

Meeting No. 1,000

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

Pages 1 - 106

November 9-10, 2005

Austin, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
 NOVEMBER 9-10, 2005
 AUSTIN, TEXAS

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MEETING NO. 1,000

WEDNESDAY, NOVEMBER 9, 2005.--The members of the Board of Regents of The University of Texas System convened at 10:53 a.m. on Wednesday, November 9, 2005, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Huffines, presiding
Vice Chairman Clements
Vice Chairman Krier
Regent Barnhill
Regent Caven
Regent Craven
Regent Estrada
Regent McHugh
Regent Rowling

Counsel and Secretary Frederick

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Huffines called the meeting to order.

RECESS TO EXECUTIVE SESSION.--At 10:55 a.m., Chairman Huffines announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.073, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 1:32 p.m., the Board reconvened in open session and took the following actions on matters discussed in Executive Session:

- 1a. U. T. System Board of Regents: Approval of the Board of Regents' potential investment of funds held by foundations that support the public purpose and educational mission of U. T. System institutions

Upon motion by Regent Barnhill, seconded by Regent Caven, the Board authorized the Vice Chancellor and General Counsel, in consultation with the Chancellor, to enter into investment management agreements under which

the Board of Regents will control, manage, and invest funds for foundations and similar tax-exempt charitable organizations affiliated with The University of Texas System and its institutions at the request of the foundation or tax-exempt charitable organization provided that (i) any such foundation or charitable organization is integral to the public and educational purposes of the U. T. System, (ii) funds invested are exclusively dedicated to the educational purposes of the U. T. System, and (iii) any such agreement furthers the support and maintenance of U. T. System institutions. Funds managed under such agreements will be invested by The University of Texas Investment Management Company (UTIMCO) under its Investment Management Services Agreement with the U. T. System Board of Regents.

The motion carried unanimously.

1b. U. T. System Board of Regents: Authorization to explore a structure for Texas Student Publications, Inc.

Vice Chairman Krier moved that The University of Texas System Board of Regents authorize the Vice Chancellor and General Counsel, working with appropriate University of Texas at Austin and U. T. System personnel, to explore with the Board of Operating Trustees of Texas Student Publications, Inc., a structure that will maximize the operational and educational efficiency of Texas Student Publications consistent with the mission of student media enterprises at U. T. Austin.

Vice Chairman Krier further moved that upon reaching a consensus regarding an appropriate structure for Texas Student Publications, the Vice Chancellor and General Counsel present such structure at a future meeting of the U. T. System Board of Regents for consideration and final approval.

She clarified that while the agreement will be with Texas Student Publications because that is where the current trust agreement is, the discussion relates to reaching a consensus involving Texas Student Publications, *The Daily Texan*, and faculty, staff, and alumni as well and that all will be involved as the process moves forward.

The motions were seconded by Regent Estrada and carried by acclamation.

2. U. T. Tyler: Naming of the soccer complex as the Citizens 1st Bank - Perkins Soccer Complex

Upon motion by Regent Rowling, seconded by Regent Craven, the Board unanimously approved naming of the soccer complex at The University of Texas at Tyler as the Citizens 1st Bank - Perkins Soccer Complex in accordance with the proposal presented in Executive Session. The motion carried unanimously.

3c. U. T. System Board of Regents: Election of officers (Regents' Rules and Regulations, Series 10102)

Regent Caven moved that Mr. James R. Huffines be reelected Chairman of the Board. The motion was seconded by Regent Rowling.

Regent Estrada moved that Mrs. Rita C. Clements and The Honorable Cyndi Taylor Krier be reelected Vice Chairmen of the Board and that Ms. Francie A. Frederick be reelected Counsel and Secretary to the Board. Regent Barnhill seconded the motion.

The motions carried unanimously.

For the record, officers, committee membership, and Regental representatives of the Board follow:

Officers

James R. Huffines, Chairman
Rita C. Clements, Vice Chairman (to act in place of the Chairman)
Cyndi Taylor Krier, Vice Chairman
Francie A. Frederick, Counsel and Secretary

Academic Affairs Committee

Cyndi Taylor Krier, Chairman
John W. Barnhill, Jr.
Judith L. Craven, M.D.
Robert A. Estrada
Colleen McHugh

Note: Members of the Academic Affairs Committee also serve on The University of Texas at Brownsville/Texas Southmost College (UTB/TSC) Partnership Advisory Committee.

Audit, Compliance, and Management Review Committee

Robert A. Estrada, Chairman
Rita C. Clements
Judith L. Craven, M.D.
Cyndi Taylor Krier
Robert B. Rowling

Facilities Planning and Construction Committee

John W. Barnhill, Jr., Chairman
H. Scott Caven, Jr.
Rita C. Clements
Robert A. Estrada
Colleen McHugh

Finance and Planning Committee

Robert B. Rowling, Chairman
John W. Barnhill, Jr.
H. Scott Caven, Jr.
Cyndi Taylor Krier
Colleen McHugh

Health Affairs Committee

Rita C. Clements, Chairman
H. Scott Caven, Jr.
Judith L. Craven, M.D.
Cyndi Taylor Krier
Robert B. Rowling

Student, Faculty, and Staff Campus Life Committee (Ad Hoc Committee)

Judith L. Craven, M.D., Chairman
John W. Barnhill, Jr.
Rita C. Clements
Robert A. Estrada
Colleen McHugh

Note: Chairman Huffines is a nonvoting *ex officio* member of this ad hoc committee.

Regental Representatives:

Board for Lease of University Lands

Judith L. Craven, M.D.
Cyndi Taylor Krier
Robert A. Estrada, Alternate

The University of Texas Investment Management Company (UTIMCO) Board of Directors

H. Scott Caven, Jr., Chairman
Colleen McHugh
Robert B. Rowling

Texas Growth Fund Board of Trustees

Robert A. Estrada

M. D. Anderson Services Corporation

Rita C. Clements

RECESS.--At 1:35 p.m., Chairman Huffines announced the Board would recess for meetings of the Standing Committees that afternoon (November 9) and for the meeting of the Student, Faculty, and Staff Campus Life Committee at 8:00 a.m. on November 10 with the Board reconvening in Open Session at 9:00 a.m. on November 10.

THURSDAY, NOVEMBER 10, 2005.--The members of the Board of Regents of The University of Texas System reconvened at 9:20 a.m. on Thursday, November 10, 2005, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Huffines, presiding	Vice Chairman Clements
Vice Chairman Krier Regent	Craven
Regent Barnhill	
Regent Caven	
Regent Estrada	
Regent McHugh	
Regent Rowling	

Counsel and Secretary Frederick

Chairman Huffines announced a quorum present and called the meeting to order.

ANNUAL MEETING WITH REPRESENTATIVES OF THE UNIVERSITY OF TEXAS SYSTEM EMPLOYEE ADVISORY COUNCIL (EAC).--The following representatives of the Employee Advisory Council of The University of Texas System met with the Board to discuss accomplishments of the Council and recommendations for the future.

Chair: Ms. Ann Tate, The University of Texas Southwestern Medical Center at Dallas

Past Chair: Ms. Sandra K. Goertzen, The University of Texas at Dallas

Past Vice-Chair: Mr. Eduardo "Pep" Valdes, The University of Texas Medical Branch at Galveston

Past Secretary: Ms. Janet Cole, U. T. System Administration

Past Historian: Mr. Glen Worley, The University of Texas at Austin

Ms. Goertzen reported that communication is the key to integrating staff to the advantage of all and she acknowledged that existence of the Council shows openness towards staff by the Board of Regents. She presented the Council's concern for how information should flow up to the highest levels and back down

and introduced presentations that would be made on three recommendations from the Council related to the exchange of information, all of which would enhance communications and offer benefits to U. T. System institutions.

Mr. Valdes outlined the Council's first recommendation, which is to promote and publicize greater staff involvement on campus while acknowledging areas of common interest as well as celebrating differences. Mr. Valdes spoke of embracing diversity in all its forms by working together to leverage talent, pool resources, share best practices, support, and get the word out about people and their successes.

Mr. Worley spoke about the Council's second recommendation concerning establishment of a staff council or similar organization at each U. T. System institution. He said support needs to come from the top for such an organization to function properly and he discussed advantages of staff councils and related costs.

Ms. Cole reported on the third recommendation to make the EAC Best Practices report a living document accessible to all employees. The document recognizes institutions for their innovations and sharing of best practices. The 2002-2003 Best Practice Document was presented to the Board in February 2003.

Ms. Tate provided concluding comments, saying that although the EAC is only four years old, the staff of U. T. System Administration and the institutions is composed of well-qualified and passionate individuals who could well be the best ambassadors to the mission of the U. T. System because of their connection with the university and customer base. She said staff members are often the first point of contact for students, visitors, and patients. She said implementation of the Council's recommendations regarding enhancing communications between and amongst staff and those who direct the mission and goals of U. T. System and enforcement of staff's values is critical to the success of U. T. System.

Chancellor Yudof said the Council's recommendations are reasonable. He offered to cooperate with diversity initiatives (first recommendation), which, he said, is also a high priority for the U. T. System. Regarding the second recommendation, Chancellor Yudof suggested the Council contact the appropriate Executive Vice Chancellor regarding those institutions that do not presently have a staff council. Chancellor Yudof agreed to commit requested resources regarding the third recommendation to update and widely distribute the Best Practice Document.

Vice Chairman Krier encouraged communication between institutional staff councils and System councils to enhance the flow of information and she also encouraged promotion of each campus compact at all institutional levels to ensure everyone is moving toward the same overarching goals.

In between annual meetings, Chairman Huffines asked the EAC to present a written report to the Board every six months, highlighting progress and accomplishments. He asked that the report be submitted to Counsel and Secretary Frederick for distribution. Mr. Huffines said the U. T. System is the second largest employer in the State of Texas and its assets are its people. He endorsed the Council's remarks that members of the staff are the ambassadors of the U. T. System to the public, to the constituencies, and to the taxpayers.

WELCOME TO REGENT MCHUGH.--Chairman Huffines welcomed Regent Colleen McHugh to her first regularly scheduled Board meeting.

WELCOME TO OFFICIALS OF THE UNIVERSITY OF TEXAS SYSTEM.--Chancellor Yudof called on Vice Chancellor Barnhill to introduce Dr. David A. Watson, Associate Vice Chancellor for Sandia Operations, and Mr. Arjuna Sanga, Associate Vice Chancellor for Technology Transfer for The University of Texas System.

U. T. SYSTEM BOARD OF REGENTS: APPROVAL OF MINUTES.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on August 10-11, 2005, in Galveston, Texas, were approved as prepared by the Counsel and Secretary to the Board. The official copy is recorded in the *Permanent Minutes*, Volume LII, Pages 638 - 903.

The Board also approved the Minutes of the special meetings of the Board of Regents of the U. T. System held on September 7, October 12, October 31, and November 4, 2005, in Austin, Texas, as prepared by the Counsel and Secretary to the Board. The official copy is recorded in the *Permanent Minutes*, Volume LIII, Pages 1 - 13.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 10:15 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Huffines announced the Board would reconvene to approve the report and recommendations of the committees.

The meetings of the Standing Committees were conducted in open session, and the reports and recommendations thereof are set forth on Pages 8 - 95.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 8 - 58).--Committee Chairman Rowling reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Approval of Docket No. 124

The Board approved *Docket No. 124* in the form distributed by the Counsel and Secretary to the Board. It is attached following Page 106 in the official copy of the *Minutes* and is made a part of the record of this meeting.

It was expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective institution involved.

2. U. T. System: Discussion of Strategic Financial Analysis

This item was considered only by the Committee (see Committee Minutes).

3. U. T. System Board of Regents: Overview of U. T. System debt programs

This item was considered only by the Committee (see Committee Minutes).

4. U. T. System Board of Regents: Adoption of Liquidity Resolution for U. T. System debt programs and approval to process Security Purchase Agreement with The University of Texas Investment Management Company (UTIMCO)

The Board

- a. adopted a Liquidity Resolution covenanting to provide internal liquidity support for certain notes and bonds issued by The University of Texas System and approving a related Security Purchase Agreement with The University of Texas Investment Management Company (UTIMCO), substantially in the form set out on Pages 10 - 18, relating to the U. T. System's variable rate note and bond programs; and

- b. authorized the Executive Vice Chancellor for Business Affairs, the Associate Vice Chancellor for Finance, and the Director of Finance to take any and all actions necessary to carry out the authorization in (a) above.

In the resolutions authorizing variable rate note and bond programs, the U. T. System Board of Regents has covenanted, at all times while any notes or bonds are outstanding, to provide liquidity support in the unlikely event that the remarketing agent cannot remarket the notes or bonds. Although the Board has never experienced a failed remarketing of its debt, this Liquidity Resolution provides assurances to the financial markets that the Board will use its eligible resources to purchase its debt in the unlikely event that the debt cannot be sold in the marketplace.

In November 1993, the Board began providing internal liquidity support for a portion of its variable rate debt programs in lieu of securing external bank liquidity. Since November 2002, the Board has provided internal liquidity support for all U. T. System variable rate debt programs. The U. T. System saves an estimated \$1,250,000 annually by providing internal liquidity versus external bank liquidity. If UTIMCO were to ever purchase any unremarketed notes or bonds, the notes or bonds purchased would bear interest at rates equal to taxable commercial paper with similar credit ratings until such time as the bonds or notes could be remarketed as provided in the resolutions.

In accordance with the impending centralized management of operating funds, existing internal liquidity agreements between the Board and UTIMCO require revision. Adoption of the Liquidity Resolution and the related Security Purchase Agreement ensures the Board's ongoing commitment to provide liquidity support and streamlines the commitment by means of a single security purchase agreement with UTIMCO as opposed to the multiple agreements currently in place.

A RESOLUTION covenanting to use lawfully available funds to purchase Board of Regents of The University of Texas System Permanent University Fund Flexible Rate Notes, Series A (the “Notes”) and other Obligations of the Board of Regents (the “Board”) of The University of Texas System tendered for purchase or maturing and not remarketed or reissued; approving and authorizing certain authorized officers and employees to act on behalf of the Board in the execution of a related Security Purchase Agreement; and reciting that this Resolution constitutes a “Credit Agreement” for purposes of the Board’s resolution authorizing the Notes.

WHEREAS, on November 13, 2002, the Board of Regents (the “Board”) of The University of Texas System adopted an amended and restated resolution (the “Note Resolution”) approving and authorizing the issuance of its Board of Regents of The University of Texas System Permanent University Fund Flexible Rate Notes, Series A, in an amount at any one time outstanding of not to exceed \$400,000,000 (the “Notes”); and

WHEREAS, the Board, in Section 6.04(a) of the Note Resolution, covenanted and agreed that at all times while there are outstanding Notes, it will maintain one or more Credit Agreements (as defined in the Note Resolution) in amounts such that, assuming that all then outstanding Notes were to be tendered for purchase, the amount available to be drawn under the Credit Agreements would be sufficient at that time to pay the purchase price therefor at an amount equal to the principal of all such Notes; and

WHEREAS, Section 6.04(b) of the Note Resolution provides that a Credit Agreement may be a resolution adopted by the Board pursuant to which the Board covenants to provide liquidity support for the Notes by using lawfully available funds to purchase Notes tendered for purchase and not remarketed, which resolution recites that it constitutes a “Credit Agreement” for purposes of the Note Resolution; and

WHEREAS, pursuant to the Board's Revenue Financing System, the Board has also issued its variable rate demand bonds and established commercial paper programs (the "RFS Obligations"); and

WHEREAS, the Board desires to provide liquidity support for the Notes and the RFS Obligations and in furtherance of such desire, the Board and The University of Texas Investment Management Company (“UTIMCO”) desire to enter into a certain Security Purchase Agreement substantially in the form attached hereto and incorporated herein, pursuant to which UTIMCO, as agent of the Board and investment manager of funds under the control and management of the Board, will agree, subject to the conditions and limitations set forth therein, to purchase, as an investment of funds of the Board, Notes and RFS Obligations that cannot be remarketed or reissued as provided for in the Note Resolution or the respective Resolution authorizing the RFS Obligations, as the case may be;

NOW, THEREFORE BE IT RESOLVED, that the Board covenants and agrees to provide liquidity support for the Notes and the RFS Obligations by using lawfully available funds to purchase Notes and RFS Obligations tendered for purchase or maturing and not reissued; and

BE IT FURTHER RESOLVED, that an Authorized Representative (as defined in the Note Resolution) is hereby authorized to execute and deliver a Security Purchase Agreement, pursuant to which UTIMCO will agree, subject to the conditions and limitations set forth therein, to purchase, as an investment of funds of the Board, Notes and RFS Obligations that cannot be remarketed or reissued as provided for in the Note Resolution or the respective Resolution authorizing the RFS Obligations, as the case may be;

BE IT FURTHER RESOLVED, that upon satisfaction of the requirements of Section 6.04(c) of the Note Resolution, this Resolution shall constitute a “Credit Agreement” for purposes of the Note Resolution; whereupon, the Board’s resolution adopted on November 13, 2002, approving, in part, a “Note Purchase Agreement” between the Board and UTIMCO, shall be rescinded.

PASSED AND ADOPTED, this the 10th day of November, 2005.

ATTEST:

Counsel and Secretary to the Board

Chairman of the Board

(Seal)

SECURITY PURCHASE AGREEMENT

dated as of

November 10, 2005

between

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

and

THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY
as Investment Manager of funds under the control and management of the
Board of Regents of The University of Texas System

SECURITY PURCHASE AGREEMENT

This Security Purchase Agreement is dated as of November 10, 2005, between the Board of Regents (the “Board”) of The University of Texas System (the “System”) and The University of Texas Investment Management Company (“UTIMCO”), as agent of the Board and investment manager of funds under the control and management of the Board.

RECITALS

WHEREAS, the System currently has outstanding certain commercial paper notes, flexible rate notes and variable rate revenue bonds specifically described in Exhibit A attached hereto (such notes and bonds, and any additional notes or bonds added to Exhibit A pursuant to an amendment to this Agreement under the terms and conditions set forth herein, the “Notes and Bonds”), issued and outstanding in the respective principal amounts and pursuant to the respective Resolutions (each a “Resolution” and collectively, the “Resolutions”), set forth on Exhibit A, as hereafter amended; and

WHEREAS, UTIMCO is to provide a standby purchase commitment to provide liquidity for the Board’s obligation under the respective Resolutions to purchase the Notes and Bonds upon their tender or maturity in accordance with the Resolutions while any of the Notes and Bonds are outstanding; and

WHEREAS, the Board and UTIMCO desire to enter into a procedural agreement whereby UTIMCO will agree to purchase on behalf of the Board and as an investment for certain funds of the Board managed by UTIMCO, Notes and Bonds that cannot be remarketed or refunded as provided for in the Resolutions and for which other moneys of the System have not been made available; and

NOW THEREFORE, the parties hereto agree as follows:

Section 1. Definitions.

The terms defined below have the following meanings when used herein unless the context shall indicate a contrary meaning:

“Agreement” shall mean this Security Purchase Agreement, as from time to time amended or supplemented.

“Authorized Representative” shall mean in the case of the Board, the Executive Vice Chancellor for Business Affairs, the Associate Vice Chancellor for Finance or the Director of Finance, or such other officer or employee of the System authorized to act as an Authorized Representative of the Board and in the case of UTIMCO, the President and Chief Executive Officer of UTIMCO, or such other officer or employee of UTIMCO authorized to act as an Authorized Representative of UTIMCO.

“Board” shall mean the Board of Regents of The University of Texas System.

“Board Purchase Date” shall have the meaning set forth in Section 5 hereof.

“Bond” or “Bonds” shall mean the evidences of indebtedness authorized to be issued and at any time outstanding pursuant to a Bond Resolution.

“Bond Resolution” shall mean a Resolution adopted by the Board, approving and authorizing the issuance of the Bonds.

“Business Day” shall mean any day (i) when banks are open for business in Austin, Texas and (ii) when banks are not authorized to be closed in New York, New York.

“Commitment Period” shall mean the period from the Effective Date to but not including the Commitment Termination Date.

“Commitment Termination Date” shall mean the final maturity date of any Notes or Bonds described in Exhibit A, as hereafter amended.

“Effective Date” shall mean November 10, 2005.

“Maximum Interest Rate” shall mean the lesser of (a) fifteen percent (15%) per annum and (b) the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the Board in the exercise of its borrowing powers (prescribed by Chapter 1204, Texas Government Code, or any successor provision).

“Note” or “Notes” shall mean the evidences of indebtedness authorized to be issued and at any time outstanding pursuant to a Note Resolution.

“Note Resolution” shall mean a Resolution adopted by the Board, approving and authorizing the issuance of the Notes.

“Notice of Purchase” shall mean that notice completed and executed by an Authorized Representative of the Board in substantially the form attached hereto as Exhibit B, which notice shall serve as a written request for UTIMCO to purchase Notes or Bonds as investments in the manner set forth in this Agreement.

“Paying Agent” shall mean the respective agent appointed pursuant to the related Resolution, or any successor to such agent as provided in Exhibit A, as hereafter amended.

“Proposed Purchase Date” shall have the meaning set forth in Section 3 hereof.

“Purchase Date” shall mean the date specified by the Board pursuant to Section 3 of this Agreement as the date on which UTIMCO will purchase Notes or Bonds upon their tender or maturity in accordance with the Resolutions, which date shall be a Business Day.

“Remarketing Agent” shall mean the respective dealer or remarketing agent selected from time to time by the Board to remarket Notes or Bonds in accordance with the related Resolution.

“System” shall mean The University of Texas System.

“UTIMCO” shall mean The University of Texas Investment Management Company.

Section 2. Commitment to Purchase Notes and Bonds.

UTIMCO agrees that as agent of and on behalf of the Board, it will, during the Commitment Period, on the terms and conditions and subject to the limitations set forth in this Agreement, purchase Notes and Bonds as investments of funds of the Board from time to time in amounts up to, but not exceeding, the aggregate principal amount of Notes and Bonds outstanding as provided in Exhibit A, as hereafter amended, in the event a Remarketing Agent has been unable to remarket or refund Notes or Bonds in accordance with the terms of the Resolutions.

Section 3. Method of Purchase.

By not later than 11:00 a.m. Central Time on the date of a proposed purchase hereunder (the “Proposed Purchase Date”), an Authorized Representative of the Board shall submit a purchase request to an Authorized Representative of UTIMCO specifying the amount of Notes or Bonds to be purchased. A purchase request shall be made by delivery of a completed and executed Notice of Purchase or by telephonic notice confirmed as soon as possible by delivery or telecopy of a completed and signed Notice of Purchase, provided that such purchase request shall not be conditioned upon the receipt of the confirming Notice of Purchase.

UTIMCO shall make available, in federal or other immediately available funds, to the respective Paying Agent, the funds necessary to fund such purchase at or prior to 1:30 p.m. Central Time on the Purchase Date, in which event the purchase price shall be principal amount of such purchased Notes or Bonds plus interest accrued with respect thereto to the purchase date.

Section 4. Interest Rates.

