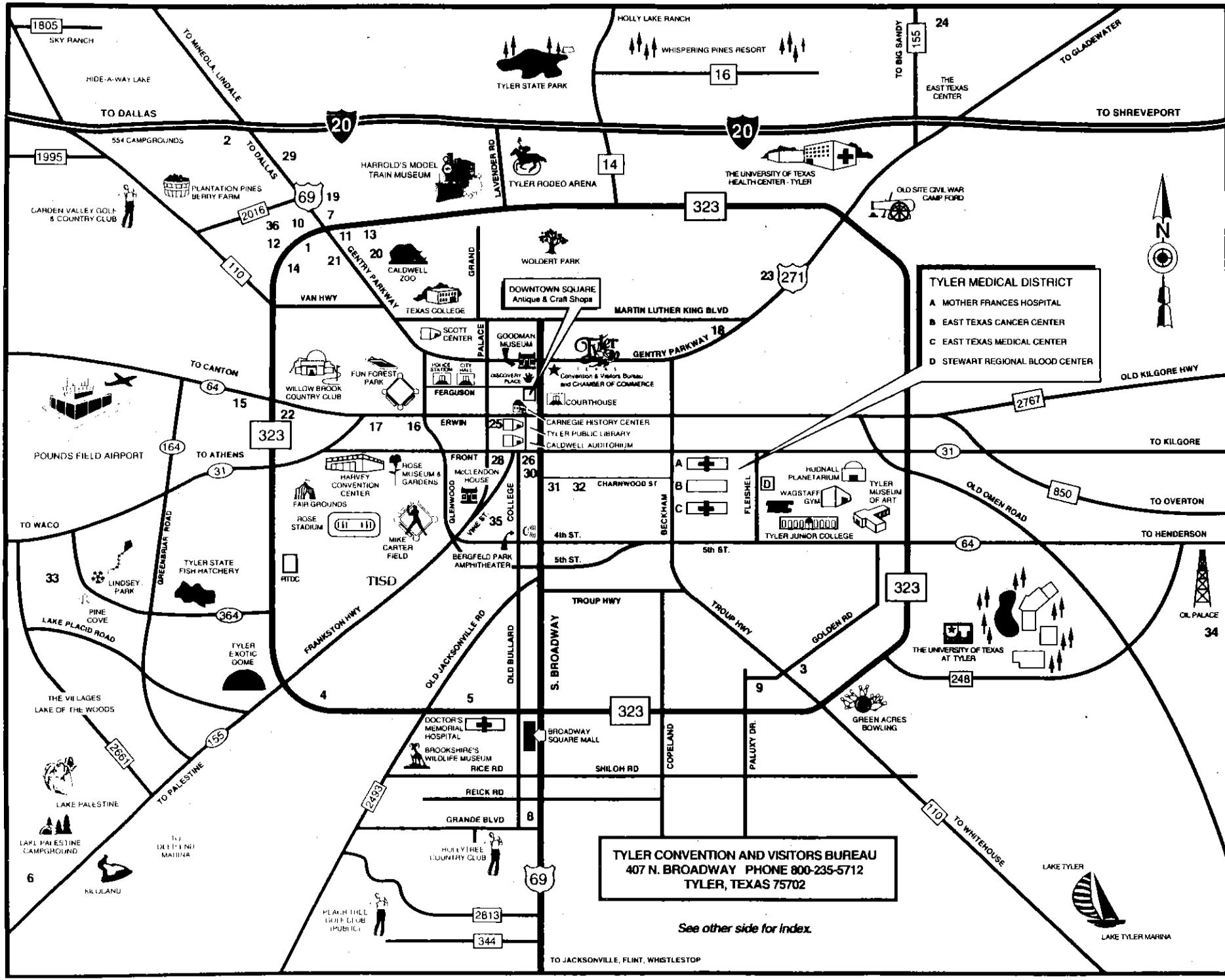


The University of Texas at Tyler

To Loop 323

University Boulevard (Spur 249)

To HWY 64 East



TYLER CONVENTION AND VISITORS BUREAU
 407 N. BROADWAY PHONE 800-235-5712
 TYLER, TEXAS 75702

See other side for Index.

POINTS OF INTEREST

- BROOKSHIRE'S WILDLIFE MUSEUM** 534-2169
- 1600 WSW Loop 323
- CALDWELL ZOO** 593-0121
- 2203 Martin Luther King
- THE DISCOVERY PLACE** 533-8011
- 308 N Broadway
- GOODMAN MUSEUM** 531-1286
- 624 N Broadway
- HARROLD'S MODEL TRAIN MUSEUM** 531-9404
- 7353 CR 35
- HERRINGS WILDERNESS** 800-762-5991
- County Rd. 4405 Garlin, TX
- HUDNALL PLANETARIUM** 510-2249
- 1200 S Mahon
- McLENDON HOME** 592-3533
- 806 W Houston
- ROSE GARDEN** 531-1212
- 1900 W Front
- ROSE MUSEUM** 597-3130
- 1900 W Front
- SMITH COUNTY HISTORICAL MUSEUM** 592-5993
- 125 College
- TYLER MUSEUM OF ART** 595-1001
- 1300 S Mahon
- TYLER RODEO ARENA** 800-COW-BULL
- 10928 CR 35
- TYLER STATE FISH HATCHERY** 592-7570
- 11045 Spur 164

AREA EVENTS

- EISENHOWER INT'L GOLF CLASSIC** 05/13
- CATTLE BARONS' GALA** 06/08
- PARADE OF HOMES** 06/09 - 06/16
- JUNETEENTH CELEBRATION** 06/14 - 06/15
- FESTIVAL ON THE SQUARE** 09/07
- BEAUTY AND THE BEAST BIKE TOUR** 09/07

RESORTS & CAMPGROUNDS

- GARDEN VALLEY RESORT** 882-6107
- Oraka, Inc., FM 1995
- HOLLY LAKE RANCH** 769-2138
- Hawkins, TX
- KILOLAND** 876-4913
- 7457 Frankston Hwy., Lake Palestine
- LA CASA MOBILE HOME PARK** 561-1664
- 13659 FM 2964
- LAKE O' THE WOODS** 825-7755
- Hwy 155 S., Lake Palestine
- LAKE PALESTINE CAMPGROUNDS** 876-2253
- Hwy. 155 and Echo Hill Rd.
- LAKE TYLER MARINA & RV PARK** 839-4800
- 18183 Concession Rd., Lake Tyler
- NORTHGATE RV CENTER** 592-3438
- 7761 FM 14
- PINE COVE CONFERENCE CENTER** 561-0231
- 15790 CR 113
- SHILOH PINES** 561-3621
- 2525 Shiloh Road
- SKY RANCH (TEXAS #)** 800-962-2267
- FM 448 S., Van, TX (Group Booking)
- THE VILLAGES RESORT** 561-1153
- 18270 Singing Wood Lane, Lake Palestine
- TYLER "554" CAMPGROUNDS** 882-6481
- Interstate 20
- TYLER STATE PARK** 597-5338
- Highway 14
- WHISPERING PINES RESORT** 858-2405
- FM 16 East

Meeting of the Board

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

Date: Wednesday, August 7, 1996

Time: 1:00 p.m.

Place: Constellation Ballroom I
Sheraton Tyler Hotel
5701 South Broadway
Tyler, Texas

- A. CALL TO ORDER
- B. RECESS TO EXECUTIVE SESSION [Texas Government Code,
Chapter 551, Section 551.074, Personnel Matters]

U. T. M.D. Anderson Cancer Center: Con-
sideration of Recommendation of Hearing
Tribunal Regarding Termination of Tenured
Faculty Member
- C. RECONVENE IN OPEN SESSION TO CONSIDER ACTION ON
EXECUTIVE SESSION MATTER (ITEM B ABOVE)
- D. RECESS TO BRIEFING SESSION

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

Date: Thursday, August 8, 1996

Time: 10:00 a.m. Reconvene in Open Session to recess
to convene Executive and Briefing
Sessions

Place: Room 301, Administration Building, U. T. Tyler

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

Place: Room 401, Robert R. Muntz Library, U. T. Tyler

E. RECONVENE IN OPEN SESSION

F. RECESS TO EXECUTIVE AND BRIEFING SESSIONS

The Board will convene in an Executive Session followed by a Briefing 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.

G. RECONVENE IN OPEN SESSION

H. WELCOME BY PRESIDENT HAMM

I. APPROVAL OF MINUTES OF REGULAR MEETING
HELD MAY 8-9, 1996

J. SPECIAL ITEM

U. T. System: Report of Summary of Gift Acceptance and Related Administrative Actions Conforming to Board Policy for March 1, 1996 Through May 31, 1996.--

(See Pages B of R 3 - 7.)

ACCEPTANCE OF GIFTS HELD BY BOARD

# ALL ITEMS	COMPONENT INSTITUTION	ASSET TYPES						MATCHING FUNDS	TOTAL VALUE
		CASH	SECURITIES	REAL ESTATE	PLEDGES	OTHER	TRANSFERS		
4	U. T. Arlington	\$ 35,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 35,000
69	U. T. Austin	2,069,969	1,565,338	---	823,600	9,603	89,399 *	448,333 *	4,820,409
3	U. T. El Paso	37,000	---	---	---	---	---	---	37,000
3	U. T. Permian Basin	305,019	---	---	---	---	---	---	305,019
7	U. T. San Antonio	127,400	11,438	---	200,000	---	---	---	338,838
1	U. T. Tyler	---	200,000	---	---	---	---	---	200,000
1	U. T. SWMC-Dallas	25,000	---	---	---	---	---	25,000 *	25,000
5	U. T. M.B.-Galveston	49,673	---	---	---	---	50,000	---	99,673
11	UTHSC-Houston	227,520	3,362	---	54,000	---	191,398	---	476,280
8	UTHSC-San Antonio	1,045,000	---	446,000	---	---	---	---	1,491,000
7	UTMDACC	2,000,745	---	---	---	50,000	---	---	2,050,745
2	UTHC-Tyler	277,500	19,000	---	---	---	25,000	---	321,500
1	UTEP AND UTMB	---	1,028,125	---	---	---	---	---	1,028,125
122	TOTAL	\$6,199,826	\$2,827,263	\$446,000	\$1,077,600	\$59,603	\$355,797 *	\$473,333 *	\$11,228,589

* Not included in total: U. T. Austin - \$135,833 of Board-held matching funds and a \$50,000 transfer of endowment funds;
U. T. SWMC-Dallas - \$25,000 of Board-held matching funds.

NOTE: Compiled by Office of Development and External Relations

CLASSIFICATION OF GIFTS AND OTHER ACTIONS

<u>COMPONENT INSTITUTION</u>	<u>ENDOWMENTS</u>	<u>CHARITABLE REMAINDER TRUSTS</u>	<u>POOLED INCOME FUND</u>	<u>REMAINDER INTERESTS</u>	<u>HELD IN TRUST BY OTHERS</u>	<u>CURRENT PURPOSE</u>	<u>OTHER</u>
U. T. Arlington	4	---	---	---	---	---	---
U. T. Austin	62	1	1	---	9	---	---
U. T. El Paso	2	---	---	---	---	1	---
U. T. Permian Basin	4	---	---	---	---	---	---
U. T. San Antonio	7	---	---	---	---	---	---
U. T. Tyler	1	---	---	---	---	---	---
U. T. SWMC-Dallas	1	---	---	---	---	---	---
U. T. M.B.-Galveston	5	---	---	---	---	---	---
UTHSC-Houston	10	---	---	---	1	---	---
UTHSC-San Antonio	7	1	---	---	---	---	---
UTMDACC	1	---	---	---	---	6	---
UTHC-Tyler	2	---	---	---	---	---	---
UTEP and UTMB	---	1	---	---	---	---	---
TOTAL	106	3	1	---	10	7	---

PURPOSES OF GIFTS HELD BY BOARD AND OTHERS

ENDOWMENT

<u>COMPONENT INSTITUTION</u>	<u>DIST. CHAIR</u>	<u>CHAIR</u>	<u>DIST. PROF'SHIP</u>	<u>PROF'SHIP</u>	<u>FACULTY FELL'SHIP</u>	<u>GRADUATE FELL'SHIP</u>	<u>SCHOLARSHIP</u>	<u>OTHER</u>	<u>CURRENT PURPOSE</u>	<u>OTHER PURPOSE</u>
U. T. Arlington	---	---	---	---	---	---	3	---	---	---
U. T. Austin	---	1	---	1	1	---	52	7	---	9
U. T. El Paso	---	---	---	---	---	---	2	---	1	---
U. T. Permian Basin	---	2	---	---	---	---	---	---	---	---
U. T. San Antonio	---	---	1	---	---	---	6	---	---	---
U. T. Tyler	---	---	---	1	---	---	---	---	---	---
U. T. SWMC-Dallas	---	---	---	---	---	---	---	1	---	---
U. T. M.B.-Galveston	---	---	---	---	---	---	4	---	---	1
UTHSC-Houston	---	---	---	2	1	2	3	3	---	---
UTHSC-San Antonio	---	---	---	---	---	---	1	1	1	2
UTMDACC	---	---	---	---	---	---	---	1	5	1
UTHC-Tyler	---	---	1	1	---	---	---	---	---	---
UTEP and UTMB	---	---	---	---	---	---	---	---	---	1
TOTAL	---	3	2	5	2	2	71	13	7	14

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Total purposes may not equal total number of items for each component, due to the fact that some items pertain to multiple purposes.

OTHER ADMINISTRATIVE ACTIONS

<u>COMPONENT INSTITUTION</u>	<u>ESTABLISH ENDOWMENT</u>	<u>REDESIGNATE ENDOWMENT LEVEL</u>	<u>OTHER REDESIGNATION</u>	<u>DISSOLVE ENDOWMENT</u>	<u>APPROVE/ALLOCATE MATCHING</u>	<u>ACCEPT TRUSTEESHIP</u>	<u>OTHER</u>
U. T. Arlington	3	---	---	---	---	---	1
U. T. Austin	56	---	3	2	13	1	4
U. T. El Paso	2	---	---	---	---	---	1
U. T. Permian Basin	---	2	3	---	---	---	---
U. T. San Antonio	7	---	---	---	---	---	---
U. T. Tyler	1	---	---	---	---	---	---
U. T. SWMC-Dallas	1	---	---	---	---	---	---
U. T. M.B.-Galveston	5	---	---	---	---	---	---
UTHSC-Houston	10	---	1	---	---	---	---
UTHSC-San Antonio	4	3	---	---	---	1	---
UTMDACC	1	---	---	---	---	---	1
UTHC-Tyler	2	---	---	---	1	---	---
UTEP and UTMB	---	---	---	---	---	1	---
TOTAL	92	5	7	2	14	3	7

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6

COMPARATIVE SUMMARY OF GIFTS ACCEPTED VIA THE OFFICIAL ADMINISTRATIVE PROCESS

<u>COMPONENT INSTITUTION</u>	<u>FY 1995 FULL YEAR</u>	<u>FISCAL YEAR 1996</u>		
		<u>9/1/95 - 11/30/95</u>	<u>12/1/95 - 2/29/96</u>	<u>3/1/96 - 5/31/96</u>
U. T. System	\$ ---	\$ ---	\$ 40,000	\$ ---
U. T. Arlington	476,474	---	112,630	35,000
U. T. Austin	11,154,914	2,061,600	1,406,858	4,820,409
U. T. Brownsville	220,000	---	---	---
U. T. Dallas	10,578	600,000	20,000	---
U. T. El Paso	854,886	115,328	25,000	37,000
U. T. Pan American	524,267	---	---	---
U. T. Permian Basin	567,500	10,000	37,058	305,019
U. T. San Antonio	150,300	---	117,121	338,838
U. T. Tyler	365,000	86,046	---	200,000
U. T. SWMC-Dallas	4,999,190	750,151	11,488,653	25,000
U. T. M.B.-Galveston	3,795,794	3,150,000	3,663,082	99,673
UTHSC-Houston	1,068,967	285,111	100,000	476,280
UTHSC-San Antonio	273,834	---	---	1,491,000
UTMDACC	1,230,048	---	154,235	2,050,745
U. T. HC-Tyler	748,608	---	---	321,500
UTEP and UTMB	---	---	---	<u>1,028,125</u>
TOTAL	\$ 26,440,360	\$ 7,058,236	\$17,164,637	\$11,228,589

B of R - 7

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

U. T. System: Reports on Investments at May 31, 1996.--

- a. Permanent University Fund
(See Page B of R - 9.)
- b. Long Term Fund
(See Page B of R - 10.)
- c. Short/Intermediate Term Fund
(See Page B of R - 11.)
- d. Separately Invested Assets
(See Page B of R - 12.)

a. PERMANENT UNIVERSITY FUND

Summary Investment Report at May 31, 1996.--

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

	FY94-95	FY95-96			
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	Total
Beginning Market Value	4,428.0	4,958.5	5,153.7	5,280.7	4,958.5
PUF Lands Receipts ⁽²⁾	57.1	16.4	13.8	19.0	49.2
Investment Income	249.5	64.6	60.1	67.1	191.8
Investment Income Distributed	(249.5)	(64.6)	(60.1)	(67.1)	(191.8)
Realized Gains (Losses)	105.5	46.3	34.2	73.3	153.8
Change in Unrealized Gains (Losses)	367.9	132.5	79.0	(29.4)	182.1
Ending Market Value	4,958.5	5,153.7	5,280.7	5,343.6	5,343.6
AUF Income					
Investment Income	249.5	64.6	60.1	67.1	191.8
Surface Income	3.6	0.3	1.6	.7	2.6
Other Income	0.3	0.1	0.1	.2	.4
Total	253.4	65.0	61.8	68.0	194.8

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

(1) Excludes PUF Lands mineral and surface interests with estimated values of \$328.6 million and \$157.8 million, respectively.

