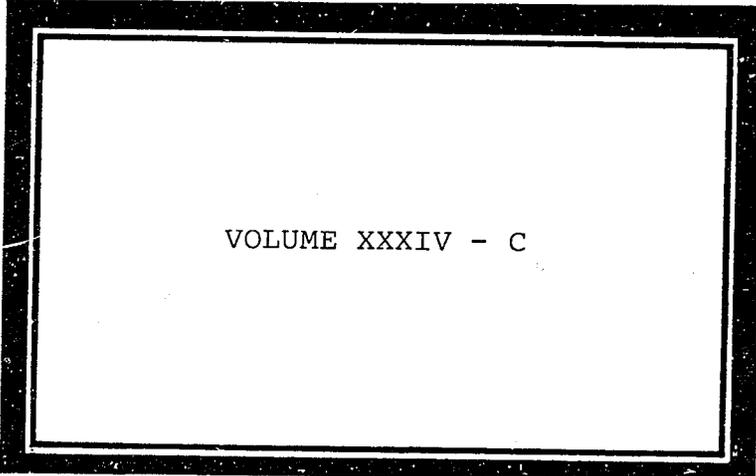


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THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM



Meeting No. 823

January 14, 1987

Austin, Texas

Meeting No. 824

January 24, 1987

Austin, Texas

and

Meeting No. 825

February 12, 1987

Austin, Texas

Meeting No. 823

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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MEETING NO. 823

WEDNESDAY, JANUARY 14, 1987.--The members of the Board of Regents of The University of Texas System convened at 1:30 p.m. on Wednesday, January 14, 1987, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall in Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Hay, presiding	
Vice-Chairman Baldwin	
Vice-Chairman Ratliff	
Regent Blanton	
Regent (Mrs.) Briscoe	
Regent (Mrs.) Milburn	
Regent Rhodes	
Regent Roden	
Regent Yzaguirre	

Executive Secretary Dilly

Chancellor Mark
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins
Executive Vice Chancellor Patrick

Chairman Hay announced a quorum present and called the special meeting of the Board to order. He stated that the primary purpose of this meeting was to review the continuing Capital Improvement Program for The University of Texas System and to extend that Program to include the year ending August 31, 1992.

U. T. System: Authorization for Extension of Capital Improvement Program Through 1991-92 with Approval in Principle of Project Additions; Approval of Specific Capital Improvement Project Authorizations for Fiscal Year 1987-88; Advance Authorization of Selected Equipment Acquisitions for 1987-88; and Authorization of an Emergency Building Renovation Project at U. T. Arlington for Fiscal Year 1986-87.--In October 1985, the U. T. Board of Regents approved in principle a Capital Improvement Program for expenditures of Permanent University Fund (PUF) Bond Proceeds through Fiscal Year 1990-91 and authorized the U. T. System Administration, in conjunction with component institution representatives, to proceed with specific projects through Fiscal Year 1986-87. Subsequently, the U. T. Board of Regents has amended this plan with several specific project-related actions, some of which provided for additional expenditures and some of which authorized projects previously approved only in principle.

Chairman Hay called on Chancellor Mark and Executive Vice Chancellors Duncan and Mullins to summarize the process that had been followed in reviewing institutional priorities and revising projections of Permanent University Fund Bond Proceeds likely to be available to support the Capital Improvement Program for The University of Texas System.

Following these presentations and upon motion of Vice-Chairman Ratliff, seconded by Vice-Chairman Baldwin, the Board:

- a. Extended the U. T. System Capital Improvement Program one year (through 1991-92), thereby maintaining a continuous six-year plan for planning purposes, and approved in principle addition of the below listed projects to be funded from Permanent University Fund (PUF) Bond Proceeds and other indicated fund sources. Subsequent project authorization for those projects not included in (b) below or previously authorized for Fiscal Year 1985-86 and 1986-87 will be requested at a future date based on the flow of PUF Bond Proceeds and annual prioritization of component institution project needs.