Each Note or Bond purchased by UTIMCO, as agent of and on behalf of the Board, pursuant to this Agreement shall be an investment of the fund in which it is purchased and shall bear interest on the principal amount at a rate equal to the rate on taxable commercial paper issued by a major corporate issuer bearing a nationally recognized securities rating agency credit rating equivalent to that of the Note or Bond as agreed to by Authorized Representatives of UTIMCO and the Board.

If the rate of interest applicable to a purchased Note or Bond when determined in the paragraph above would exceed the Maximum Interest Rate, then the applicable rate shall be reduced to the Maximum Interest Rate.

Section 5. Extension or Modification of Agreement.

This Agreement may not be extended or modified unless agreed to in writing by Authorized Representatives of the Board and UTIMCO.

Section 6. Prior Agreements Superseded.

Upon the execution and delivery of this Agreement, all prior agreements between the Board and UTIMCO relating to UTIMCO's purchase of Notes and Bonds not remarketed or refunded in accordance with the terms of the Resolutions are terminated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE UNIVERSITY OF TEXAS INVESTMENT
MANAGEMENT COMPANY,

By: _____
President and Chief Executive Officer

BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS SYSTEM

By: _____
Associate Vice Chancellor for Finance

EXHIBIT A

Note or Bond Program	Authorized Amount	Date of Resolution	Maximum Matur Date	Paying Agent
RFS Commercial Paper Notes, Series A	\$750,000,000	August 8, 2002	April 1, 2020	Deutsche Bank Trust Company Americas 60 Wall Street 27th Floor - MS NYC60-2715 New York, NY 10005 Attn: Michele Russo Ph. 212-250-2226
RFS Taxable Commercial Paper Notes, Series B	\$50,000,000	May 13, 2004	April 1, 2025	Deutsche Bank Trust Company Americas 60 Wall Street 27th Floor - MS NYC60-2715 New York, NY 10005 Attn: Michele Russo Ph. 212-250-2226
RFS Bonds, Series 2001A	\$85,000,000	February 11, 1999	August 15, 2013	Deutsche Bank Trust Company Americas 60 Wall Street 27th Floor - MS NYC60-2715 New York, NY 10005 Attn: Michele Russo Ph. 212-250-2226
PUF Flexible Rate Notes, Series A	\$400,000,000	November 13, 2002	May 15, 2030	Deutsche Bank Trust Company Americas 60 Wall Street 27th Floor - MS NYC60-2715 New York, NY 10005 Attn: Michele Russo Ph. 212-250-2226

EXHIBIT B

NOTICE OF PURCHASE

TO: The University of Texas Investment Management Company
FROM: Board of Regents of The University of Texas System

The University of Texas System, acting herein by the undersigned Authorized Representative, pursuant to the Security Purchase Agreement dated as of November 10, 2005, between the Board of Regents of The University of Texas System and The University of Texas Investment Management Company, as Investment Manager of funds under the control and management of the Board, issues this notice for a Purchase to be made under the Security Purchase Agreement as follows:

1. Proposed Purchase Date (which shall be a Business Day):

2. Principal Amount to be Purchased plus Accrued Interest Thereon:

Funds to purchase Notes or Bonds as provided in the Security Purchase Agreement, should be available for the account of holders of the Notes or Bonds at the Paying Agent by no later than 1:30 p.m. Central Time.

Date of this Notice
of Purchase: _____

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: _____
Authorized Representative

5. U. T. System Board of Regents: Approval of the Intermediate Term Fund Investment Policy Statement

The Board approved The University of Texas System Intermediate Term Fund (ITF) Investment Policy Statement as set forth on Pages 20 - 31.

The U. T. System Board of Regents (Board), at the July 8, 2005 meeting, authorized the centralization of management of the U. T. System operating reserves. The ITF Investment Policy Statement is to establish the ITF as a pooled fund for the collective investment of operating assets and other intermediate and long-term assets under the sole control of the Board, as a fiduciary with full discretion as to investments. Investment policies are the responsibility of the Board. The ITF shall be managed by The University of Texas Investment Management Company (UTIMCO) in conformity with the ITF Investment Policy Statement, with authority delegated by the Board pursuant to the Investment Management Services Agreement with UTIMCO.

The ITF Investment Policy Statement is substantially in the form approved by the UTIMCO Board of Directors on October 7, 2005, with the "Investment Objectives" section on Pages 21 - 22 expanded to clarify and specify the following:

- a. The primary investment objective is to preserve purchasing power by earning a net return of at least inflation plus 3%, measured over rolling three-year periods.
- b. The secondary objective is to generate a net return in excess of the approved Policy Portfolio benchmark return over rolling three-year periods.
- c. Prudent diversification within each approved asset class, and a portfolio risk profile within the approved Policy Portfolio risk range (measured monthly) must be maintained.

**THE UNIVERSITY OF TEXAS SYSTEM
INTERMEDIATE TERM FUND
INVESTMENT POLICY STATEMENT**

Purpose and Structure

The University of Texas System Intermediate Term Fund (ITF) was established by the Board of Regents of The University of Texas System (Board of Regents) as a pooled fund for the collective investment of operating funds and other intermediate and long-term funds held by U. T. System institutions and U. T. System Administration.

ITF Organization

The ITF functions as a mutual fund in which each eligible account purchases and redeems ITF units as provided herein. The ownership of ITF assets shall at all times be vested in the Board of Regents. Such assets shall be deemed to be held by the Board of Regents, as a fiduciary, regardless of the name in which the assets may be registered.

ITF Management

Article VII, Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the “PUF”) in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Pursuant to Section 51.0031(c) of the *Texas Education Code*, the Board of Regents has elected the PUF prudent investor standard to govern its management of the ITF.

Ultimate fiduciary responsibility for the ITF rests with the Board of Regents. Section 66.08, *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions, to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas Investment Management Company (UTIMCO), the ITF shall be managed by UTIMCO, which shall a) recommend investment policy for the ITF, b) recommend specific asset allocation targets, ranges, and performance benchmarks consistent with ITF objectives, and c) monitor ITF performance against ITF objectives.

UTIMCO shall invest the ITF assets in conformity with this Policy Statement. All changes to this Policy Statement or the exhibits to this Policy Statement, including changes to asset allocation targets, ranges and performance benchmarks, are subject to approval by the Board of Regents.

UTIMCO may select and terminate unaffiliated investment managers subject to the Delegation of Authority Policy approved by the UTIMCO Board. Managers shall be monitored for performance and adherence to investment disciplines.

ITF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of ITF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase ITF Units

No account shall be eligible to purchase units of the ITF unless it is under the sole control, with full discretion as to investments, by the Board of Regents. Any account whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the ITF.

ITF Investment Objectives

The ITF consists of intermediate and long-term funds held by the U. T. System Board of Regents, as a fiduciary, for the benefit of U. T. System institutions, U. T. System Administration, and other affiliated funds. ITF assets are pooled for efficient investment purposes and managed by UTIMCO over the intermediate to longer term.

The primary investment objective of the ITF is to preserve the purchasing power of ITF assets by earning a compound annualized return over rolling three-year periods, net of all direct and allocated expenses, of at least inflation as measured by the Consumer Price Index (CPI-U) plus 3%. The ITF's success in meeting this objective depends upon its ability to generate higher returns in periods of low inflation that will offset lower returns generated in years when the capital markets under-perform the rate of inflation.

The secondary ITF objective is to generate a return, net of all direct and allocated expenses, measured monthly by the independent custodian and reported at least quarterly, in excess of the approved Policy Portfolio benchmark over rolling three-year periods. The Policy Portfolio benchmark will be maintained by UTIMCO and will be comprised of a blend of asset class indices reported by the independent custodian and weighted to reflect ITF's approved asset allocation policy targets as defined in Exhibit A.

Limiting factors are that prudent diversification within each approved asset class must be maintained at all times; and a portfolio risk profile within the approved Policy Portfolio risk range, as defined in Exhibit A and measured at least monthly by UTIMCO's risk model, must be sustained at all times. Liquidity of the ITF will be governed by the Liquidity Policy, overseen by the Risk Committee of the UTIMCO Board.

ITF return, asset allocation, and risk targets are subject to adjustment from time to time by the U. T. System Board of Regents.

Asset Allocation and Policy

Asset allocation is the primary determinant of the volatility of investment return and, subject to the asset allocation ranges specified in Exhibit A, is the responsibility of UTIMCO. The asset allocation is designed to accommodate the intermediate investment horizon of the ITF assets with enhanced returns at moderate managed risk levels. UTIMCO is responsible for measuring actual asset allocation at least monthly (incorporating the impact of derivative positions covered under the Derivative Investment Policy), and for reporting the actual portfolio asset allocation to the UTIMCO Board and the Board of Regents at least quarterly. While specific asset allocation positions may be changed within the ranges specified in Exhibit A based on the economic and investment outlook from time to time, the range limits cannot be intentionally breached without prior approval of the Board of Regents.

In the event that actual portfolio positions in asset categories move outside the ranges indicated in Exhibit A due to market forces that shift relative valuations, UTIMCO staff will immediately report this situation to the UTIMCO Board Chairman and take steps to rebalance portfolio positions back within the policy ranges in an orderly manner as soon as practicable. Extenuating circumstances that could cause immediate rebalancing to be irrational and detrimental to the interest of the ITF asset values could warrant requesting approval of the UTIMCO Board Chairman for remedial action.

ITF assets shall be allocated among the following broad asset classes based upon their individual return/risk characteristics and relationships to other asset classes:

- A. U.S. Equities – U.S. equities represent ownership in U.S. companies that are traded in public markets. U.S. equities include common stocks, exchange traded funds, and derivatives based on common stocks, including warrants, rights, options, and futures. In addition, derivative applications that serve as a U.S. equity substitute will be classified as traditional U.S. equity. Global mandates that include a majority of U.S. equities will be included in U.S. equities. U.S. equities provide both current income and capital gains.
- B. Global ex U.S. Equities – Global ex U.S. equities represent ownership in global companies that are traded in public markets. The global ex U.S. markets include established (non-U.S. developed) and emerging markets.

Global ex U.S. equities include common stocks, exchange traded funds, and derivatives based on common stocks, including warrants, rights, options, and futures. In addition, derivative applications that serve as a Global ex U.S. equity substitute will be classified as Global ex U.S. equities. Global mandates that include a majority of Global ex U.S. equities will be included in Global ex U.S. equities. Global ex U.S. equities provide both current income and capital gains.

Non-U.S. Developed Equity – Non-U.S. developed equities represent ownership in companies domiciled in developed economies (countries) included in the MSCI All – Country World Equity Index – excluding those classified as part of the MSCI Emerging Markets Equity Index. These securities are typically constituents of countries in Europe, the Americas (North/Latin/South) and the Far East with high per-capita income, mature capital markets, and stable governments. The benchmark for this asset category will be the MSCI EAFE Index, with net dividends.

Emerging Markets Equity – Emerging markets equities represent ownership in companies domiciled in emerging economies as defined by the current composition of the MSCI Emerging Markets Equity Index. In addition, such definition will also include those companies domiciled in economies that have yet to reach MSCI Emerging Markets Equity Index qualification status (either through financial or qualitative measures). The benchmark for this asset category will be the MSCI Emerging Markets Equity Index, with net dividends.

- C. Hedge Funds – Hedge funds are broadly defined to include nontraditional investment strategies whereby the majority of the underlying securities are traded on public exchanges or are otherwise readily marketable.

Directional Hedge Funds – Directional hedge fund investments include U.S. and international long/short equity or fixed income strategies and other such strategies that exhibit directional market characteristics using commodities, currencies, derivatives, or other global market instruments. These strategies attempt to exploit profits from security selection skills by taking long and short positions in various securities. These strategies may also include fund of hedge fund investments. Directional hedge fund investments are made through private placement agreements. Directional hedge fund investments may be held in an internal commingled investment fund managed by UTIMCO.

Absolute Return Hedge Funds – Absolute return hedge fund investments include arbitrage, event driven strategies, and other relative value strategies. Arbitrage strategies attempt to exploit pricing discrepancies between closely related securities, utilizing a variety of different tactics primarily within equity, fixed income, and convertible securities markets. Event driven strategies attempt to exploit discrete events such as bankruptcies, mergers, and takeovers. Absolute return hedge funds

may include multi-strategy managers and fund of hedge fund investments. Absolute return hedge fund investments are made through private placement agreements. Absolute return hedge fund investments may be held in an internal commingled investment fund managed by UTIMCO.

- D. Inflation Linked – Inflation linked investments are intended to provide some degree of inflation protection and generally consist of assets with a higher correlation of returns with inflation than other eligible asset classes. Inflation linked investments include:

REITS – REITS are real estate investment trusts that may be held as either trust certificates, derivative investments, or exchange traded funds. REITS own, and in most cases operate, income producing real estate.

Commodities – Commodities include natural resource investments including oil and gas interests and other hard assets. These investments may be held through partnerships, derivative investments, exchange traded funds or direct investments.

TIPS - TIPS are inflation protected securities with a return linked to the inflation rate. For diversification purposes, TIPS may include non-U.S. inflation protected fixed income securities as well as nominal fixed income securities.

- E. Fixed Income – Fixed income investments include debt (whether U.S. or foreign) issued by Governments, various government enterprises and agencies, and domestic and foreign corporations. The principal securities include bonds, notes, bills and mortgage and asset-backed securities. In addition, derivative applications that serve as a fixed income substitute may be classified as fixed income.
- F. Cash and Cash Equivalents – Short-term (generally securities with time to maturity of three months or less), highly liquid investments that are readily convertible to known amounts of cash, and which are subject to a relatively small risk of changes in value.

Performance Measurement

The investment performance of the ITF will be measured by the ITF's custodian, an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, compared against the stated investment benchmarks of the ITF, as indicated in Exhibit A (incorporating the impact of internal derivative positions) and reported to the UTIMCO Board and the Board of Regents at least quarterly. Monthly performance data and net asset values will be available on the UTIMCO website within a reasonable time after each month end.

Investment Guidelines

The ITF must be invested at all times in strict compliance with applicable law. Investment guidelines include the following:

General

- Investment guidelines for index, commingled funds, and limited partnerships managed externally shall be governed by the terms and conditions of the respective investment management contracts or partnership agreements.
- All investments will be U.S. dollar denominated assets unless held by an internal or external portfolio manager with the authority to invest in foreign currency denominated securities.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by UTIMCO's chief investment officer prior to investment of ITF assets in such liquid investment fund.
- No securities may be purchased or held which would jeopardize the ITF's tax-exempt status.
- No internal investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.
- No internal investment strategy or program employing short sales may be made unless specifically authorized by the UTIMCO Board.
- The ITF's investments in warrants shall not exceed more than 5% of the ITF's net assets or 2% with respect to warrants not listed on the New York or American Stock Exchanges.
- The ITF may utilize derivatives to: a) simulate the purchase or sale of an underlying market index while retaining a collateral balance for fund management purposes; b) facilitate trading; c) reduce transaction costs; d) seek higher investment returns when a derivative security is priced more attractively than the underlying security; e) hedge risks associated with ITF investments; or f) adjust the market exposure of the asset allocation, including the use of long and short strategies and other such strategies, provided that the ITF's use of derivatives complies with the Derivative Investment Policy approved by the UTIMCO Board and the Board of Regents. The Derivative Investment Policy shall serve the purpose of defining permitted applications under which derivatives can be used, which applications are prohibited, and the requirements for the reporting and oversight of their use. Derivative applications implemented in compliance with the Derivative Investment Policy shall be deemed to be specifically authorized by the UTIMCO Board for purposes of this Policy Statement. The objective of the Derivative Investment Policy is to facilitate risk management and provide efficiency in the implementation of the investment strategies using derivatives.

Cash and Cash Equivalents

Holdings of cash and cash equivalents may include the following:

- Highly liquid internal pooled investment funds managed by UTIMCO.
- Unaffiliated liquid investment funds as approved by UTIMCO's chief investment officer.
- ITF's custodian late deposit interest bearing liquid investment fund.
- Municipal short-term securities.
- Commercial paper rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Repurchase agreements and reverse repurchase agreements transacted with a dealer that is approved by UTIMCO and selected by the Federal Reserve.
- Bank as a Primary Dealer in U.S. Treasury securities and rated A-1 or P-1 or the equivalent.
 - Each approved counterparty shall execute the Standard Public Securities Association (PSA) Master Repurchase Agreement with UTIMCO.
 - Eligible collateral securities for repurchase agreements are limited to U.S. Treasury securities and U.S. Government Agency securities with a maturity of not more than 10 years.
 - The maturity for a repurchase agreement may be from one day to two weeks.
 - The value of all collateral shall be maintained at 102% of the notional value of the repurchase agreement, valued daily.
 - All collateral shall be delivered to the ITF custodian bank. Tri-party collateral arrangements are not permitted.
 - The aggregate amount of repurchase agreements with maturities greater than seven calendar days may not exceed 10% of the ITF's fixed income assets.
 - Overnight repurchase agreements may not exceed 25% of the ITF's fixed income assets.
- Mortgage Backed Securities (MBS) dollar rolls shall be executed as matched book transactions in the same manner as reverse repurchase agreements above. As above, the rules for trading MBS dollar rolls shall follow the Public Securities Association standard industry terms.

Fixed Income

Domestic Fixed Income

Permissible securities for investment include the securities within the component categories of the Lehman Brothers Aggregate Bond Index (LBAGG). These component categories include investment grade government and corporate securities, agency mortgage pass-through securities, and asset-backed securities. These sectors are divided into more specific sub-sectors:

- 1) Government securities: Treasury and Agency;
- 2) Corporate securities: Industrial, Finance, Utility, and Yankee;
- 3) Mortgage-backed securities: GNMA, FHLMC, and FNMA;
- 4) Asset-backed securities;
- 5) Taxable Municipal securities; and
- 6) Commercial Mortgage-backed securities.

In addition to the permissible securities listed above, the following securities shall be permissible:

- a) Floating rate securities with periodic coupon changes in market rates issued by the same entities that are included in the LBAGG as issuers of fixed rate securities;
 - b) Medium term notes issued by investment grade corporations;
 - c) Zero coupon bonds and stripped Treasury and Agency securities created from coupon securities; and
 - d) Structured notes issued by LBAGG qualified entities.
- U. S. Domestic Bonds must be rated investment grade, Baa3 or better by Moody's Investors Services, BBB- by Standard & Poor's Corporation, or BBB- or better by Fitch Investors Service at the time of acquisition. An external investment manager may be authorized by the terms of an investment advisory agreement to invest up to a maximum of 50% of the total fixed income portfolio in below investment grade bonds.
 - Not more than 5% of the market value of domestic fixed income securities may be invested in corporate and municipal bonds of a single issuer.

Non-U.S. Fixed Income

Non-dollar denominated bond investments shall be restricted to bonds rated equivalent to the same credit standard as the U. S. Fixed Income Portfolio unless an investment manager has been authorized by the terms of an investment advisory agreement to invest in below investment grade bonds.

- Not more than 50% of the ITF's fixed income portfolio may be invested in non-U.S. dollar denominated bonds.

- Not more than 15% of the ITF's fixed income portfolio may be invested in emerging market debt.
- International currency exposure may be hedged at UTIMCO's discretion or delegated by UTIMCO to an external investment manager.

Equities

The ITF shall:

- Hold no more than 25% of its equity securities in any one industry or industries (as defined by the standard industry classification code and supplemented by other reliable data sources) at market, or
- Hold no more than 5% of its equity securities in the securities of one corporation at cost.

ITF Accounting

The fiscal year of the ITF shall begin on September 1st and end on August 31st. Market value of the ITF shall be maintained on an accrual basis in compliance with Government Accounting Standards Board Statements, Financial Accounting Standards Board Statements, or industry guidelines, whichever is applicable. The ITF's financial statements shall be audited each year by an independent accounting firm selected by the Board of Regents.

Valuation of ITF Assets

As of the close of business on the last business day of each month, UTIMCO shall determine the fair market value of all ITF net assets and the net asset value per unit of the ITF. The final determination of ITF net assets for a month end close shall normally be completed within six business days but determination may be longer under certain circumstances. Valuation of ITF assets shall be based on the books and records of the custodian for the valuation date.

The fair market value of the ITF's net assets shall include all related receivables and payables of the ITF on the valuation date and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

ITF Distributions

There will not be any planned distributions from the ITF. The earnings of the ITF will be reflected in the net asset value per unit of the ITF.

Purchase and Redemption of ITF Units

The ITF participants may purchase units on the first business day of each month upon payment of cash to the ITF, at the net asset value per unit of the ITF as of the prior month ending valuation date. Such purchase commitments are binding. The ITF participants may redeem ITF units on a monthly basis. The unit redemption shall be paid in cash as soon as practicable after the month end valuation date of the ITF. Redemptions from the ITF shall be at the market price per unit determined at the time of the redemption. Such redemption commitments are binding.

Participants of the ITF are required to provide notification of purchases and redemptions based on specific notification requirements as set forth in The University of Texas System Allocation Policy for Non-Endowment Funds.

Securities Lending

The ITF may participate in a securities lending contract with a bank or non-bank security lending agent for purposes of realizing additional income. Loans of securities by the ITF shall be collateralized by cash, letters of credit, or securities issued or guaranteed by the U.S. Government or its agencies. The collateral will equal at least 100% of the current market value of the loaned securities. The contract shall state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and collateral, acceptable investment of collateral and indemnification provisions. The contract may include other provisions as appropriate.

The securities lending program will be evaluated from time to time as deemed necessary by the UTIMCO Board. Monthly reports issued by the lending agent shall be reviewed by UTIMCO staff to ensure compliance with contract provisions.

Investor Responsibility

As a shareholder, the ITF has the right to a voice in corporate affairs consistent with those of any shareholder. These include the right and obligation to vote proxies in a manner consistent with the unique role and mission of higher education as well as for the economic benefit of the ITF. Notwithstanding the above, the UTIMCO Board shall discharge its fiduciary duties with respect to the ITF solely in the interest of ITF unit-holders, in compliance with the Proxy Voting Policy, and shall not invest the ITF so as to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this policy shall be November 10, 2005, except for Exhibit A. Adherence to the policy targets and ranges may not be fully effective throughout the first six months after initial funding (expected February 1, 2006) as new portfolio investments are phased in. The selection of the effective date of Exhibit A, to be no later than September 1, 2006, shall be determined by UTIMCO's Chief Investment Officer and notification to the Chairmen of the UTIMCO Board and the Board of Regents shall occur at least 30 days prior to the effective date.