(2) As of May 31, 1996: 833,711 acres under lease, 518,135 producing acres, 2,766 active leases and 2,040 producing leases.

b. LONG TERM FUND

Summary Investment Report at May 31, 1996.--

LONG TERM FUND
SUMMARY REPORT
(\$ millions)

	FY94-95	FY95-96			
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	Total
Beginning Net Assets	1,226.3	1,558.8	1,628.5	1,694.9	1,558.8
Net Contributions (Withdrawals)	202.3	19.6	17.9	(0.9)	36.6
Investment Return	203.4	69.9	68.8	62.0	200.7
Expenses	(2.8)	(0.7)	(0.9)	(1.0)	(2.6)
Distributions (Payout)*	(68.5)	(18.9)	(19.1)	(19.2)	(57.2)
Distribution of Loss on Participant Withdrawal*	(1.9)	(0.2)	(0.3)	(2.5)	(3.0)
Ending Net Assets	1,558.8	1,628.5	1,694.9	1,733.3	1,733.3
Net Asset Value per Unit	3.661	3.778	3.890	3.985	
No. of Units (End of Period)	425,751,253	431,062,475	435,717,737	434,972,374	
Distribution Rate per Unit	0.175	0.04375	0.04375	0.04375	

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

*Prior period reporting has been restated to conform with current period.

c. SHORT/INTERMEDIATE TERM FUND

Summary Investment Report at May 31, 1996.--

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

	<u>FY94-95</u>	<u>FY95-96</u>			<u>Total</u>
	<u>Full Year</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	
Beginning Net Assets	945.3	1,129.5	1,232.9	1,266.8	1,129.5
Net Contributions	175.7	94.4	39.8	29.7	163.9
Investment Return*	68.7	25.8	12.0	.4	38.2
Expenses*	(0.2)	-	-	(0.1)	(0.1)
Distributions of Income*	<u>(60.0)</u>	<u>(16.8)</u>	<u>(17.9)</u>	<u>(18.2)</u>	<u>(52.9)</u>
Ending Net Assets	1,129.5	1,232.9	1,266.8	1,278.6	1,278.6

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

*Prior period reporting has been restated to conform with current period.

d. **SEPARATELY INVESTED ASSETS**

Summary Investment Report at May 31, 1996.--

B of R - 12

ASSET TYPES	FUND TYPE													
	CURRENT PURPOSE		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		OPERATING FUNDS		TOTAL	
	DESIGNATED													
Cash & Equivalents:	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Beginning value 3/1/96	3,532,458	3,532,458	1,902,135	1,902,135	16,113,803	16,113,803	1,157,700	1,157,700	4,130,174	4,130,174	593,460,074	593,460,074	620,296,344	620,296,344
Increase/(Decrease)	20,959,124	20,959,124	(538,533)	(538,533)	3,369,475	3,369,475	(717,312)	(717,312)	(1,583,373)	(1,583,373)	25,093,009	25,093,009	46,582,390	46,582,390
Ending value 5/31/96	24,491,582	24,491,582	1,363,602	1,363,602	19,483,278	19,483,278	440,388	440,388	2,546,801	2,546,801	618,553,083	618,553,083	666,878,734	666,878,734
Debt Securities:														
Beginning value 3/1/96	14,727,269	14,777,368	7,366	3,758	45,141,255	46,120,351	7,765,142	8,188,298	-	-	52,721,089	52,800,499	120,362,121	121,890,274
Increase/(Decrease)	(2,123,568)	(2,204,309)	-	(177)	779,869	(358,277)	30,405	(286,297)	-	-	(12,025,864)	(12,127,970)	(13,339,158)	(14,977,030)
Ending value 5/31/96	12,603,701	12,573,059	7,366	3,581	45,921,124	45,762,074	7,795,547	7,902,001	-	-	40,695,225	40,672,529	107,022,963	106,913,244
Equity Securities:														
Beginning value 3/1/96	52,450	71,283	59,489	58,274	13,417,909	16,346,181	4,389,245	5,159,563	7	281,715	-	-	17,919,100	21,917,016
Increase/(Decrease)	-	11,001	511,490	501,232	352,162	1,695,771	(3,305,694)	(3,556,757)	(4)	(281,712)	-	-	(2,442,046)	(1,630,465)
Ending value 5/31/96	52,450	82,284	570,979	559,506	13,770,071	18,041,952	1,083,551	1,602,806	3	3	-	-	15,477,054	20,286,551
Other:														
Beginning value 3/1/96	-	-	4	4	7	7	-	-	-	-	-	-	11	11
Increase/(Decrease)	-	-	-	-	39,204	39,204	5,137,409	5,137,409	-	-	-	-	5,176,613	5,176,613
Ending value 5/31/96	-	-	4	4	39,211	39,211	5,137,409	5,137,409	-	-	-	-	5,176,624	5,176,624

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

L. 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 Hicks, Vice-Chairman Smiley
MSA Page EX.C - 1

Business Affairs and Audit Committee: Chairman Smiley, Regent Deily, Regent Hicks
MSA Page BAAC - 1

Academic Affairs Committee: Chairman Lebermann
Regent Evans, Regent Temple
MSA Page AAC - 1

Health Affairs Committee: Chairman Loeffler
Regent Deily, Regent Temple
MSA Page HAC - 1

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

M. RECONVENE AS COMMITTEE OF THE WHOLE

N. 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
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 551.072
3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
 - a. U. T. System: Consideration of Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1997, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Authorization for the Chancellor to Make Editorial Corrections Therein
 - b. U. T. M.D. Anderson Cancer Center: Consideration of Recommendation of Hearing Tribunal Regarding Termination of Tenured Faculty Member

O. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

REPORT

The Board for Lease of University Lands met on May 14, 1996, at the Center for Energy and Economic Diversification in Midland, Texas, for a general business meeting and to hold Regular Oil and Gas Lease Sale No. 89 and Frontier Oil and Gas Lease Sale No. 89-A on Permanent University Fund lands.

Following is a report on the results of the lease sales:

- a. Regular Oil and Gas Lease Sale No. 89:
50,596 acres of Permanent University Fund lands were nominated for lease. Bonuses in the amount of \$3,626,370 were paid for leases covering 43,141 acres. No bids were received on 7,455 acres.
- b. Frontier Oil and Gas Lease Sale No. 89-A:
All available Frontier acreage (467,926 acres in El Paso, Hudspeth, and Terrell Counties) was offered for lease. No bids were received.

Following is a report on the general business meeting:

- a. Approved the Minutes of the Board for Lease meeting of November 14, 1995
- b. Approved tracts offered and opening of bids received for the Regular Oil and Gas Lease Sale No. 89 and the Frontier Oil and Gas Lease Sale No. 89-A
- c. Approved the recommended procedures and terms for Regular Oil and Gas Lease Sale No. 90 and Frontier Oil and Gas Lease Sale No. 90-A to be held on November 12, 1996
- d. Received a report on the take in-kind crude oil sale held April 17, 1996, and approved continuation of the take in-kind crude oil royalty program as currently managed. The take in-kind crude oil program now represents approximately 60% of University royalty oil production. Since the program's inception in 1990, there has been a total net revenue enhancement of \$5,070,743.
- e. Received a report on the take in-kind gas royalty sale held December 1, 1995, and approved continuation of the take in-kind gas royalty program as currently managed. The take in-kind gas royalty program represents approximately 7% of University royalty gas production.

- f. Authorized preparation of proposed legislation, as necessary, to permit the Board for Lease to allow annual reports and payments by operators for leases from which royalties are below a certain amount
- g. Authorized the opening of bids for the next lease sale in Midland on November 11, 1996. Award of winning bids will be at the business meeting of the Board for Lease to be held November 12, 1996, in Austin. From this time forward, the Board for Lease alternately will hold its general meetings in connection with the lease sales in Midland and Austin.
- h. Approved all high bids received for acreage offered in the Regular Oil and Gas Lease Sale No. 89 and the Frontier Oil and Gas Lease Sale No. 89-A. Tie bids received for a tract in Andrews County were rejected.

P. REPORT OF SPECIAL COMMITTEES

Santa Rita Award Committee: Chairman Rapoport

Q. SCHEDULED EVENTS

1. Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
November 14, 1996	U. T. Southwestern Medical Center - Dallas
February 13, 1997	Austin (No host)
May 8, 1997	U. T. Health Science Center - San Antonio
August 14, 1997	U. T. Dallas
November 13, 1997	U. T. Brownsville

2. Other Events

September 12, 1996	U. T. M.D. Anderson Cancer Center: Annual Faculty Honors Convo- cation
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R. OTHER BUSINESS

S. ADJOURNMENT

1997 CALENDAR

January 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	February 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	March 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	April 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
May 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	June 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	July 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	August 1997 S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
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Executive Committee

EXECUTIVE COMMITTEE
Committee Chairman Rapoport

Date: August 8, 1996

Time: Following the reconvening of the Board of Regents
at 1:00 p.m. or upon recess of Executive Session

Place: Room 401, Robert R. Muntz Library, U. T. Tyler

Page
Ex.C

U. T. System: Recommended Approval of
Executive Committee Letters 96-15
Through 96-21 Via the Chancellor's
Docket Process

2

U. T. System: Recommended Approval of Executive Committee Letters 96-15 Through 96-21 Via the Chancellor's Docket Process.--

At its meeting in December 1994, the Board authorized the approval/ratification of Executive Committee Letters via The University of Texas System Administration Docket effective with the May 1995 meeting of the Board. Therefore, Executive Committee Letters 96-15 through 96-21, which have been distributed since the May 1996 meeting of the Board and which have received the prior approval of the Executive Committee, appear in the U. T. System Administration Docket on Pages ECL 1 - 9 and will be approved/ratified on the agenda of the Business Affairs and Audit Committee as set out on Page BAAC - 2 of the Material Supporting the Agenda.

Business Affairs & Audit Committee

BUSINESS AFFAIRS AND AUDIT COMMITTEE
Committee Chairman Smiley

Date: August 8, 1996
Time: Following the meeting of the Executive Committee
Place: Room 401, Robert R. Muntz Library, U. T. Tyler

	<u>Page</u> <u>BAAC</u>
1. U. T. System: Recommendation to Approve <u>Chancellor's Docket No. 86</u>	2
2. U. T. Board of Regents: Proposed Amendments to the Regents' <u>Rules and Regulations</u> , Part Two, Chapter V, Section 3 (Employee Training, Education, and Development)	2
3. U. T. Board of Regents: Request to Amend the Guidelines Governing Administration of the Revenue Financing System; Approve an Aggregate Amount of Equipment Financing for Fiscal Year 1997; and Approve the Use of Revenue Financing System Parity Debt, Receipt of Cer- tification, and Finding of Fact with Regard to Financial Capacity	5
4. U. T. System: Recommended Approval of Non- Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1997, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Cur- rent Funds, and Medical and Dental Services, Research and Development Plans and Authoriza- tion for the Chancellor to Make Editorial Corrections Therein; and Approval of Permanent University Fund Bond Proceeds Reserve Alloca- tion for Library, Equipment, Repair and Reha- bilitation Projects	10

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 86.--

RECOMMENDATION

It is recommended that Chancellor's Docket No. 86 be approved.

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

2. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter V, Section 3 (Employee Training, Education, and Development).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part Two, Chapter V, Section 3 regarding Employee Training, Education, and Development be amended as set forth below in congressional style:

Sec. 3. Employee Training, Education, and Development.

3.1

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3.2

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3.4

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3.5

. . .

3.6 Higher Education Tuition Support Program.

3.61 Definition: This program will provide financial assistance for graduate or undergraduate level training leading to a degree. It provides for [~~full-time-or-part-time~~] student enrollment and is to be for selected, qualified employees of the U. T. System. This program will be provided on the basis of institutional need and to the extent funds are available.

3.62 Objective: To provide a college or university education for qualified employees as specifically required in their areas of employment.

- 3.63 Program Elements: This training is to provide [~~full-time-or-part-time~~] student enrollment in a graduate or undergraduate program leading to a degree that directly relates to that employee's current or future employment.
- 3.64 Administration: Eligibility Requirements.
- 3.641 Selected employees must have necessary academic qualifications to meet all entrance requirements of the college or university where training is provided.
- 3.642 Degree training must be directly related to an existing job or job series.
- 3.643 Selected employees should be scheduled for appointment to a job requiring the degree training on completion of schooling.
- 3.644 Selected employees must meet requirements and be recommended through the chief administrative officer and approved by the institutional human resources/personnel director or the Director of the Office of Human Resources.
- 3.645 Selected employees on educational stipend shall be considered as employees and accrue [~~on-official leave-of-absence-while-in student-status--V~~] vacation, sick leave, group insurances, and other benefits while in a student status [~~will-be-governed under-appropriate-rules regarding-such-official leaves-of-absence~~].
- 3.646 Participating employees must receive grades of "C" or better in undergraduate classes and "B" or better in graduate courses to continue eligibility.
- 3.65 Administration: Obligations. Employees who receive financial assistance under this program, in completion of either undergraduate or advanced degrees, will be obligated to fulfill the following terms and conditions:
- 3.651 An agreement to be bound by the rules and regulations contained herein and such other policies, rules, and procedures as may be promulgated by the employing entity.

- 3.652 An agreement to return to the employing entity upon graduation and attainment of the degree and to remain in the employment for a period of time subsequent to graduation that is proportionate either to the period of time the employee has received financial assistance to attend college or university or to the amount of financial assistance received, or at the institution's option.
- 3.653 An agreement to execute a formal obligatory document between the employing entity and the recipient of assistance under this program, to repay in a lump sum or such alternate arrangement as the employing entity may prescribe, the amount of money expended for the cost of such college education if the individual for any reason, except circumstances beyond the individual's control, fails to complete the training or otherwise defaults in any provision of the agreement or agreements.

3.7 In-Service Training and Education Program [Human Resource-Development-Program].

- 3.71 Definition: Human resource development may include on-the-job training, training in preparation for future job responsibilities, and continuing training programs that are designed to increase job effectiveness.
- 3.72 Objectives: To equip an individual to perform job specific tasks and/or to equip the employee to deal with new technological and legal developments, to develop additional work capabilities, or increase the employee's level of effectiveness.

.....

BACKGROUND INFORMATION

Section 3, Chapter V, Part Two of the Regents' Rules and Regulations was last amended in December 1994 to bring the available employee training, education, and development programs in compliance with codification of underlying statutory authorization at Sections 656.041 et seq. of the Texas Government Code (formerly Article 6252-11a) and to simplify and replace unclear or outdated language. These proposed amendments, which set out clearer guidelines to be followed by component institutions when adopting an applicable program, have been reviewed by each component institution's chief administrative officer and by The University of Texas System Administration. After approval by the U. T. Board of Regents, the amended policy will be submitted to the Governor for final approval as required by the Texas Government Code.

3. U. T. Board of Regents: Request to Amend the Guidelines Governing Administration of the Revenue Financing System; Approve an Aggregate Amount of Equipment Financing for Fiscal Year 1997; and Approve the Use of Revenue Financing System Parity Debt, Receipt of Certification, 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:

- a. Amend the Guidelines Governing Administration of the Revenue Financing System as follows:
 5. Member Institution Duties
 -
 - g. Each member shall annually file a report with the Office of Business Affairs on any project financed with Revenue Financing System Debt [~~auxiliary-enterprise-project~~] which shall have materially failed to meet its original projections and, during the previous fiscal year, did not produce sufficient revenues, along with dedicated supplemental revenues, after all expenditures, based on the originally proposed method of finance, to at least meet its required allocation of Revenue Financing System debt service.

. . . .

9. Equipment Purchases Funded Through the Revenue Financing System

Equipment purchases authorized by the U. T. Board of Regents to be funded through the Revenue Financing System will be approved in aggregate amount by component institution at the beginning of each fiscal year. The minimum aggregate amount is \$100,000 per component institution and allows for several smaller equipment purchases to be commingled to achieve the minimum amount. Each piece of equipment must have a useful life of not less than 3 years. The equipment will be purchased from the vendor by the component institution and Revenue Financing System debt will be issued on the first business day of each November, February, May, and August to reimburse the component institution for the equipment purchases. The debt will be amortized each February 15 and August 15 with full amortization not to exceed ~~ten~~ [seven] years.

- b. Approve an aggregate financed amount of \$33,698,000 under the Revenue Financing System for equipment to be purchased in Fiscal Year 1997 by the following U. T. System component institutions:

\$ 3,000,000 - U. T. Arlington
\$ 2,500,000 - U. T. Austin
\$ 980,000 - U. T. Brownsville
\$ 2,250,000 - U. T. El Paso
\$ 2,270,000 - U. T. San Antonio
\$10,638,000 - U. T. Medical Branch - Galveston
\$ 5,300,000 - U. T. Health Science Center - Houston
\$ 500,000 - U. T. Health Science Center -
San Antonio
\$ 1,000,000 - U. T. M.D. Anderson Cancer Center
\$ 5,260,000 - 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 - 8, the U. T. Board of Regents resolves 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 their 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 \$33,698,000 for the purchase of equipment
- 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 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 agenda item requests approval of an aggregate amount of \$33,698,000 of equipment financing for Fiscal Year 1997. With the issuance of the equipment debt, the debt service coverage for U. T. System is projected to range from 2.2 - 2.5 for Fiscal Years 1997-2000 (See Page BAAC - 9). 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.

Amending the Guidelines Governing Administration of the Revenue Financing System ("Guidelines") to extend the full amortization period from seven years to ten years will allow a proper matching of useful life with the term of debt. Projects with a useful life of ten years include such projects as fiber optic cable and other technology infrastructure. The Guidelines are also being amended to clear ambiguity regarding annual reporting.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991 and amended on October 8, 1993 (the "Master Resolution"), do hereby execute this certificate for the benefit of the 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. Brownsville, U. T. El Paso, U. T. San Antonio, U. T. Medical Branch - Galveston, U. T. Health Science Center - San Antonio, U. T. Health Science Center - Houston, U. T. M.D. Anderson Cancer Center, U. T. Health Center - Tyler, 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, the Second Supplemental Resolution, the Third Supplemental Resolution, and the Fourth Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution, the Second Supplemental Resolution, the Third Supplemental Resolution, and the Fourth Supplemental Resolution.

EXECUTED this 8 day of August, 1996

John A. Beane
Assistant Vice Chancellor for Finance

**The University of Texas System
FY 97 Equipment Financing
(\$ in millions)**

	(1) Equip. Financing	(2) Maximum Annual Equip. Debt Service	(3) Projected Fund Bal FY 97 (mil.)	(4) Total Debt Service as a % of Total Expenses FY 97	(5) Source of Repayment
UT Arlington	3.000	0.750	32.9	5.59%	Gen Fee
UT Austin	2.500	0.482	106.4	4.28%	Gen Use Fee
UT Brownsville	0.980	0.245	2.9	0.79%	HEAF
UT El Paso	2.250	0.433	16.0	5.18%	Gen Fee
UT San Antonio	2.270	0.491	11.1	6.81%	Gen Fee
Total Academics	11.000	2.401			
UT Galveston Medical Branch	10.638	2.304	126.2	0.53%	Gen Rev & Patient Income
UTHSC Houston	5.300	1.312	115.4	2.40%	Gen Rev & Institutional Funds
HC Tyler	5.260	1.195	6.8	1.69%	Patient Income
M.D. Anderson	1.000	0.193	416.7	1.09%	Patient Income
UTHSC San Antonio	0.500	0.125	57.8	0.77%	Institutional Funds
Total Health	22.698	5.004			
Totals	33.698	7.405			

	<u>Actual</u>		<u>Forecast</u>				
	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
U.T. System							
Available Revenues	3,226.4	3,439.7	3,640.9	3,720.7	3,792.2	3,811.6	3,878.0
Operating Expenditures	(3,033.6)	(3,239.9)	(3,404.1)	(3,513.0)	(3,561.3)	(3,580.9)	(3,614.9)
Net Available for Debt Servicing	192.8	199.8	236.8	207.7	230.9	230.7	263.1
Debt Service	(43.1)	(48.9)	(62.1)	(87.9)	(101.4)	(103.2)	(106.3)
Debt Service Coverage	4.5	4.1	3.8	2.4	2.3	2.2	2.5

BAAC - 9

4. U. T. System: Recommended Approval of Non-Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1997, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Authorization for the Chancellor to Make Editorial Corrections Therein; and Approval of Permanent University Fund Bond Proceeds Reserve Allocation for Library, Equipment, Repair and Rehabilitation Projects.--

RECOMMENDATION

The Chancellor, with the concurrence of the appropriate Executive Vice Chancellor and chief administrative officers of the U. T. System component institutions, recommends that the non-personnel aspects of the U. T. System Operating Budgets for the Fiscal Year ending August 31, 1997, including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans be approved.