	<u>PUF Bond Proceeds</u>
<u>U. T. System</u>	
FY 1991-92 Reserve for Repair & Rehabilitation	\$10,000,000
FY 1991-92 Reserve for Institutional Equipment	10,000,000
Allocation for Completion of Library Enhancement Program through FY 1991-92 (Includes \$1.5 million for completing Library Automation at health component institutions in Fiscal Year 1987-88, \$2.0 million for Library Acquisitions to meet commitments to U. T. Arlington and U. T. Dallas for Collections Catch-up for Fiscal Year 1987-88, and \$4.0 million for additional acquisitions through FY 1991-92)	7,500,000
<u>U. T. Austin</u>	
Microelectronics/Engineering Research Building (Projected total cost of \$20,000,000 with \$10,000,000 from U. T. Austin Fee Reserves)	10,000,000
<u>U. T. San Antonio</u>	
Hemisfair Property Renovation	1,200,000
<u>U. T. Medical Branch - Galveston</u>	
Thermal Energy Plant Expansion (Projected total cost of \$9,250,000 with \$7,250,000 from U. T. Medical Branch Plant Funds)	2,000,000
<u>U. T. Health Science Center - Dallas</u>	
Green Biomedical Research Building	3,000,000
<u>U. T. Health Science Center - San Antonio</u>	
Research Building - Medical Center (Projected total cost of \$20,000,000 with \$10,000,000 from private gifts - bond proceeds allocation is contingent upon dollar-for-dollar match)	10,000,000
Total In-Principle Additions to Plan	\$53,700,000

- b. Extended project authorization of the U. T. System Capital Improvement Program through Fiscal Year 1987-88 and authorized U. T. System Administration, in consultation with component institution representatives, to proceed with the following specific projects as funds are available, subject to U. T. Board of Regents' approval, as appropriate.

	<u>PUF Bond Proceeds</u>
<u>U. T. System</u>	
FY 1987-88 Reserve for Repair & Rehabilitation (Previously approved in principle)	\$ 8,500,000
FY 1987-88 Reserve for Institutional Equipment (Previously approved in principle)	10,000,000
FY 1987-88 Allocation for Library Enhancement Program (Includes \$1.5 million for completing Library Automation at health component institutions and \$2.0 million for Library Acquisitions to meet commitments to U. T. Arlington and U. T. Dallas for Collections Catch-up)	3,500,000
FY 1988-89 Allocation for Library Enhancement at U. T. Arlington and U. T. Dallas	2,000,000
FY 1989-90 Allocation for Library Enhancement at U. T. Arlington and U. T. Dallas	2,000,000
<u>U. T. Austin</u>	
Microelectronics/Engineering Research Building (Total project cost \$20 million; see (a) above)	10,000,000
<u>U. T. El Paso</u>	
Geology/Materials Science Needs Study & Pre- liminary Design/Renovation Feasibility Analysis (To be funded as a subproject of the Old Library Renovation project previously approved in principle)	300,000
<u>U. T. San Antonio</u>	
Engineering and Biotechnology Phase I (U. T. Board of Regents appropriated \$50,000 and authorized preliminary design in June 1986 - an additional \$15,000,000 remains on the list of projects approved in principle for Phase II)	12,850,000
Hemisfair Property Renovation (see (a) above)	1,200,000

PUF Bond
Proceeds

U. T. Medical Branch - Galveston

Medical Science and Education Building
(Projected total project cost of
\$25,000,000 with \$5,000,000 from
gift funds - project previously
approved in principle) \$20,000,000

Thermal Energy Plant Expansion
(Total project cost \$9,250,000;
see (a) above) 2,000,000

U. T. Health Science Center - San Antonio

Research Building - Medical Center
(Total project cost \$20 million;
see (a) above) 10,000,000

Subtotal projects previously approved
in principle and now approved for
authorization \$55,650,000

Subtotal new projects from in-principle
additions in (a) above and now
approved for authorization 26,700,000

Total \$82,350,000

- c. Approved the following minor projects and advance alloca-
tions from appropriate reserves.

Allocations for the first two projects listed below are
to come from the Fiscal Year 1987-88 Equipment Reserve
and are to permit these institutions to maximize external
grant fund opportunities and/or opportunities to recruit
key faculty members. Authorizations are contingent upon
realization of the reasons for their advanced approval.
Other equipment allocations from these reserves will be
recommended when the 1987-88 operational budgets are
recommended. The allocation for the third project is to
come from the Reserve for Library Enhancement Program to
purchase a replacement library computer for the U. T.
Health Science Center - San Antonio which will be
compatible with the U. T. System computer/telecommunica-
tions network.

PUF Bond
Proceeds

U. T. Arlington

Scanning Tunneling and Analytic Electron
Microscopes
(Contingent upon successful recruit-
ment of an experienced Scanning
Tunneling Microscope Scientist and
receipt of \$100,000 from DARPA as
outlined in UTA proposal) \$ 353,900

U. T. Health Center - Tyler

Molecular Biology Laboratory Equipment
(Contingent upon successful recruitment
of a faculty member with expertise in
molecular biology as outlined in the
institutional request) \$ 400,000

U. T. Health Science Center - San Antonio

Replacement Library Computer 632,688

- d. Allocated the remaining balance of \$575,000 in the Fiscal Year 1986-87 Reserves for Emergency Repairs and Equipment in order to partially fund correction of a very serious humidity control problem in the U. T. Arlington Science Building. Upon completion of design, additional funds will be requested from the 1987-88 Reserves for Repair and Rehabilitation. Total project cost is expected to be about \$750,000.