EXHIBIT A

**INTERMEDIATE TERM FUND
POLICY TARGETS, RANGES, AND PERFORMANCE OBJECTIVES**

Asset Categories	Percent of Policy (%)		Benchmarks
	Policy Targets	Policy Ranges	
U. S. Equities	15	5 to 20	Russell 3000 Index
Global ex U. S. Equities	10	0 to 15	
Non - U. S. Developed Equity	5	0 to 10	MSCI EAFE Index with net dividends
Emerging Markets Equities	5	0 to 10	MSCI Emerging Markets Index with net dividends
Hedge Funds	25	10 to 27.5	
Directional Hedge Funds	12.5	5 to 20	Combination index: 50% S&P Event-Driven Hedge Index plus 50% S&P Directional/Tactical Hedge Fund Index
Absolute Return Hedge Funds	12.5	5 to 20	Combination index: 66.7% S&P Event-Driven Hedge Fund Index plus 33.3% S&P Arbitrage Hedge Fund Index
Inflation Linked	25	10 to 35	
REITS	10	0 to 15	Dow Jones Wilshire Real Estate Securities Index
Commodities	5	0 to 10	Combination Index: 66.7% GSCI minus .5% plus 33.3% DJ-AIG Commodity Index
TIPS	10	5 to 15	Lehman Brothers US TIPS Index
Fixed Income	25	15 to 40	Lehman Brothers Aggregate Bond Index
Cash	0.0	0 to 20	90 Day T-Bills

Expected Annual Return (%)	7.08
1 yr Downside Deviation (%)	-5.0
Standard Deviation (%)	7.5

		% of Target Risk
Upper Risk Bound: 1 yr Downside Deviation (%)	-6.4	127%
Lower Risk Bound: 1 yr Downside Deviation (%)	-3.5	69%

6. U. T. System Board of Regents: Approval of The University of Texas System Allocation Policy for Non-Endowment Funds effective February 1, 2006

The Board approved The University of Texas System Allocation Policy for Non-Endowment Funds to be effective February 1, 2006, as set forth on Pages 33 - 34.

The Allocation Policy is intended to ensure that sufficient liquidity is available at all times to meet the needs of the U. T. System institutions and U. T. System Administration, while ensuring that all funds not needed for short-term liquidity purposes are invested with an appropriate time horizon to enhance the total return of the non-endowment funds.

Eligible U. T. System institutions with at least \$5 million of non-endowment funds on the last day of a calendar month and a current financial condition rating from the U. T. System Administration Office of the Controller of "Watch" or better will invest in the Intermediate Term Fund (ITF) pursuant to the Allocation Policy. In general, 85% of an institution's non-endowment funds are to be invested in the ITF. (The ITF Policy Statement is set forth in Item 5 on Page 19.) Exceptions for funds that would otherwise be invested pursuant to the Allocation Policy may be made only with the approval of the Executive Vice Chancellor for Business Affairs or the Associate Vice Chancellor for Finance.

The University of Texas System Allocation Policy for Non-Endowment Funds

Purpose

The University of Texas System Allocation Policy for Non-Endowment Funds (“Allocation Policy”) is intended to ensure that sufficient liquidity is available at all times to meet the needs of the institutions and System Administration, while ensuring that all funds not needed for short-term liquidity purposes are invested with an appropriate time horizon to enhance the total return of the Non-Endowment funds. Eligible Institutions with at least \$5 million of Non-Endowment Funds on the last day of a calendar month and a current financial condition rating from the System Administration Office of the Controller of “Watch” or better will invest in the Intermediate Term Fund (“ITF”) pursuant to this policy. Exceptions for funds that would otherwise be invested pursuant to this policy may be made only with the approval of an Authorized Representative.

Allocation and Rebalancing

At the beginning of each month, each institution shall have a minimum of \$5 million invested in the Short Term Fund (“STF”). The target allocation for Non-Endowment Funds in excess of \$5 million held by Eligible Institutions shall be 15% in the STF and 85% in the ITF. Institutions that are ineligible to invest in the ITF shall be 100% invested in the STF. If an institution ceases being an Eligible Institution as measured on the last day of any month, then it must rebalance such that 100% of its Non-Endowment Funds are in the STF, unless prior approval is obtained from an Authorized Representative.

Eligible Institutions are required to rebalance when the projected allocation to the STF at month-end is less than 10% or greater than 20% of the institution’s Non-Endowment Funds, or when a cash inflow or outflow is scheduled to occur during the next calendar month that is likely to result in the institution having less than 10% or more than 20% of its Non-Endowment Funds in the STF at the end of the next calendar month. Each Chief Business Officer is responsible for rebalancing to ensure the institution’s Non-Endowment Funds are within this target range, which will be reviewed on a monthly basis by the System Administration Office of Finance. At least five days prior to the end of each month, each institution should check its balance in the STF and the ITF to determine if rebalancing will be necessary. If necessary, ITF transactions should be initiated on or before the last business day of the month. ITF transactions will be effective on the first day of the following month. For transactions greater than \$10 million (redemptions or withdrawals), the institution should provide notice to The University of Texas Investment Management Company (UTIMCO) at least five days in advance to facilitate UTIMCO’s ability to transact efficiently.

Sharing of Investment Returns

If the total investment return on the ITF in a fiscal year is in excess of the primary national Consumer Price Index ("CPI-U") published by the Bureau of Labor Statistics plus 3.0%, then the amount in excess of the CPI-U plus 3.0% will be split, with 90% of the excess return being retained by the institutions and 10% being distributed to System Administration. Any funds distributed to System Administration will be used exclusively for strategic initiatives that benefit the institutions, and all expenditures of the funds by System Administration will require approval of the Board of Regents.

No excess returns will be distributed to System Administration unless the cumulative total investment return of the ITF, measured from the inception date of this policy through the most recent fiscal year end, is in excess of the monthly compounded cumulative return of the CPI-U plus 3.0% for the same period.

Definitions

Authorized Representative – The Executive Vice Chancellor for Business Affairs at System Administration or the Associate Vice Chancellor for Finance at System Administration.

Eligible Institutions – Institutions with at least \$5.0 million of Non-Endowment Funds on the last day of a month and a current financial condition rating from the System Administration Office of the Controller of “Watch” or better.

Intermediate Term Fund (ITF) – The ITF is a pooled fund for the investment of Non-Endowment funds that are not required to be invested in the Short Term Fund. Refer to the ITF Investment Policy for more information.

Non-Endowment Funds – Non-Endowment Funds include all non-endowment monies owned by the Board of Regents or under the control of the Board of Regents. Funds that are legally required to be invested elsewhere, such as funds held at the State Treasury and certain trust funds, are excluded from this policy. Due to Internal Revenue Service restrictions governing tax-exempt debt such as yield restriction and spend-out requirements, debt-related funds are also specifically excluded from this policy. Exceptions for Non-Endowment funds that would otherwise be invested pursuant to this policy may be made only with the approval of an Authorized Representative.

Short Term Fund (STF) – The STF is an institutional money market mutual fund, currently the Dreyfus Institutional Preferred Money Market Fund (Dreyfus Fund). The STF provides daily liquidity and safety of principal by investing in short-term money market obligations. Refer to the STF Investment Policy for more information.

7. U. T. System Board of Regents: Approval to Amend the Short Term Fund Investment Policy Statement, the Liquidity Policy, and the Derivative Investment Policy

The Board amended

- a. the Short Term Fund Investment Policy Statement (Pages 37 - 42);
- b. the Liquidity Policy (Pages 43 - 46); and
- c. the Derivative Investment Policy (Pages 47 - 51).

These policy amendments were approved by The University of Texas Investment Management Company (UTIMCO) Board on October 7, 2005.

Amendments to the Investment Policies are authorized by Section 3(a) of the Investment Management Services Agreement dated September 1, 2005, between the Board of Regents of The University of Texas System and UTIMCO. Section 3(a) provides that UTIMCO shall review the investment policies of the assets under its management and recommend any changes to such policies for approval by the U. T. System Board of Regents. No amendments were recommended at this time to the Permanent University Fund (PUF), General Endowment Fund (GEF), Permanent Health Fund (PHF), Long Term Fund (LTF), Short Intermediate Term Fund (SITF), or Separately Invested Accounts (SIA) Investment Policy Statements.

Amendments to the Short Term Fund (STF) Investment Policy Statement

- include language to clarify when the funds of foundations may invest in the STF;
- clarify the definition of Cash and Cash Equivalents;
- remove derivative language since derivatives will not be used in the STF; and
- remove eligible investment language.

The Liquidity Policy and Derivative Investment Policy were amended to include the new Intermediate Term Fund (ITF) (see Item 5 on Page 19). The ITF is a pooled operating fund for the collective investment of operating funds and other intermediate and long-term funds held by the U. T. System institutions and U. T. System Administration. The Liquidity Policy and Derivative Investment Policy supplement, but do not supersede, the Investment Policy Statements for the PUF, GEF, and ITF.

The Derivative Investment Policy was amended to

- expand the scope covering external managers operating under agency agreements;
- expand and clarify the controls related to counterparty risk associated with over-the-counter derivative transactions;
- include a global risk limitation to prohibit any internal or external agency derivative transaction from causing the aggregate risk exposure of the PUF, the GEF, and/or the ITF to exceed the risk limits set by the respective approved asset allocation policies;
- include a section on risk management procedures and compliance; and
- include a section expanding the derivative reporting requirements to the UTIMCO Board.

These amendments to the Derivative Investment Policy represent a significant refinement in the oversight of U. T. System investment portfolios, utilizing UTIMCO's expanding risk management capabilities. Review of this Policy will continue in the future, consistent with industry best practices.

[Counsel and Secretary's Note: Minor revisions to the Derivative Investment Policy approved by the UTIMCO Board on October 7, 2005, as shown on Page 46 in congressional style were inadvertently left out of the policy approved by the U. T. System Board of Regents.]

**THE UNIVERSITY OF TEXAS SYSTEM
SHORT TERM FUND
INVESTMENT POLICY STATEMENT**

Purpose

The Short Term Fund (the "STF") was established by the Board of Regents of The University of Texas System (the "Board of Regents") as a pooled fund for the collective investment of operating funds and other short and intermediate term funds held by U. T. System institutions and System Administration with an investment horizon of less than one year.

STF Organization

The STF functions like a mutual fund in which each eligible account purchases and redeems STF units as provided herein. The ownership of STF assets shall at all times be vested in the Board of Regents. Such assets shall be deemed to be held by the Board of Regents, as a fiduciary, regardless of the name in which the assets may be registered.

STF Management

Article VII Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the "PUF") in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment. Pursuant to Section 51.0031(c) of the *Texas Education Code*, the Board of Regents has elected the PUF prudent investor standard to govern its management of the STF.

Ultimate fiduciary responsibility for the STF rests with the Board of Regents. Section 66.08, *Texas Education Code*, as amended, authorizes the Board of Regents, subject to certain conditions, to enter into a contract with a nonprofit corporation to invest funds under the control and management of the Board of Regents.

Pursuant to an Investment Management Services Agreement between the Board of Regents and The University of Texas Investment Management Company ("UTIMCO"), the STF shall be managed by UTIMCO, which shall: a) recommend investment policy for the STF, b) determine specific asset allocation targets, ranges and performance benchmarks consistent with STF objectives, and c) monitor STF performance against STF objectives. UTIMCO shall invest the STF assets in conformity with this Policy Statement.

UTIMCO may select and terminate unaffiliated investment managers subject to the Delegation of Investment Approval Authority approved by the UTIMCO Board. Managers shall be monitored for performance and adherence to investment disciplines.

STF Administration

UTIMCO shall employ an administrative staff to ensure that all transaction and accounting records are complete and prepared on a timely basis. Internal controls shall be emphasized so as to provide for responsible separation of duties and adequacy of an audit trail. Custody of STF assets shall comply with applicable law and be structured so as to provide essential safekeeping and trading efficiency.

Funds Eligible to Purchase STF Units

No account shall be eligible to purchase units of the STF unless it is under the sole control, with full discretion as to investments, by the Board of Regents and/or UTIMCO.

Any account whose governing instrument contains provisions which conflict with this Policy Statement, whether initially or as a result of amendments to either document, shall not be eligible to purchase or hold units of the STF.

The funds of a foundation structured as a supporting organization described in Section 509(a) of the *Internal Revenue Code* of 1986, which supports the activities of the U. T. System and its institutions, may purchase units in the STF provided that a contract between the Board of Regents and the foundation has been executed authorizing investment of foundation funds in the STF.

STF Investment Objectives

The primary investment objective shall be to maximize current income consistent with the absolute preservation of capital and maintenance of adequate STF liquidity. The STF shall seek to maintain a net asset value of \$1.00.

Achievement of this objective shall be defined as a fund return in excess of the average gross return of the median manager of an approved universe of institutional only money market funds.

Asset Allocation

Asset allocation is the primary determinant of investment performance and subject to the asset allocation ranges specified herein is the responsibility of UTIMCO. Specific asset allocation targets may be changed from time to time based on the economic and investment outlook.

STF assets shall be allocated to the following broad asset class:

Cash and Cash Equivalents – Short-term (generally securities with time to maturity of three months or less), highly liquid investments that are readily convertible to known amounts of cash, and which are subject to a relatively small risk of changes in value.

Performance Measurement

The investment performance of the STF will be measured by an unaffiliated organization, with recognized expertise in this field and reporting responsibility to the UTIMCO Board, and compared against the performance benchmarks of the STF. Such measurement will occur at least quarterly.

Investment Guidelines

The STF must be invested at all times in strict compliance with applicable law.

Investment guidelines include the following:

General

- All investments will be U.S. dollar denominated assets.
- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the chief investment officer prior to investment of STF assets in such liquid investment fund.
- No securities may be purchased or held which would jeopardize the STF's tax-exempt status.
- No investment strategy or program may purchase securities on margin or use leverage unless specifically authorized by the UTIMCO Board.
- No investment strategy or program employing short sales may be made unless specifically authorized by the UTIMCO Board.

Cash and Cash Equivalents

Holdings of cash and cash equivalents may include the following:

- Unaffiliated liquid (Money Market Funds) investment funds rated AAA_M by Standard & Poor's Corporation.
- Commercial paper, negotiable certificates of deposit, and Bankers' Acceptances must be rated at least A-1 by Standard & Poor's Corporation and P-1 by Moody's Investors Service, Inc.
- Floating rate securities, if they meet the single security duration criteria and are based on a spread over or under a well known index such as LIBOR or a Constant Maturity Treasury index. No internally leveraged floating rate securities are permitted (i.e., a coupon equivalent to a formula that creates a multiplier of an index value). The following types of floating rate securities are not eligible for investment; inverse floaters, non-money market based floaters, interest only or principal only floaters, non-dollar based floaters, and range note floaters.
- Repurchase agreements and reverse repurchase agreements must be transacted with a dealer that is approved by UTIMCO and selected by the Federal Reserve Bank as a Primary Dealer in U.S. Treasury securities and rated A-1 or P-1 or the equivalent.
 - Each approved counterparty shall execute the Standard Public Securities Association (PSA) Master repurchase agreement with UTIMCO.
 - Eligible Collateral Securities for repurchase agreements are limited to U.S. Treasury securities and U.S. Government Agency securities with a maturity of not more than 10 years.
 - The maturity for a repurchase agreement may be from one day to two weeks.
 - The value of all collateral shall be maintained at 102% of the notional value of the repurchase agreement, valued daily.
 - All collateral shall be delivered to the STF custodian bank. Tri-party collateral arrangements are not permitted.
 - The aggregate amount of repurchase agreements with maturities greater than seven calendar days may not exceed 10% of the STF's total assets.
 - Overnight repurchase agreements may not exceed 50% of the STF's total assets.

STF Distributions

Distributions of income from the STF to the unitholders shall be made as soon as practicable on or after the last day of each month.

STF Accounting

The fiscal year of the STF shall begin on September 1st and end on August 31st. Market value of the STF shall be maintained on an accrual basis in compliance with Financial Accounting Standards Board Statements, Government Accounting Standards Board Statements, industry guidelines, or state statutes, whichever is applicable. Significant asset write-offs or write-downs shall be approved by UTIMCO's chief investment officer and reported to the UTIMCO Board.

Valuation of Assets

All investments are stated at amortized cost, which in most cases approximates the market value of securities. The objective of the fund is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is neither guaranteed nor insured by UTIMCO.

The STF's net assets shall include all related receivables and payables of the STF on the valuation date, and the value of each unit thereof shall be its proportionate part of such net value. Such valuation shall be final and conclusive.

Purchase of STF Units

Purchase of STF units may be made on each business day upon payment of cash to the STF or contribution of assets approved by UTIMCO's chief investment officer, at the net asset value per unit of the STF as of the most recent valuation date.

Each account whose monies are invested in the STF shall own an undivided interest in the STF in the proportion that the number of units invested therein bears to the total number of all units comprising the STF.

Redemption of STF Units

Redemption of units may be made on each business day at the net asset value per unit.

Securities Lending

The STF may not participate in a securities lending contract with a bank or nonbank security lending agent.

Investor Responsibility

The UTIMCO Board shall discharge its fiduciary duties with respect to the STF solely in the interest of STF unitholders and shall not invest the STF so as to achieve temporal benefits for any purpose, including use of its economic power to advance social or political purposes.

Amendment of Policy Statement

The Board of Regents reserves the right to amend the Investment Policy Statement as it deems necessary or advisable.

Effective Date

The effective date of this policy shall be November 10, 2005.

The University of Texas Investment Management Company
Liquidity Policy

Effective Date of Policy: November 10, 2005
Original Effective Date of Policy: August 7, 2003

Purpose:

The purpose of this Liquidity Policy is to establish limits on the overall liquidity profile of investments in (1) the Permanent University Fund (PUF) and the General Endowment Fund (GEF), hereinafter collectively referred to as the Endowment Funds and, (2) the Intermediate Term Fund (ITF). For the purposes of this policy, "liquidity" is defined as a measure of the ability of an investment position to be converted into a cash position. The established liquidity profile limits will act in conjunction with, but do not supercede, the Investment Policies adopted by the U. T. System Board of Regents.

Objective:

The objective of this Liquidity Policy is to control the element of total risk exposure of the Endowment Funds and the ITF stemming from the uncertainties associated with the ability to convert longer term investments to cash to meet immediate needs or to change investment strategy, and the potential cost of that conversion.

Scope:

This Liquidity Policy applies to all PUF, GEF, and ITF investments made by The University of Texas Investment Management Company (UTIMCO), both by internal and by external managers. Policy implementation will be managed at the aggregate UTIMCO level and will not be a responsibility of individual internal or external managers managing a portion of the aggregate assets.

Definition of Liquidity Risk:

"Liquidity risk" is defined as that element of total risk resulting from the uncertainty associated with both the cost and time period necessary to convert existing investment positions to cash (or cash equivalents). Liquidity risk can result in lower than expected returns and reduced opportunity to make changes in investment positions to respond to changes in capital market conditions. Modern finance theory asserts that liquidity risk is a systematic risk factor that is incorporated into asset prices such that future longer-term returns will be higher for assets with higher liquidity risk, although that may not be the case in the short term.

Liquidity Risk Measurement-The Liquidity Profile:

Capital market theory does not provide a precise technique to measure liquidity risk. For the purposes of this Liquidity Policy, potential liquidity risk will be monitored by measuring the aggregate liquidity profile of the Endowment Funds and ITF. All individual investments within the Endowment Funds and ITF will be segregated into two categories:

- **Liquid:** Investments that could be converted to cash within a period of one day to three months in an orderly market at a discount of 10% or less.
- **Illiquid:** Investments that could be converted to cash in an orderly market over a period of more than three months or in a shorter period of time by accepting a discount of more than 10%.

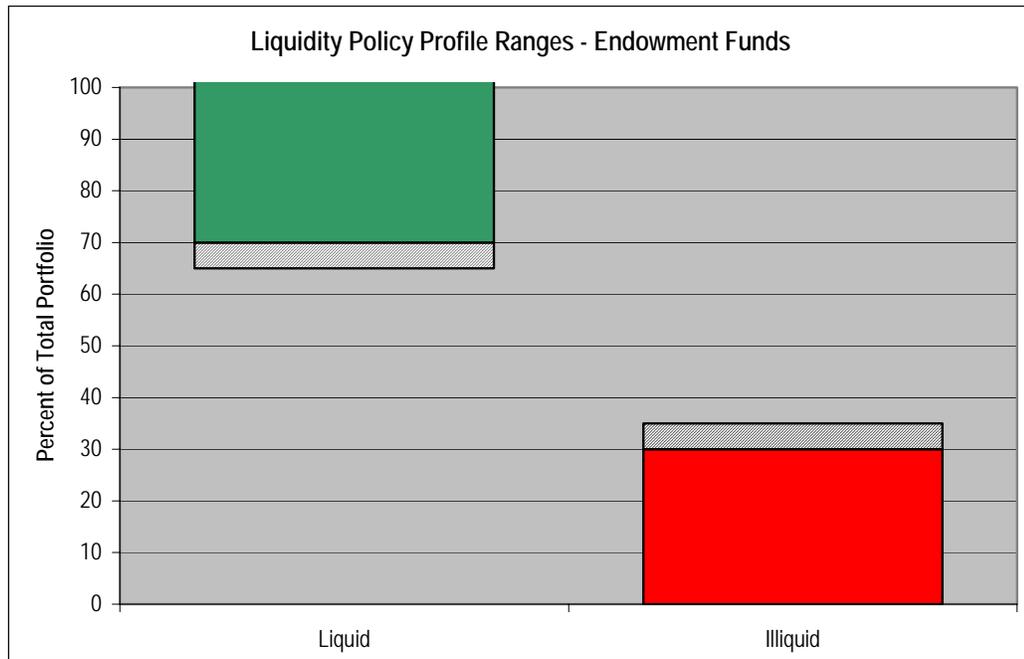
The measurements necessary to segregate all investments into one of the two categories assume normally functioning capital markets and cash market transactions. In addition, swaps, derivatives, or other third party

arrangements to alter the status of an investment classified as illiquid may be considered, with the prior approval of the UTIMCO Board or the Risk Committee¹, in determining the appropriate liquidity category for each investment.

The result of this liquidity risk measurement process will be a liquidity profile for the Endowment Funds and the ITF which indicates the percentage of the total portfolio assets within each liquidity category. This Liquidity Policy defines the acceptable range of percentage of total assets within each liquidity category, specifies “trigger zones” requiring special review by UTIMCO staff and Board, and specifies the method of monitoring and presenting actual versus policy liquidity profiles.