It is further recommended that the Chancellor be authorized to make editorial corrections therein and that subsequent adjustments be reported to the U. T. Board of Regents through the institutional dockets.

It is also recommended that Permanent University Fund (PUF) Bond Proceeds in the amount of \$10,000,000 from reserves provided in the Fiscal Year 1997 Capital Improvement Program, \$1,000,000 from unused prior year allocations, and \$10,250,000 from special PUF dividend reserves for a total of \$21,250,000 be appropriated for Library, Equipment, Repair and Rehabilitation Projects during the Fiscal Year ending August 31, 1997.

In addition, it is recommended that the U. T. System component institutions be authorized to purchase approved equipment items and library materials and to contract for repair and rehabilitation projects following standard purchasing and contracting procedures within approved dollar limits. Substitute equipment purchases are to receive prior approval by the Chancellor and appropriate Executive Vice Chancellor and, where required, the U. T. Board of Regents. Transfers by the U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements. Final approval of specific repair and rehabilitation projects will be in accordance with Board established procedures for construction projects.

Fiscal Year 1997 funds from these reserves not expended or obligated by contract/purchase order within six months after the close of Fiscal Year 1997 are to be available for future System-wide reallocation unless specific authorization to continue obligating the funds is given by the Executive Vice Chancellor for Business Affairs on recommendation of the President and the appropriate Executive Vice Chancellor.

This item requires the concurrence of the Academic Affairs and Health Affairs Committees.

BACKGROUND INFORMATION

The Chancellor will present a statement in support of the Operating Budget recommendations at the meeting.

See Page EX.S - 1 related to the personnel aspects of the Operating Budgets.

The appropriation of Permanent University Fund Bond Proceeds will be presented with the Fiscal Year 1997 Operating Budget. An allocation of \$10,000,000 provided in the six-year Capital Improvement Program along with \$1,000,000 from unused prior year balances and \$10,250,000 from special Permanent University Fund Bond dividend reserves for a total of \$21,250,000 is being requested for Library, Equipment, Repair and Rehabilitation Projects for Fiscal Year 1997. The allocation of these reserves to the U. T. System component institutions was developed from prioritized lists of projects submitted by the component institutions and reviewed by U. T. System Administration staff.

As required by the Available University Fund (AUF) Spending Policy, a forecast of Revenues and Expenses of the AUF for seven years, including the above allocation, has been prepared and is provided on Page BAAC - 12. The additional appropriation of Permanent University Fund Bond Proceeds for this allocation is within the policy as shown in the forecast.

7/3/96 8:48 AM

AVAILABLE UNIVERSITY FUND OPERATING STATEMENT
ACTUAL AND FORECAST DATA
(MILLIONS)

CASH BASIS**UTIMCO PROJ. (6/96) - 97%**

	Actual			Forecast Data							
	FYE 93	FYE 94	FYE 95	FYE 96	FYE 97	FYE 98	FYE 99	FYE 00	FYE 01	FYE 02	
Investment Income	250.3	242.3	249.5	239.4	240.0	245.6	245.2	245.3	243.6	245.2	
Surface & Other Income	5.2	5.2	4.4	3.7	3.9	3.5	3.4	3.4	3.4	3.4	
Earnings - 50 Leagues Land	-0.1	-0.1	-0.1								
Exp. of Revenue Bearing Property	-10.3	-9.8	-9.9	-11.6	-10.1	-10.5	-10.9	-11.3	-11.8	-12.3	
Net Divisible Income	245.0	237.6	243.9	231.6	233.8	238.6	237.7	237.4	235.2	236.3	
UT Share (2/3)	163.3	158.4	162.6	154.4	155.9	159.1	158.5	158.2	156.8	157.6	
AUF Interest Income	4.1	3.4	4.5	4.0	4.0	3.9	3.7	3.8	3.8	3.8	
Earnings - 50 Leagues Land	0.1	0.1	0.1								
Income Available to UT	167.5	161.9	167.2	158.4	159.9	163.0	162.2	162.0	160.6	161.4	
Debt Service (PUF)	-63.6	-65.3	-67.4	-58.5	-58.3	-65.4	-67.1	-68.0	-68.4	-69.7	
Transfer to Prairie View	-6.0	-6.0	-1.3								
Debt Service (Bldg. Rev)	-3.8	-3.8	-3.8	-3.8	-3.8	-3.7	-3.4	-3.4	-3.4	-3.4	
System Adm. Expenses	-10.4	-9.8	-9.1	-10.2	-10.2	-10.5	-10.8	-11.2	-11.5	-11.8	
System Adm. Capital Budget	0.0	0.0	-0.6	-4.0	-1.3	-0.5	-0.5	-0.5	-0.5	-0.5	
CHPC & Telecommunications	-3.9	-3.0	-1.9	-0.8	-0.8	-0.8	-0.8	-0.8	-0.9	-0.9	
Additional non-divisible expenditures	-3.3	-3.8	-4.1	-3.7	-6.1	-6.3	-6.5	-6.7	-6.9	-7.1	
UT Austin	-80.2	-78.0	-75.0	-74.8	-74.4	-73.0	-73.0	-73.0	-73.0	-73.0	
Other Transfers and Changes	-1.7	0.0	1.3	-3.6	1.1	-14.7	2.2	2.2	4.1	5.1	
Total Expenditures	-172.9	-169.8	-161.9	-159.3	-153.9	-174.9	-160.0	-161.4	-160.4	-161.3	
Net Surplus/(Deficit)	-5.3	-7.8	5.3	-1.0	5.9	-11.9	2.2	0.6	0.2	0.1	
Ending AUF Fund Balance - Reserve	53.2	45.4	50.7	49.7	55.7	43.7	46.0	46.6	46.8	46.8	
UT Austin Share	48%	48%	45%	47%	47%	45%	45%	45%	45%	45%	
Unused Constitutional Debt Limit	206.2	222.9	284.3	289.7	280.3	326.2	360.6	403.5	466.3	541.3	
PUF Debt Service Coverage	2.63:1	2.48:1	2.48:1	2.71:1	2.74:1	2.49:1	2.42:1	2.38:1	2.35:1	2.32:1	

Includes M.O.U. Project reimbursements ("Other Transfers and Changes") beginning in FY96

Academic Affairs Committee

ACADEMIC AFFAIRS COMMITTEE
Committee Chairman Lebermann

Date: August 8, 1996
Time: Following the meeting of the Business Affairs and
Audit Committee
Place: Room 401, Robert R. Muntz Library, U. T. Tyler

	<u>Page</u> <u>AAC</u>
1. U. T. Board of Regents: Proposed Appointment of Regental Representatives to U. T. Austin Intercollegiate Athletics Council for Men and Intercollegiate Athletics Council for Women Effective September 1, 1996	3
2. U. T. Board of Regents: Proposed Inclusion of Minimum Faculty Academic Workload Requirements for General Academic Institutions within the Regents' <u>Rules and Regulations</u> , Part One, Chapter III, Section 36 to Replace a Previous Regental Policy on Minimum Faculty Teaching Requirements and Recommendation to Delete Current Section 36 (Staff Benefits)	4
3. U. T. System: Request for Authorization to Submit Distance Learning Plans and Plan Amendments to the Coordinating Board on Behalf of the Component Institutions	11
4. U. T. System: Repeal of Policy for Student Deposit Endowment Fund and Authorization to Dissolve Quasi-Endowments	13
5. U. T. Austin: Jack Eckerd Centennial Fellowship in Pharmacy in the College of Pharmacy - Recommendation to Accept Additional Pledge and Redesignate as the Stewart Turley/Eckerd Corporation Centennial Endowed Professorship in Pharmacy	14
6. U. T. Austin: Recommendation to Accept Pledge to Establish the Bernard and Audre Rapoport Endowment for International and Multidisciplinary Studies in the College of Liberal Arts	14
7. U. T. Austin: Request for Authorization to Establish a Master of Arts Degree in Human Resource Development Leadership and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change)	15

- | | | |
|-----|---|----|
| 8. | U. T. El Paso: Request for Authorization to Establish a Bachelor of Science Degree in Occupational Therapy and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change) | 17 |
| 9. | U. T. El Paso: Request for Authorization to Establish a Master of Physical Therapy Degree and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change) | 20 |
| 10. | U. T. Tyler: Request for Authorization to Establish Bachelor of Science Degrees in Electrical Engineering and in Mechanical Engineering and a Master of Engineering Degree and to Submit the Proposed Degree Programs to the Coordinating Board for Approval (Catalog Change) | 23 |

INFORMATIONAL REPORTS

- | | | |
|----|---|----|
| 1. | U. T. Austin: Report on Amendments to Undergraduate Admissions Policy | 26 |
| 2. | U. T. System: Report on Student Cost/Student Financial Aid | 26 |

1. U. T. Board of Regents: Proposed Appointment of Regental Representatives to U. T. Austin Intercollegiate Athletics Council for Men and Intercollegiate Athletics Council for Women Effective September 1, 1996.--

RECOMMENDATION

Chairman Rapoport, with the concurrence of President Berdahl, recommends the appointment of the following as Regental representatives to the U. T. Austin Intercollegiate Athletics Council for Men and the Intercollegiate Athletics Council for Women each for a four-year term beginning September 1, 1996:

- a. Mr. Robert K. Moses, Jr., Houston, Texas, to succeed Mr. Baker Montgomery on the Intercollegiate Athletics Council for Men
- b. George Willeford III, M.D., Austin, Texas, to succeed Mr. George O. Nokes, Jr., on the Intercollegiate Athletics Council for Women.

BACKGROUND INFORMATION

The U. T. Austin Intercollegiate Athletics Council for Men is a nine member advisory group composed of a student, an ex-student, two Regental appointees and five members of the University General Faculty. The Regental appointments are for four (4) year staggered terms. Mr. Ben Barnes of Austin is the continuing Regental representative.

The Intercollegiate Athletics Council for Women is composed of nine voting members and one nonvoting member as follows: two students (one nonvoting), an ex-student, two Regental appointees and five members of the University General Faculty. The Regental appointments are for four (4) year staggered terms. Ms. Karen R. Johnson of Austin is the continuing Regental representative.

Mr. Moses is a well respected Houston businessman and civic leader who won both All Southwest Conference and All American honors on The University of Texas at Austin football team. He has been active in many aspects of the men's athletic program and is a member of the Littlefield Society, The Chancellor's Council, and a life member of The Ex-Students' Association.

Dr. Willeford is a gastroenterologist in private practice in Austin and is a graduate of U. T. Austin and U. T. Southwestern Medical School - Dallas. He is actively involved in U. T. programs and is a member of The Chancellor's Council and the President's Associates as well as a life member of The Ex-Students' Association. Dr. Willeford and his wife are active supporters of many aspects of the women's athletic program.

Neither Mr. Montgomery nor Mr. Nokes is eligible for reappointment.

2. U. T. Board of Regents: Proposed Inclusion of Minimum Faculty Academic Workload Requirements for General Academic Institutions within the Regents' Rules and Regulations, Part One, Chapter III, Section 36 to Replace a Previous Regental Policy on Minimum Faculty Teaching Requirements and Recommendation to Delete Current Section 36 (Staff Benefits).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the chief administrative officers of the general academic component institutions that the Regental policy on Minimum Faculty Teaching Requirements for general academic institutions be retitled Minimum Faculty Academic Workload Requirements for General Academic Institutions and be included in the Regents' Rules and Regulations, Part One, Chapter III, Section 36 as a replacement for the current brief reference to staff benefits. The proposed changes to current Regental policy are set forth below in congressional style:

Sec. 36. Minimum Faculty Academic Workload Requirements for General Academic Institutions. [MINIMUM-FACULTY TEACHING-LOAD] Each person paid full time from the appropriations item "Faculty Salaries" shall be assigned [teach] a minimum workload equivalent to eighteen [of-nine] semester credit hours of instruction in organized undergraduate classes each nine-month academic year, or fiscal year at an institution's option, in accordance with guidelines [long-term-semester-with-adjustments-permitted-for the-teaching-load-equivalencies] listed below.

When a faculty member is paid partially from a source of funds other than the "Faculty Salaries" line item, the minimum workload shall be proportioned to the percentage of salary paid from the appropriations item "Faculty Salaries."

Teaching assistants shall be used only when given proper guidance and supervision to ensure quality instruction. The minimum faculty workload established below does not apply to graduate teaching assistants or assistant instructors who are pursuing degrees. The institutional head is responsible for assuring that all teaching assistants are carefully supervised.

This policy sets the minimum workload and equivalencies only; an institution may enact more intensive and/or more detailed minimum requirements for inclusion in the institutional Handbook of Operating Procedures, following appropriate approvals. For example, an institution may set individual minimum requirements, consistent with these minimum guidelines, for a specific school or college.

No two institutions in the U. T. System (and, indeed, no two teaching units within a particular institution) are alike in the workload required of individual faculty to meet student needs within the funds appropriated by the Legislature. It is the responsibility of each institutional head to require teaching in excess of the minimum where such teaching is necessary to meet the institution's obligations to its students. Each institution will establish additional standards as necessary in accordance with its role and scope, so long as it satisfies the minimum given herein, to meet the instructional obligations of the institution to the students and to operate effectively within the faculty salary resources available. Faculty members not actively involved in a program of research and publication or in equivalent academic service should typically carry a teaching load greater than the minimum.

State law requires the adoption of rules concerning faculty academic workloads. Texas Education Code, Section 51.402(b) recognizes that important elements of workload include classroom teaching, basic and applied research, and professional development. Workload for U. T. System faculty members is expressed in terms of classroom teaching, teaching equivalencies and presidential credits for assigned activities.

36.1 Teaching Equivalencies. [Adjustments]

36.11[-] Graduate Instruction.

One semester credit hour of graduate instruction will be considered the equivalent of [~~is-equal-to~~] one and one-half semester credit hours of undergraduate instruction.

36.12[-] Specialized Instruction.

One and one-half contact hours of i[?]nstruction of regularly scheduled laboratory and clinical courses, physical activity courses, studio art, studio music instruction, and primary music performance organizations, such as ensembles and marching bands, for each week of a long-term semester will be considered the equivalent [~~shall-provide teaching-load-credit-at-the-rate~~] of one semester credit hour of undergraduate instruction [~~teaching load-credit-for-each-one-and-one-half contact-hours-of-instruction-per-week per-long-term-semester~~].

36.13[-] Supervision.

Supervision of student teachers, clinical supervision, and intern supervision[?] shall be credited such that 12 total student semester credit hours taught will be considered the [~~is~~] equivalent of [~~to~~] one semester credit hour [~~of-teaching-load credit~~].

36.14[-] Practicum and Individual Instruction. Supervision of student practicum and individual instruction courses, such as honors programs and individual research projects, shall provide equivalency [teaching-load credit] at the rate of one-tenth semester credit hour [of-teaching load-credit] for each student semester hour of undergraduate instruction and one-fifth semester hour [of-teaching-load-credit] for each student semester hour of graduate instruction per long-term semester. In no case will individual instruction in a single course generate more semester [teaching load] credit[s] hour equivalence than if the course were taught as a regularly scheduled, organized course.

36.15[-] Thesis and Dissertation Supervision. Graduate thesis or dissertation supervision [Supervision of-graduate-thesis] shall provide [teaching-load] equivalent credit hours only to the chairperson of the thesis or dissertation committee [and] at the rate of one semester credit hour [of-teaching-load-credit] for each six total student semester hours of thesis research credit and at the rate of one semester credit hour [of-teaching-load-credit] for each three total student semester hours of dissertation credit.

36.16[-] Multiple Sections. A faculty member who coordinates several sections of a single course shall be given one semester hour of workload [teaching load] credit for each six sections coordinated up to a maximum of three semester hours of [teaching-load] credit per semester.

36.17[-] Large Classes. Workload c[re]dit may be proportionally increased for teaching a large class that[-which] requires extensive grading or evaluation of students' work by the faculty member according to the following weighing factors:

<u>Class Size</u>	<u>Weighing Factor</u>
59 or less	1.0
60 - 69	1.1
70 - 79	1.2
80 - 89	1.3
90 - 99	1.4
100 - 124	1.5
125 - 149	1.6
150 - 174	1.7
175 - 199	1.8
200 - 249	1.9
250 or more	2.0

[8.-----Credit-for-teaching-may-be-granted for-a-faculty-member-who-is-head-of-a department-or-head-of-a-comparable administrative-unit-up-to-a-maximum of-six-semester-hours-of-teaching-load-credit.---When-justified-by department/unit-head-and-approved-by the-institutional-head,-an-additional three-hours-of-teaching-load-credit may-be-given-to-faculty-members-who provide-academic-services-to-the-unit head,-but-in-no-case-will-the-total for-departmental-administration, including-the-head,-exceed-nine teaching-load-credits.]

9.-----At-the-discretion-of-the-head-of-the department-or-comparable-unit,-and upon-approval-of-the-institutional head,-up-to-three-semester-hours-of teaching-load-credit-for-each-of-two semesters-may-be-given-to-a-newly-appointed-faculty-member-during-the first-year-of-employment-for-the purpose-of-developing-instructional materials-for-the-courses-he-or-she will-teach.]

36.18 Team Teaching. When more than one teacher participates in the instruction of [in] a single course, the [teaching-load] credit is proportioned according to the effort expended. [Also,-when-a-faculty member-is-paid-partially-from-a source-of-funds-other-than-the "Faculty-Salaries"-line-item,-the minimum-teaching-workload-shall-be proportioned-to-the-percentage-of salary-paid-from-the-appropriations item-"Faculty-Salaries-"]

36.19 Insufficient Enrollment. [Exceptions 1.] A reduced workload [teaching load] may be granted temporarily if assigned classes do not materialize because of insufficient enrollment and when additional classes or other academic duties cannot be assigned to the faculty member. This exception may [only] be granted for two consecutive long-term semesters only for any particular faculty member. [2.-Limited-faculty-teaching-load credit-may-be-granted-with-approval of-the-institutional-head-for-major academic-advising-responsibilities, for-preparing-major-documents-in-the fulfillment-of-programmatic-needs-or accreditation-requirements,-or-for duties-performed-in-the-best-interest of-the-institution's-instructional programs-as-determined-by-the-head-of the-institution.]