Amended Capital Improvement Program summaries reflecting project allocations in principle and for funding from October 1, 1985 through the actions at this meeting are set forth on Pages 7 - 8.

Upon completion of the foregoing actions, Chairman Hay made the following statement with regard to the approval of the Capital Improvement Program:

Statement

I believe it is important to realize that the Capital Improvement Program approved today now relates to a seven (7) year period -- the fiscal years 1986 through 1992.

For that period we have approved in principle programs and projects which will, if finally approved for funding, require about \$453 million in Permanent University Fund Bond Proceeds. It is significant that about 41% of this amount, or \$185 million, is allocated for other than new construction:

- \$27 million for library enhancement programs
- \$89 million for academic and research equipment, and
- \$69 million for the repair and rehabilitation of existing facilities.

The Board has reserved the remaining funds of \$268 million for new construction, an average of \$38 million per year. Since there are thirteen components of the U. T. System participating to some degree in the plan, the variable is about \$3 million per year. The projects which appear on the approved list have been subjected to intense review by the institution, by the Office of the Chancellor, and by the Board. Only those with the highest priority and with the most direct relationship to the institutions' academic and research programs have survived.

While there has been much discussion about deferring new construction, this Board can truly say that its review has been detailed and complete. We agree that, while restraint in new facilities is required, we must recognize that we represent component institutions that are dynamic and approaching in many ways a level of excellence and national recognition which would be jeopardized by a lack of new facilities. We must continue to attract the brightest and the best of both faculty and students and the programs and projects in the Capital Improvement Program are dedicated to that end.

I agree with those who say we must be frugal, but it is essential to our stewardship that higher education be maintained as a dynamic contributor to the progress of this State. We are eternally grateful that the resources of the Permanent University Fund are available to contribute to that mission.

PART A
PROJECTS APPROVED IN PRINCIPLE

The University of Texas System
Capital Improvement Program 1985-1992
Approved in Principle Through January 1987

	Original Plan (Oct 1, 1985)	Subsequent Changes	Recommended Additions (Jan, 1987)	Total
U.T. System				
Institutional Equipment & Library	\$ 59,250,000		\$ 10,000,000	\$ 69,250,000
Library Enhancement		12,249,500	7,500,000	19,749,500
Library Budget Augmentation		7,500,000		7,500,000
Repair and Rehabilitation	58,410,000		10,000,000	68,410,000
Supercomputer	20,000,000			20,000,000
MCC Advance		9,300,000		9,300,000
U.T. Arlington				
Engineering Building Addition & Renovation	38,500,000			38,500,000
Cooper Street Modifications	2,600,000			2,600,000
U.T. Austin				
Remodeling & Expansion of Goldsmith Hall & Site Development	11,000,000			11,000,000
Expansion of Physical Plant Facilities Phase I	12,500,000			12,500,000
Nuclear Engineering Teaching Laboratory	5,860,000			5,860,000
Microelectronics/Engineering Research Building			10,000,000	10,000,000
U.T. Dallas				
Animal Care Facility (Emergency)	400,000			400,000
Multipurpose & Engineering Start-up Space	4,800,000			4,800,000
Engineering & Computer Science Building	17,500,000			17,500,000
U.T. El Paso				
Physical Plant Facilities	6,900,000	880,000		7,780,000
Renovate Former Library Facility	4,700,000			4,700,000
U.T. Permian Basin				
Campus Computers	750,000			750,000
Re-Roofing Mesa Building	200,000			200,000
U.T. San Antonio				
Campus Electricity System (Emergency)	500,000			500,000
Engineering /Biotechnical Addition Phase I & Phase II	27,900,000			27,900,000
Renovation of Public Areas at the Institute of Texan Cultures	2,130,000			2,130,000
Hemisfair Property Renovations			1,200,000	1,200,000
U.T. Tyler				
Space Completion & Renovation	3,800,000			3,800,000
Liberal Arts Complex	12,000,000			12,000,000
Dallas Health Science Center				
Clinical Science Building	8,000,000			8,000,000
Imaging Center	3,900,000			3,900,000
Green Biomedical Research Building			3,000,000	3,000,000
Galveston Medical Branch				
Medical Science & Education Buildings	20,000,000			20,000,000
Expansion of Thermal Energy Plant			2,000,000	2,000,000
Houston Health Science Center				
Addition to Dental Science Building	8,000,000			8,000,000
Ambulatory Care Facility	5,000,000			5,000,000
San Antonio Health Science Center				
Basic Science Buildings/5th Level	3,400,000			3,400,000
Expansion for Medical/Clinical Research	15,500,000			15,500,000
Research Building-Medical Center			10,000,000	10,000,000
Cancer Center				
Learning Resources Center	1,500,000			1,500,000
Clinic Remodeling	5,000,000			5,000,000
Tyler Health Center				
Clinic Expansion & Family Practice Clinic	10,000,000			10,000,000
	<u>\$370,000,000</u>	<u>\$ 29,929,500</u>	<u>\$ 53,700,000</u>	<u>\$453,629,500</u>