Liquidity Policy Profile:

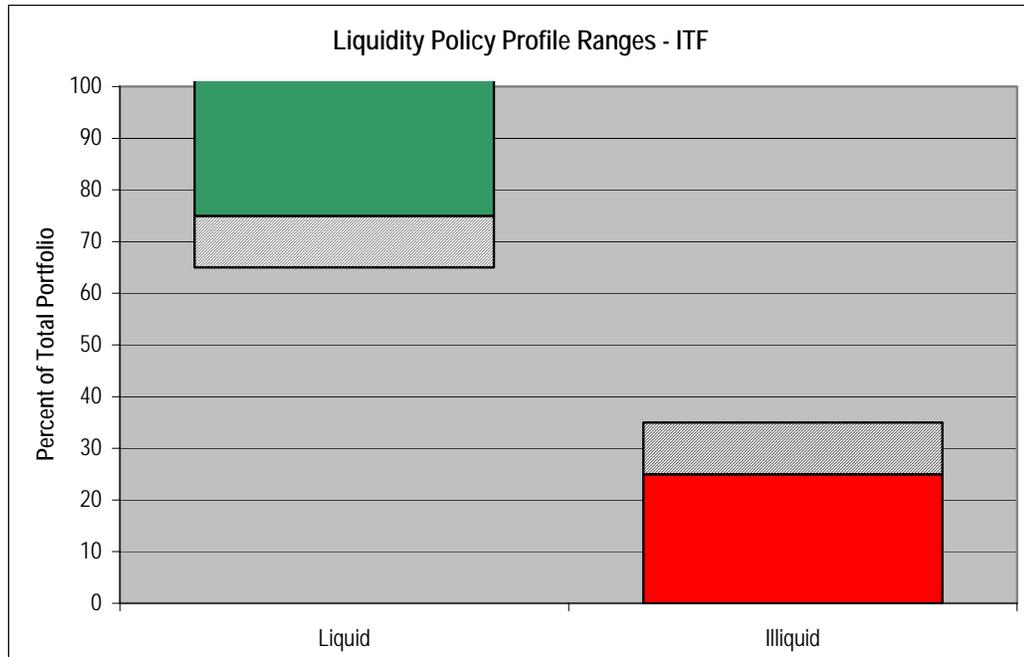
The current Liquidity Policy Profile ranges and trigger zones for each of the Endowment Funds are defined by the chart below:



The green bar indicates the Policy range for investments categorized as “liquid” by the definition presented earlier. The red bar indicates the Policy range for investments categorized as “illiquid” by earlier definition. The shaded sections of the green and red bars indicate trigger zones requiring special action by the UTIMCO Board or the Risk Committee. For example, the allowable range for illiquid investments is 0% to 35% of the total portfolio. However, any illiquid investments made in the 30% to 35% trigger zone requires prior approval by the Risk Committee or the UTIMCO Board. Risk Committee review of new investments in the illiquid trigger zone will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

¹ The Risk Committee (formerly, the Liquidity Committee) was appointed by the UTIMCO Board of Directors and is subject to a Risk Committee Charter first approved by the UTIMCO Board of Directors on April 8, 2004. The Risk Committee consists of at least three members of the Board and provides oversight and monitoring of the liquidity of the policy portfolio in accordance with this Liquidity Policy.

The current Liquidity Policy Profile ranges and trigger zones for the ITF are defined by the chart below:



The allowable range for illiquid investments is 0% to 35% of the total portfolio for the ITF. However, any illiquid investments made in the 25% to 35% trigger zone require prior approval by the Risk Committee or the UTIMCO Board. Risk Committee review of new investments in the illiquid trigger zone will supplement, rather than replace, the procedures established by the UTIMCO Board for the approval of new investments.

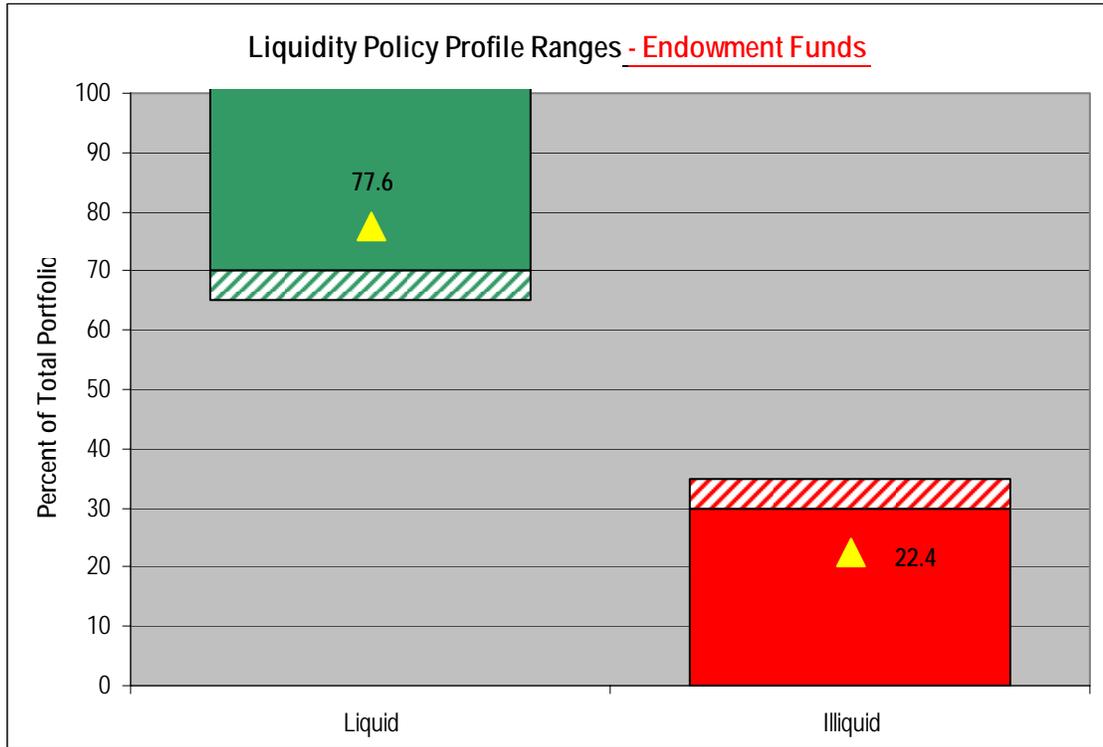
Documentation and Controls:

Managing Directors responsible for each asset class are responsible for determining the liquidity category for each investment in that class. These classifications will be reviewed by the Risk Manager and must receive final approval from the Chief Investment Officer. Classifications and weights within each liquidity category will be updated and reported on a monthly basis. The monthly liquidity reports will include certification by each Managing Director, the Risk Manager, the Chief Compliance Officer, and the President of UTIMCO that all investments are properly categorized and reported. All new investments considered will be categorized by liquidity category, and a statement regarding the effect on overall liquidity of the addition of a new investment must be an element of the due diligence process and will be a part of the recommendation report to the UTIMCO Board.

As additional safeguards, trigger zones have been established as indicated above to trigger required review and action by the UTIMCO Board or the Risk Committee in the event any investment action would cause the actual investment position in illiquid investments to enter the designated trigger zone, or in the event market actions caused the actual investment position in illiquid investments to move into trigger zones. In addition, any proposed investment actions which would increase the actual investment position in illiquid investments in any of the PUF, the GEF, or the ITF by 10% or more of the total asset value of such fund would also require review and action by the UTIMCO Board or the Risk Committee prior to the change. Any actual positions in any trigger zones or outside the policy ranges will be communicated to the Chief Investment Officer immediately. The Chief Investment Officer will then determine the process to be used to eliminate the exception and report promptly to the UTIMCO Board and the Risk Committee the circumstances of the deviation from Policy and the remedy to the situation.

Reporting:

The actual liquidity profiles of the Endowment Funds and the ITF, and compliance with this Liquidity Policy will be reported to the UTIMCO Board on at least a quarterly basis. Any exception to this Liquidity Policy and actions taken to remedy the exception will be reported promptly. An example of the method of reporting is shown below where the yellow points and number labels indicate current actual exposure levels within each Liquidity Policy Range for the Endowment Funds (numbers shown are examples only). For example, in this illustration the current exposure to “liquid” investments is 77.6%, while exposure to “illiquid” investments is 22.4% and both are within their respective allowable policy ranges and not in defined trigger zones.



The University of Texas Investment Management Company Derivative Investment Policy

Effective Date of Policy: November 10, 2005

Date Approved by UTIMCO Board: October 7, 2005

Purpose:

The purpose of the Derivative Investment Policy is to enumerate the applications, documentation and limitations for investment in derivatives in the Permanent University Fund (PUF), the General Endowment Fund (GEF), and the Intermediate Term Fund (ITF), hereinafter referred to as the Funds. The Board of Regents approved investment policy guidelines for the Funds allow for investment in derivatives provided that their use is in compliance with UTIMCO's Board approved Derivative Investment Policy. This Derivative Investment Policy supplements the Investment Policy Statement for the Funds.

Objective:

The objective of investing in derivatives is to facilitate risk management and provide efficiency in the implementation of various investment strategies for the Funds. Through the use of derivatives, the complex risks that are bound together in traditional cash market investments can be separated and managed independently. Derivatives provide the Funds with the most economical means to improve the Funds risk/return profile.

Scope:

Except where specifically noted, this Policy applies to all derivative transactions in the Funds executed by internal UTIMCO staff and by external managers operating under an Agency Agreement. This Policy does not apply to external managers operating under limited partnership agreements, offshore corporations, or other Limited Liability Entities that limit the liability exposure of the Funds' investments. Derivatives policies for external managers are established on a case by case basis with each external manager, as described below.

This Policy applies to both exchange traded derivatives and over the counter (OTC) derivative instruments. This Policy shall not be construed to apply to index or other common or commingled funds in which the Funds typically invest. These commingled investment vehicles are governed by separate investment policy statements.

External Managers:

External managers are selected to manage the Funds' assets under either an Agency Agreement or through a Limited Liability Entity. An external investment manager of public market investments employed by UTIMCO under an Agency Agreement may engage in derivative transactions only if the transactions are consistent with the overall investment objectives of the account. Derivative applications shall be approved only with investment managers that demonstrate investment expertise in their use, and have appropriate risk management policies and procedures to effectively monitor and control their use.

Selecting and monitoring external managers through a Limited Liability Entity requires a clear understanding of the managers' use of derivatives, particularly as it relates to various risk controls and leverage. These managers typically have complete delegated authority, and monitoring of risk exposures and leverage is done on both an individual entity and aggregate basis. The permitted uses of derivatives and leverage are fully documented in the limited liability agreements with these managers.

Definition of Derivatives:

Derivatives are financial instruments whose value is derived, in whole or part, from the value of any one or more underlying securities or assets, or index of securities or assets (such as a bonds, stocks, commodities, and currencies). For the purposes of this Policy, derivatives shall include futures contracts, forward contracts, swaps and all forms of options, but shall not include a broader range of securities including mortgage backed securities, structured notes and convertible bonds. Derivatives may be purchased through a national exchange or through an OTC direct arrangement with a counterparty. Refer to the attached exhibit for a glossary of terms.

Permitted Derivative Applications:

Derivative applications may be used:

- To implement investment strategies in a low cost and efficient manner;
- To alter the Funds market (systematic) exposure without trading the underlying cash market securities through purchases or short sales, or both, of appropriate derivatives;
- To construct portfolios with risk and return characteristics that could not be created with cash market securities;
- To hedge and control risks so that the Funds' risk/return profile is more closely aligned with the Funds' targeted risk/return profile through purchases or short sales, or both, of appropriate derivatives; or
- To facilitate transition trading.

The primary intent of derivative transactions should be to hedge risk in portfolios or to implement investment strategies more effectively and at a lower cost than would be possible in the cash market. Except as provided below, only the above derivative applications are permitted until such time as this policy is amended and approved by UTIMCO's Board [and the U. T. System Board of Regents](#). The Chief Investment Officer shall recommend and the UTIMCO Board must approve any new internal derivative applications prior to implementation, after fully considering the permissibility, merits, and compliance with all documentation and controls requirements of the application. Derivative policies of external managers that may engage in derivative applications not otherwise permitted by this Policy, or a Policy subsequently broadened by the UTIMCO Board [and the U. T. System Board of Regents](#), must be approved by the UTIMCO Board. Existing external managers as of November 10, 2005, will comply with this policy on or before January 1, 2006.

Derivative Applications Not Permitted:

Derivative applications shall not be used to invest in asset classes that are not consistent with the Funds' policy asset categories, implementation strategies and risk/return characteristics.

Documentation and Controls:

Prior to the implementation of a new internal derivative application, UTIMCO shall document the purpose, justification, baseline portfolio, derivative application portfolio, risks (including at a minimum modeling, pricing, liquidity and legal risks), the expected increase or reduction in systematic and specific risk resulting from the application, and the procedures in place to monitor and manage the derivative exposure. Internal control procedures to properly account and value the Funds' exposure to the derivative application shall be fully documented. UTIMCO shall establish an appropriate risk management procedure to monitor compliance and will take corrective action if necessary.

Limitations:

Economic Impact and Leverage: Leverage is inherent in derivatives since only a small cash deposit is required to establish a much larger economic impact position. Thus, relative to the cash markets, where in most cases the cash outlay is equal to the asset acquired, derivatives applications offer the possibility of establishing substantially larger market risk exposures with the same amount of cash as a traditional cash market portfolio. Therefore, risk management and control processes must focus on the total risk assumed in a derivatives application, which is the sum of the application-specific risk and the market (systematic) risk established by the derivative application. In order to control and limit the leverage risk, each internal derivative application must specify a baseline portfolio, and risk measures such as Value at Risk (VAR) will be employed to assure that the total economic impact risk of the

derivative application portfolio relative to the baseline portfolio will not exceed 20% of the underlying value of the baseline portfolio. The total relative economic impact risk of each derivative application will be monitored on a daily basis by the most appropriate risk management tools for the particular derivative application.

Counterparty Risks: In order to limit the financial risks associated with derivative applications, rigorous counterparty selection criteria and netting agreements shall be required to minimize counterparty risk for over the counter derivatives. Any counterparty in an OTC derivative transaction with the Funds must have a credit rating of at least A- (Standard and Poor's) or A3 (Moody's). All OTC derivative transactions must be subject to established ISDA Netting Agreements and have full documentation of all legal obligations of the Funds under the transactions. The net market value of all OTC derivative positions for any individual counterparty may not exceed 1% of the total market value of the Funds.

Global Risk Limitations: Notwithstanding other limitations in this Derivative Policy, no derivative transaction may be taken that would cause the aggregate risk exposure of the Funds to exceed the aggregate risk limits established by the current asset allocation policies of the Funds.

Risk Management and Compliance:

To ensure compliance with all terms and limitations of this Policy, all internally managed and externally managed derivatives in accounts under Agency Agreements will be marked to market on a daily basis by the Funds' external custodian, and these daily reports will be reviewed for accuracy by the UTIMCO Risk Manager. Compliance with the conditions of this Policy will be monitored by the UTIMCO Chief Compliance Officer using data provided by the external custodian and the external risk model. Data from the external risk model will be reviewed for accuracy and completeness by the UTIMCO Risk Manager. Any violations of the terms in this Policy will be reported immediately to the Chief Investment Officer, who will determine the appropriate remedy and report promptly to the Risk Committee and the UTIMCO Board.

Reporting:

UTIMCO shall provide a comprehensive report of all approved derivative applications for both internal managers and external managers under Agency Agreements. UTIMCO shall also provide a comprehensive report of all outstanding derivatives positions established by internal managers and external managers under Agency Agreements. These reports will be provided at least on a quarterly basis to the UTIMCO Board and the Risk Committee.

Derivative Investment Policy Exhibit Glossary of Terms

Agency Agreement – A form of legal agreement that typically grants limited investment discretion to an external investment manager to act as the investment agent of the Funds but does not limit the liability of the Funds for actions taken by that agent.

Application-specific risk – The portion of total risk in a derivatives application which is due to factors unique to the application as opposed to more systematic, market-related factors. For example, in an option on a specific stock, the risk associated with the specific business results of the company which issued the stock underlying the option would be application-specific risk, as opposed to the overall risk of the stock market which would be Systematic Risk.

Baseline portfolio – The cash-market based portfolio which will serve as the basis for calculating the relative risk level of an equivalent derivatives application.

Cash equivalents – Includes cash, short term fixed income instruments, accruals, variation margin and one day deposits in transit to the account.

Cash market - The physical market for a commodity or financial instrument.

Counterparty - The offsetting party in an exchange agreement.

Delta Equivalent Value – The delta of an option is a measure of the change in price of an option with a small change in the value of the security underlying the option as implied by the Black-Scholes theory. The delta is a function of the volatility of the underlying security, the dividend rate of the underlying security, the strike price of the option, the time to maturity of the option, and the risk free interest rate. The delta then defines the value of the underlying security that would be necessary to fully hedge the option position, the delta equivalent value. For example, if an option on a stock has a notional value of \$100 but would change in price by \$6 when the value of the underlying stock changes by \$10, then the delta equivalent value of the option is \$60.

Derivative application – A definition of the intended use of a derivative-based position such as replication or enhancing index returns, asset allocation or completion fund strategies, and various alpha transport strategies.

Derivative application portfolio – The portfolio including derivative instruments, cash equivalents, and other cash market assets established to replicate a specified baseline portfolio.

Economic exposure - The total effective exposure of a derivative position. The economic exposure is the product of the dollar value of the exposure and the market or systematic risk level of the exposure. A common method of measuring economic exposure is with risk management tools such as “value at risk.”

Exchange traded derivatives - A derivative instrument traded on an established national or international exchange. These instruments “settle” daily in that cash exchanges are made between the exchange and parties to the contracts consistent with the change in price of the instrument. Fulfillment of the contract is guaranteed by the exchange on which the instruments are traded. Examples include S&P 500 futures contracts and Goldman Sachs Commodities Index futures contracts.

Forward contract - A non-standardized contract for the physical or electronic (through a bookkeeping entry) delivery of a commodity or financial instrument at a specified price at some point in the future.

Futures contract - A standardized contract for either the physical delivery of a commodity or instrument at a specified price at some point in the future, or a financial settlement derived from the change in market price of the commodity or financial instrument during the term of the contract.

ISDA Netting Agreement - The International Swaps and Derivatives Association (ISDA) is the global trade association representing participants in the privately negotiated derivatives industry, covering swaps and options across all asset classes. ISDA has produced generally accepted “Master Agreements,” a 1992 Master Agreement and a 2002 Master Agreement, that are used by most counterparties in OTC derivatives transactions. Netting agreements are terms within the applicable Master Agreement that deal with the calculation of exposure for each counterparty. These netting agreements require that exposures between counterparties will be “netted” so that payables and receivables under all existing derivative transactions between two counterparties are offset in determining the net exposure between the two counterparties.

Limited Liability Entity – A legal entity created to define how assets contributed to the entity by external partners to the agreement will be managed by the manager of the entity. These entities are typically limited liability partnerships, corporations, or other such entities that limit the liability of external investors to the current value of the external investors’ investment in the entity.

Option - An instrument that conveys the right but not the obligation to buy or deliver the subject financial instrument at a specified price, at a specified future date.

Over the counter (OTC) derivatives - A derivative instrument which result from direct negotiation between a buyer and a counterparty. The terms of such instruments are non-standard and are the result of specific negotiations. Settlement occurs at the negotiated termination date, although the terms may include interim cash payments under certain conditions. Examples include currency swaps and forward contracts, interest rate swaps, and collars.

Swap - A contract whereby the parties agree to exchange cash flows of defined investment assets in amounts and times specified by the contract.

Systematic risk – The non-diversifiable risks associated with an investment in a particular asset market. For example the financial, political, and other risks associated with a portfolio of common stocks are known as “market” or systematic risks.

Value at risk (VAR) – An established method of measuring economic exposure risk. The measure conveys the maximum potential loss (in dollars or percent of total assets) for a particular investment position, for a particular period of time, for a particular level of confidence.

8. U. T. System Board of Regents: Investments Report for the quarter and fiscal year ended August 31, 2005, and The University of Texas Investment Management Company (UTIMCO) Performance Summary Report

The Investments Report for the quarter and fiscal year ended August 31, 2005, are summarized below.

Item I on Page 53 reports activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the fiscal year was 18.8% versus its composite benchmark return of 15.1%. The PUF's net asset value increased by \$1,338.8 million since the beginning of the fiscal year to \$9,426.7 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return and a decrease due to the \$341.2 million annual distribution.

Item II on Page 54 reports activity for the General Endowment Fund (GEF) investments. The GEF's net investment return for the fiscal year was 18.8% versus its composite benchmark return of 15.1%. The GEF's net asset value increased \$719.2 million since the beginning of the fiscal year to \$4,926.8 million.

Item III on Page 55 reports activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was 2.48% for the fiscal year versus the SITF's performance benchmark of 1.15%. The SITF's net asset value increased by \$44.4 million since the beginning of the fiscal year to \$1,222.4 million. This increase in net asset value was due to net contributions and investment return to the SITF.

Item IV on Page 56 presents book and market value of cash, debt, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of institutional operating funds held in the Dreyfus money market fund, increased by \$37.5 million to \$2,443.8 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$47.2 million versus \$47.3 million at the beginning of the period; equities: \$256.5 million versus \$346.2 million at the beginning of the period; and other investments: \$1.6 million versus \$2.2 million at the beginning of the period.

The August 31, 2005, Performance Summary Report prepared by The University of Texas Investment Management Company (UTIMCO) is set forth on Page 57.