36.2 Other Equivalencies.

- 36.21 Administrative Assignments. Workload credit may be granted for a faculty member who is head of a department or head of a comparable administrative unit up to a maximum of six semester hours of workload credit per semester. When justified by the department/unit head and approved by the institutional head, three hours of credit may be given to faculty members who provide nonteaching academic services to the department/unit head. In no case will the total for departmental administration, including the head, exceed nine workload credits per semester unless the institution's organizational structure includes academic units composed of more than one academic discipline.
- 36.22 New Faculty. At the recommendation of the head of the department or comparable unit and upon approval of the institutional head, up to three semester hours of workload credit for each of two semesters may be given to a newly-appointed faculty member during the first year of employment for the purpose of developing instructional materials for the courses he or she will teach.
- 36.23 New Course Development. At the recommendation of the departmental chair and upon approval of the institutional head, workload credit may be granted to a faculty member involved in the creation of a new course, new course format, or new course materials.
- 36.24 Presidential Credits. Academic workload [Teaching-load] credit granted by the head of the institution for all other [such] purposes is limited to 1% of the total semester credit hours taught at the institution during the comparable (fall or spring) semester in the previous year. With the approval of the institutional head, limited faculty workload credit (within the 1% limit above) may be granted for major academic advising responsibilities, for basic and applied research following a research work plan approved pursuant to institutional policy, for preparing major documents in the fulfillment of programmatic needs or accreditation requirements, or for duties performed in the best interest of the institution's instructional programs as determined by the head of the institution. [NOTE:--This-is-one-3-hour-undergraduate-course-teaching-load-credit-per-semester-for-each-300-total-semester-credit-hours-taught--]

~~Salary-payments-for-intercollegiate coaching-activities-may-not-come-from the-appropriation-item-"Faculty Salaries."~~

36.25 Faculty with Technical Rank.
Instructional workload equivalents for faculty members holding technical rank may be determined on a clock-hour basis where full-time employment is equivalent to not less than 30 hours of instructionally related activities each week for contact hour courses taught on a quarterly basis.

36.3 Compliance.

36.31 The chief administrative officer [~~institutional-head~~] shall designate the officer of the institution who will monitor workloads, review workload reports, and submit the reports to the institutional head for approval and comment, as appropriate, prior to submitting the reports to the Board of Regents through System Administration following the standard reporting format and deadlines as provided by the Texas Higher Education Coordinating Board in accordance with Section 51.402 [~~of Subchapter-H, Chapter-51~~] of the Texas Education Code and any applicable riders in the current General [~~legislative~~] Appropriations Act [~~Bill~~].

36.32 Every faculty member's compliance with these minimum academic workload [~~teaching~~] requirements shall be assessed each academic year [~~long-term-semester~~]. If a faculty member is found to be out of compliance [~~during-any-semester~~], the institution shall take appropriate steps to address the noncompliance and to prevent such noncompliance in the future.

[~~Sec.-36.--Staff-Benefits.--For-other-staff-benefits,--see-Part Two-hereof.~~]

BACKGROUND INFORMATION

The language proposed for inclusion in the Regents' Rules and Regulations, Part One, Chapter III, Section 36 is based upon the Minimum Faculty Teaching Requirements Policy included annually in each general academic institution's operating budget. New introductory paragraphs added to Section 36 are primarily derived from interpretive comments included in the Minutes of the U. T. Board of Regents' August 1978 meeting as a preamble to the policy. Most of the current text is retained but has been reordered for clarity. Thus, some

language shown as deleted actually appears later in the document as new language. Proposed amendments include deletion of unnecessary language in the current Section 36 on an unrelated topic and modification to the current policy to include authorization to allow the minimum requirements to be achieved over an academic year rather than in each long semester; to allow credit for basic and applied research activities; to allow credit for development of new courses, new course materials, or new course formats specifically; and to cover acceptable workload equivalencies for faculty with technical rank teaching occupational/technical courses at U. T. Brownsville. U. T. System staff have confirmed that the change from semester by semester compliance to annual compliance will not be problematic under current Coordinating Board reporting requirements for academic duties and services. The example of maximum presidential teaching load credits at Subsection 36.24 is deleted as unnecessary. In addition, a change to the title of the policy and minor conforming amendments are proposed to be consistent with Texas Education Code, Section 51.402 related to academic workload.

The proposed changes have also been reviewed by the chief administrative officers of the general academic institutions and were reviewed by the U. T. System Faculty Advisory Council at its June 27-28, 1996 meeting. The Faculty Advisory Council approved the proposed policy revisions but suggested additional amendments be considered related to special academic service performed by faculty. That review has been initiated and further revisions to this policy, as appropriate, will be recommended at a future meeting of the U. T. Board of Regents.

The original policy was first adopted by the U. T. Board of Regents at the August 1978 meeting and was last amended in May 1995. As the current minimum teaching load policy is the same for all general academic institutions, it is being proposed for easier reference and broader access via inclusion in the Regents' Rules and Regulations. The health institutions publish academic service standards for faculty in each institution's Handbook of Operating Procedures.

Upon approval, the new policy will be sent to the Texas Higher Education Coordinating Board for information and will be included in each institution's operating budget as required by Texas Education Code, Section 51.402.

3. U. T. System: Request for Authorization to Submit Distance Learning Plans and Plan Amendments to the Coordinating Board on Behalf of the Component Institutions.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that:

- a. The appropriate Executive Vice Chancellor be authorized to review and approve on behalf of the U. T. Board of Regents all institutional distance learning plans and amendments thereto
- b. The appropriate Executive Vice Chancellor be authorized to submit those distance learning plans to the Texas Higher Education Coordinating Board on behalf of the component institutions and the U. T. Board of Regents for review and approval
- c. U. T. Arlington specifically be authorized to deliver its Bachelor of Science in Nursing program on the campus of Trinity Valley Community College in Kaufman, Texas, as a part of the U. T. Arlington distance learning plan
- d. U. T. Dallas specifically be authorized to deliver its Master of Business Administration degree program to MBNA American Bank, N.A., at its premises in Dallas at no cost to the State as a part of the U. T. Dallas distance learning plan.

Upon approval by the Coordinating Board, the next appropriate catalogs published at U. T. Arlington and U. T. Dallas will be amended as necessary to reflect this action.

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

In April 1996, the Texas Higher Education Coordinating Board adopted revised Rules and Regulations (Chapter 5, Subchapter H) concerning distance learning. The new provisions replace separate subchapters that had addressed "Telecommunications" and "Delivery of Courses Off-Campus."

The new rules require each institution to file annually a distance learning plan covering all instruction which is intended to be delivered either by telecommunications or by conventional classroom instruction off-campus. The rules further provide for amending the annual plan during a year either by action of the full Coordinating Board through what is referred to as an "expansion of authority" or by approval of the Commissioner to offer selected courses on a temporary basis under what is referred to as "experimental authority."

To minimize potential delays, it is recommended that the U. T. Board of Regents delegate authority to approve distance learning requests to the appropriate Executive Vice Chancellor so that the request may be promptly forwarded to the Coordinating Board. Only courses and programs already approved for delivery on campus would be approved for inclusion in the distance learning plans. Proposals for entirely new programs would continue to be submitted for Regental approval via the regular agenda.

Another feature of the Coordinating Board Rules is a requirement that any degree program to be offered in its entirety off-campus must be specifically approved by the Coordinating Board. Complete program delivery cannot be authorized by the Commissioner under the "experimental authority." To avoid any risk that the Coordinating Board might reject requests for such off-campus degree program deliveries if such programs have not been explicitly approved by the U. T. Board of Regents, this agenda item also includes two specific proposals for off-campus degree program delivery.

U. T. Arlington seeks authority to deliver its Bachelor of Science in Nursing degree program on the campus of Trinity Valley Community College in Kaufman, Texas. This well established degree program has been requested by the community primarily to serve associate degree nurses currently practicing in the area. Most of those practicing nurses are graduates of the two-year program at Trinity Valley Community College.

U. T. Dallas wishes to deliver its existing Master of Business Administration program to the employees of MBNA America Bank, N.A., at their corporate headquarters, located approximately six miles from campus in Dallas. MBNA America Bank would pay the full cost of delivering this program to their employees, all of whom would be admitted to the program under the same criteria used for the regular on-campus program. Furthermore, all students in the off-campus program would have full access to library and computer services on campus.

Copies of the proposals from U. T. Arlington and U. T. Dallas for Expansions of Authority to deliver these full degree programs are on file in the U. T. System Office of Academic Affairs.

4. U. T. System: Repeal of Policy for Student Deposit Endowment Fund and Authorization to Dissolve Quasi-Endowments.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that the Policy for Student Deposit Endowment Fund as approved by the U. T. Board of Regents at the February 1989 meeting and amended in August 1993 and April 1994 be repealed. It is further recommended that an institution desiring to dissolve a quasi-endowment funded with general property deposits and established pursuant to the 1989 policy or existing at the time of the February 1989 action may do so upon review and approval by the appropriate Executive Vice Chancellor and the Vice Chancellor for Development and External Relations.

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

At its February 1989 meeting, the U. T. Board of Regents standardized procedures related to long-standing institutional practices at U. T. Austin and U. T. El Paso and extended the establishment of a Student Deposit Endowment Fund to all U. T. System component institutions collecting a general property deposit. Such quasi-endowments were established at all U. T. System general academic components and at the U. T. Health Science Center - Houston.

Since 1993, following passage of House Bill 982 amending Section 54.5021 of the Texas Education Code, no further forfeited general property deposits may be added to the endowment funds. However, endowment funds in existence may be maintained. The legislation also deleted statutory language that specifically allowed direct expenses for the administration of the student deposit fund to be paid from the fund.

These statutory changes and current budgetary pressures indicate that continued maintenance of the funds may not be in the best interest of all institutions. The proposed recommendation to repeal the policy is consistent with current law. The recommendation also authorizes a procedure for administrative approval for those institutions desiring to dissolve a quasi-endowment established with forfeited general property deposit monies pursuant to the 1989 policy.

Upon approval of the recommendation, institutional policies will be amended to reflect the U. T. Board of Regents' action.

5. U. T. Austin: Jack Eckerd Centennial Fellowship in Pharmacy in the College of Pharmacy - Recommendation to Accept Additional Pledge and Redesignate as the Stewart Turley/Eckerd Corporation Centennial Endowed Professorship in Pharmacy.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Development and External Relations, and President Berdahl that a \$50,000 pledge, payable by December 31, 1998, from the Eckerd Corporation, Clearwater, Florida, be accepted for addition to the Jack Eckerd Centennial Fellowship in Pharmacy in the College of Pharmacy at U. T. Austin for a total endowment of \$119,850 and that the Fellowship be redesignated as the Stewart Turley/Eckerd Corporation Centennial Endowed Professorship in Pharmacy.

BACKGROUND INFORMATION

The Jack Eckerd Centennial Fellowship in Pharmacy at U. T. Austin was established at the February 1983 meeting of the U. T. Board of Regents with matching funds from The Centennial Teachers and Scholars Program in the amount of \$55,000.

Although a 100% pledge is an exception to the U. T. System Gifts Policy Guidelines, acceptance is recommended in order to fully recognize the Eckerd Corporation's total pledge to the College of Pharmacy at U. T. Austin, which by prior administrative approval has also funded an Endowed Presidential Scholarship. Additionally, acceptance of the pledge and redesignation of the endowment will allow the donor to honor Mr. Stewart Turley near to the time of his recent retirement as Chairman of Eckerd Corporation.

6. U. T. Austin: Recommendation to Accept Pledge to Establish the Bernard and Audre Rapoport Endowment for International and Multidisciplinary Studies in the College of Liberal Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Development and External Relations, and President Berdahl that a perpetual pledge of one-sixth of the total annual distributions of the Bernard and Audre Rapoport Foundation, Waco, Texas, with the first distribution of \$500,000 payable by January 31, 1997, be accepted to establish the Bernard and Audre Rapoport Endowment for International and Multidisciplinary Studies in the College of Liberal Arts at U. T. Austin.

Approximately 75% of annual endowment distributions will be used to support need-based scholarships, with emphasis on supporting participation in study and research abroad opportunities. The remaining approximately 25% of annual endowment distributions will be used to support multidisciplinary study and research according to priorities set by the Dean of the College of Liberal Arts.

During each of the first four years, \$50,000 of the distributed amounts will be added to the existing Audre and Bernard Rapoport Regents Chair of Liberal Arts in the College of Liberal Arts at U. T. Austin.

BACKGROUND INFORMATION

The first pledge payment for this important endowment will be received in January 1997. The establishment of this unique endowment is in recognition of the donors' extraordinary generosity and their strong, continuous commitment to the fundamental values of a broad, general education in the liberal arts.

Mr. and Mrs. Bernard (Audre) Rapoport, Waco, Texas, are Trustees of the Bernard and Audre Rapoport Foundation, Waco, Texas. The Rapoport family are leading supporters of the U. T. System and of higher education and research in Texas and the nation. Mr. Rapoport has been a member of the U. T. Board of Regents since 1991, and its Chairman since 1993.

7. U. T. Austin: Request for Authorization to Establish a Master of Arts Degree in Human Resource Development Leadership 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 Berdahl that authorization be granted to establish a Master of Arts degree in Human Resource Development Leadership at U. T. Austin. Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for review and appropriate action. Implementation of the proposed program is planned for Fall 1996, or as soon thereafter as approvals may be granted. The proposed program is consistent with U. T. Austin's Strategic Plan and 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. Austin will be amended to reflect this action.

BACKGROUND INFORMATION

Program Description

The proposed Master of Arts degree with a major in Human Resource Development Leadership builds upon a human resource development emphasis which has existed for over twenty years in the College of Education. The human resource development courses were originally developed in the Department of Curriculum and Instruction, were subsequently transferred to the Department of Educational Administration, and, more recently, transferred back to the Department of Curriculum and Instruction.

The College of Education faculty who teach the human resource development courses have now joined with a group of faculty in the Graduate School of Business to propose offering a degree program with a new title, Master of Arts in Human Resource Development Leadership. The proposed program would use existing courses and meet all of the standards generally applicable to Master of Arts degrees at U. T. Austin. The program would require 36 semester credit hours of work focused on leadership and management of human resource development activities. The program would be administered by a special committee of the Graduate School comprised of faculty from the College of Education and the Graduate School of Business.

The faculty propose to offer all of the courses required for the degree in a special weekend format. However, students will also be able to meet all of the degree requirements with regularly scheduled classes.

Need

Effective investment in human capital is increasingly seen as more important than investing in physical capital. Large to medium-sized businesses and nonprofit organizations are employing more professionals in positions to lead the human resource development function. The need for human resource development professionals is expected to continue to increase.

Within the Austin area, a large number of people employed in the human resource development function desire to seek a master's degree. To accommodate these people who are holding full-time positions, the program will be offered in a special weekend format similar to the highly successful Option II schedule for the Executive Master's in Business Administration degree.

Quality

The proposed program is based on a coherent grouping of existing courses taught by experienced faculty. These courses are already sought by human resource development professionals. Many have earned a master's degree in Educational Administration or Curriculum and Instruction by taking most of these same courses.

Cost

Because the proposed program is a regrouping and relabeling of existing courses, no additional cost will be associated with offering the program.

Summary

U. T. Austin proposes to combine existing courses from the College of Education and the Graduate School of Business to establish a Master of Arts degree in Human Resource Development Leadership. The program will be administered by a special committee of the Graduate School comprised of faculty from the Graduate School of Business and the College of Education. Because no new courses are involved and no new administrative structure is required, the program can be offered at no additional cost to the State.

A copy of U. T. Austin's proposal for the Master of Arts degree in Human Resource Development Leadership is on file in the U. T. System Office of Academic Affairs.

8. U. T. El Paso: Request for Authorization to Establish a Bachelor of Science Degree in Occupational Therapy 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 Natalicio that authorization be granted to establish a Bachelor of Science degree in Occupational Therapy at U. T. El Paso. Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for review and appropriate action. Implementation of the proposed program is planned for Fall 1997. The proposed program is consistent with U. T. El Paso's Strategic Plan and approved Table of Programs. A description of the 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. El Paso will be amended to reflect this action.

BACKGROUND INFORMATION

Program Description

The Bachelor of Science degree in Occupational Therapy has been a successful cooperative degree program between the U. T. Medical Branch - Galveston and U. T. El Paso since January 1993. This proposal recommends the transfer of administrative control to U. T. El Paso's Department of Health Sciences in the College of Nursing and Health Sciences, beginning with the Fall 1997 Semester. The transferred Bachelor of Science degree in Occupational Therapy will require 164 semester credit hours, including the core curriculum for all U. T. El Paso bachelor's degrees. The proposed occupational therapy curriculum will prepare graduates for certification by the American Occupational Therapy Certification Board and for licensure by the Texas Board of Occupational Therapy Examiners.

Quality

The U. T. Medical Branch - Galveston and U. T. El Paso initiated the cooperative Bachelor of Science in Occupational Therapy degree program in January 1993. The purpose of the cooperative program was to enable U. T. El Paso to gain experience in occupational therapy education by working with an established, high quality program and to plan and develop its own program. All of the faculty teaching in El Paso were recruited and employed by the U. T. Allied Health Sciences School at the U. T. Medical Branch - Galveston. These El Paso-based faculty members have taught the U. T. Medical Branch - Galveston curriculum in El Paso and have been part of the U. T. Medical Branch - Galveston faculty. The U. T. Medical Branch - Galveston faculty members believe that U. T. El Paso is ready to administer its own independent program and have recommended that the program and their employment be transferred to U. T. El Paso. U. T. El Paso has constructed all of the laboratory facilities and provided the other resources necessary to ensure a high quality program.

Curriculum: The curriculum of 164 semester credit hours includes 73 semester credit hours of pre-professional core courses, which incorporate U. T. El Paso's core curriculum, and 91 semester credit hours of required professional courses, which include the students' fieldwork and electives. During the professional phase of the program, students will have three preceptorships with community agencies and/or health-care facilities -- one in the second semester, one in the summer, and one in the fourth semester. Two are four hours per week for four weeks and one is a full week experience. Additionally, each student is required to have two three-month fieldwork experiences. These field experiences are under the supervision of an Occupational Therapist, Registered (OTR), are required before a student can take the Certification Examination for OTR and for a license to practice, and will be in two of three types of professional settings (developmental health, mental health, and physical health).