PART B
 PROJECTS AUTHORIZED
 THROUGH FISCAL YEAR 1987-88

The University of Texas System
 Capital Improvement Program 1985-1992
 Funding Authorizations Through January 1987

	Original Plan (Oct 1, 1985)	Subsequent Changes	Recommended Authorizations (Jan, 1987)	Total
U.T. System				
Institutional Equipment & Library	\$ 19,250,000	\$	\$ 10,000,000	\$ 29,250,000
Library Enhancement		12,249,500	7,500,000	19,749,500
Library Budget Augmentation		7,500,000		7,500,000
Repair and Rehabilitation	14,540,000		8,500,000	23,040,000
Supercomputer	20,000,000			20,000,000
MCC Advance		9,300,000		9,300,000
U.T. Arlington				
Engineering Building Addition & Renovation	38,500,000			38,500,000
Cooper Street Modifications		2,600,000		2,600,000
U.T. Austin				
Remodeling & Expansion of Goldsmith Hall & Site Development	11,000,000			11,000,000
Expansion of Physical Plant Facilities Phase I	12,500,000			12,500,000
Nuclear Engineering Teaching Laboratory	5,860,000			5,860,000
Microelectronics/Engineering Research Building			10,000,000	10,000,000
U.T. Dallas				
Animal Care Facility (Emergency)	400,000			400,000
Multipurpose & Engineering Start-up Space	4,800,000			4,800,000
Engineering & Computer Science Building	17,500,000			17,500,000
U.T. El Paso				
Physical Plant Facilities	6,900,000	880,000		7,780,000
Renovate Former Library Feasibility Analysis			300,000	300,000
U.T. Permian Basin				
Campus Computers	750,000			750,000
Re-Roofing Mesa Building	200,000			200,000
U.T. San Antonio				
Campus Electricity System (Emergency)	500,000			500,000
Engineering /Biotechnical Addition Phase I		50,000	12,850,000	12,900,000
Renovation of Public Areas at the Institute of Texan Cultures	2,130,000			2,130,000
Hemisfair Property Renovations			1,200,000	1,200,000
U.T. Tyler				
Space Completion & Renovation	3,800,000			3,800,000
Dallas Health Science Center				
Clinical Science Building	8,000,000			8,000,000
Imaging Center	3,900,000			3,900,000
Galveston Medical Branch				
Medical Science & Education Buildings			20,000,000	20,000,000
Expansion of Thermal Energy Plant			2,000,000	2,000,000
Houston Health Science Center				
Addition to Dental Science Building	8,000,000			8,000,000
Ambulatory Care Facility	5,000,000			5,000,000
San Antonio Health Science Center				
Basic Science Buildings/5th Level	3,400,000			3,400,000
Expansion for Medical/Clinical Research	15,500,000			15,500,000
Research Building-Medical Center			10,000,000	10,000,000
	<u>\$202,430,000</u>	<u>\$32,579,500</u>	<u>\$82,350,000</u>	<u>\$317,359,500</u>

RECESS TO EXECUTIVE SESSION.--At 2:05 p.m., Chairman Hay announced that the Board would recess to convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Section 2(f) to consider certain lease arrangements related to the commercial vineyards and winery on Permanent University Fund Lands in West Texas.

RECONVENE.--At 3:00 p.m., the members of the Board reconvened in open session to consider the item discussed in Executive Session.

U. T. System: Consideration of the Negotiation of Certain Lease Arrangements Related to the Commercial Vineyards and Winery on Permanent University Fund Lands in West Texas.--Chairman Hay stated that in Executive Session the Board heard a report from the Executive Vice Chancellor for Asset Management and the Office of General Counsel regarding certain negotiations underway for amendments to the lease agreements related to the commercial vineyards and winery on Permanent University Fund Lands in West Texas and it was determined that no formal action regarding these negotiations was necessary at this time.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:02 p.m.


Arthur H. Dilly
Executive Secretary

January 23, 1987