I. PERMANENT UNIVERSITY FUND

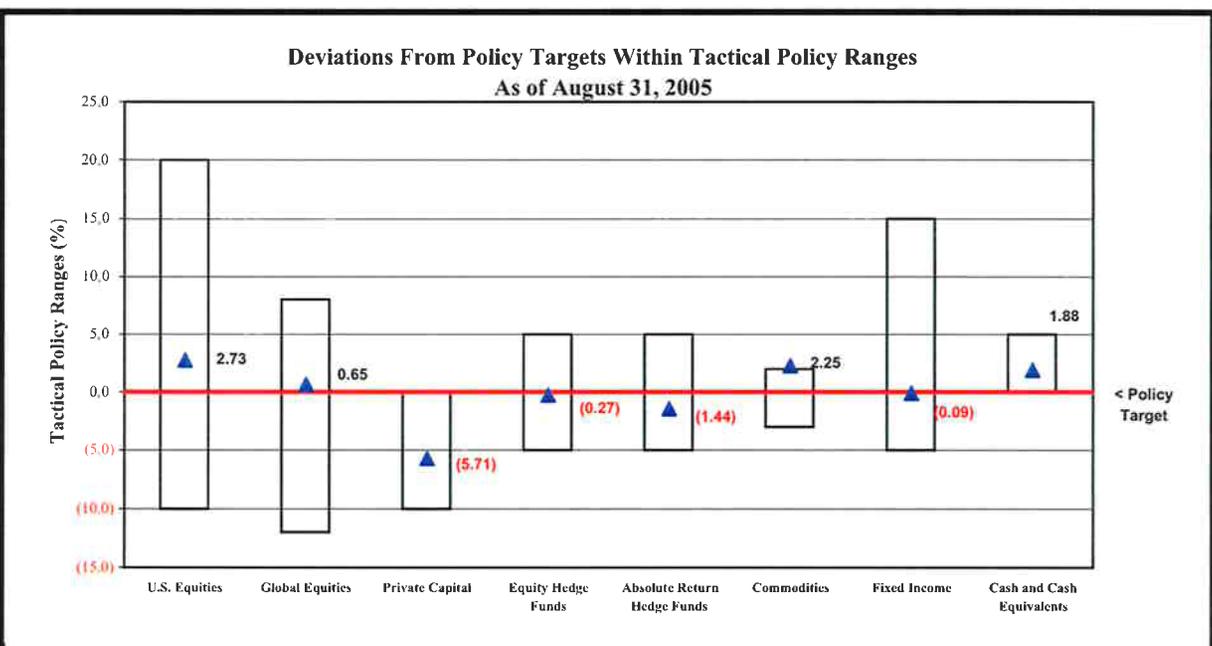
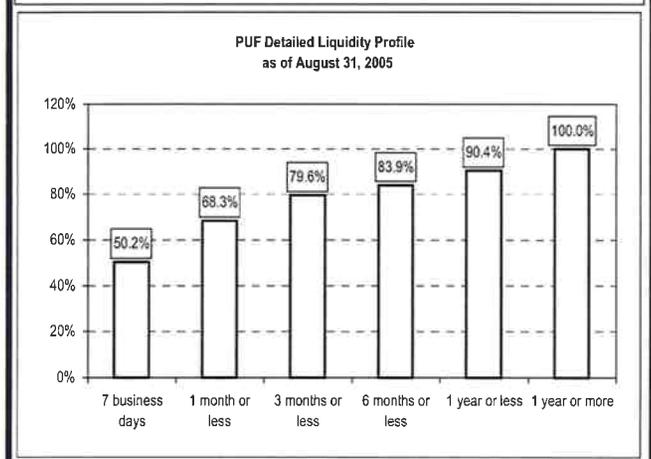
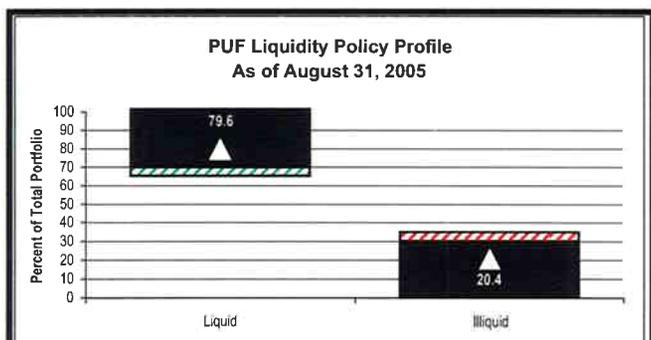
Investment Reports for Periods Ended August 31, 2005

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
	Fiscal Year Ended August 31, 2004	Quarter Ended August 31, 2005	Fiscal Year Ended August 31, 2005
(\$ millions)			
Beginning Net Assets	\$ 7,244.8	\$ 8,899.8	\$ 8,087.9
PUF Lands Receipts	146.7	35.2	193.0
Investment Return	1,070.2	506.5	1,538.0
Expenses	(25.8)	(14.8)	(51.0)
Distributions to AUF	(348.0)	-	(341.2)
Ending Net Assets	\$ 8,087.9	\$ 9,426.7	\$ 9,426.7

	August 31, 2005		Fiscal Year to Date				
	Portfolio Exposure	Policy Target	Returns		Value Added		Total
			Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	
Cash and Cash Equivalents	1.88%	0.00%	2.48%	2.44%	-0.15%	0.00%	-0.15%
U.S. Equities	27.73%	25.00%	19.35%	17.95%	0.13%	0.34%	0.47%
Global Equities	17.65%	17.00%	26.30%	26.56%	0.25%	-0.04%	0.21%
Equity Hedge Funds	9.73%	10.00%	13.23%	6.61%	-0.01%	0.70%	0.69%
Absolute Return Hedge Funds	13.56%	15.00%	14.26%	5.55%	-0.01%	1.37%	1.36%
Commodities	5.25%	3.00%	32.06%	40.72%	0.24%	-0.28%	-0.04%
Fixed Income	14.91%	15.00%	6.51%	4.66%	-0.02%	0.30%	0.28%
Total Marketable Securities	90.71%	85.00%	17.66%	14.54%	0.43%	2.39%	2.82%
Private Capital	9.29%	15.00%	30.00%	17.70%	-0.84%	1.76%	0.92%
Total	100.00%	100.00%	18.80%	15.06%	-0.41%	4.15%	3.74%

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II. GENERAL ENDOWMENT FUND

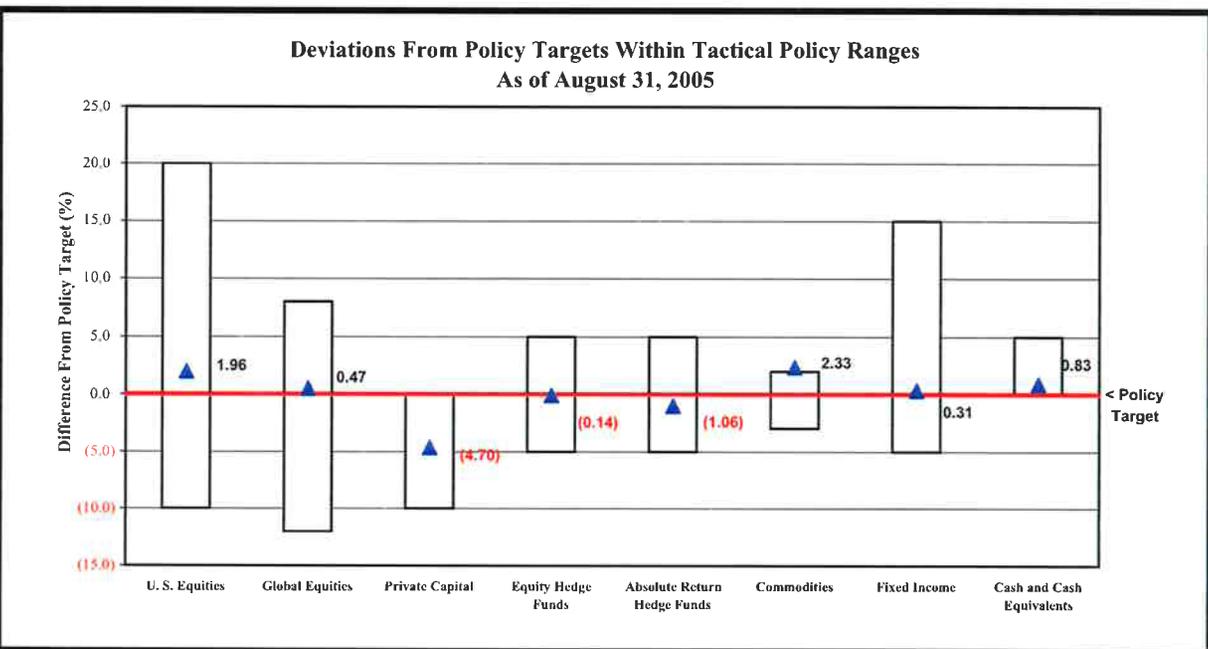
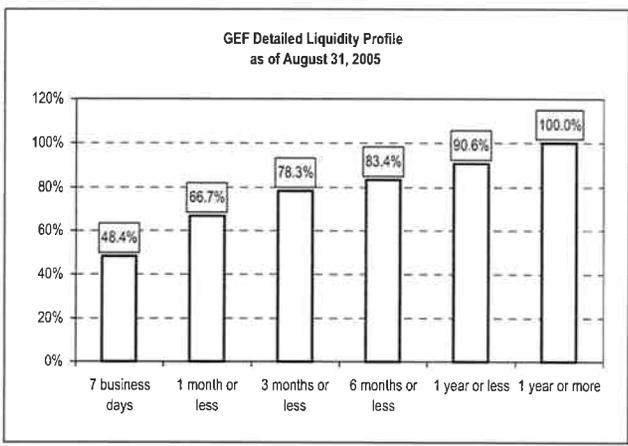
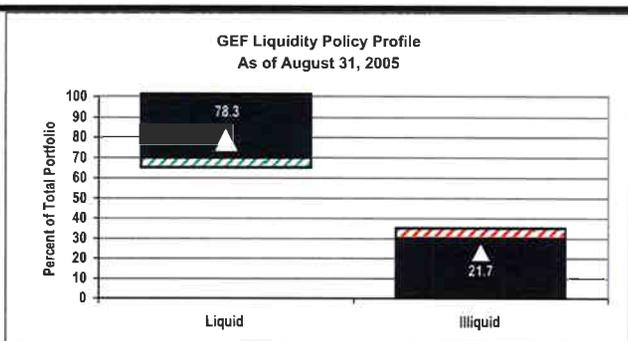
Investment Reports for Periods Ended August 31, 2005

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
	Fiscal Year Ended August 31, 2004	Quarter Ended August 31, 2005	Fiscal Year Ended August 31, 2005
(\$ millions)			
Beginning Net Assets	\$ 3,584.8	\$ 4,679.5	\$ 4,207.6
Contributions	308.9	42.9	139.2
Withdrawals	(235.5)	(53.9)	(211.1)
Investment Return	559.0	264.6	814.2
Expenses	(9.6)	(6.3)	(23.1)
Ending Net Assets	\$ 4,207.6	\$ 4,926.8	\$ 4,926.8

	August 31, 2005		Fiscal Year to Date				
	Portfolio Exposure	Policy Target	Returns		Value Added		Total
			Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	
Cash and Cash Equivalents	0.83%	0.00%	2.48%	2.44%	-0.13%	0.00%	-0.13%
U.S. Equities	26.96%	25.00%	19.42%	17.95%	0.07%	0.35%	0.42%
Global Equities	17.47%	17.00%	26.82%	26.56%	0.28%	0.04%	0.32%
Equity Hedge Funds	9.86%	10.00%	13.17%	6.61%	0.00%	0.69%	0.69%
Absolute Return Hedge Funds	13.94%	15.00%	14.44%	5.55%	-0.01%	1.40%	1.39%
Commodities	5.33%	3.00%	32.24%	40.72%	0.24%	-0.27%	-0.03%
Fixed Income	15.31%	15.00%	6.51%	4.66%	-0.03%	0.30%	0.27%
Total Marketable Securities	89.70%	85.00%	17.79%	14.54%	0.42%	2.51%	2.93%
Private Capital	10.30%	15.00%	28.26%	17.70%	-0.68%	1.51%	0.83%
Total	100.00%	100.00%	18.82%	15.06%	-0.26%	4.02%	3.76%

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III. SHORT INTERMEDIATE TERM FUND
Investment Report for Periods Ended August 31, 2005
Report prepared in accordance with *Texas Education Code Sec. 51.0032*

	(\$ millions)					
	FY03-04	FY04-05				Year-to-Date
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Beginning Net Assets	\$ 1,435.3	\$ 1,178.0	\$ 1,199.0	\$ 1,206.4	\$ 1,202.0	\$ 1,178.0
Net Contributions (Withdrawals)	(261.3)	22.8	9.5	(7.8)	21.5	46.0
Investment Return	33.2	4.3	4.9	11.8	9.0	30.0
Expenses	(0.6)	(0.2)	-	(0.1)	(0.2)	(0.5)
Distributions of Income	(28.6)	(5.9)	(7.0)	(8.3)	(9.9)	(31.1)
Ending Net Assets	\$ 1,178.0	\$ 1,199.0	\$ 1,206.4	\$ 1,202.0	\$ 1,222.4	\$ 1,222.4
Net Asset Value per Unit	9.927	9.911	9.894	9.923	9.914	9.914
No. of Units (End of Period)	118,671,708	120,971,065	121,930,268	121,136,214	123,305,429	123,305,429
Total Net Investment Return	2.49%	0.34%	0.40%	0.98%	0.73%	2.48%

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IV. SEPARATELY INVESTED ASSETS
Summary Investment Report at August 31, 2005
 Report prepared in accordance with *Texas Education Code Sec. 51.0032.*

ASSET TYPES	(\$ thousands)													
	CURRENT PURPOSE				ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		OPERATING FUNDS		TOTAL	
	DESIGNATED		RESTRICTED		BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>	<u>BOOK</u>	<u>MARKET</u>
Beginning value 05/31/05	2,780	2,780	6,335	6,335	68,202	68,202	624	624	-	-	2,328,377	2,328,377	2,406,318	2,406,318
Increase/(Decrease)	77	77	(2,999)	(2,999)	(11,412)	(11,412)	53	53	-	-	51,771	51,771	37,490	37,490
Ending value 08/31/05	2,857	2,857	3,336	3,336	56,790	56,790	677	677	-	-	2,380,148	2,380,148	2,443,808	2,443,808
Debt Securities:														
Beginning value 05/31/05	-	-	263	214	29,378	29,942	16,497	17,106	-	-	-	-	46,138	47,262
Increase/(Decrease)	-	-	-	1	387	134	(185)	(185)	-	-	-	-	202	(50)
Ending value 08/31/05	-	-	263	215	29,765	30,076	16,312	16,921	-	-	-	-	46,340	47,212
Equity Securities:														
Beginning value 05/31/05	36	9,201	2,064	1,756	41,097	46,002	21,575	23,922	-	-	306,886	265,308	371,658	346,189
Increase/(Decrease)	(9)	(3)	(149)	(151)	32	821	(392)	1,076	-	-	(95,298)	(91,426)	(95,816)	(89,683)
Ending value 08/31/05	27	9,198	1,915	1,605	41,129	46,823	21,183	24,998	-	-	211,588	173,882	275,842	256,506
Other:														
Beginning value 05/31/05	2,000	2,000	111	111	-	-	218	86	-	-	-	-	2,329	2,197
Increase/(Decrease)	(2,000)	(2,000)	1,436	1,436	-	-	5	-	-	-	-	-	(559)	(564)
Ending value 08/31/05	-	-	1,547	1,547	-	-	223	86	-	-	-	-	1,770	1,633

Details of individual assets by account furnished upon request.

UTIMCO Performance Summary

November 30, 2005

	Net Asset Value 11/30/2005 (in Millions)	Periods Ended November 30, 2005 (Returns for Periods Longer Than One Year are Annualized)										
		One Month	Fiscal Year To Date	Three Months	Six Months	Calendar Year To Date	One Year	Two Years	Three Years	Four Years	Five Years	Ten Years
		ENDOWMENT FUNDS										
Permanent University Fund	\$ 9,564.6	2.23	1.84	1.84	7.48	10.15	12.82	14.11	15.83	10.12	7.02	9.48
General Endowment Fund		2.12	1.72	1.72	7.29	9.91	12.54	13.95	15.99	10.26	N/A	N/A
Permanent Health Fund	931.7	2.12	1.70	1.70	7.24	9.80	12.42	13.83	15.85	10.13	7.38	N/A
Long Term Fund	4,057.4	2.13	1.71	1.71	7.25	9.80	12.44	13.83	15.88	10.17	7.22	10.21
Separately Invested Funds	315.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Endowment Funds	14,869.4											
OPERATING FUNDS												
Short Term Fund	2,330.7	0.32	0.94	0.94	1.76	2.84	3.01	2.12	1.80	1.83	2.40	4.02
Short Intermediate Term Fund	1,208.5	0.39	(0.20)	(0.20)	0.53	1.62	1.92	1.93	2.08	2.13	3.26	4.76
Institutional Index Funds:												
BGI US Bond Index Fund	-	0.44	(1.38)	(1.38)	(0.47)	1.47	2.41	3.43	4.10	4.88	6.14	N/A
BGI Equity Index Fund	283.7	3.78	2.88	2.88	5.90	4.93	8.53	10.68	12.15	4.19	0.68	N/A
Total Operating Funds	3,822.9											
Total Investments	\$ 18,692.3											
BENCHMARKS (1)												
Permanent University Fund: Policy Portfolio		2.20	2.37	2.37	6.68	9.64	11.58	12.74	12.23	7.38	4.89	10.10
General Endowment Fund: Policy Portfolio		2.20	2.37	2.37	6.68	9.64	11.58	12.74	12.23	7.38	4.94	10.01
Short Term Fund: 90 Day Treasury Bills Average Yield		0.33	0.90	0.90	1.66	2.74	2.96	2.08	1.77	1.79	2.39	3.87
Short Intermediate Term Fund: Composite (3/93-7/04) and Merrill Lynch 1-3 Year Treasury Index (8/04-current)		0.32	0.06	0.06	0.59	1.28	1.49	1.43	1.76	2.57	3.87	4.86
Institutional Bond Index Fund: Lehman Brothers Aggregate Bond Index		0.44	(1.38)	(1.38)	(0.48)	1.46	2.40	3.41	4.00	4.82	6.06	6.21
Institutional Equity Index Fund: Standards & Poor's 500 Index (S&P 500)		3.78	2.88	2.88	5.88	4.88	8.44	10.63	12.10	4.13	0.64	9.28
VALUE ADDED (2)												
Permanent University Fund		0.03	(0.54)	(0.54)	0.80	0.51	1.25	1.38	3.60	2.74	2.13	(0.62)
General Endowment Fund		(0.08)	(0.65)	(0.65)	0.61	0.27	0.97	1.21	3.76	2.88	N/A	N/A
Permanent Health Fund		(0.08)	(0.68)	(0.68)	0.56	0.16	0.85	1.09	3.62	2.75	2.43	N/A
Long Term Fund		(0.07)	(0.66)	(0.66)	0.57	0.16	0.86	1.09	3.65	2.79	2.28	0.20
Short Term Fund		0.00	0.04	0.04	0.10	0.10	0.06	0.04	0.02	0.04	0.01	0.15
Short Intermediate Term Fund		0.08	(0.26)	(0.26)	(0.07)	0.34	0.43	0.50	0.32	(0.44)	(0.60)	(0.11)
Institutional Bond Index Fund		0.00	0.00	0.00	0.01	0.00	0.01	0.02	0.10	0.05	0.08	N/A
Institutional Equity Index Fund		0.00	0.01	0.01	0.02	0.06	0.09	0.05	0.06	0.05	0.04	N/A

(1) - Effective May 6, 2004, benchmark returns for the PUF policy portfolio have been restated for prior periods beginning June 1, 1993 through September 30, 2000 and for the GEF/LTF policy portfolio for prior periods beginning June 1, 1993 through September 30, 2001 to correct the following technical errors in benchmark construction and calculation: (a) to reflect actual asset class target allocations which were in place, or the practical implementation of changes to those policy allocations, and (b) to distinguish between PUF and GEF/LTF historical investment objectives and distribution policies by accurately representing actual asset class allocations during those periods.

Benchmark returns for the PUF and GEF/LTF policy portfolios were also restated for all prior period beginning June 1, 1993 through December 31, 2003 to replace various benchmark returns reported previously for the Private Capital asset class. Specifically, the Wilshire 5000 + 4%, the benchmark used prior to January 1, 2004, was replaced with the Venture Economics Periodic IRR Index, a more appropriate benchmark measure for the actual Private Capital portfolio.

Complete details of the [restatement](#) and previous policy portfolio benchmark history are documented on the UTIMCO website at www.UTIMCO.org or are available upon request.

(2) - Value added is a measure of the difference between actual returns and benchmark or policy portfolio returns for each period shown. Value added is a result of the active management decisions made by UTIMCO staff and external managers.

9. U. T. System: Fiscal Year 2005 Energy Utility Task Force Report

This item was considered only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 59 - 67).--Committee Chairman Krier reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. System Board of Regents.

1. U. T. System: Reports from academic presidents, Academic Affairs Committee members, and Executive Vice Chancellor Sullivan

This item was considered only by the Committee (see Committee Minutes).

2. U. T. System Board of Regents: Update regarding Task Force on Admissions, Tuition, and Financial Aid

This item was considered only by the Committee (see Committee Minutes).

3. U. T. Brownsville: Approval to expand planning authority for an Ed.D. degree in Curriculum and Instruction

The Board approved that

- a. degree planning authority for The University of Texas at Brownsville be expanded to include an Ed.D. in Curriculum and Instruction; and
- b. the proposal be submitted to the Texas Higher Education Coordinating Board for review and appropriate action.

The primary objective of the Ed.D. is to prepare a new generation of scholars and educators who will fully integrate the areas of teaching, learning, and bilingual instruction.

The Ed.D. in Curriculum and Instruction will be designed to develop four specific skills: advanced teaching skills, evaluation of current research in curriculum and instruction, and advanced research skills in teaching.

4. U. T. Dallas: Appointment of Dr. Franklyn G. Jenifer as President Emeritus

The Board appointed Dr. Franklyn G. Jenifer President Emeritus at The University of Texas at Dallas in accordance with the Regents' *Rules and Regulations*, Series 20301.

Dr. Jenifer served as President of U. T. Dallas from 1994-2005. Under Dr. Jenifer's presidency, U. T. Dallas gained legislative approval for a change in universities' funding formula to recognize the unique mission of technological, scientific, and management excellence. In addition, enrollment and campus facilities were vastly improved under President Jenifer's leadership.

Dr. Jenifer obtained full accreditation from the Southern Association of Colleges and Schools (SACS) for U. T. Dallas and significantly improved the number of and employment conditions for women and minorities. He served 43 years in higher education and public education before retiring in 2005.

5. U. T. Dallas: Authorization to establish Ph.D. and M.S. degrees in Criminology

The Board authorized

- a. establishment of Ph.D. and M.S. degrees in Criminology at The University of Texas at Dallas;
- b. submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and
- c. the Executive Vice Chancellor for Academic Affairs to certify on behalf of the Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

In addition, the Coordinating Board will be asked to change the U. T. Dallas Table of Programs to reflect authorization for the degree programs.

The graduate program in Criminology will be an interdisciplinary, research-oriented program offered in conjunction with the other graduate programs in the School of Social Sciences at U. T. Dallas. The Ph.D. in Criminology and the M.S. in Criminology will share a 30-semester credit hour core of existing courses that emphasize the theories of criminal behavior, research methods in criminology, and society's response to crime. The objective of the Ph.D. program is to provide students with a coherent and intellectually challenging research degree that prepares them for an academic appointment as a university professor or an administrative appointment with oversight of research and development within criminal justice organizations. Graduates of the Criminology program will earn the Ph.D. following successful completion of 90 semester credit hours beyond the 36-semester credit hour M.S. degree or an equivalent earned master's degree. Implementation of the degrees is anticipated during the 2005-2006 academic year.

The School of Social Sciences has an interdisciplinary and applied focus and has strengths in the areas of measurement and research techniques. The degree programs in Criminology will complement, and in turn be complemented by, the: 1) M.S. in Applied Sociology, 2) Master of Public Affairs, 3) Ph.D. in Public Policy and Political Economy, 4) Ph.D. in Political Science, and 5) Ph.D. in Economics.

Estimated expenditures for the first five years of the programs are \$387,500. This includes new costs of \$375,000 for graduate assistants and \$12,500 for supplies and materials. U. T. Dallas will commit \$224,750 in a combination of interest income, designated funds, and general, non-state institutional funds on hand in addition to \$162,750 in formula funding to finance the first five years of the programs. The programs are projected to be self-supporting beginning in year three.

6. U. T. Dallas: 911 System Housing - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the 911 System Housing project at The University of Texas at Dallas as follows:

Architecturally or Historically Significant: Yes No

Project Delivery Method: Design/Build

Substantial Completion Date: August 2006

Total Project Cost: Source
Revenue Financing System Bond Proceeds \$100,000

- a. approve a total project cost of \$100,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate and authorize expenditure of funds; and

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - 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. System Board of Regents relating to the Financing System; and
 - 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$100,000.

The \$100,000 in Revenue Financing System debt is expected to be repaid from Designated Tuition funds with estimated annual debt service of \$8,718. Overall debt service coverage for the institution is expected to average 1.90 times from FY 2006 through 2011.

Institutional management will construct a 500 square foot concrete structure with dedicated electrical power to ensure an operational 911 system for the campus in the event of a tornado or other disaster.

U. T. Dallas Facilities Management personnel have the experience and capability to manage all aspects of the work.

This off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

7. U. T. Dallas: Natural Science and Engineering Research Building Infrastructure Related Projects - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Natural Science and Engineering Research Building (NSERB) Infrastructure Related Projects at The University of Texas at Dallas as shown on the following page.