Admission: Students are admitted to the professional sequence based on a variety of factors: grade point average in the prerequisite pre-professional courses, scores on the Health Occupations Aptitude Test, scores on an essay, and interview scores. To be considered for the program, the applicant must have a minimum cumulative grade point average of 2.7 or above on a 4.0 scale, including an average of 2.5 or above in the required biological sciences and the required behavioral sciences. Applicants must take the Health Occupations Aptitude Test. Based on these criteria, applicants are selected for interviews with departmental faculty and practicing clinicians. As part of the interview process, students will also write a departmentally-administered essay.

Faculty: The program will require six full-time equivalent faculty. Presently, the program has 5.5 full-time equivalent faculty (the 0.5 is a full-time faculty member whose responsibilities are equally divided between Occupational Therapy and Physical Therapy). All faculty are currently U. T. Medical Branch - Galveston employees but will become U. T. El Paso employees when the transfer is completed. Of the six full-time faculty (5.5 full-time equivalent), two are doctorally prepared and four have Master's degrees in Occupational Therapy. One faculty member holds a Ph.D. in Anatomy and a Bachelor of Science in Nursing. The program director also holds a doctoral degree in allied health administration and education and is an OTR.

Need

The degree program will provide needed occupational therapy practitioners for the historically underserved population of the far West Texas area. Before the U. T. Medical Branch - Galveston and U. T. El Paso initiated the present cooperative degree program, it was determined that a local need for occupational therapists existed. At that time, local employers were having a difficult time recruiting therapists to work in El Paso, and many potential El Paso students interested in a career in occupational therapy were unable to leave the area to attend school elsewhere. These conditions still exist. A recent Occupational Therapy Needs Survey indicated that a strong need for therapists continues to exist in the El Paso and the far West Texas area. These same employers stated a continued need for an occupational therapy program at U. T. El Paso. Additionally, there continues to exist a need regionally and nationally for Hispanic and other minority therapists who are culturally sensitive and bilingual. A survey of the job openings for occupational therapists in El Paso, West Texas, and the New Mexico/Arizona region demonstrated a strong employment market, as did a survey of regional health-care facilities and agencies. Demand for the program is evident in the number of applicants to the cooperative program each year. In 1994 and 1995, more than 115 applicants applied each year for the 22 available spots. Twenty-two students are admitted to the program once each year. With two classes in attendance at any one time, there is a potential for a headcount of 44 students taking professional courses on a daily basis.

Cost

Transferring administrative control of this program from the U. T. Medical Branch - Galveston to U. T. El Paso will not change the cost of the program. It will, however, change the process by which the State appropriates funds for support of the program. U. T. El Paso, a general academic institution, is funded through the formula while the U. T. Medical Branch - Galveston is not. Funding for the FY 1998-99 biennium, the transition biennium, can be provided through a special item appropriation to U. T. El Paso, through an adjustment to U. T. El Paso's formula which includes the historic program credit hours generated at the U. T. Medical Branch - Galveston, or through continuing appropriation to the U. T. Medical Branch - Galveston with subsequent transfer to U. T. El Paso. The choice of funding mechanisms will ultimately be made by the Texas Legislature in the Spring of 1997. Regardless of the funding mechanism, the transfer of administrative control will not result in any additional cost to the State.

Summary

U. T. El Paso proposes, and the U. T. Medical Branch - Galveston agrees, that authorization be granted to establish autonomously a Bachelor of Science in Occupational Therapy degree program at U. T. El Paso and to submit the proposed degree program to the Texas Higher Education Coordinating Board. Both universities have agreed that demand for the program continues in the El Paso area and that U. T. El Paso has developed sufficient program infrastructure to offer a quality program.

A copy of the proposal for the Bachelor of Science in Occupational Therapy degree program at U. T. El Paso is on file in the U. T. System Office of Academic Affairs.

9. U. T. El Paso: Request for Authorization to Establish a Master of Physical Therapy 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 Natalicio that authorization be granted to establish a Master of Physical Therapy degree at U. T. El Paso. Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for review and appropriate action. Implementation of the proposed program is planned for Fall 1997. The proposed program is consistent with U. T. El Paso's Strategic Plan and approved Table of Programs. A description of the 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. El Paso will be amended to reflect this action.

BACKGROUND INFORMATION

Program Description

The Master of Physical Therapy has been a successful cooperative degree program between the U. T. Medical Branch - Galveston and U. T. El Paso since May 1993. This proposal transfers administrative control to U. T. El Paso's Department of Health Sciences in the College of Nursing and Health Sciences, beginning with the Fall 1997 Semester. The transferred Master of Physical Therapy program will require students to complete up to 92 semester credit hours of prerequisite, baccalaureate-level courses prior to entry into the professional sequence of 89 semester credit hours in the master's degree program. Students in the program will not be awarded a bachelor's degree. However, the prerequisite courses include the core curriculum required for all U. T. El Paso bachelor's degrees and some students may decide to complete a bachelor's degree prior to beginning the professional sequence. The proposed physical therapy curriculum will prepare graduates to take the state licensure examination required to practice as a professional physical therapist; to participate in and contribute to the physical therapy profession through active scholarship; to plan, design, and participate in programs designed to prevent disease/injury and to promote health; and to assess clients of all ages and treat or refer as appropriate.

Quality

The U. T. Medical Branch - Galveston and U. T. El Paso initiated the cooperative Master of Physical Therapy program in May 1993. The purpose of the cooperative program was to enable U. T. El Paso to gain experience in physical therapy education by working with an established, high quality program and to plan and develop its own program. All of the faculty teaching in El Paso were recruited and employed by the U. T. Allied Health Sciences School at the U. T. Medical Branch - Galveston. These El Paso-based faculty members have taught the U. T. Medical Branch - Galveston curriculum in El Paso and have been a part of the U. T. Medical Branch - Galveston faculty. The U. T. Medical Branch - Galveston faculty believe that the group now located at U. T. El Paso is ready to administer its own independent program and have recommended that the program and faculty employment be transferred to U. T. El Paso. U. T. El Paso has constructed all needed laboratory facilities and provided other resources necessary to ensure a high quality program.

Curriculum: The program is comprised of a total of 177-181 semester credit hours: 88-92 semester credit hours of pre-professional core courses and 89 hours of required professional courses. The Master of Physical Therapy degree program requires intensive clinical practice experience. Students spend a total of 28 weeks in a variety of rigorous practical clinical experiences spread over the program. The clinical experiences occur in various medical facilities and include general, acute care, orthopedic, neurologic, and specialty clinical subject areas.

Admissions: Students may apply to the program after completing 72 semester credit hours of prerequisite course work but must complete 88-92 semester credit hours before entering the professional phase of the program. To be considered, students must have an overall grade point average of 3.0 or higher on a 4.0 scale; a grade point average of 3.0 or higher in mathematics and science courses; a verbal/quantitative combined score on the Graduate Record Examination of 950 (a minimum of 400 on each portion); 88-92 semester credit hours of prerequisite course work; and 100 clock hours of volunteer or paid experience in a physical therapy setting. Applicants satisfying the above requirements are invited for an interview with the Master of Physical Therapy program faculty at U. T. El Paso. All of these factors are considered when the class of 24 persons is selected.

Faculty: In November 1993, the U. T. Medical Branch - Galveston Physical Therapy program and the U. T. Medical Branch - Galveston/U. T. El Paso cooperative Physical Therapy program were granted interim accreditation by the Commission of Accreditation of Physical Therapy Educational programs (CAPTE). Final accreditation status will be decided following the October 1996 visit by CAPTE. Requirements for faculty status include a master's or doctoral degree and licensure in physical therapy. The program currently has six full-time equivalent faculty, including four regular full-time faculty, one faculty member at 50% (the remaining 50% is with the occupational therapy program), and three adjunct faculty. The four full-time faculty are all licensed physical therapists with a minimum of a master's degree. The program director has a Ph.D. The faculty member at 50% holds a Ph.D. in Anatomy and a Bachelor of Science in Nursing. Of the three adjunct faculty, one is an M.D. and two are physical therapists. One new full-time faculty member will be hired for the program after approval for the program has been granted.

Need

The degree program will provide needed physical therapy practitioners for the historically underserved population of the far West Texas area. Before the U. T. Medical Branch - Galveston and U. T. El Paso initiated the present cooperative degree program, it was determined that a local and national need for physical therapists existed. At that time, local employers were having a difficult time recruiting therapists to work in El Paso, and many potential El Paso students interested in a career in physical therapy were unable to leave the area to attend school elsewhere because of family and financial responsibilities. These conditions still exist. The proposed degree would continue to provide the region with much-needed physical therapists as has been done recently through the cooperative Master of Physical Therapy program. Since many qualified and interested students are unable to attend school elsewhere (Texas Tech University in Lubbock having the closest program), U. T. El Paso's proposed program would provide students the opportunity to pursue careers in physical therapy. The current graduates of the cooperative physical therapy program have been heavily recruited by area medical facilities and are having a positive impact on the region, enhanced by the fact that the graduates are often bilingual and bicultural. Demand for the program is evident in the number of applicants to the cooperative program each year. In 1994 and 1995, more than 180 individuals applied each year for the 24 available spots. With three classes in attendance at any one time, there is a potential for a headcount of 72 students taking professional courses on a daily basis.

Cost

Transferring administrative control of this program from the U. T. Medical Branch - Galveston to U. T. El Paso will not change the cost of the program. It will, however, change the process by which the state appropriates funds for support of the program. U. T. El Paso, a general academic institution, is funded through the formula while the U. T. Medical Branch - Galveston is not. Funding for the FY 1998-99 biennium, the transition biennium, can be provided through a special item appropriation to U. T. El Paso, through an adjustment to U. T. El Paso's formula which includes the historic program credit hours generated at the U. T. Medical Branch - Galveston, or through continuing appropriation to the U. T. Medical Branch - Galveston with subsequent transfer to U. T. El Paso. The choice of funding mechanisms will ultimately be made by the Texas Legislature in the Spring of 1997. Regardless of the funding mechanism, the transfer of administrative control will not result in any additional cost to the State.

Summary

U. T. El Paso proposes, and the U. T. Medical Branch - Galveston agrees, that authorization be granted to establish autonomously a Master of Physical Therapy degree at U. T. El Paso and to submit the proposed degree program to the Texas Higher Education Coordinating Board. The two institutions have agreed that demand for this degree continues in the El Paso area and that U. T. El Paso has developed sufficient program infrastructure to offer a quality program.

A copy of the proposal for the Master of Physical Therapy degree program at U. T. El Paso is on file in the U. T. System Office of Academic Affairs.

10. U. T. Tyler: Request for Authorization to Establish Bachelor of Science Degrees in Electrical Engineering and in Mechanical Engineering and a Master of Engineering Degree and to Submit the Proposed Degree Programs to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Hamm that authorization be granted to establish a Bachelor of Science Degree in Electrical Engineering, a Bachelor of Science Degree in Mechanical Engineering, and a Master of Engineering Degree at U. T. Tyler and to submit the proposals to the Texas Higher Education Coordinating Board for review and appropriate action.

Approval of the proposed bachelor's degree programs and master's degree program will amend U. T. Tyler's Table of Programs. A description of the degree programs is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The proposed engineering programs are designed as a "partnership" between U. T. Tyler and regional public and private junior/community colleges. The proposed Bachelor of Science in Electrical Engineering (B.S.E.E.), Bachelor of Science in Mechanical Engineering (B.S.M.E.), and Master of Engineering (M.E.) programs initially will be administered at U. T. Tyler by the Assistant Vice President for Academic Affairs for Engineering Program Development, in coordination with specific individuals at each of the participating institutions who will comprise a Northeast Texas Engineering Advisory Committee. This committee will make recommendations concerning curriculum development and program review.

Within U. T. Tyler, decisions about an appropriate organizational structure will be determined as the programs are being developed.

The proposed B.S.E.E. (136 semester credit hours), B.S.M.E. (133 semester credit hours), and M.E. (61 semester credit hours) degree programs share the common goal of providing theoretical and practical experiences to prepare students to become successful members of the engineering community, including licensure as a Professional Engineer. Emphasis will be on individual initiatives: self-discipline, analytical thinking, technical expertise, ethical considerations, and the ability to adapt to ever-changing technological and societal developments.

The electrical engineering program is designed to provide students with a thorough knowledge of circuitry, power distribution, computer electronics, and related electrical engineering design, including computer-aided design. Objectives for the mechanical engineering program include equipping students to be thoroughly knowledgeable of thermal and mechanical properties of materials, heat transfer, mechanical and chemical systems, energy conversion processes, machinery automation, and their related design and manufacture. The master's program will build on these programs by enabling students to have an advanced understanding of the application of basic engineering principles and the interaction between the technical, financial, and time constraints inherent in complex technical processes. Master's degree students will be expected to demonstrate such an understanding by developing and presenting concise analyses of these technical processes. Courses in the master's program will be offered at times convenient for practicing engineers in the region.

The anticipated date for offering the first courses in the bachelor's programs is June 1997. Because of regional professional demand, the anticipated date for offering the master's-level courses is January 1997.

Need

In 1994, the Texas Senate Education Committee requested that an extensive study be conducted of the higher education needs of the 36-county region known as the Northeast Texas Planning Region. Results of the study, conducted by NCHEMS Management Services, Inc., a service of the nationally recognized National Center for Higher Education Management Services, concluded that this region produced a lower portion of the State's baccalaureate degrees per high school graduate, had a limited number of programs of interest to male students, and provided no opportunities to study engineering. As a response to the study, the 74th Texas Legislature provided funding to U. T. Tyler for planning and development of an engineering program to serve this region.

Because U. T. Tyler is an upper-level undergraduate/graduate institution, cooperation and coordination between the region's other higher education institutions is necessary to develop a flow of pre-engineering transfer students into the upper-level program. Based on Coordinating Board information, U. T. Tyler determined that approximately 500 students were in pre-engineering courses in area junior/community colleges. Potential enrollment statistics from the area's senior colleges and the population of re-entry adults were more difficult to quantify but are expected to add to the pool of potential students. U. T. Tyler representatives also visited each of the area's junior/community colleges to determine and enhance interest in the program. Support from community college faculty was demonstrated at a September 1995 meeting which included representatives of all eight regional institutions. Cooperative efforts are also being pursued with East Texas State University. By the fifth year of the program, U. T. Tyler expects to enroll 175 upper-division undergraduates and 42 master's-level students.

Quality

For the undergraduate programs, basic admission requirements will be the same as the general admission requirements but will include a requirement of a grade point average of 2.5 overall and the completion of certain specific courses outlined in the proposal. For the master's program, students

will be required to meet the general graduate admission requirements and be required to have a satisfactory score on the General Test of the Graduate Record Examination, a bachelor's degree in engineering or a closely-related discipline with a satisfactory grade point average, and approval of the graduate program administrator.

The undergraduate programs and the graduate program have been designed to meet the Accreditation Board of Engineering and Technology (ABET) standards.

The University currently has procedures in place for a review of all degree programs every five years. For these engineering programs, follow-up surveys also will be performed to assess the performance of graduates. The results of these surveys will be used to further evaluate the strengths/weaknesses of the programs.

Cost

With the new program, faculty and administrative staff will be phased in over the course of the first five years to total ten new assistant/associate professors, two laboratory technicians, and three staff positions for a total cost of \$4,252,446.

As no engineering holdings have been added to the library in anticipation of the programs, \$250,000 in the first year has been allocated for library materials to support the new programs. For years two through five, an additional \$195,000 is budgeted for library materials. New engineering equipment and supplies will be required at an estimated cost of \$1,685,294 over the first five years.

Approximately 12,500 square feet of available space has been identified in a building on the north side of the U. T. Tyler campus. After renovation, the space will be suitable for the engineering department for the first five years. Architectural design work for the renovation is currently underway.

Funding for faculty and staff, library holdings, and supplies and equipment will be provided by \$4,325,703 of Special Item appropriations and \$1,962,154 of formula appropriations. The renovation is estimated to cost \$580,000 and will be funded from previously allocated PUF Bond proceeds.

Summary

U. T. Tyler is requesting authorization to establish Bachelor of Science in Electrical Engineering, Bachelor of Science in Mechanical Engineering, and Master of Engineering degree programs and to submit the proposals to the Texas Higher Education Coordinating Board. The University has determined that a regional need exists for such programs through research and surveys and through coordination with and cooperation of other higher education institutions in the region. The Legislature has provided special funding to initiate the program.

Copies of the proposals for the Bachelor of Science in Electrical Engineering, the Bachelor of Science in Mechanical Engineering, and the Master of Engineering are on file in the U. T. System Office of Academic Affairs.

INFORMATIONAL REPORTS

1. U. T. Austin: Report on Amendments to Undergraduate Admissions Policy.--

REPORT

President Berdahl will make a short presentation on changes to U. T. Austin undergraduate admissions policies and procedures effective for undergraduate students admission to the Summer Session 1997 and subsequent semesters or summer sessions.

2. U. T. System: Report on Student Cost/Student Financial Aid.--

REPORT

Chancellor Cunningham will give a report on Student Cost/Student Financial Aid for the U. T. System component institutions.

Health Affairs Committee

HEALTH AFFAIRS COMMITTEE
Committee Chairman Loeffler

Date: August 8, 1996
Time: Following the meeting of the Academic Affairs
Committee
Place: Room 401, Robert R. Muntz Library, U. T. Tyler

Page
HAC

1. U. T. Health Science Center - San Antonio
(U. T. Nursing School - San Antonio):
Request for Authorization to Establish a
Master of Science in Nursing, Pediatric
Nurse Practitioner Degree and to Submit
the Proposed Degree Program to the
Coordinating Board for Approval (Catalog
Change) 2
2. U. T. M.D. Anderson Cancer Center -
M.D. Anderson Cancer Center Outreach
Corporation (Outreach): Proposed Amend-
ments to the Bylaws Regarding Membership
of the Board of Directors; Approval of
the Appointment of Three New Members to
Such Board; and Approval of Trademark
License Agreements with Outreach and
M.D. Anderson Physicians Network 4
3. U. T. Board of Regents: Adoption of Reso-
lutions of Appreciation Honoring President
and Mrs. Charles A. LeMaistre on the Occa-
sion of Dr. LeMaistre's Retirement from the
Presidency of the U. T. M.D. Anderson Cancer
Center 16

1. U. T. Health Science Center - San Antonio (U. T. Nursing School - San Antonio): Request for Authorization to Establish a Master of Science in Nursing, Pediatric Nurse Practitioner 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 Health Affairs and President Howe that authorization be granted to establish a Master of Science in Nursing, Pediatric Nurse Practitioner degree at the U. T. Nursing School - San Antonio of the U. T. Health Science Center - 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 the U. T. Health Science Center - San Antonio's Table of Programs and institutional plans for offering quality degree programs to meet student needs.

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

BACKGROUND INFORMATION

The proposed Master of Science in Nursing with a major in Pediatric Nurse Practitioner is a 50 semester credit hour program to be administered by the U. T. Health Science Center - San Antonio's School of Nursing within the existing Master of Science in Nursing degree program. This major in graduate (advanced) nursing education will prepare Pediatric Nurse Practitioners in the comprehensive care of children by focusing on health maintenance and education, illness prevention, and minor chronic illness management. The Pediatric Nurse Practitioners will practice in the full variety of health-care settings including medically and primary care underserved populations. The curriculum emphasizes care of the well-child, immediate management of acute health problems, and antepartum/well-women care of the pregnant adolescent. The anticipated date for enrolling students is Spring 1997 for the core courses and Fall 1997 for courses in the major.

The proposed program is being developed to address the shortage of primary care providers for pediatric age groups. A community wide needs assessment survey conducted in Bexar County in 1994 cited specific need for comprehensive women's and children's health services, sensitive to culture, age, and need. These services were to include health risk assessments incorporated into family planning services, regional plans for referral/care of high risk pregnant women, and high risk infants and children. The survey offered support for the development of the major and gave strong indication that the graduates would be well received in clinical practice settings. It is anticipated that a minimum of six students would enter the program each of the Fall and Spring Semesters for a total minimum enrollment of 36 students over the initial three-year term.

The U. T. Health Science Center - San Antonio's Master of Science in Nursing (MSN) degree program is currently accredited by the National League for Nursing (NLN). Information on the Pediatric Nursing Practitioner program would be forwarded to the NLN for approval and inclusion under the MSN program accreditation. The U. T. Nursing School - San Antonio received a full eight-year approval in 1993.

The curriculum is comprised of 50 semester credit hours which include 44 hours of required courses and six hours of either free electives or a thesis. In addition, a 400 clock-hour preceptorship would be required prior to graduation.

The admission requirements are the currently accepted requirements for admission to the Master of Science in Nursing program. These requirements include a baccalaureate degree in nursing, a basic statistics course, current licensure as a registered nurse in Texas, a minimum grade point average of 3.0 on a 4.0 scale, and a minimum of 1,000 on the Graduate Record Examination or a minimum score of 50 on the Miller Analogies Tests. Also required prior to enrollment is at least one year of clinical experience in community-focused health care and/or nursing care of children.

Faculty recruitment would include the initial reassignment of one current full-time faculty and the recruitment of one additional faculty member. The total faculty required by the third year is anticipated to be three full-time faculty, each of whom is fully qualified by the appropriate national certification board as a Pediatric Nurse Practitioner and by the Texas Board of Nurse Examiners as an Advanced Practice Nurse.

The projected cost of the program for the first three years of operation is approximately \$545,000. Alamo Area Health Education Center (AHEC) funding in the amount of \$408,547 has been requested. Two of the three Pediatric Nurse Practitioner faculty salaries (faculty appointed in year one and year two) would be derived from reassignment of a current faculty member and from the use of existing funds within the U. T. Health Science Center - San Antonio's School of Nursing. Beginning in the fourth year, formula generated state appropriations would be utilized. No additional equipment would be required. Additional library resource material would be required and AHEC funding has been requested.

A copy of the proposal for a Master of Science in Nursing, Pediatric Nurse Practitioner degree is on file in the U. T. System Office of Health Affairs.

2. U. T. M.D. Anderson Cancer Center - M.D. Anderson Cancer Center Outreach Corporation (Outreach): Proposed Amendments to the Bylaws Regarding Membership of the Board of Directors; Approval of the Appointment of Three New Members to Such Board; and Approval of Trademark License Agreements with Outreach and M.D. Anderson Physicians Network.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Mendelsohn that the U. T. Board of Regents approve, on behalf of the U. T. M.D. Anderson Cancer Center, the proposed amendments to Article II, Sections 1-3, and Article IV, Sections 2-5, of the Bylaws of the M.D. Anderson Cancer Center Outreach Corporation (Outreach) as set out below in congressional style:

ARTICLE II ACTION BY MEMBER

Section 1. Appointments. [~~The Member shall appoint~~] Directors of the Corporation shall be appointed in accordance with the provisions of Article IV, Section 3 of these Bylaws (the "Bylaws"). [~~and,--if~~] If the Member determines to create an Advisory Board, [certain] the Member shall appoint Advisory Board members in accordance with the provisions of Article VII, Section 3 of these Bylaws [~~provided,--however,--that the Member's appointment of Directors of the Corporation shall be subject to the prior approval of such nominees by the Board of Regents of The University of Texas System~~].

Section 2. Other Actions by Member. [~~The Member may remove~~] Any Director, however appointed, may be removed from office at any time with or without cause [~~any person appointed by the Member to serve on the Board of Directors or on the Advisory Board~~] by the Member.

Section 3. Annual Meeting of Member. The annual meeting of the Member shall be held at such time and place as shall be designated by the Member, or, if not so designated, on the second Wednesday of the month of January of each year at the Corporation's registered office for the purpose of appointing Directors [~~and certain~~] who are to be appointed by the Member as described in Article IV and Advisory Board members for the ensuing year and transacting such other business as may be properly brought before such annual meeting. No notice of such annual meetings shall be required.

ARTICLE IV BOARD OF DIRECTORS

Section 2. Number. The Board of Directors shall consist of eleven (11) Directors. The number of Directors may be increased or decreased (provided such decrease does not have the effect of shortening the term of any incumbent Director) from time to time by amendment of the Bylaws in accordance with the provisions of Article X, provided that the number of Directors shall never be less than three (3). The Board of Directors shall include one

person who is a resident of Tarrant County, Texas, and who also serves as a member of the board of directors of the Moncrief Radiation and Research Foundation [Radiation and-Medical-Research-Foundation-of-the-Southwest]. The Member may appoint eight (8) Directors, provided that such appointments shall be subject to the prior approval of such appointments by the Board of Regents of The University of Texas System (the "Board of Regents"). The Board of Regents may appoint three (3) Directors, one of whom shall be a Regent and two of whom shall be administrative officers of The University of Texas System.

Section 3. Appointment and Term. At its annual meeting, the Member shall appoint [~~at~~] Directors who are to be appointed by the Member. Such appointments shall be effective on the date of the next Annual Meeting (as defined in Article IV, Section 7 of these Bylaws). Each person serving as a Director shall serve until the earlier to occur of (a) the next Annual Meeting (as defined in Article IV, Section 7 of these Bylaws), or (b) such Director's death, resignation, or removal as provided in these Bylaws.

Section 4. Removal. Any Director, however appointed, may be removed from office at any time, with or without cause, by the Member.

Section 5. Vacancies. Any vacancy occurring in the office of a Director, whether by death, resignation, removal, increase in the number of Directors, or otherwise, shall be filled by the [~~Member~~] person or entity (the Member or the Board of Regents) who appointed the Director whose vacancy is to be filled.

It is further recommended that the following persons be appointed to serve, in addition to those heretofore approved and presently serving, on the Board of Directors for Outreach as the Directors to be named by the U. T. Board of Regents pursuant to the foregoing amendment to the Outreach Bylaws:

- (1) Ms. Linnet F. Deily, Houston, Texas
- (2) Mr. R. D. Burck, Austin, Texas
- (3) Charles B. Mullins, M.D., Austin, Texas

In addition, approval of the License Agreement between the U. T. Board of Regents and Outreach in substantially the form set forth on Pages HAC 7 - 13 is recommended.

Approval is also recommended for the First Amendment to License Agreement between the U. T. Board of Regents and M.D. Anderson Physicians Network in substantially the form set forth on Pages HAC 14 - 15.

BACKGROUND INFORMATION

Section 2 of Article IV of the Outreach Bylaws, originally approved by the U. T. Board of Regents on April 6, 1989, and subsequently amended on February 9, 1995, provides that the Outreach Board of Directors shall consist of eleven Directors. Currently only eight Directors have been appointed by the Member of Outreach (who is the President of the U. T. M.D. Anderson Cancer Center) and approved by the U. T. Board of Regents. The amendments to the Bylaws will not increase the specified number of directors and yet will provide an opportunity for the Regents and U. T. System Administration officials to become aware of and communicate with respect to services rendered by Outreach.

The three individuals recommended for approval to the Outreach Board of Directors are a Regent and two U. T. System administrative officers, respectively.

At its February 1990 meeting, the U. T. Board of Regents approved a license agreement whereby Outreach was permitted to use the name and trademark "M.D. Anderson Cancer Center Outreach Corporation" in the operation of the Orlando Cancer Center in Orlando, Florida. Outreach now wishes to provide services in still other cities under the names and trademarks "M.D. Anderson Cancer Center Outreach Corporation [name of city]," etc. The proposed License Agreement will permit such usage by Outreach and, with prior approval by the U. T. Board of Regents, by sublicensees of Outreach.

The proposed First Amendment to License Agreement between the U. T. Board of Regents and M.D. Anderson Physicians Network permits the latter to also use the name and trademark "M.D. Anderson Cancer Center Physicians Network" for the provision of services in coordination with Outreach.

Both the proposed new License Agreement with Outreach and the amended License Agreement with M.D. Anderson Physicians Network may be terminated upon the termination of any other agreement governing the provision of services by Outreach and Physicians Network, respectively. These agreements are important to the continued effective functioning of Outreach and Physicians Network.

LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into effective as of the 1st day of January, 1996 (herein after referred to as EFFECTIVE DATE), between the parties hereto, who agree as follows in consideration of the mutual promises contained herein:

1. PARTIES

- 1.1 The BOARD OF REGENTS of The University of Texas System (hereinafter referred to as BOARD OF REGENTS) has its principal office at 201 West 7th Street, Austin, Texas 78701.
- 1.2 M. D. Anderson Cancer Center Outreach Corporation (hereinafter referred to as LICENSEE) has a principal place of business at 7505 South Main, Suite 500, Houston, Texas 77030
- 1.3 BOARD OF REGENTS and LICENSEE are the parties to this Agreement.

2. BACKGROUND

- 2.1 BOARD OF REGENTS owns rights in certain marks identified in Attachment A hereto now and previously used or proposed to be used by THE UNIVERSITY OF TEXAS SYSTEM and/or component institutions thereof, and has acquired public recognition and goodwill through the use of such marks.
- 2.2 LICENSEE recognizes the goodwill appurtenant to use of the marks and desires to obtain a nonexclusive license to utilize such marks. BOARD OF REGENTS is willing to grant such a license under the terms and conditions of this Agreement.

3. DEFINITIONS

- 3.1 MARKS include trademarks and service marks.
- 3.2 LICENSED MARKS means those marks listed in Attachment A, including common law rights, as well as any applications for registration which may be filed by BOARD OF REGENTS or registrations which may be issued to BOARD OF REGENTS covering such marks, whether state or federal.
- 3.3 LICENSED SERVICES means those services specified in Attachment B hereto in connection with which any of the LICENSED MARKS are used.
- 3.4 TERM means the effective period of this Agreement, which shall commence on the EFFECTIVE DATE and which shall terminate, on the twentieth (20th) anniversary of the EFFECTIVE DATE unless extended by mutual written agreement of the parties.
- 3.5 QUALITY means an acceptable level of quality to, in the sole judgment of, BOARD OF REGENTS.
- 3.6 LICENSED TERRITORY means the United States and its territories and possessions except for Orlando, Florida which is and shall remain the subject of a separate License Agreement effective March 1, 1990 between the parties.

4. LICENSE GRANT

Subject to the terms and conditions of this Agreement, BOARD OF REGENTS grants to LICENSEE the nonexclusive right and license to utilize the LICENSED MARKS in the

LICENSED TERRITORY during the TERM hereof: (a) solely in connection with the LICENSED SERVICES of QUALITY; and (b) with advertising and promotional material to the extent appropriate to the provision of such services.

5. **DEFAULT TERMINATION**

- 5.1 In the event that LICENSEE becomes insolvent, makes any assignment for the benefit of creditors, is subject to any bankruptcy or receivership proceedings, or fails to comply with any of its obligations under this agreement, BOARD OF REGENTS may serve on LICENSEE a notice of default specifying the nature of the default. If the default is not cured within thirty (30) days from service of the notice of default, this agreement shall automatically terminate upon service by BOARD OF REGENTS of a formal notice of termination.
- 5.2 LICENSEE may terminate this agreement at any time without cause by written notice to BOARD OF REGENTS.
- 5.3 Upon expiration or termination of this Agreement, all rights granted to LICENSEE hereunder shall cease, and LICENSEE will refrain from further use of the LICENSED MARKS, or any mark or name reasonably deemed by BOARD OF REGENTS to be similar to the LICENSED MARKS, in connection with the provision of or promotion of services. LICENSEE acknowledges that failure to comply with this provision will result in immediate and irreparable harm affording injunctive and any all other appropriate relief to BOARD OF REGENTS.
- 5.4 Upon expiration or termination of this Agreement, LICENSEE shall not operate its business in any manner which would falsely suggest to the public that this Agreement is still in force or that any relationship exists between LICENSEE and BOARD OF REGENTS.

6. **SUBLICENSES**

LICENSEE shall have the right to grant sublicenses under this Agreement only with the prior written approval of BOARD OF REGENTS and only under terms at least as restrictive as those of this Agreement.

7. **GOODWILL IN LICENSED MARKS**

LICENSEE agrees that the essence of this Agreement is founded on the goodwill associated with the LICENSED MARKS and the value of that goodwill in the minds of the consuming public. Licensee agrees that it is critical that such goodwill be protected and enhanced and, toward this end, Licensee shall not during the TERM or thereafter:

- (a) attack the title or any rights of BOARD OF REGENTS in or to the LICENSED MARKS;
- (b) apply to register or maintain any application or registration of the LICENSED MARKS or any other mark confusingly similar thereto in any jurisdiction, domestic or foreign;
- (c) use any colorable imitation of any of the LICENSED MARKS, or any variant form (including variant design forms, logos, colors, or typestyles) of the LICENSED MARKS not specifically approved by BOARD OF REGENTS;
- (d) misuse the LICENSED MARKS;

- (e) take any action that would bring the LICENSED MARKS into public disrepute;
- (f) use the LICENSED MARKS, or any mark or name confusingly similar thereto, in its corporate or trade name without approval of BOARD OF REGENTS; or
- (g) take any action that would tend to destroy or diminish the goodwill in the LICENSED MARKS.

8. **QUALITY CONTROL: ADVERTISING APPROVAL**

8.1 ALL LICENSED SERVICES shall be QUALITY services. LICENSEE acknowledges that if LICENSED SERVICES were of inferior quality, the substantial goodwill which BOARD OF REGENTS possesses in MARKS would be impaired. Accordingly, LICENSEE agrees that all LICENSED SERVICES shall be of high quality.

8.2 All advertising and promotional material bearing the LICENSED MARKS shall be subject to the approval of BOARD OF REGENTS via The University of Texas System Office of General Counsel. LICENSEE shall furnish advertising and promotional materials to the BOARD OF REGENTS. In addition, LICENSEE shall furnish to BOARD OF REGENTS one (1) copy of any advertisement of LICENSED SERVICES used by LICENSEE. BOARD OF REGENTS shall have two (2) weeks from receipt thereof in which to reject in writing the materials. In the absence of rejection, or upon earlier written acceptance, the materials will be deemed as accepted. LICENSEE shall furnish to BOARD OF REGENTS a further sample of advertising if it desires to change the advertising. BOARD OF REGENTS will have two (2) weeks to reject advertising. Failure to reject will be deemed acceptable.

9. **MARKING**

LICENSEE agrees that it will designate the LICENSED SERVICES in a manner as specified from time to time in writing by BOARD OF REGENTS to indicate the rights of BOARD OF REGENTS in the LICENSED MARKS including registration status of the LICENSED MARKS and that the services are provided pursuant to license.

10. **INDEMNITY/HOLD HARMLESS**

10.1 LICENSEE agrees that it is wholly responsible for all services provided by it, including all LICENSED SERVICES, and that BOARD OF REGENTS shall have no liability for any services, including any LICENSED SERVICE, provided by LICENSEE or by the sublicensee of LICENSEE. LICENSEE indemnifies and holds harmless BOARD OF REGENTS and the officers, employees, and agents thereof, from any claims, demands, causes of actions and damages, including reasonable attorney's fees, caused or arising out of LICENSEE's provision of professional services, including LICENSED SERVICES.

10.2 INDEMNITY. To the extent authorized by the Constitution and the laws of the State of Texas, the BOARD OF REGENTS indemnifies and holds harmless LICENSEE and the officers, employees and agents, thereof, from any claims, demands, causes of action, and damages including reasonable attorneys' fees, based solely on an alleged infringement by LICENSEE of the claimant's trademark or trade name directly resulting from the use by LICENSEE of a LICENSED MARK.

11. **NOTICES**

Any notices, statements, payments, or reports required by this Agreement shall be deemed served when deposited in the United States mail, first class postage prepaid, certified or registered mail, return receipt requested and addressed as follows:

IF TO LICENSEE: M. D. Anderson Cancer Center
 Outreach Corporation
 7505 South Main, Suite 500
 Houston, Texas 77030
 Attn: President

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

12. **STATUS OF PARTIES**

This Agreement is not intended to create, and shall not be interpreted or construed as creating, a partnership, joint venture, agency, employment, master and servant, or similar relationship between BOARD OF REGENTS and LICENSEE or the sublicensee, and no representation to the contrary shall be binding upon BOARD OF REGENTS.

13. **BINDING EFFECT**

This Agreement shall be binding upon and inure to the benefit of BOARD OF REGENTS and LICENSEE and their respective successors, assigns, executors, heirs, and personal representatives.

14. **LAW GOVERNING**

This Agreement shall for all purposes be governed by and interpreted and enforced in accordance with the laws of the State of Texas. LICENSEE hereby agrees that any action arising out of this Agreement shall be litigated under the laws of the State of Texas in a court of competent jurisdiction in Travis County, Texas, and LICENSEE hereby agrees to submit to the jurisdiction of the courts of the State of Texas and to obtain the sublicensee's consent to submit to the jurisdiction of the courts of the State of Texas, and that service of process by certified mail, return receipt requested, shall be sufficient to confer in personam jurisdiction over LICENSEE or the sublicensee. LICENSEE agrees that the terms of this paragraph will be a part of the sublicense.

15. **MISCELLANEOUS**

15.1 The provisions of this Agreement are severable, and if any provision shall be held illegal, invalid, or unenforceable, such holding shall not affect the legality, validity, or enforceability of any other provision. Any such illegal, invalid, or unenforceable provision shall be deemed stricken herefrom as if it had never been contained herein, but all other provisions shall continue in full force and effect.

- 15.2 As used herein, the term LICENSEE shall include the plural as well as the singular, the masculine and feminine genders, and corporations, partnership, and other business entities as well as individuals.
- 15.3 Except for the License Agreement effective March 1, 1990 between the parties, this Agreement contains the entire Agreement between the parties with respect to the subject matter hereof and supersedes any prior Agreements between the parties, written or oral, with respect to such subject matter.
- 15.4 This Agreement may not be amended, modified, or rescinded except by a written Agreement executed by BOARD OF REGENTS and LICENSEE.