Architecturally or Historically Significant: Yes No

Project Delivery Method: Design/Build

Substantial Completion Date: August 2006

Total Project Cost: Source
Revenue Financing System Bond Proceeds \$580,000

- a. approve a total project cost of \$580,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - 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. System Board of Regents relating to the Financing System; and
 - 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$580,000.

The \$580,000 in Revenue Financing System debt is expected to be repaid from Designated Tuition funds with estimated annual debt service of \$50,567. Overall debt service coverage for the institution is expected to average 1.90 times from FY 2006 through 2011.

Institutional management will construct four infrastructure-related projects for the NSERB. Sidewalks from NSERB will be constructed along Rutford Drive to provide a pedestrian pathway to and from NSERB and other campus buildings. A surplus/ storage building immediately across the street from

the NSERB building will be torn down and relocated to a new service compound. Another project includes grading, paving, telecom, fiber, and electrical infrastructure for the service compound. The project to build a bridge over the creek and sidewalk from NSERB to the north Callier Center for Communication Disorders will provide a pedestrian pathway from NSERB to other campus buildings.

U. T. Dallas Facilities Management personnel have the experience and capability to manage all aspects of the work.

This off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

8. U. T. Dallas: Physical Plant Building - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board amended the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Physical Plant Building project at The University of Texas at Dallas as follows:

Architecturally or Historically Significant: Yes No

Project Delivery Method: Design/Build

Substantial Completion Date: August 2006

Total Project Cost: Source
Revenue Financing System Bond Proceeds \$900,000

- a. approve a total project cost of \$900,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- 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. System Board of Regents relating to the Financing System; and
- 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$900,000.

The \$900,000 in Revenue Financing System debt is expected to be repaid from Designated Tuition funds with estimated annual debt service of \$78,466. Overall debt service coverage for the institution is expected to average 1.90 times from FY 2006 through 2011.

Institutional management will construct a new metal physical plant building in the service compound. The new building will provide needed space for physical plant staff, shops and a warehouse, and will allow the University Police to move into the current physical plant building, thus providing needed space for expanding staff and services.

U. T. Dallas Facilities Management personnel have the experience and capability to manage all aspects of the work.

This off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

9. U. T. El Paso: Authorization to establish a Ph.D. in Chemistry

The Board granted authorization to

- establish a Ph.D. degree in Chemistry at The University of Texas at El Paso; and
- submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

In addition, the Coordinating Board will be asked to change the U. T. El Paso Table of Programs to reflect authorization for the degree program.

The Ph.D. in Chemistry will consist of 72 semester credit hours beyond the bachelor's level (or at least 42 hours beyond the master's level). The program will be administered by the Department of Chemistry and will provide opportunities for education and research in areas consistent with the strengths of department faculty and established research initiatives. The program is designed to prepare professional chemists for careers in teaching and research in academic, industrial, and public sector settings. The degree program will complement existing Ph.D. programs in Environmental Science and Engineering, Materials Science and Engineering, Geological Sciences and Biological Sciences, and a program in Computational Science by contributing to the development of a broad research infrastructure in science consistent with U. T. El Paso and University of Texas System goals for the rapid expansion of research that builds on established areas of excellence. The anticipated date for enrolling the first students is Fall 2006.

The program expects to enroll 22 students within a five-year term. The students will include existing undergraduate and master's students who have registered strong interest in pursuing doctoral studies in Chemistry.

A substantial proportion of the existing U. T. El Paso Chemistry faculty has considerable experience training doctoral students. Current and anticipated faculty recruitment, including a Welch Foundation Chair, will enhance the quality of the program.

The expenditures for the first five years are anticipated to be \$3,679,000. The major costs will be for new equipment and enhancements of the existing library collections. This includes \$2,000,000 for new equipment, \$430,000 for needed facility renovation, \$285,000 for library resources, \$240,000 for staff support, \$40,000 to fund seminar and related programs for doctoral students and faculty, and \$684,000 to support graduate students. These costs will be met from credit hour formula funding; Library, Equipment, Repair and Rehabilitation funding; and reallocation of university resources, including formula-generated excellence funds. It is anticipated that external funds will cover an increasing portion of the program's cost after the initial development period.

10. U. T. Pan American: Approval to expand planning authority for a Ph.D. in Rehabilitation in Counseling

The Board approved that

- a. degree planning authority for The University of Texas - Pan American be expanded to include a Ph.D. in Rehabilitation in Counseling; and
- b. the proposal be submitted to the Texas Higher Education Coordinating Board for review and appropriate action.

The Ph.D. in Rehabilitation in Counseling will be designed to develop three specific skills: advanced teaching skills, evaluation of current research in rehabilitation counseling, and advanced research skills in counseling.

11. U. T. San Antonio: Approval to create the College of Education and Human Development Advisory Council (Regents' Rules and Regulations, Series 60302, regarding advisory councils)

The Board approved creation of the College of Education and Human Development Advisory Council at The University of Texas at San Antonio.

Membership in the Council will be subject to approval by the Chancellor. The Advisory Council will provide counsel to the deans and support to U. T. San Antonio's fund-raising development efforts.

The College of Education and Human Development prepares professionals for leadership in education and human development organizations serving diverse populations across their life span. Faculty engage in a broad and robust program of research and provide extensive service to the community, the University, their profession, and the nation.

12. U. T. San Antonio: Discussion of compact priorities

This item was considered only by the Committee (see Committee Minutes).

13. U. T. Arlington: Discussion of compact priorities

This item was considered only by the Committee (see Committee Minutes).

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 68 - 71).--In the absence of Committee Chairman Clements, Acting Committee Chairman Caven reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Health Affairs Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine

This item was considered only by the Committee (see Committee Minutes).

2. U. T. Medical Branch - Galveston: Update on Austin Women's Hospital

This item was considered only by the Committee (see Committee Minutes).

3. U. T. System: Report on investment in collaborative research projects

This item was considered only by the Committee (see Committee Minutes).

4. U. T. Health Science Center - San Antonio: Report on Medical Arts and Research Center future plans

This item was considered only by the Committee (see Committee Minutes).

5. U. T. Medical Branch - Galveston: Discussion of compact priorities

This item was considered only by the Committee (see Committee Minutes).

6. U. T. M. D. Anderson Cancer Center: Authorization to purchase 10,710 square feet of land improved as a parking lot, being a portion of Lot 29, Block 16, Westmoreland Farms Amended First Subdivision, Houston, Harris County, Texas, from West Houston Healthcare Group, Ltd., at fair market value as established by an independent appraisal, for continued use as parking adjacent to the institution's Bellaire Radiation Treatment Center

Authorization was granted by The University of Texas System Board of Regents, on behalf of The University of Texas M. D. Anderson Cancer Center, to

- a. purchase approximately 10,710 square feet of land improved as a parking lot, being a portion of Lot 29, Block 16, Westmoreland Farms Amended First Subdivision, Houston, Harris County, Texas, from West Houston Healthcare Group, Ltd., at fair market value as established by an independent appraisal, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate; and
- b. authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

The subject property consists of approximately 10,710 square feet of land improved with a 22-space asphalt parking lot, located on Mapleridge Street immediately south of U. T. M. D. Anderson Cancer Center's Bellaire Radiation Treatment Center, 6602 Mapleridge Street, Houston, Texas. The institution has a perpetual easement to use the subject property for parking for the Bellaire Radiation Treatment Center and will acquire the fee interest in the property. The easement allows the Center the nonexclusive use of any parking facilities on the property but does not require that any parking facilities be provided.

U. T. M. D. Anderson Cancer Center acquired the Bellaire Radiation Treatment Center in early 2005. The subject property contains the majority of the Treatment Center's parking spaces, which are essential to the Center's present operations. The fee interest in the subject property gives the institution certainty with respect to parking for the Treatment Center and flexibility for future expansion.

After acquisition, the improvements will remain and the site will continue to be used for parking. U. T. M. D. Anderson Cancer Center will use funds from the operation of the Bellaire Radiation Treatment Center to fund the purchase price estimated to be \$95,000.

7. U. T. System: Approval to amend the U. T. System Professional Medical Liability Benefit Plan

The Board amended Article VII of The University of Texas System Professional Medical Liability Benefit Plan to read as follows to provide coverage up to \$1 million effective September 1, 2005, to U. T. medical students who are pursuing clinical externships outside of Texas.

**ARTICLE VII
LIMITS OF LIABILITY**

...

Limits of Liability Schedule

The following limits shall apply unless lower liability limits are set by law, in which case the lower limits shall apply:

Staff Physician - \$500,000.00 per Liability Claim (up to \$1,500,000.00 for all Liability Claims during any one enrollment period)

Resident and Fellows - \$100,000.00 per Liability Claim (up to \$300,000.00 for all Liability Claims during any one enrollment period)

Medical or Dental Student - \$25,000.00 per Liability Claim (up to \$75,000.00 for all Liability Claims during any one enrollment period); upon approval by the Plan Administrator or a delegate, up to \$1,000,000.00 per Liability Claim (up to \$3,000,000.00 for all Liability Claims during any one enrollment period) for participation in an "away" or off-site experience outside of Texas sanctioned by the U. T. institution and not exceeding three months in duration during any one enrollment period

Annual Aggregate - \$30,000,000.00 for all Liability Claims for all Participants during any one Plan year

Per Claim Limitation - Plan liability shall be limited to \$2,000,000.00 per claim regardless of the number of the claimants or Plan Participants involved in an incident.

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8. U. T. Health Science Center - San Antonio: Cyclotron Addition - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project

The Board amended the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Cyclotron Addition project at The University of Texas Health Science Center at San Antonio at a preliminary project cost of \$3,000,000 with funding of \$1,600,000 from Gifts, \$900,000 from Unexpended Plant Funds, and \$500,000 from Library, Equipment, Repair and Rehabilitation (LERR).

Architecturally or Historically Significant:

Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: January 2007

Total Project Cost:	<u>Source</u>	
	Gifts	\$1,600,000
	Library, Equipment, Repair and Rehabilitation	\$ 500,000
	Unexpended Plant Funds	<u>\$ 900,000</u>
		\$3,000,000

Approximately 3,000 gross square feet will be added to the Robert F. McDermott Clinical Science Building for a cyclotron. The Research Imaging Center (RIC), used to study basic mechanisms of cognition, learning, development, and aging in animal models for human diseases, requires a state-of-the-art dual-beam, negative-ion cyclotron. This purchase and associated radio-synthetic equipment will approximately triple the production capacity of the present cyclotron and support radiopharmaceutical research.

This off-cycle project has been approved by University of Texas System staff and meets the criteria for inclusion in the Capital Improvement Program.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 72 - 95).--Committee Chairman Barnhill reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for The University of Texas System Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. System Board of Regents:

1. U. T. System Board of Regents: Amendment of Regents' Rules and Regulations, Series 80302, Section 3, regarding Architect Selection Advisory Committees

The Board approved that the Regents' *Rules and Regulations*, Series 80302, Section 3, regarding Architect Selection Advisory Committees, be amended to read as set forth below:

Sec. 3 Architect Selection Advisory Committees. Architect Selection Advisory Committees for Major Projects shall be appointed by the institutional president in consultation with the Office of Facilities Planning and Construction and the Associate Vice Chancellor for Facilities Planning and Construction. The Architect Selection Advisory Committee is authorized to evaluate, rank, and make selection recommendations of project architects for appointment by the Executive Vice Chancellor for Business Affairs, with the exception of Special Interest Projects discussed in Section 4 below. Architect Selection Advisory Committees for Minor Projects shall be appointed by the president of the institution.

In the Regents' *Rules and Regulations*, most project authority is delegated directly to the Executive Vice Chancellor for Business Affairs. This change makes Series 80302 consistent with other rules on this topic.

2. U. T. System Board of Regents: Amendments to the Regents' Rules and Regulations, Series 80402, Sections 1, 6, and 8 (Major Repair and Rehabilitation Projects)

The Board amended the Regents' *Rules and Regulations*, Series 80402, Sections 1, 6, and 8, regarding Major Repair and Rehabilitation Projects, to read as set forth below:

Sec. 1 Contract Authorization - Architects. Subject to Regents' *Rules and Regulations* Series 80301 and Series 10501, and Sections 2, 3, 4 and 5 below, and except as otherwise specified in these *Rules and Regulations*, the Executive Vice Chancellor for

Business Affairs, with the advice of the Associate Vice Chancellor for Facilities Planning and Construction and institutional president, is authorized to appoint architects and execute contracts for professional services.

...

Sec. 6 Contract Management. The Associate Vice Chancellor for Facilities Planning and Construction shall approve the construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; sign change orders; and provide general supervision of all Major Projects.

...

Sec. 8 Facility Program. A facility program shall be prepared for all Major Projects in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction. The facility program must be approved by the president of the institution.

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The amendment to the Regents' *Rules and Regulations*, Series 80402, Section 1 delegates project authority to the Executive Vice Chancellor for Business Affairs and makes Series 80402 consistent with other rules on this topic.

The amendment to Section 6 delegates contract management of Major Projects from the Executive Vice Chancellor for Business Affairs to the Associate Vice Chancellor for Facilities Planning and Construction and others under his direction, consistent with past and current practices.

Amended language in Section 8 clearly requires development of a facility program for all Major Projects to quantify the needs of the end user and the functional goals of the design.

3. U. T. System Board of Regents: Amendment of Regents' *Rules and Regulations*, Series 80403, Section 1 (Minor Repair and Rehabilitation Projects)

To align delegation of authority regarding Minor Repair and Rehabilitation Projects, the Board amended the Regents' *Rules and Regulations*, Series 80403, Section 1 to read as set forth below:

Sec. 1 Delegation of Authority. Subject to Sections 2 and 3 immediately below and the general provisions of Series 10501 of the Regents' *Rules and Regulations* and except as otherwise specified in these *Rules and Regulations*, each institution president or the Executive Vice Chancellor for Business Affairs, as appropriate, is authorized to appoint architects, approve plans and Construction Documents, and execute and deliver contracts, agreements, guaranteed maximum price or stipulated sum proposals, and other documents on behalf of the Board of Regents for all new construction projects of \$1 million or less and for repair and rehabilitation projects of \$2 million or less ("Minor Projects").

In the Regents' *Rules and Regulations*, most project authority is delegated directly to the Executive Vice Chancellor for Business Affairs. This change makes Series 80403 consistent with other rules on this topic.

4. U. T. System Board of Regents: Adoption of Regents' *Rules and Regulations*, Series 80404, related to institutional management of Major Construction and Repair and Rehabilitation Projects

The Board adopted a new rule, related to institutional management of Major Construction and Repair and Rehabilitation Projects, as Series 80404 of the Regents' *Rules and Regulations* as set forth on Pages 75 - 77. Regents' *Rules and Regulations*, Series 80301, Section 5, requires that Major Projects designated for institutional management follow the same process, authority, and approvals required for Minor Projects. However, the regulations applicable to Minor Projects are no longer adequate to protect the interests of the University of Texas System. Regents' *Rules and Regulations*, Series 80404, is adapted from Series 80402 that governs management of Major Projects and brings consistency to the management of Major Projects across the U. T. System.

1. Title

Institutional Management of Major Construction and Repair and Rehabilitation Projects

2. Rule and Regulation

- Sec. 1 Contract Authorization - Architects. Subject to Regents' *Rules and Regulations* Series 80301, Series 10501, and Sections 2, 3, 4, and 5 below, and except as otherwise specified in these *Rules and Regulations*, the institutional president, with the advice of the appropriate Executive Vice Chancellor, is authorized to appoint architects and execute contracts for professional services.
- Sec. 2 Contract Authorization - Construction. The institutional president is authorized to execute construction and related contracts for all new construction projects and for all major repair and rehabilitation projects that have previously been approved or authorized for institutional management by the Board of Regents in the Capital Improvement Program (CIP).
- Sec. 3 Standardized Contracts. Construction contracts executed and delivered on behalf of the Board of Regents for Major Projects shall comply with guidelines issued by the U. T. System Administration Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.
- Sec. 4 Capital Budget. Funding for Major Repair and Rehabilitation Projects that are not architecturally or historically significant may be appropriated by the Board of Regents through the Capital Budget. Funding for all other Major Projects is appropriated at the time of design development plan approval.

- Sec. 5 Approval for Excess Costs or Material Change. Costs in excess of an amount equal to the Total Project Cost approved by the Board of Regents plus 10% or any material change in the concept or scope of the project must be approved by the Board.
- Sec. 6 Contract Management. The institutional president shall approve the construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; sign change orders; and provide general supervision of all Major Projects.
- Sec. 7 Authority to Increase Project Cost. The institutional president, with the advice of the appropriate Executive Vice Chancellor, is authorized to increase the approved Total Project Cost not more than 10%. To provide funding for the increase, the institutional president may reallocate funding between or among approved projects at the institution if funding for such projects has previously been authorized or is from some other source of approved funds available to the institution.
- Sec. 8 Facility Program. A facility program shall be prepared in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction. The facility program must be approved by the president of the institution.
- Sec. 9 Adherence with Campus Master Plan. Requests for Qualifications (RFQs) issued to solicit responses from interested architects will include a requirement that the architect evidence agreement to adhere to the approved Campus Master Plan and a set of criteria applicable to the facility program and the needs of the institution.
- Sec. 10 Preparation of Design Development Plans. After approval of the facility program, the institutional president is authorized to give the project architect, engineer, or design-build contractor the facility program and the Campus Master Plan and to direct the preparation of schematic plans, exterior design, site plans, cost estimates, and other necessary and appropriate documents ("Schematic Plans") and design development plans, elevations, and sections, outline specifications, cost estimates, and other related work to establish the scope, design, dimensions, and materials of the project in greater detail ("Design Development Plans").

Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board. The project architect, engineer, or design-build contractor shall work with the Ad Hoc Project Building Committee, if any, and the institutional president with regard to architectural design and construction projects.

- Sec. 11 Approval of Design Development Plans. Design Development Plans for institutionally managed Major Project new construction and repair and rehabilitation projects shall be submitted to the Board of Regents for approval upon the recommendation of the Chancellor. The institutional president shall be responsible for identifying to the Board of Regents special interest projects.
- Sec. 12 Expenditure Authorization. Upon approval of the Design Development Plans for institutionally managed Major Project new construction or repair and rehabilitation projects, the Board of Regents will authorize expenditure of funds for the projects.
- Sec. 13 Construction Documents. After approval of the Design Development Plans, the institutional president is authorized to direct the preparation of the working drawings and specifications ("Construction Documents").

3. Definitions

Facility Program – A project planning document that organizes and summarizes client needs and programmatic information needed to design a capital project. It is generated through a process of collecting, analyzing, synthesizing, and documenting significant requirements for a Project prior to proceeding into the Design Phase.

Major Project – Any project that meets one or more of the following criteria: 1) new construction with a value of at least \$1 million, 2) repair and rehabilitation projects with a value of at least \$2 million, 3) any project determined by the Board to be architecturally or historically significant, 4) any project that is debt financed (RFS, TRB, PUF) regardless of dollar value except those projects appropriated through the LERR budget, and 5) any campus planning efforts that are intended to result in a capital project meeting one or more of these criteria.

5. U. T. Austin: Biomedical Engineering Building - Approval of design development; revision of funding sources; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt

The Board approved the recommendations for the Biomedical Engineering Building project at The University of Texas at Austin as follows:

Project Number: 102-172
Architecturally or Historically Significant: Yes No
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: July 2008

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$43,900,000	\$40,500,000
	Gifts	\$ 8,000,000	\$ 8,000,000
	Unexpended Plant Funds	<u>\$ 3,200,000</u>	<u>\$ 6,600,000</u>
		\$55,100,000	\$55,100,000

- a. approve design development plans;
- b. revise funding sources;
- c. appropriate funds and authorize expenditure of funds;
- d. approve the evaluation of alternative energy economic feasibility; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - 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. System Board of Regents relating to the Financing System; and
 - 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$40,500,000.

Debt Service

The \$40,500,000 in Revenue Financing System debt will be repaid from net revenues generated from indirect cost recovery. Total annual debt service on the project is estimated at \$2,634,583. Debt service coverage on the project is expected to be 1.50 times in each of the first three years of operation (FY 2008-2010).

Previous Board Actions

On August 7, 2003, the project was included in the Capital Improvement Program (CIP) at a preliminary project cost of \$25,000,000 with funding from Designated Tuition. On November 12, 2003, the Board designated the project as architecturally significant. On August 11, 2005, the total project cost was increased to \$55,100,000 with funding of \$43,900,000 from Revenue Financing System Bond Proceeds, \$8,000,000 from Gifts, and \$3,200,000 from Unexpended Plant Funds.

Project Description

The building will consist of six floors containing approximately 140,700 gross square feet to house the College of Engineering (Biomedical Engineering) currently housed in three separate facilities, provide quality laboratory research space for the College of Pharmacy (Medicinal Chemistry), and provide biology teaching laboratory space for the College of Natural Sciences. Changing the funding sources more accurately reflects the financial model to optimize the amount of debt on the project.

The building will provide new administrative, faculty, and student spaces, research, teaching, and computer laboratories plus seminar and conference room spaces to support a variety of research and education activities.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to The University of Texas System System Board of Regents as part of the design development presentation.

6. U. T. Tyler: University Center Renovation/Expansion (Phase I) - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the University Center Renovation/Expansion (Phase I) project at The University of Texas at Tyler as follows:

Project Number: 802-227

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2007

Total Project Cost:

<u>Source</u>	<u>Current</u>
Revenue Financing System Bond Proceeds	\$11,000,000

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - 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. System Board of Regents relating to the Financing System; and
 - U. T. Tyler, 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$11,000,000.

Debt Service

The \$11,000,000 in Revenue Financing System debt will be repaid from net revenues generated from student fees. Average annual debt service on the project is estimated at \$714,173 over the first 10 years (FY 2006-2015). Annual debt service will level at \$756,859 in FY 2007. Debt service coverage on the project is expected to be at least 1.39 times and average 1.71 times over the first 10 years of operation.

Previous Board Action

On August 11, 2005, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$11,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The project will consist of renovation of the first floor of the existing building and an expansion to meet increased space needs. The Phase I project will include expansion of food services, a bookstore, and meeting space and offices for support staff.

The first floor renovation will include updating building systems including HVAC, plumbing, electrical and telephone/data as well as the installation of a fire sprinkler system.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to the U. T. System Board of Regents as part of the design development presentation.

7. U. T. Health Science Center - San Antonio: Medical Arts and Research Center - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Medical Arts and Research Center project at The University of Texas Health Science Center at San Antonio as set forth on the following page. President Cigarroa reported

on future plans for the Research Center during the meeting of the Health Affairs Committee on November 9, 2005 (see Item 4 on Page 4 of the Health Affairs Committee Minutes).

Project Number: 402-191

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: September 2008

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$85,000,000
	Medical Services, Research and Development Plan	<u>\$10,000,000</u>
		\$95,000,000

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - 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. System Board of Regents relating to the Financing System; and
 - U. T. Health Science Center - San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$85,000,000.

Debt Service

The \$85,000,000 in Revenue Financing System debt will be repaid from net revenues generated by medical services, parking, rent, and royalties. Average annual debt service on the project is estimated at \$6,456,035

during the first eight years (FY 2006-2013). Annual debt service will level at \$8,573,874 in FY 2010. Debt service coverage on the project is expected to be at least 1.45 times and average 2.30 times during the project's first 13 years of operation.

Previous Board Actions

On November 3, 2003, the project was included in the Capital Improvement Program (CIP) as a feasibility and planning study with a preliminary project cost of \$300,000 with funding from Medical Services, Research and Development Plan (MSRDP). On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$95,000,000 with funding of \$85,000,000 from Revenue Financing System Bond Proceeds and \$10,000,000 from MSRDP.

Project Description

The project will support ambulatory clinical care services and clinical research activities for the School of Medicine Faculty Practice Plan. The ambulatory clinic building will be approximately 188,870 gross square feet and the faculty office will be approximately 62,000 gross square feet. Site improvements include landscaping, new drives for access to the new building, and parking structures for approximately 1,000 cars.

The U. T. Health Science Center - San Antonio's nonprofit health corporation, University Physicians Group (UPG), is the organizational structure through which the University conducts its clinical care activities. UPG currently leases clinical space in eight separate locations throughout the city. The two main clinic sites are the Diagnostic Pavilion located adjacent to the University campus, and the Brady Green Clinic located in downtown San Antonio. The Medical Arts and Research Center will replace the Diagnostic Pavilion and allow consolidation of other services from many of the smaller sites currently in use. The expansion will enhance the clinical mission in four thematic service areas to include Signature Programs, Core Clinical Services, Diagnostic and Surgical Center, and Shared Community Resources.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to the U. T. System Board of Regents as part of the design development presentation.

8. U. T. M. D. Anderson Cancer Center: Bastrop Research and Education Building (Phase I of the Bastrop Facility Strategic Plan) - Approval of design development for Phase I of the project; approval of evaluation of alternative energy economic feasibility; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Bastrop Research and Education Building project at The University of Texas M. D. Anderson Cancer Center as follows. This is the first phase of the Bastrop Facility Strategic Plan.

Project Number: 703-195

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: January 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$10,000,000
	Hospital Revenues (Phase I)	\$ 7,000,000
	Grants (Phase I)	<u>\$ 4,000,000</u>
		\$21,000,000

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility; and
- c. appropriate funds and authorize expenditure of funds.

Previous Board Actions

On August 7, 2003, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$9,000,000 with funding from Hospital Revenues. With the adoption of the FY 2006-2011 CIP on August 11, 2005, the project was included in the CIP with a preliminary project cost of \$21,000,000 with funding of \$10,000,000 from Revenue Financing System Bond Proceeds, \$7,000,000 from Hospital Revenues, and \$4,000,000 from Grants.

Project Description

The first phase of the Bastrop Research and Education Building (BREB) consists of a building of approximately 34,000 gross square feet to provide basic research laboratories, education space, primate research laboratories, pathology support, and various site and infrastructure upgrades. The building will be consistent with the low-rise/low-profile theme of the Bastrop campus

and will contain a combination of laboratories, offices, conference, and teaching spaces. Design development approval for Phase II of the project will be requested at a future Board meeting.

Recruitment of Christian Abee, DVM, to the Bastrop campus has created a need to house owl monkey and squirrel monkey colonies. Dr. Abee had already secured a National Institutes of Health (NIH) grant at his previous position with the University of South Alabama. This grant is currently being transferred to U. T. M. D. Anderson Cancer Center. Combining the scope of the NIH grant with the BREB and the previously scheduled pathology renovation for this campus revealed that efficiencies could be gained by combining these programs into one building. The BREB will support institutional objectives for accommodating vivarium and office space needs, increasing research, education, and support space with the construction of this new facility. A portion of the building related to Pathology will be shelled out.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to the U. T. System Board of Regents as part of the design development presentation.

9. U. T. M. D. Anderson Cancer Center: Smithville Laboratory Building IV (Phase I of the Smithville Facility Strategic Plan) - Approval of design development for Phase I of the project; approval of evaluation of alternative energy economic feasibility; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Smithville Laboratory Building IV project at The University of Texas M. D. Anderson Cancer Center as follows. This is the first phase of the Smithville Facility Strategic Plan.

Project Number: 703-235
Institutionally Managed: Yes No
Architecturally or Historically Significant: Yes No
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: December 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$18,000,000
	Hospital Revenues (Phase I)	<u>\$12,300,000</u>
		\$30,300,000

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility; and
- c. appropriate funds and authorize expenditure of funds.

Previous Board Actions

On August 7, 2003, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$30,000,000 with funding from Hospital Revenues. With the adoption of the FY 2006-2011 CIP on August 11, 2005, the project was included in the CIP with a preliminary project cost of \$30,300,000 with funding of \$18,000,000 from Revenue Financing System Bond Proceeds and \$12,300,000 from Hospital Revenues.

Project Description

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. These institutionally managed projects are subject to review by the Board of Regents for design development.

This is the first phase of this \$30,300,000 project. The Smithville Laboratory Building IV project consists of five elements:

- a fourth research laboratory building of 23,000 gross square feet;
- a new auditorium/office building of 12,000 gross square feet;
- a cell line preservation/storage addition of 2,800 gross square feet;
- Phase four expansion of the animal building of 4,400 gross square feet; and
- a new central heating and cooling plant of 5,500 gross square feet, renovation of mechanical systems in Laboratory Buildings I and II, plus site and infrastructure upgrades to support the new buildings.

U. T. M. D. Anderson Cancer Center is seeking approval to proceed with the first phase of this project, consisting of construction of the fourth research laboratory building and infrastructure improvements on the campus, with a total project cost of \$12,300,000 for this first phase. Design development approval for Phase II of the project will be requested at a later date.

The other projects in the first phase are the creation of a central plant to increase capacity and improve efficiency of distributed utilities to serve the new Laboratory Building IV and replace existing equipment serving Laboratory Buildings I, II, and III; the addition of new roadways and parking to accommodate current needs including necessary access and parking to support Laboratory Building IV; and utility upgrades/renovations in Laboratory Buildings I and II.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to The University of Texas System Board of Regents as part of the design development presentation.

10. U. T. M. D. Anderson Cancer Center: South Campus Vivarium Facility - Approval of design development; approval of evaluation of alternative energy economic feasibility; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the South Campus Vivarium Facility project at The University of Texas M. D. Anderson Cancer Center as follows:

Project Number: NA
Institutionally Managed: Yes No
Architecturally or Historically Significant: Yes No
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: July 2007

Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Current</u> \$25,000,000
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- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility; and
- c. appropriate funds and authorize expenditure of funds.

Previous Board Action

On August 11, 2005, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$25,000,000 with funding from Hospital Revenues.

Project Description

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development.

The South Campus Vivarium is an expansion and renovation of existing facilities. The selected site for the expansion and renovation is the Physical Plant Building, which is located on Knight Road between the Smith Research Building (SRB) and the South Campus Research Building 1. This project will provide housing for mice within a floor area of approximately 38,000 gross square feet, and includes shell space for subsequent phases to be constructed in the future. This project will also begin integrating the expanded and renovated facility with the existing SRB vivarium to create a single, unified structure. The expanded and renovated facility will accommodate a total planned population of 60,000 mice (including the capacity of the existing SRB vivarium) in 74,200 gross square feet. The project will also provide administrative offices, a break room, and support facilities for personnel.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings.

This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project was reported to the University of Texas System Board of Regents as part of the design development presentation.

11. U. T. Austin: Darrell K Royal - Texas Memorial Stadium Fire and Life Safety/Improvement Planning - Amendment to the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Darrell K Royal - Texas Memorial Stadium Fire and Life Safety/Improvement Planning project at The University of Texas at Austin as follows:

Project Number: 102-081

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: August 2006

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$11,000,000	\$15,000,000

- a. increase total project cost;
- b. appropriate funds and authorize expenditure of funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - 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. System Board of Regents relating to the Financing System; and

- 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$4,000,000.

Debt Service

The \$15,000,000 in total Revenue Financing System debt will be repaid from net revenues generated from Centennial Room/West Stadium seating. Average annual debt service on the project is estimated at \$838,946 over the first five years (FY 2006-2010). Annual debt service will level at \$1,060,744 in FY 2008. Debt service coverage on the project is expected to be at least 1.59 times and average 2.51 times during the project's first five years.

Previous Board Actions

On December 10, 2004, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$5,000,000 with funding from Auxiliary Enterprise Balances. On August 11, 2005, the Board approved the design development plans and increased the total project cost to \$10,000,000 with funding from Revenue Financing System Bond Proceeds. On September 22, 2005, the Chancellor approved increasing the total project cost to \$11,000,000.

Project Description

This project began as a comprehensive feasibility and planning study of the Darrell K Royal - Texas Memorial Stadium. The full scope of options and associated costs for improving the fire and life safety of the stadium have been recommended to define current code and infrastructure needs.

The Stage I - Bellmont Hall Renovation portion of the Stadium Fire and Life Safety/Improvement Planning project will address several life safety concerns within the existing Bellmont Hall and provide waterproofing and structural repairs and building system upgrades. The project will also include renovation and expansion of the ninth floor Centennial Room, the addition of fixed seating at that level, renovations to the eighth floor Press Box area to accommodate additional working press, and renovations to the ninth and tenth floors for Kinesiology.

The Stage 2 - North End Zone Expansion portion of the project will address many life safety, structural, and accessibility deficiencies and noncompliant issues in the existing north grandstand. Reconstruction of this area will resolve these issues, and new construction may include spaces for cheering facilities, stadium services, central receiving, commissary, loading

dock/TV truck services, gymnasium, concourse, food service, restrooms, EMS, ticketing, foundation, museums, Kinesiology, academics, club and suite levels, and general seating. The project will extend into the existing East and West Grandstands, including Belmont Hall, to complete the life safety code upgrades.

12. U. T. Pan American: Chill Water Extension - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to authorize institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Chill Water Extension project at The University of Texas - Pan American as follows:

Project Number: 901-234

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: February 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$625,000

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2006-2007 Capital Budget to authorize institutional management;
- b. appropriate funds and authorize expenditure of funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - 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. System Board of Regents relating to the Financing System; and
 - U. T. Pan American, 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$625,000.

Debt Service

The \$625,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service is estimated at \$5,449. Overall debt service coverage for the institution is expected to average 3.57 times from FY 2006 through 2011.

Previous Board Action

On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$625,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The project will extend the present chill water loop approximately 1,700 linear feet to new construction sites for student housing and the Wellness and Recreation Sports Complex.

U. T. Pan American Facilities Management personnel have the experience and capability to manage all aspects of the work.

13. U. T. Pan American: New Chiller - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to authorize institutional management

The Board amended the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2006-2007 Capital Budget to authorize institutional management for the New Chiller project at The University of Texas - Pan American as follows:

Project Number: NA
Architecturally or Historically Significant: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: November 2006
Total Project Cost:

<u>Source</u>	<u>Current</u>
Higher Education Assistance Funds	\$1,200,000

Previous Board Action

On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$1,200,000 with funding from Higher Education Assistance Funds.

Project Description

The project will replace a 30-year old, 600 ton chiller with a new 2,000 ton chiller in the Cooling Plant. Campus cooling capacity will increase to accommodate new construction and expand present needs.

U. T. Pan American Facilities Management personnel have the experience and capability to manage all aspects of the work.

- 14. U. T. San Antonio: East Campus Surface Parking Phases I, II, and III - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to increase total project cost and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the East Campus Surface Parking Phases I, II, and III project at The University of Texas at San Antonio as follows:

Project Number: 401-199
Institutionally Managed Yes No
Architecturally or Historically Significant: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: November 2005

Total Project Cost:	<u>Source</u>	<u>Former</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$2,594,500	\$2,594,500
	Unexpended Plant Funds	\$ 259,450	\$ 388,877
		<u>\$2,853,950</u>	<u>\$2,983,377</u>

- a. amend the FY 2006-2011 Capital Improvement Program (CIP) and the FY 2006-2007 Capital Budget to increase the total project cost from \$2,853,950 to \$2,983,377; and
- b. appropriate the additional funding of \$129,427 from Unexpended Plant Funds and authorize expenditure.

Previous Board Action

On August 7, 2003, the project was included in the CIP as an institutionally managed project with a preliminary project cost of \$2,594,500 with funding from Revenue Financing System Bond Proceeds. On September 1, 2005, the Chancellor approved an increase to the total project cost from \$2,594,500 to \$2,853,950 with additional funding of \$259,450 from Unexpended Plant Funds.

Project Description

Construction of these three separate institutionally managed projects will provide parking spaces, utilities, drainage, sidewalks, and roadway work. The Phase I project will contain 613 parking spaces, two main roadways, a bus stop, Americans with Disabilities Act (ADA) parking spaces, and sidewalks and provide above ground drainage work. The Phase II project will be adjacent to the Phase I parking area and contain 200 parking spaces. The Phase III parking area will contain 310 parking spaces, a bus stop, ADA parking spaces, sidewalks, and underground drainage work and be located east of the Phase I and Phase II sites. The increase in the total project cost will complete the scope of work.

15. U. T. Austin: Jack S. Blanton Museum of Art Phases I and II - Request for acceptance of gifts of outdoor works of art (Deferred)

The item concerning the acceptance of gifts of outdoor works of art for the Jack S. Blanton Museum of Art Phases I and II at The University of Texas at Austin was deferred by the Facilities Planning and Construction Committee on November 9, 2005.

16. U. T. Austin: Honoring naming of the Power Plant Extension, the Hal C. Weaver Power Plant, and the Power Plant Annex as the Carl J. Eckhardt Power and Heating Complex

The Board approved the naming of the Power Plant Extension, the Hal C. Weaver Power Plant, and the Power Plant Annex at The University of Texas at Austin as the Carl J. Eckhardt Power and Heating Complex.

Professor Eckhardt has made numerous contributions to U. T. Austin for 70 years. He graduated from U. T. Austin in 1925 with a Bachelor of Science degree in Mechanical Engineering and a Master of Science in 1930. He served as superintendent of the Power Plant beginning in 1930 and continued as superintendent of Utilities in 1937. He then served as the first director of the Physical Plant from 1950 to 1970.

Academically, Professor Eckhardt served as a mechanical engineering instructor starting in 1926, and he retired as a professor of mechanical engineering in 1973. He was also an avid student of University of Texas history, writing and publishing many books including *The Promise of Greatness*, *One Hundred Faithful to The University of Texas at Austin*, *In the Beginning of The University of Texas*, *Presidents of The University of Texas at Austin*, *On This Hallowed Ground*, *From Whence We Came*, and *Facts and Stories About Fifty Golden Years at The University of Texas*. He was professor emeritus until his death in 1995.

RECONVENE.--At 10:25 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

SPECIAL REPORT AND SPECIAL ITEMS

1. U. T. System: The Disaster Response Mutual Aid Plan overview and U. T. Medical Branch – Galveston’s response to Hurricane Rita

Dr. Scott C. Kelley, Executive Vice Chancellor for Business Affairs, and Mr. Phillip Dendy, Director of Risk Management for The University of Texas System, presented a report on the U. T. System Disaster Response Mutual Aid Plan.

While U. T. System institutions have disaster plans in place, Tropical Storm Allison in 2001 illustrated the need for a more formalized process for providing response and recovery assistance following a major disaster. A U. T. System Disaster Mutual Aid Working Group developed the Disaster Response Mutual Aid Plan, which became effective in March 2003.

The Plan outlines a process for unaffected U. T. System institutions to provide manpower and materials to assist impacted U. T. System institutions in recovering from a major disaster. The Plan consists of detailed procedures for administration of a Memorandum of Understanding (MOU) executed to be effective between all U. T. System institutions, as well as disaster response and recovery, and provides an inventory of resources available during a disaster.

In July 2002, U. T. System executed a contract with BMS Catastrophe, Inc., to provide disaster restoration and recovery services. These services include project management; fire, smoke and water damage recovery; moisture control; heating, ventilation and air conditioning decontamination and cleaning; microbial remediation; telecommunications, electronics, media, and equipment recovery; and recovery of documents, books, and vital records. All services are provided using rates negotiated on a pre-loss basis.

President John D. Stobo then made a [PowerPoint presentation](#) and showed television video footage of news clips from late September 2005 on The University of Texas Medical Branch at Galveston’s response to Hurricane Rita. While physical damage was light, and U. T. System institutions were prepared to offer recovery assistance and BMS Catastrophe, Inc., was prepared to provide response and recovery services to U. T. System institutions, neither the Mutual Aid Plan nor the contract with BMS Catastrophe, Inc., was executed during the disaster. However, 426 patients were evacuated within a 12-hour period from U. T. Medical Branch - Galveston facilities and four days later, the institution was back to 85% occupancy.

Dr. Stobo said 450 most essential personnel were not evacuated. Chairman Huffines commended President Stobo and the staff at U. T. Medical Branch – Galveston for their heroic efforts before, during, and after the storm. He acknowledged Mr. Jesus Garza and Mr. Gerald Hill, both of Seton Healthcare Network, Austin, Texas, in attendance, as Seton Healthcare Network provided emergency care for many hurricane evacuees.

Mr. Dendy mentioned several challenges encountered from the Hurricane Rita experience related to communication plans, fuel availability, coordination with local, state, and federal authorities, and he offered solutions that are underway. Regent McHugh offered assistance to coordinate with appropriate agencies through the Governor’s Division of Emergency Management.

2. U. T. System Board of Regents: Appointment of Regent Colleen McHugh as Regental member to the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

In accordance with the requirements of the Regents' *Rules and Regulations*, Series 10402, the Board appointed Regent Colleen McHugh to replace Regent Woody L. Hunt on The University of Texas Investment Management Company (UTIMCO) Board of Directors to serve a term ending April 1, 2007, or until a successor is chosen and qualifies, or until her earlier resignation or removal.

Regent McHugh abstained from voting on this item.

Pursuant to *Texas Education Code* Section 66.08, the Board of Regents shall appoint the nine directors of UTIMCO. At least three members of The University of Texas System Board of Regents and the Chancellor shall be appointed to the UTIMCO Board of Directors by the Chairman of the Board of Regents, by and with the consent of the Board of Regents.

3. U. T. System Board of Regents: Appointment of Mr. Woody L. Hunt as external member of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)

In accordance with the requirements of the Regents' *Rules and Regulations*, Series 10402, Mr. Woody L. Hunt was appointed as an external member of the Board of Directors of The University of Texas Investment Management Company (UTIMCO) for a term ending on April 1, 2006, or until his successor is chosen and qualifies, or until his earlier resignation or removal.

Pursuant to *Texas Education Code* Section 66.08, the Board of Regents shall appoint the nine directors of UTIMCO. At least three members of The University of Texas System Board of Regents and the Chancellor shall be

appointed to the UTIMCO Board of Directors upon recommendation by the Chairman of the Board of Regents, by and with the consent of the Board of Regents. External members of the UTIMCO Board are appointed by the Board of Regents following a process outlined in the Regents' *Rules and Regulations*, Series 10402.

Regent Caven described the process used to recommend this appointment of Mr. Hunt. In August 2005, Chairman Huffines appointed an advisory committee composed of Regent Caven, Regent Rowling, and UTIMCO Director Erle Nye to make recommendations to him. Following recommendation from the committee, Chairman Huffines recommended Mr. Hunt be appointed as an external member of the Board of Directors of UTIMCO. Regent Caven also thanked former Vice Chairman Hunt for his service on the UTIMCO Board.

Mr. Hunt, former Vice Chairman of the Board of Regents, served on the UTIMCO Board of Directors as a Regental director from 1999 to 2005 and was Chairman of the UTIMCO Board from 2003 to 2005. He fills the position vacated by Mr. I. Craig Hester who resigned from the Board of Directors on February 1, 2005.

4. U. T. System: Authorization for the Chancellor to submit Report Concerning Designated Tuition

As required by the General Appropriations Act, Senate Bill 1, Article III, Section 59, a report concerning designated tuition is to be filed not later than January 1, 2006, by the governing board of each public institution of higher education that charges students designated tuition under Section 54.0513, *Texas Education Code*, for the 2004-2005 and 2005-2006 academic years. The report is to include the amount the institution has collected in designated tuition, the purposes for which the institution spent the money derived from designated tuition and the amount of that money spent for each of those purposes, and the amount set aside from designated tuition for resident undergraduate and graduate student assistance under Section 56.011 and 56.012, *Texas Education Code*. In addition, the report must include information on the total academic cost for resident undergraduates enrolled for 15 semester credit hours derived from actual fee bills for the 2004 Fall Semester and the 2003 Spring Semester and must reflect actual charges for statutory tuition, designated tuition, mandatory fees, and average college and course fees.

Following a report by Executive Vice Chancellor Sullivan, the Board granted authority to the Chancellor to submit on its behalf the Report Concerning Designated Tuition to the Lieutenant Governor, the Speaker of the House,

the Chair of the Senate Finance Committee, the Chair of the House Appropriations Committee, and the members of the Legislative Oversight Committee on Higher Education. Regent Rowling requested consideration be given to roll tuition and fees together in one figure to accurately portray the cost of an education. Vice Chairman Krier suggested a new format could be prepared to “tell the story” to the Legislature about the additional costs and how those funds were used, such as to support a smaller student/faculty ratio, to offer more courses at times students need to take them, and to reiterate student participation in the tuition-setting process at each institution. Chairman Huffines endorsed the approach and Chancellor Yudof agreed to work on the initiative, saying it is already being done, but he agreed to reiterate where the money comes from and where it goes.

5. U. T. System: Presentation regarding System-wide initiative to improve graduation rates

Chairman Huffines said improving graduation rates is the Board’s highest priority and he asked Vice Chairman Krier for comments. Vice Chairman Krier said efforts to improve graduation rates tie in well with the Board’s efforts through the Task Force on Admissions, Tuition, and Financial Aid, chaired by Regent Caven. She said these efforts will have a positive effect on students, their families, and the State of Texas.

Executive Vice Chancellor Sullivan then discussed The University of Texas System-wide initiative to improve graduation rates for academic institutions. She reminded the Board she had addressed this matter during the Academic Affairs Committee meeting in May 2005 and this report is a continuation of that work. Dr. Sullivan said the “Closing the Gaps” program, enunciated by the Texas Higher Education Coordinating Board, has often been interpreted as a program to promote access to higher education, but the second pillar of that program is success. Therefore, attention to graduation rates is important, particularly in Texas where college attendance tends to be lower than the rest of the country and where the rate of graduation is historically low. She spoke about solutions and identified efforts and initiatives at U. T. System institutions with a more focused institutional plan that provides oversight by the Board of Regents.

Dr. Sullivan recommended the Board announce formally that substantially improving undergraduate graduation rates is their highest priority. She discussed six recommended steps to improve graduation rates and discussed the potential role of the Office of Academic Affairs in the effort. Regent Estrada asked that the website proposed by Dr. Sullivan, to be directed at parents, reflect the lost opportunity costs of delayed graduation and Regent McHugh recommended U. T. institutions work with the business community related to graduation rate issues.

In response to a request from Regent McHugh for benchmark data (categories of students such as transfer and part-time students) and timelines for reporting to the Chancellor and the Board, Executive Vice Chancellor Sullivan said federal law requires reporting of six-year graduation rates, which has become the de facto benchmark. The U. T. System accountability report includes additional data such as graduation rates of transfer students.