EXECUTED BY BOARD OF REGENTS and LICENSEE effective as of the day and year first above written, in duplicate copies, each of which shall be deemed an original.

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

M. D. ANDERSON CANCER
CENTER OUTREACH CORPORATION

By: _____

By: _____

Name: Ray Farabee

Name: Robert N. Shaw

Title: Vice Chancellor and General Counsel

Title: President and Chief Executive Officer

Date Signed: _____

Date Signed: _____

Approved as to Form:

UT System
Office of General Counsel

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ATTACHMENT A

LICENSED MARKS ARE:

1. M. D. Anderson Cancer Center Outreach Corporation
2. M. D. Anderson Cancer Center Outreach Corporation ____*
3. M. D. Anderson Outreach Corporation ____*
4. M. D. Anderson Outreach ____*

* Denotes that a geographical place name may be inserted.

ATTACHMENT B

LICENSED SERVICES ARE:

In accordance with LICENSEE's purposes and emphases on the clinical, educational and scientific aspects of cancer care, the following services may be provided by LICENSEE in connection with the LICENSED MARKS listed in Attachment A:

1. Cancer Care Services provided in Surgery, Medicine, Radiotherapy, Diagnostic Imaging, Laboratory Medicine, Pathology, Pediatrics, Cancer Prevention, Nursing and Pharmacy;
2. Cancer Research Services; and
3. Cancer Education Services.

**FIRST AMENDMENT TO
LICENSE AGREEMENT**

The Board of Regents of The University of Texas System (the "BOARD OF REGENTS") and M. D. Anderson Physicians Network, a Texas nonprofit corporation ("MDAPN"), enter into this First Amendment to License Agreement ("AMENDMENT") effective as of the ___ day of _____, 1996 for the purposes herein set forth. Except as otherwise provided herein, the defined terms used in this AMENDMENT shall have the meanings assigned to them in that certain LICENSE AGREEMENT (the "LICENSE AGREEMENT") entered into by the BOARD OF REGENTS and MDAPN effective as of the ___st day of _____, 1996. The BOARD OF REGENTS and MDAPN are referred to collectively herein as the PARTIES.

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

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

WHEREAS, Attachment A of the LICENSE AGREEMENT describes the LICENSED MARKS that MDAPN has a nonexclusive license to utilize; and

WHEREAS, the PARTIES desire to amend Attachment A to include an additional Licensed Mark that MDAPN shall have a non-exclusive license to utilize.

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

1. Attachment A shall be amended to provide as follows:

LICENSED MARKS ARE:

M. D. Anderson Physicians Network

M. D. Anderson Cancer Center Physicians Network

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

**THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM**

By: _____
Name: _____
Title: _____
Date Signed: _____

M. D. ANDERSON PHYSICIANS NETWORK

By: _____
Name: Robert N. Shaw
Title: President and Chief Executive Officer
Date Signed: _____

Approved as to Form:

U.T. System
Office of General Counsel

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3. U. T. Board of Regents: Adoption of Resolutions of Appreciation Honoring President and Mrs. Charles A. LeMaistre on the Occasion of Dr. LeMaistre's Retirement from the Presidency of the U. T. M.D. Anderson Cancer Center.--

**Facilities, Planning & Construction
Committee**

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
Committee Chairman Temple

Date: August 8, 1996
Time: Following the meeting of the Health Affairs
Committee
Place: Room 401, Robert R. Muntz Library, U. T. Tyler

Page
FPCC

1. U. T. Austin - Memorial Stadium West Side Renovation (Redesignated as Texas Memorial Stadium, Renovation and Expansion of West Grandstand) (Project No. 102-861): Presentation of Preliminary Plans; Authorization to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; Advertisement for Bids and 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 3
2. U. T. Dallas: Request to Appropriate \$2,900,000 from Permanent University Fund Bonds - Special Program and \$900,000 from Revenue Financing System Bonds - Special Program for the Campus Equipment and Rehabilitation Project; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 7
3. U. T. Dallas - Surface Parking Lot: Authorization to Prepare Final Plans, Bidding, and Award of Contracts with Management by the Office of Facilities Planning and Construction; Submission of the Project to the Coordinating Board; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 11
4. U. T. El Paso: Request for Authorization to Amend the FY 1996-2001 Capital Improvement Program to Include a Cogeneration Plant and Upgrade of Utility Infrastructure 15

5. U. T. Pan American - International Trade and Technology Building (Project No. 901-854): Approval of Preliminary Plans; Authorization to Prepare Final Plans, Bidding, and Award of Contracts with Management by the Office of Facilities Planning and Construction; Submission of the Project to the Coordinating Board; and Appropriation Therefor 18
6. U. T. Southwestern Medical Center - Dallas - North Campus Phase III (Project No. 303-859): Approval of Preliminary Plans; Authorization to Prepare Final Plans, Bidding, and Award of Contracts with Management by the Office of Facilities Planning and Construction; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity 19
7. U. T. Medical Branch - Galveston - Partial Remodel of McCullough Building (Project No. 601-839): Advertisement for Bids and 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 23
8. U. T. Medical Branch - Galveston - St. Mary's Hospital: Request for Approval to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, Naming of Buildings) and Approval of Plaque Inscription 27
9. U. T. Health Science Center - Houston - Doctors Center Building: Request for Approval to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, Naming of Buildings) and Approval of Plaque Inscription 28

1. U. T. Austin - Memorial Stadium West Side Renovation (Redesignated as Texas Memorial Stadium, Renovation and Expansion of West Grandstand) (Project No. 102-861): Presentation of Preliminary Plans; Authorization to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; Advertisement for Bids and 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, the Executive Vice Chancellor for Business Affairs, and President Berdahl that the U. T. Board of Regents:

- a. Approve redesignation of Memorial Stadium West Side Renovation as Texas Memorial Stadium, Renovation and Expansion of West Grandstand at U. T. Austin and approve preliminary plans and specifications at an estimated total project cost of \$14,000,000
- b. Authorize preparation of final plans and specifications
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. 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 associated with this project within the authorized total project cost
- e. Appropriate \$14,000,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 6, the U. T. Board of Regents resolves that:

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

- c. U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt in the amount of \$14,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The FY 1996-2001 Capital Improvement Program (CIP) was adopted by the U. T. Board of Regents in August 1995, and amended in February 1996, to include a project for Memorial Stadium West Side Renovation at U. T. Austin at an estimated preliminary cost of \$14,000,000. In accordance with the revised Capital Improvement Program process approved by the U. T. Board of Regents in December 1994, the Chancellor appointed Heery International, Inc., Atlanta, Georgia, as Project Architect.

Preliminary plans and specifications have been prepared for a project comprised of two fundamental elements: (1) repair and renovation of the West Grandstand, and (2) construction of luxury suites.

One element involves repair and renovation of the lower West Grandstand structure including improved mechanical, electrical, and plumbing systems which support enhanced stadium facilities and services planned for the public concourses and circulation areas. Application of waterproofing material to the stadium west upper-deck structure is also planned, as well as structural testing of the integrity of the north grandstand and implementation of determined essential repairs.

The second element involves construction of 12 luxury suites situated between the lower and upper-deck west stands at Level 8 of L. Theo Bellmont Hall. A complement of 6 suites with service accommodations is planned both north and south of the existing press box and camera deck. Suite floor areas range from approximately 450 to approximately 1,000 square feet and provide individual fixed-type seating for 12 and 22 spectators, respectively. New connecting corridors will require reconfiguration and redistribution of certain existing educational and general academic space within Bellmont Hall in order to effect access from the Level 8 elevator lobby to each set of suites and provide regulated life-safety emergency egress requirements.

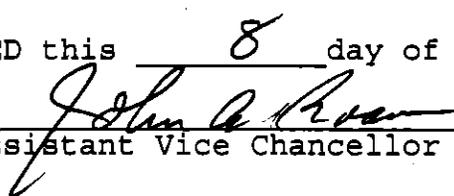
This project is included in the FY 1996-2001 Capital Improvement Program and the FY 1996 and FY 1997 Capital Budget at a total project cost of \$14,000,000. Funding will be from Revenue Financing System Bond Proceeds which will be amortized as detailed in the Capital Improvement Program.

Debt for the project may require the issuance of both tax-exempt and taxable bonds. The use of taxable bonds arises due to the nature of the lease options associated with the luxury skyboxes. Initial opinions from Bond Counsel suggest that the lease option arrangements may constitute "Private-Activity" and therefore require the issuance of taxable bonds.

The forecasts assume the issuance of \$10,000,000 in tax-exempt bonds and \$4,000,000 in taxable bonds. The debt is to be repaid from existing and additional receipts collected by the Department of Intercollegiate Athletics for Men. The additional receipts consist of ticket surcharges for football, basketball, and baseball events as well as lease receipts from the twelve luxury skyboxes. Borrowing costs are assumed during the interim construction period at 4.5% for tax-exempt debt and 6.5% for taxable debt. Fixed rate borrowing costs are assumed at 6.5% for tax-exempt and 8.0% for taxable debt, resulting in approximately \$1,315,000 in annual debt service.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 8 day of August, 1996

Assistant Vice Chancellor for Finance

2. U. T. Dallas: Request to Appropriate \$2,900,000 from Permanent University Fund Bonds - Special Program and \$900,000 from Revenue Financing System Bonds - Special Program for the Campus Equipment and Rehabilitation Project; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Jenifer that the U. T. Board of Regents appropriate \$2,900,000 from Permanent University Fund Bonds - Special Program and \$900,000 from Revenue Financing System Bonds - Special Program for the Campus Equipment and Rehabilitation Project at U. T. Dallas.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Jenifer 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 - 9, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost including any related 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. Dallas, which is a "member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$900,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

The 74th Texas Legislature authorized an increase in the maximum general use fee to an amount not to exceed the level of in-state undergraduate tuition. This initiative was in response to the need to provide capital funding for PUF institutions at a level at least equivalent to HEAF institutions. For each of the Fiscal Years 1996 and 1997, the general use fee per semester credit hour will be increased at U. T. Arlington, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio, U. T. Tyler, and U. T. Austin. With the exception of U. T. Austin, \$1.55 of the increase may be used directly for debt service for bonds to be issued. For U. T. Dallas, the increase of \$1.55 per semester credit hour will provide debt service for bond proceeds in an amount of approximately \$2,700,000 for each of the Fiscal Years 1996 and 1997. In the 1996-2001 Capital Improvement Program, U. T. Dallas identified \$5,400,000 in projects to receive bond proceeds under this program.

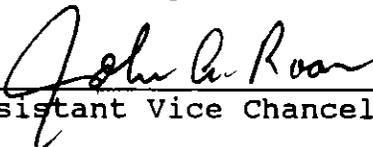
At the May 1996 meeting of the U. T. Board of Regents, the FY 1996-2001 Capital Improvement Program (CIP) was amended to reallocate certain funding sources and adjust project priorities at U. T. Dallas. This project was included in that CIP amendment by increasing the total project cost from \$1,900,000 to \$3,800,000. In addition, it reduced the Revenue Financing System Bonds - Special Program to \$900,000 from \$1,900,000 and allocated \$2,900,000 of Permanent University Fund Bonds - Special Program. With the issuance of the \$900,000 from Revenue Financing System Bonds - Special Program and \$4,500,000 previously approved for the Activities Center, the debt service coverage forecast ranges from 6.0 to 7.0 times coverage during Fiscal Years 1996-2001 (See Page FPCC - 10).

U. T. Dallas projects General Use Fee receipts of approximately \$3,100,000 in Fiscal Year 1996, \$4,900,000 in Fiscal Year 1997, \$6,200,000 in Fiscal Year 1998 and growing at 3% thereafter. The receipts are based on a General Use Fee of \$18.50 per semester credit hour in Fiscal Year 1996, \$26.50 in Fiscal Year 1997, \$32.50 in Fiscal Year 1998, \$36.00 in Fiscal Year 1999, and increasing by \$2.00 per semester credit hour each year thereafter to the maximum limit.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991 and amended on October 8, 1993 (the "Master Resolution"), do hereby execute this certificate for the benefit of the 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 Campus Equipment and Rehabilitation at U. T. Dallas, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, Second Supplemental Resolution, the Third Supplemental Resolution and the Fourth Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution, Second Supplemental Resolution, the Third Supplemental Resolution and the Fourth Supplemental Resolution as amended.

EXECUTED this 8 day of August, 1996


Assistant Vice Chancellor for Finance

U.T. DALLAS
Campus Equipment and Rehabilitation

Project Level -General Use Fee Budget (\$ in thousands)	FY 96	FY 97	FY 98	FY 99	FY 00
Beginning Balance	971.7	946.2	1,913.4	3,336.1	4,914.9
Income	3,336.7	5,154.8	6,453.5	7,322.8	7,936.2
Existing Debt Service	(560.1)	(550.0)	(538.6)	(543.8)	(538.2)
Activities Center (\$4.5 mil.)	0.0	(101.7)	(410.2)	(410.2)	(410.2)
Equipment & Rehabilitation (\$900,000)	0.0	(40.5)	(81.7)	(81.7)	(81.7)
Income Available After Debt Service	2,776.6	4,462.6	5,423.0	6,287.1	6,906.1
Transfers to Educational & General	(540.0)	(1,640.0)	(2,089.2)	(2,739.9)	(2,992.1)
Operating Expenses	(1,693.3)	(1,855.4)	(1,911.1)	(1,968.4)	(2,027.4)
Net Income	543.3	967.2	1,422.7	1,578.8	1,886.6
Ending Balance	1,515.0	1,913.4	3,336.1	4,914.9	6,801.5

Debt Service Coverage	6.0	7.4	6.3	7.1	7.7
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Campus Level: U.T. Dallas (\$ in mil.)

	Actual			Forecast				
	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Beg. Fund Balance	11.7	12.8	14.0	15.2	15.8	16.4	16.9	18.5
Total Current Revenues	61.3	65.7	65.5	70.5	74.1	77.7	81.3	84.4
Total Current Expenditures	(57.0)	(62.1)	(61.9)	(67.1)	(70.1)	(72.5)	(75.1)	(78.9)
Net Revenues	4.3	3.6	3.6	3.4	4.0	5.2	6.2	5.5
Debt Service	(1.8)	(1.9)	(2.0)	(2.3)	(2.9)	(4.1)	(4.0)	(3.6)
Non-Mandatory Transfers	(0.6)	(0.5)	(0.4)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)
Adjustments	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Inc/(Dec) for Year	1.1	1.2	1.2	0.6	0.6	0.5	1.6	1.3
End. Fund Balance	12.8	14.0	15.2	15.8	16.4	16.9	18.5	19.8

Debt Service Coverage After Operations	2.4	1.9	1.8	1.5	1.4	1.3	1.6	1.5
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U.T. System (\$ in mil.)

	Actual			Forecast				
	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Available Revenues	2,965.2	3,226.4	3,439.7	3,640.9	3,720.7	3,792.2	3,811.6	3,878.0
Operating Expenses	(2,868.1)	(3,033.6)	(3,239.9)	(3,404.1)	(3,513.0)	(3,561.3)	(3,580.9)	(3,614.9)
Net Available for Debt Service	97.1	192.8	199.8	236.8	207.7	230.9	230.7	263.1
Debt Service	(42.0)	(43.1)	(48.9)	(62.1)	(87.9)	(101.4)	(103.2)	(106.3)

Debt Service Coverage After Operations	2.3	4.5	4.1	3.8	2.4	2.3	2.2	2.5
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3. U. T. Dallas - Surface Parking Lot: Authorization to Prepare Final Plans, Bidding, and Award of Contracts with Management by the Office of Facilities Planning and Construction; Submission of the Project to the Coordinating Board; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

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

- a. Authorize preparation of final plans, bidding, and award of all contracts within the authorized total project cost for Surface Parking Lot at U. T. Dallas with management by the Office of Facilities Planning and Construction
- b. Authorize submission of the project to the Texas Higher Education Coordinating Board
- c. Appropriate \$500,000 from Revenue Financing System Bond Proceeds and \$300,000 from Auxiliary Enterprise Balances for a total project cost of \$800,000.

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 - 13, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt for the construction cost of the Surface Parking Lot in the amount of \$500,000

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

BACKGROUND INFORMATION

This project will construct a parking lot adjacent to the Special Events Center at U. T. Dallas. The design of the facility will be integrated into the ongoing design process of the Activities Center.

This project is included in the FY 1996-2001 Capital Improvement Program and the FY 1996 and FY 1997 Capital Budget at a total project cost of \$1,600,000. The project cost will be reduced to \$800,000 and be funded by \$500,000 in Revenue Financing System Bond Proceeds and \$300,000 in Auxiliary Enterprise Balances. Approval of this item will amend the Capital Improvement Program to reflect the revised total project cost.

The Revenue Financing System Bonds are to be repaid from parking and traffic revenues at U. T. Dallas. The 650 additional parking spaces are projected to generate annual revenues of \$90,000. Annual debt service for \$500,000 of debt with a fixed rate of 6.5% for 20 years is \$45,378. Combining the additional revenues with existing campus parking and traffic revenues, net of operating expenditures, generates a debt service coverage of 1.2 times for Fiscal Years 1997-2000. By Fiscal Year 2000, annual debt service will represent 5% of total operating expenses of the campus (See Page FPCC - 14).

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 8 day of August, 1996

John A. Roar
Assistant Vice Chancellor for Finance

**U.T. DALLAS
Parking Facility**

Project Level

Parking and Traffic

	Actual			Forecast				
	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Beginning Balances	361,139	459,405	537,419	598,619	516,613	197,358	197,680	200,783
Parking Fees and Fines	578,149	559,687	550,478	577,500	685,000	705,550	726,717	748,518
Operating Expenses	(370,715)	(458,932)	(482,819)	(563,506)	(595,000)	(612,850)	(631,236)	(650,173)
Debt Service	0	0	0	0	(13,125)	(45,378)	(45,378)	(45,378)
Excess Revenues/(Shortage)	207,434	100,755	67,659	13,994	76,875	47,322	50,103	52,967
Non Mandatory Transfers	(109,168)	(22,741)	(6,459)	(96,000)	(396,130)	(47,000)	(47,000)	(50,000)
Ending Balance	459,405	537,419	598,619	516,613	197,358	197,680	200,783	203,750
Debt Service Coverage	n.a.	n.a.	n.a.	n.a.	1.2	1.2	1.2	1.2

Campus Level: U.T. Dallas (\$ in mil.)

	Actual			Forecast				
	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Beg. Fund Balance	11.7	12.8	14.0	15.2	15.8	16.4	16.9	18.5
Total Current Revenues	61.3	65.7	65.5	70.5	74.1	77.7	81.3	84.4
Total Current Expenditures	(57.0)	(62.1)	(61.9)	(67.1)	(70.1)	(72.5)	(75.1)	(78.9)
Net Revenues	4.3	3.6	3.6	3.4	4.0	5.2	6.2	5.5
Debt Service	(1.8)	(1.9)	(2.0)	(2.3)	(2.9)	(4.1)	(4.0)	(3.6)
Non-Mandatory Transfers	(0.6)	(0.5)	(0.4)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)
Adjustments	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Inc/(Dec) for Year	1.1	1.2	1.2	0.6	0.6	0.5	1.6	1.3
End. Fund Balance	12.8	14.0	15.2	15.8	16.4	16.9	18.5	19.8
Debt Service Coverage After Operations	2.4	1.9	1.8	1.5	1.4	1.3	1.6	1.5

U.T. System (\$ in mil.)

	Actual			Forecast				
	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Available Revenues	2,965.2	3,226.4	3,439.7	3,640.9	3,720.7	3,792.2	3,811.6	3,878.0
Operating Expenses	(2,868.1)	(3,033.6)	(3,239.9)	(3,404.1)	(3,513.0)	(3,561.3)	(3,580.9)	(3,614.9)
Net Available for Debt Service	97.1	192.8	199.8	236.8	207.7	230.9	230.7	263.1
Debt Service	(42.0)	(43.1)	(48.9)	(62.1)	(87.9)	(101.4)	(103.2)	(106.3)
Debt Service Coverage After Operations	2.3	4.5	4.1	3.8	2.4	2.3	2.2	2.5

4. U. T. El Paso: Request for Authorization to Amend the FY 1996-2001 Capital Improvement Program to Include a Cogeneration Plant and Upgrade of Utility Infrastructure.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. Board of Regents amend the FY 1996-2001 Capital Improvement Program to include a project for the Cogeneration Plant and Upgrade of Utility Infrastructure at U. T. El Paso at an estimated total project cost of \$30,700,000 to be financed by Revenue Financing System Bond Proceeds or third-party debt provided by an outside source.

BACKGROUND INFORMATION

U. T. El Paso currently purchases thermal energy services from Lone Star Energy. This contract will end in August 1997. At that time, under the terms of the contract, ownership of the plant will revert to U. T. El Paso. The existing plant is 25 years old and is in need of substantial renovation and upgrade. The project will consist of replacement of chillers and boilers and the addition of a cogeneration capacity which will allow U. T. El Paso to generate on campus the electricity required by the institution. Also included in the project will be the renovation and expansion of the existing thermal energy distribution system. The end result of the project will be a plant with the increased capacity required by campus expansion and a significantly improved operating efficiency.

This project will be implemented using a design build contract as authorized by Senate Bill 726. This legislation permits institutions of higher education to enter into agreements with Energy Service Contractors (ESCO) to design and build energy conservation projects in which the ESCO must guarantee that energy savings will cover all the costs associated with the project including design, construction, project management, and financing. Senate Bill 726 also states that an institution's utility appropriations will not be decreased over the life of the project. The legislation further specifies that the project must be fully amortized within a ten-year period. U. T. El Paso has proposed a multistage procurement process which begins with the selection of an ESCO firm and development of a project program and progresses to the development of a final cost proposal guaranteeing energy savings and payback terms. The University will have the option of modifying this approach at each stage and can come back to the U. T. Board of Regents with a revised proposal if the initial approach does not appear to be the most economical. U. T. El Paso will request two additional U. T. Board of Regents' actions at a later date: (1) approval of preliminary plans and appropriation of funds, and (2) award of the construction contract. The U. T. Board of Regents will also be advised of the progress of this project throughout the procurement process.

The project will be funded by either Revenue Financing System Bond Proceeds or third-party loans. The debt service for the bonds will be funded by the energy savings resulting from the project. These savings will be guaranteed by the contractor under the terms and conditions of an energy performance contract.

Project and cash flow information is provided for this project on Page FPCC - 17.

**The University of Texas System
CAPITAL IMPROVEMENT PROGRAM**

1996-2001 Update

INDIVIDUAL PROJECT SUMMARY – MAJOR CONSTRUCTION PROJECTS

			<u>DATES</u>
Name of Institution	University of Texas at El Paso	CIP Approval	8/96
PROJECT	Cogeneration Project/Utility Infrastructure	Architect-Engineer Selection	
OFPC Project Number		Start Construction	3/97
Architect		Anticipated Completion	9/98

Source of Funds	Total Project Cost	Prior Years	Projected Expenditures					
			FY1996	FY1997	FY1998	FY1999	FY2000	FY2001
			Rev. Bond Proc.	30,700,000	0	0	14,750,000	15,950,000
	\$30,700,000	\$0	\$0	\$14,750,000	\$15,950,000	\$0	\$0	\$0

DESCRIPTION

This project will consist of a complete renovation of the existing thermal energy plant and distribution system. Also included will be the construction of cogeneration capacity to provide for the institution's electrical requirements. The project will be completed using a performance contract as authorized by SB 927. This legislation requires that the cost of the project be funded by energy savings and specifies that utility appropriations will not be reduced over the duration of the contract. The project may be financed by third party debt or by U. T. System Revenue Financing System Bond Proceeds.

5. U. T. Pan American - International Trade and Technology Building (Project No. 901-854): Approval of Preliminary Plans; Authorization to Prepare Final Plans, Bidding, and Award of Contracts with Management by the Office of Facilities Planning and Construction; Submission of the Project to the Coordinating Board; and Appropriation Therefor.--

RECOMMENDATION

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

- a. Approve preliminary plans for the International Trade and Technology Building at U. T. Pan American at an estimated total project cost of \$3,150,000
- b. Authorize preparation of final plans, bidding, and award of all contracts within the authorized total project cost with management by the Office of Facilities Planning and Construction
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Appropriate \$2,250,000 from Gifts and Grants and \$900,000 from Higher Education Assistance Fund Balances for a total project cost of \$3,150,000.

BACKGROUND INFORMATION

The International Trade and Technology Building will be a central resource to promote international trade through the use of technology. Businesses and governments, both foreign and domestic, will access a variety of managerial, research, and technical services designed to promote international commerce.

The center will serve as the nucleus of an international business network established for regional, state, and national job creation, income growth, and economic development.

This project is included in the FY 1996-2001 Capital Improvement Program and FY 1996 Capital Budget at a preliminary project cost of \$3,000,000. Following preparation of the project program and development of preliminary plans, the appropriate total project cost was determined to be \$3,150,000. The project will be funded by a \$2,250,000 grant from the Economic Development Administration (U. S. Department of Commerce) and \$900,000 from Higher Education Assistance Fund Balances. Approval of this item will amend the Capital Improvement Program to reflect the total project cost.

6. U. T. Southwestern Medical Center - Dallas - North Campus Phase III (Project No. 303-859): Approval of Preliminary Plans; Authorization to Prepare Final Plans, Bidding, and Award of Contracts with Management by the Office of Facilities Planning and Construction; 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 Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Wildenthal that the U. T. Board of Regents:

- a. Approve preliminary plans for North Campus Phase III at U. T. Southwestern Medical Center - Dallas at an estimated total project cost of \$52,000,000
- b. Authorize preparation of final plans, bidding, and award of all contracts within the authorized total project cost with management by the Office of Facilities Planning and Construction
- c. Appropriate \$21,900,000 from Revenue Financing System Bond Proceeds, \$20,000,000 from Permanent University Fund Bond Proceeds, and \$10,100,000 from Gifts and Grants for a total project cost of \$52,000,000.

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 - 21, the U. T. Board of Regents resolves that:

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

- c. U. T. Southwestern Medical Center - Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt for the construction cost of the North Campus Phase III in the amount of \$21,900,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

North Campus Phase III is planned as a 10-story research and clinical facility. The building will consist of seven floors of clinics, research laboratories, animal resources, and a Radiation Oncology facility over three levels of parking, as well as an expansion of the thermal energy plant. At this time, only the fifth and sixth floors, approximately 61,000 gross square feet, will be completed for Psychiatric Outpatient Clinics and Laboratories. The remaining five floors will remain shelled. It is expected that three of these floors will house Radiation Oncology and biomedical research laboratories. The fourth floor of shelled space will provide space for a cancer clinic and animal resources. At this time, it is anticipated that the fifth floor of shelled space will be unassigned academic space.

This project is included in the FY 1996-2001 Capital Improvement Program and the FY 1996 and FY 1997 Capital Budget at an estimated project cost of \$52,000,000. Funding for this project will be \$21,900,000 from Revenue Financing System Bond Proceeds, \$20,000,000 from Permanent University Fund Bond Proceeds, and \$10,100,000 from Gifts and Grants. To maintain the proposed construction schedule, the institution has already submitted this project to the Texas Higher Education Coordinating Board for approval at its July 1996 meeting.

The Revenue Financing System Bonds will be repaid from patient-care income and indirect cost recovery revenues. For Fiscal Year 1995, patient-care income of approximately \$133,000,000 represented 45% of total current unrestricted revenues. With the issuance of this debt, approximately \$18,480,000 of tax-exempt debt and \$3,420,000 of taxable debt, at a 6.5% and 8.0% rate, respectively, for 20 years, the debt service coverage ranges from 1.5 times to 2.6 times for Fiscal Years 1996-2000. By Fiscal Year 2000, annual debt service will represent 5% of the operating expenses of the campus (See Page FPCC - 22). Taxable debt may be required for construction cost associated with clinical space.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 8 day of August, 1996

John A. Ream
Assistant Vice Chancellor for Finance

**U.T. SOUTHWESTERN MEDICAL CENTER AT DALLAS
North Campus Phase III**

Campus Level:

U.T. Southwestern (\$in mil)

	Actual			FORECAST				
	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Beg. Fund Balance	88.8	85.4	95.3	121.3	134.2	140.4	158.6	174.2
Total Current Revenues	246.1	276.2	299.8	311.0	319.9	340.9	350.4	375.4
Total Current Expenditures	(245.7)	(256.7)	(263.8)	(293.4)	(301.3)	(305.9)	(316.6)	(333.1)
Net Revenues	0.4	19.5	36.0	17.6	18.6	35.0	33.8	42.3
Debt Service	(4.6)	(5.1)	(8.0)	(9.6)	(12.2)	(13.4)	(14.6)	(16.6)
Non-Mandatory Transfers	(0.3)	(3.5)	(3.0)	(0.2)	(0.2)	(3.4)	(3.6)	(4.2)
Adjustments	1.1	(1.0)	1.0	5.1	0.0	0.0	0.0	0.0
Net Inc/(Dec) for Year	(3.4)	9.9	26.0	12.9	6.2	18.2	15.6	21.5
End. Fund Balance	85.4	95.3	121.3	134.2	140.4	158.6	174.2	195.7
Debt Service Coverage After Operations	0.1	3.8	4.5	1.8	1.5	2.6	2.3	2.5

U.T. System (\$ in mil.)

	Actual			FORECAST				
	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Available Revenues	2,965.2	3,226.4	3,439.7	3,640.9	3,720.7	3,792.2	3,811.6	3,878.0
Operating Expenses	(2,868.1)	(3,033.6)	(3,239.9)	(3,404.1)	(3,513.0)	(3,561.3)	(3,580.9)	(3,614.9)
Net Available for Debt Service	97.1	192.8	199.8	236.8	207.7	230.9	230.7	263.1
Debt Service	(42.0)	(43.1)	(48.9)	(62.1)	(87.9)	(101.4)	(103.2)	(106.3)
Debt Service Coverage After Operations	2.3	4.5	4.1	3.8	2.4	2.3	2.2	2.5

7. U. T. Medical Branch - Galveston - Partial Remodel of McCullough Building (Project No. 601-839): Advertisement for Bids and 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 Health Affairs, the Executive Vice Chancellor for Business Affairs, and President James that the U. T. Board of Regents:

- a. Authorize the Office of Facilities Planning and Construction upon completion of final plans to advertise for bids and the Executive Committee to award all contracts associated with this contract within the authorized total project cost
- b. Appropriate \$5,319,600 from Revenue Financing System Bond Proceeds for total project funding and reimburse U. T. Medical Branch - Galveston \$300,000 previously appropriated from Unexpended Plant Funds for fees and administrative expenses through completion of final plans.

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 - 25, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Medical Branch - Galveston, 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 for the construction cost of the Partial Remodel of McCullough Building in the amount of \$5,319,600

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

BACKGROUND INFORMATION

In August 1994, the U. T. Board of Regents approved a project for the construction of Partial Remodel of McCullough Building at U. T. Medical Branch - Galveston and appointed the firm of Brooks Collier, Houston, Texas, as Project Architect to prepare preliminary plans, specifications, and a cost estimate.

The Partial Remodel of McCullough Building will accommodate the needs of the Radiation Therapy Department to improve waiting and exam areas, provide space for a new simulator, and bring together staff who are currently dispersed across campus. This department occupies approximately 10,000 net square feet on the first floor of the McCullough Building. The completion of the New Emergency Department and Trauma Center Facility in 1992 has provided vacated space adjacent to Radiation Therapy. The vacant space will allow a phased remodeling project to occur while keeping the existing Radiation Therapy Department in operation. 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 1996-2001 Capital Improvement Program and the FY 1996 and FY 1997 Capital Budget with funding in the amount of \$4,919,600 from Revenue Financing System Bond Proceeds and \$400,000 from Educational and General Funds. Approval of this item will amend the Capital Improvement Program to reflect the change in funding sources as noted above. The Revenue Financing System Bonds will be repaid from patient-care income. For Fiscal Year 1995, patient-care income of approximately \$336,000,000 represented 42% of total current unrestricted revenues. With the issuance of this debt at a 6.5% rate for 20 years, the debt service coverage ranges from 1.8 times to 2.3 times for Fiscal Years 1996-2000. By Fiscal Year 2000, annual debt service will represent 1% of the operating expenses of the campus (See Page FPCC - 26).

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 6 day of August, 1996

John D. Roan
Assistant Vice Chancellor for Finance

**U.T. MEDICAL BRANCH AT GALVESTON
Renovation of McCullough Building**

Campus Level:

U.T. Medical Branch Galveston (\$ in mil)

	Actual			FORECAST				
	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Beg. Fund Balance	163.10	146.30	132.40	121.20	123.60	126.20	128.80	132.10
Total Current Revenues	549.40	642.10	796.80	874.00	912.90	914.80	916.80	918.90
Total Current Expenditures	(572.10)	(651.90)	(816.00)	(848.10)	(900.90)	(902.20)	(903.60)	(905.00)
Net Revenues	(22.70)	(9.80)	(19.20)	25.90	12.00	12.60	13.20	13.90
Debt Service	(1.10)	(1.10)	(1.40)	(2.50)	(4.90)	(6.50)	(6.60)	(6.30)
Non-Mandatory Transfers	0.60	(3.70)	0.20	(9.00)	(2.50)	(2.50)	(2.50)	(2.50)
Adjustments	6.40	0.70	9.20	(12.00)	(2.00)	(1.00)	(0.80)	(0.50)
Net Inc/(Dec) for Year	(16.80)	(13.90)	(11.20)	2.40	2.60	2.60	3.30	4.60
End. Fund Balance	146.30	132.40	121.20	123.60	126.20	128.80	132.10	136.70
Debt Service Coverage After Operations	(20.6)	(8.9)	(13.7)	10.4	2.4	1.9	2.0	2.2

U.T. System (\$ in mil.)

	Actual			FORECAST				
	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Available Revenues	2,965.2	3,226.4	3,439.7	3,640.9	3,720.7	3,792.2	3,811.6	3,878.0
Operating Expenses	(2,868.1)	(3,033.6)	(3,239.9)	(3,404.1)	(3,513.0)	(3,561.3)	(3,580.9)	(3,614.9)
Net Available for Debt Service	97.1	192.8	199.8	236.8	207.7	230.9	230.7	263.1
Debt Service	(42.0)	(43.1)	(48.9)	(62.1)	(87.9)	(101.4)	(103.2)	(106.3)
Debt Service Coverage After Operations	2.3	4.5	4.1	3.8	2.4	2.3	2.2	2.5

8. U. T. Medical Branch - Galveston - St. Mary's Hospital: Request for Approval to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, Naming of Buildings) and Approval of Plaque Inscription.--

RECOMMENDATION

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

- a. Approve the recommendation that the name of the facility purchased as "St. Mary's Hospital" at the U. T. Medical Branch - Galveston be named "Rebecca Sealy Hospital" pursuant to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1 relating to naming of buildings
- b. Approve the inscription set out below for a plaque to be placed on the building in keeping with the standard pattern approved by the U. T. Board of Regents in June 1979.

REBECCA SEALY HOSPITAL
1996

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Thomas N. James
President, The University
of Texas Medical Branch at
Galveston

BACKGROUND INFORMATION

Through the much appreciated generosity of The Sealy & Smith Foundation for the John Sealy Hospital, the U. T. Medical Branch - Galveston is now the owner of the former St. Mary's Hospital. A condition of the sale was that the institution could no longer use the "St. Mary's" name.

The U. T. Medical Branch - Galveston requests authorization to name this facility the "Rebecca Sealy Hospital." This request is based on two factors. Rebecca Sealy was co-executor of the original will of John Sealy (her husband) from which a \$50,000 bequest was made to establish the John Sealy Hospital. In addition, the Rebecca Sealy Nurses Residence was razed many years ago.

Designating the former St. Mary's Hospital as the Rebecca Sealy Hospital also provides two attractive forms of symmetry. One is geographic symmetry, resulting from hospitals named for both the husband and wife located directly across the street from each other. A second form of symmetry, genealogical, stems from the recognition of both members of this marriage.

9. U. T. Health Science Center - Houston - Doctors Center Building: Request for Approval to Name Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, Naming of Buildings) and Approval of Plaque Inscription.--

RECOMMENDATION

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

- a. Approve the recommendation that the name of the facility purchased as the "Doctors Center Building" at the U. T. Health Science Center - Houston be named "University Center Tower" pursuant to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1 relating to naming of buildings
- b. Approve the inscription set out below for a plaque to be placed on the building in keeping with the standard pattern approved by the U. T. Board of Regents in June 1979.

UNIVERSITY CENTER TOWER
1996

BOARD OF REGENTS

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BACKGROUND INFORMATION

The U. T. Health Science Center - Houston recently acquired the Doctors Center Building and wishes to change the name of this building to the "University Center Tower."

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

<u>Date:</u>	August 7, 1996	August 8, 1996
<u>Time:</u>	1:00 p.m.	10:00 a.m.
<u>Place:</u>	Constellation Ballroom I Sheraton Tyler Hotel 5701 South Broadway Tyler, Texas	Room 301 Administration Building U. T. Tyler

1. Pending and/or Contemplated Litigation - Section 551.071
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 551.072
3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
 - a. U. T. System: Consideration of Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1997, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Authorization for the Chancellor to Make Editorial Corrections Therein
 - b. U. T. M.D. Anderson Cancer Center: Consideration of Recommendation of Hearing Tribunal Regarding Termination of Tenured Faculty Member