Regent Rowling expressed concern the curriculum requirements not be watered down and Dr. Sullivan assured him this would not happen, but noted course materials need to be better taught.

Regent McHugh also requested efforts to improve graduation rates happen quickly and Vice Chairman Krier agreed the response time and implementation of specific objectives need to shorten. She directed the “minute-at-the-mike” standard report by presidents in the Academic Affairs Committee in February 2006 be spent reporting on graduation rates and asked that quarterly reports “to each other” be made for the next year. Vice Chairman Krier commended Dr. Sullivan on the System-wide conference on graduation rates held on September 30, 2005, at The University of Texas at Dallas.

Chairman Huffines thanked Executive Vice Chancellor Sullivan for her report and termed it a good first step. He echoed the sense of urgency to increase graduation rates and he read the following from the U. T. System Graduation Rates Initiative report included in the agenda materials:

By reducing university throughput, low graduation rates potentially reduce the number of students who can be served. Given the growing demand for college access, low graduation rates represent a cost passed on to younger students. If instead the institutions enlarge their student bodies, the costs of low graduation rates are passed on to taxpayers to provide more buildings and higher operating costs.

Chairman Huffines said increasing graduation rates is necessary to “Close the Gaps” and the University has an obligation to taxpayers, constituents, students, and parents to improve graduation rates while not watering down the quality of the educational experience.

Chancellor Yudof said the institutional presidents are asked to focus on the issue. Chairman Huffines asked for specific goals and targets on a shorter timeframe than 10 years out and he asked Dr. Sullivan to continue to revise her report with specifics, to visit with the presidents on specific goals, and to come back to the Board in February 2006.

In the meantime, Chairman Huffines asked that action be deferred until the issue is better defined and asked members of the Board to consider a resolution to lay out a strategy and expectations over the next decade in terms of graduation rates. Vice Chairman Krier promised a hard-hitting, directed, targeted, positive resolution with a sense of urgency for the Board's approval at the February 2006 meeting.

SPECIAL REPORTS

1. U. T. System Board of Regents: Historical presentation on Colonel George W. Brackenridge and the Brackenridge Tract

Chairman Huffines said the historical presentation on Colonel George Washington Brackenridge, who served as a member of The University of Texas System Board of Regents during the early years of the University's history, was particularly significant since today (November 10, 2005) was the 1,000th meeting of the Board. He said a presentation on this famous Texan and the time to reflect on the commitments, dedication, and contributions made by former Regents to put the University on the path towards excellence is opportune to celebrate this milestone in the history of the Board.

Mr. Jim Nicar, Director of the Texas Exes UT Heritage Society at The University of Texas at Austin, said former Regent Brackenridge served over 25 years on the Board of Regents, the longest term recorded. Colonel Brackenridge served from November 1886 to January 1911, August 1917 to January 1919, and from November 1920 until his death in December 1920. From February 1903 to June 1904, he served as Chairman of the Board.

Appointed to the Board when the University was only four years old, Colonel Brackenridge began contributing to the University in small ways such as furnishing globes for classrooms. Mr. Nicar said Regent Brackenridge attempted to be anonymous in his philanthropy but he was discovered and his contributions were listed in Board *Minutes*. His contributions expanded to build a gymnasium, libraries, and residence halls, including Brackenridge Hall, built on the east side of The University of Texas at Austin campus. Mr. Nicar said Colonel Brackenridge's generosity also built women's residence halls at both U. T. Austin and The University of Texas Medical Branch at Galveston. As part of the Permanent University Fund, two million acres of land in West Texas was given to the University and it was Colonel

Brackenridge who had the land surveyed and protected. In 1917, when Governor Ferguson threatened to veto the appropriations and close the University for two years, Colonel Brackenridge offered to bankroll the University.

Mr. Nicar said the most contentious issue of Colonel Brackenridge's term was the donation of 500 acres in southwest Austin, with options to purchase more land, to allow the University to grow. However, Colonel George Washington Littlefield, also a former Regent, did not like the idea of moving the University from the 40 acres, preferring to find land east of the 40 acres for campus growth. The issue was contentious in the Legislature and the University remained on the 40 acres.

Mr. James S. Wilson, Campus Director of Real Estate at U. T. Austin, made a presentation on the 500 acres in southwest Austin donated by Colonel Brackenridge, known as the Brackenridge Tract. Mr. Wilson said presently, the U. T. Austin campus is composed of approximately 425 acres with no room for growth, thus the Brackenridge Tract is all the more valuable. The Tract was purchased in several transactions and Mr. Wilson circulated the original deed dated June 17, 1910. There were three strong restrictions in the deed: the land would serve as a permanent endowment for The University of Texas, the land would be used for educational purposes, and Colonel Brackenridge did not want the land sold for a number of years. If the land was sold before the death of the last surviving of six children, it would be reverted to the Jackson County Commissioners for use to promote free education. The land was not virgin wilderness; there was a dam, agricultural activities including a dairy, residences, and a stone quarry, the stone of which was used to build O. Henry Hall presently occupied by The University of Texas System Administration. Today, the University owns approximately 350 acres of the original 503 acres.

In the mid-1960s, the Board wanted to build student housing and there was a question if revenues from the rent could be applied to pay debt service to build those units. In 1964, Travis County District Court No. 126 rendered judgment that the Brackenridge Tract was not part of the Permanent University Fund, and that freed the Board to issue the debt to build student housing. In 1965, the Board received permission from the Legislature to buy back the Jackson County's reversionary interest. In 1967, Regent Frank C. Erwin, Jr., went to the 60th Texas Legislature and Senate Bill 211 stated the Board of Regents of The University of Texas has the full right to sell or lease any or all of the Brackenridge Tract according to the rules and procedures set by the Board. In 1985, the Board was interested in a plan to better use the Tract for University purposes and to generate revenue until such time as it was needed exclusively for University purposes.

Mr. Wilson then reviewed the terms of the following eight tracts included in the 1989 Brackenridge Development Agreement signed by U. T. and the City of Austin and validated by the Legislature. He said the Lions Municipal Golf Course was not part of the Development Agreement.

- the Park Street Tract (used by the Lower Colorado River Authority)
- the Boat Town Tract (Marina)
- the Stratford Tract
- the Safeway Tract
- the Deep Eddy Tract
- the Brackenridge Apartments Tract
- the Biological Field Laboratory Tract
- the Colorado Apartments Tract

Mr. Wilson said part of the Brackenridge Tract is managed by the U. T. System Administration Real Estate Office and part is managed by U. T. Austin.

Mr. Wilson reviewed income from the Tract, which, he said, has been fairly successful since 1989 with a total of over \$23 million as of August 31, 2005. He pointed out that does not include more than \$3 million per year from rental of student housing or grants for the laboratories. He also discussed contributions to endowment funds with the proceeds and matching funds.

Chairman Huffines commended Mr. Nicar and Mr. Wilson for their historical presentations.

2. U. T. System: Report on assessments of institutional development operations

Vice Chancellor Safady reported on assessments of development operations for The University of Texas System institutions.

In 2004, Dr. Safady initiated an annual review of campus development operations and preparation of a feedback report to offer each institution a framework for performance measurement and continuous improvement. With demand on U. T. System institutions to increase philanthropic support, this new service aims to help each institution achieve its strategic objectives. This annual review is aligned with the goals of the U. T. System comprehensive Accountability and Performance program.

Vice Chancellor Safady reported that based on 2003-2004 data total giving for the 15 U. T. System institutions and U. T. System Administration reached

record levels at more than \$660 million. She reviewed performance indicators and recommended areas for improvement, particularly to support the ambition of raising a number of U. T. System institutions to top distinction.

Chairman Huffines reiterated the importance of investing in philanthropy today to achieve results in the coming years and he asked Vice Chancellor Safady to help members of the Board monitor development performance by updating the Board on an annual basis on the progress towards benchmarks.

3. U. T. Austin: Update on Commission of 125 Recommendations

Chairman Huffines reminded members of the Board that President Faulkner or his successor have been asked to provide an annual update on implementation of the recommendations of the Commission of 125 at The University of Texas at Austin.

President Faulkner said the University had committed that members of the Commission would be invited back annually for five years for an update on what had been accomplished relative to their recommendations. The first annual update is complete. Dr. Faulkner said action on one of the Commission's main recommendations to review, revise, and adopt the core curriculum is in progress, is understood to be of high importance, and is expected to be completed in Fall 2006. He spoke about the Task Force on Curricular Reform headed by Dean William Powers and mentioned the Task Force report is being reviewed by the Faculty Council and will culminate in action to adopt a new curriculum. He noted the report will also be sent to members of the Board.

Dr. Faulkner said the second recommendation he wanted to highlight is to strengthen, in a constitutional way, powers of unit leaders, especially department chairs. He said the issue has been diagnosed and discussed and proposed actions have been identified.

REPORT FOR THE RECORD

U. T. System Board of Regents: Appointment of Presidential Search Advisory Committee

REPORT

The membership of the Presidential Search Advisory Committee for The University of Texas at Austin is herewith reported for the record. This Committee has been constituted pursuant to the Regents' *Rules and Regulations*, Series 20201.

Presidential Search Advisory Committee
for
The University of Texas at Austin

Co-Chairs

Peter T. Flawn, President Emeritus, U. T. Austin
Executive Vice Chancellor for Academic Affairs Teresa A. Sullivan

Board of Regents

Regent H. Scott Caven, Jr.
Regent Rita C. Clements

Presidents

Dr. Diana S. Natalicio, President, The University of Texas at El Paso
John D. Stobo, M.D., President, The University of Texas Medical Branch at
Galveston

Faculty Representatives

Douglas Laycock, J.D.
Dr. J. Moore
Dr. Gretchen Ritter

Dean

Dr. Mary Ann Rankin

Student Representative

Mr. Kevin M. Robnett

Alumni Association Representative

Mr. John A. Adkins

Nonfaculty Employee

Ms. Erin H. Waneck

Community/External Representatives

The Honorable Ricardo H. Hinojosa
Mr. Jodie L. Jiles

SCHEDULED MEETING.--The next regularly scheduled meeting will be held on
February 8-9, 2006, in Austin, Texas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 12:45 p.m.

/s/
Counsel

Francie A. Frederick
and Secretary to the Board

February 6, 2006

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 124

October 21, 2005

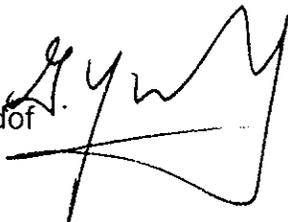
TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Robert B. Rowling, Chairman
John W. Barnhill, Jr.
H. Scott Caven, Jr.
Cyndi Taylor Krier
Colleen McHugh

The Docket for The University of Texas System Administration and the Dockets recommended by the presidents concerned and prepared by the institutions listed below are submitted for approval as appropriate at the meeting of the U. T. System Board of Regents on November 10, 2005. The Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	Docket 1 - 2
The University of Texas at Arlington	Docket 3 - 15
The University of Texas at Austin	Docket 16 - 21
The University of Texas at Brownsville	Docket 22 - 23
The University of Texas at Dallas	Docket 24 - 29
The University of Texas at El Paso	Docket 30 - 32
The University of Texas - Pan American	Docket 33 - 37
The University of Texas of the Permian Basin	Docket 38 - 40
The University of Texas at San Antonio	Docket 41 - 50
The University of Texas at Tyler	Docket 51 - 52
The University of Texas Southwestern Medical Center at Dallas	Docket 53 - 55
The University of Texas Medical Branch at Galveston	Docket 56 - 65
The University of Texas Health Science Center at Houston	Docket 66 - 73
The University of Texas Health Science Center at San Antonio	Docket 74 - 78
The University of Texas M. D. Anderson Cancer Center	Docket 79 - 82

Mark G. Yudof
Chancellor



xc: Other Members of
the Board

Prepared by:
U. T. System Administration

Docket - i

November 10, 2005

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U. T. SYSTEM ADMINISTRATION

CONTRACTS

The following contract has been administratively approved by the Executive Vice Chancellor for Business Affairs and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Joint Admission Medical Program (JAMP) Council
Funds: The 79th Texas Legislature allocated \$3,316,355 to the Texas Higher Education Coordinating Board (THECB) for JAMP. The funds were transferred from the THECB to U. T. System to be administered by the Texas Medical and Dental School Application Service (TMDSAS) for use of the JAMP Council which delegated the administrative duties of the program to TMDSAS.
Period: September 1, 2005 through August 31, 2007
Description: For TMDSAS to perform the administrative duties of the JAMP as delegated by the JAMP Council.

REAL ESTATE REPORT

THE UNIVERSITY OF TEXAS SYSTEM SEPARATELY INVESTED ASSETS

Managed by U. T. System

Summary Report at August 31, 2005

FUND TYPE

	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
Land & Buildings:								
Ending Value 5/31/05	\$ 3,710,112	\$ 22,302,307	\$ 107,691,786	\$ 203,518,549	\$ 1,138,209	\$ 1,063,080	\$ 112,540,108	\$ 226,883,936
Increase or Decrease	-	946,933	(774,999)	15,138,058	-	-	(774,999)	16,084,991
Ending Value 8/31/05	\$ 3,710,112	\$ 23,249,240	\$ 106,916,787	\$ 218,656,607	\$ 1,138,209	\$ 1,063,080	\$ 111,765,109	\$ 242,968,927
Other Real Estate:								
Ending Value 5/31/05	\$ 121,250	\$ 121,250	\$ 301,996	\$ 301,996	\$ -	\$ -	\$ 423,245	\$ 423,245
Increase or Decrease	(505)	(505)	(35,360)	(35,360)	-	-	(35,864)	(35,864)
Ending Value 8/31/05	\$ 120,745	\$ 120,745	\$ 266,636	\$ 266,636	\$ -	\$ -	\$ 387,381	\$ 387,381

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

Details of individual assets by account furnished on request.

Note: Surface estates are managed by the U. T. System Real Estate Office. Mineral estates are managed by U. T. System University Lands – West Texas Operations. The royalty interests received from the Estate of John A. Jackson for the John A. and Katherine G. Jackson Endowed Fund in Geosciences are managed by the U. T. Austin Geology Foundation, with the assistance of the Bureau of Economic Geology.

U. T. ARLINGTON

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ENGINEERING					
Office of the Dean					
Associate Dean					
Industrial Engineering					
Professor					
Computer Science and Engineering					
Professor					
1. Richard E. Billo (T)	7/16-8/31	100	12	168,000	761
	7/16-8/31		09	126,000	
	7/16-8/31	SUPLT	1.5	1,500	
	7/16-8/31	SUPLT	1.5	21,000	
Music					
Associate Professor					
2. Douglas Stotter (T)	7/16-8/31	10.908	09	55,000	764
COLLEGE OF SCIENCE					
Mathematics					
Professor and Chairperson					
3. Jianping Zhu (T)	7/1-8/31	50	09	127,500	765
Professor					
4. Tuncay Aktosun (T)	7/13-8/31	22.46	09	77,000	760
SCHOOL OF EDUCATION					
Curriculum and Instruction					
Associate Professor					
5. Jill Fox (T)	8/1-8/31	13.844	09	65,000	763

OTHER MATTERS

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY

The following are changes proposed to the Periodic Performance Evaluation of Tenured Faculty for The University of Texas at Arlington. The changes have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents, as required in the Regents' *Rules and Regulations*, Series 31102. The changes are highlighted in grey.

PREAMBLE

The University of Texas at Arlington recognizes the time-honored practice of tenure for university faculty as an important protection of free inquiry, open intellectual and scientific debate, unfettered criticism of the accepted body of knowledge, and shared faculty governance of the institution. Academic institutions have a special need for practices that protect freedom of expression, because the core of the academic enterprise involves a continual reexamination of ideas. Academic disciplines thrive and grow through critical analysis of conventions and theories. The best way to guarantee the integrity of an academic institution is to insure that the faculty are free to honestly contribute to the governance of that institution.

Tenure is essential, not merely for protection of individual faculty members, but also as an assurance to society that the pursuit of truth and knowledge commands our first priority. Without freedom to question, there can be no freedom to learn. The process of reviewing faculty performance should at all times enhance, encourage and protect these principles.

I. ANNUAL REVIEW OF ALL TENURED FACULTY

- A. Each department (or equivalent unit) shall conduct an annual **post tenure** review of all its tenured faculty. Written criteria for annual **post tenure** reviews shall be established by the faculty in each department (or equivalent unit), subject to the approval of the Dean, Provost and President, and be made available to each faculty member. The criteria shall establish a standard for minimum satisfactory annual performance by the faculty of the department (or equivalent unit) in the areas of teaching, research, **service, and administration**. A faculty member shall submit an annual report, a summary of a student survey of teaching performance for each course taught during the year, and any additional materials he or she deems appropriate. The annual **post tenure** report should contain evidence of all professional activity, for example, teaching, advising, student research supervision, research, publication, creative activities, service, **administration**, and/or any other relevant activity.

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

- B. Each department (or equivalent) shall make a determination as to whether the faculty member is performing at or above a minimum satisfactory level, relative to the established criteria of the department (or equivalent unit). Each faculty member will be informed in writing by his or her department chair (or equivalent) of the result of this annual **post tenure** review which will include an assessment of the faculty member's strengths and weaknesses. **The post tenure review may be conducted at the same time as the annual merit review using appropriate review procedures adopted by the unit.**

II. **PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY**

In addition to the annual performance evaluation, every sixth year, tenured faculty will undergo a cumulative evaluation. The faculty member subject to evaluation shall be given at least six months prior notification of the intended evaluation by the department chair (or equivalent). For the purpose of calculating the six-year period, a "year" shall be the state fiscal year. Periods during which a faculty member is on leave of absence may not be counted toward the six years.

A. Review Materials

At the time of the periodic performance evaluation, a faculty member will submit a file which contains a resume and **the materials used to conduct** the annual **post tenure** reviews for the six-year period under evaluation. The faculty member may submit any additional materials he or she deems appropriate. The faculty member retains the right to review and copy all materials in his or her file at any time during the evaluation process that such materials are not in actual use.

B. The Review Process

This section describes the steps in the periodic evaluation process. Faculty members in Colleges, Schools, and Centers with departments should proceed to subsection 1 **below**. Faculty members in Schools and Centers without departments should proceed to subsection 2 **below**. Faculty members with joint appointment should proceed to subsection 3 **below**. Faculty members who hold administrative appointments should proceed to subsection 4 **below**.

1. Faculty Members in Colleges and Schools or Centers with Departments

- (a) The sixth year cumulative performance evaluation shall be conducted by the department chair (or equivalent). The evaluation, based on all submitted materials, shall determine if

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

the performance of the faculty member, taken as a whole across the four performance areas (teaching, research, service, and administration), is at or above a minimum satisfactory level relative to established departmental (or unit) criteria. The faculty member will be informed in writing of the result of this evaluation. A copy of the chair's (or equivalent) written report will be placed in the personnel file of the faculty member in the department (or equivalent unit).

- (b) Where the result of the evaluation indicates performance below a minimum satisfactory level, the faculty member may request an additional performance evaluation from a department (or equivalent unit) evaluation committee or college evaluation committee.
 - (1) The department (or equivalent unit) performance evaluation committee shall be a committee of at least five tenured members elected annually by the voting tenured faculty of the department (or unit). Departments without sufficient eligible tenured faculty shall select tenured faculty from another department from within the college. Schools and Centers without sufficient eligible tenured faculty shall select tenured faculty members from another School or Center. The faculty member being evaluated will be provided an opportunity to meet with the evaluation committee during the evaluation process.
 - (2) The college performance evaluation committee shall be elected annually by all the voting tenured faculty of the college, consist of at least five members, only one of which may be from the unit of the faculty member being evaluated. During the evaluation process, the faculty member will be given the opportunity to meet with the evaluation committee. The faculty member and the dean will be given a copy of the report of the review committee evaluation. A copy of the written report will be placed in the personnel file of the faculty member in the department (or equivalent unit).
- (c) The annual post tenure reviews for the period under review, any materials submitted by the faculty member, the report of the department chair (or equivalent), and, if applicable, reports from the evaluation committees shall be forwarded to the dean for

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

evaluation. The dean shall evaluate the submitted material to determine if the faculty member's performance, taken as a whole across the four performance areas (teaching, research, service, and administration), is at or above the minimum satisfactory level. The faculty member will be informed in writing of the result of the dean's evaluation. A copy of the dean's report will be placed in the personnel file of the faculty member in the department (or equivalent unit).

- (d) If the dean determines the faculty member's performance to have been below a minimum satisfactory level, the faculty member may request an additional evaluation from the college evaluation committee, unless the faculty member has already been evaluated by the college evaluation committee. During the evaluation process, the faculty member will be given the opportunity to meet with the evaluation committee. The faculty member and the dean will be given a copy of the evaluation committee's report. A copy of the evaluation committee's report will be placed in the personnel file of the faculty member in the department (or equivalent unit).
- (e) Decisions by the dean or the college evaluation committee which reverse departmental decisions must be for good reason. The dean and the college evaluation committee shall communicate the reasons for the reversal to the chief academic officer and the faculty member via a written memorandum.
- (f) The results of the sixth-year evaluation will be communicated by the dean of the faculty member's unit to the faculty member, the department chair, the chief academic officer and to the President for review and appropriate action and include the following: the annual post tenure reviews for the period under review, any materials submitted by the faculty member, the report of the department chair (or equivalent), the report of the dean, and, if applicable, reports from department (or equivalent) and college evaluation committees. Based on this evaluation, the following actions may occur:
 - (1) A faculty member found to be performing above a minimum satisfactory level may be recommended for merit raises, nominated for awards, or other forms of recognition.

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

- (2) For faculty members whose performance indicates they would benefit from additional institutional support, the evaluation may be used to provide such support (e.g. teaching effectiveness support, mentoring in research, counseling guidance on service expectations).
 - (3) For individuals found to be performing unsatisfactorily, review to determine if good cause exists for termination under the current Regents' *Rules and Regulations* may be considered. All proceedings for termination of tenured faculty on the basis of periodic performance evaluation shall be only for incompetence, neglect of duty or other good cause shown and must be conducted in accordance with the due process procedures of the Regents' *Rules and Regulations*, Series 31007, including an opportunity for referral of the matter to alternative dispute resolution. Such proceedings must also include a list of specified charges by the chief administrative officer and an opportunity for a hearing before a faculty tribunal. In all such cases, the burden of proof shall be on the institution, and the rights of a faculty member to due process and academic freedom shall be protected.
- (g) The chief academic officer shall inform the faculty member of the result of the review.

2. Faculty Members in Schools or Centers Without Departments

- (a) The sixth year cumulative evaluation shall be conducted by the dean or director. The dean or director shall evaluate the submitted material to determine if the faculty member's performance, taken as a whole across the three performance areas (teaching, research, service, and administration), is at or above the minimum satisfactory level. The faculty member will be informed in writing of the result of the evaluation. A copy of the report will be placed in the personnel file of the faculty member in the department (or equivalent unit).
- (b) If the dean or director determines the faculty member's performance to have been below a minimum satisfactory level, the faculty member may request an additional evaluation from the school's/center's evaluation committee. During the

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

evaluation process, the faculty member will be given the opportunity to meet with the evaluation committee. The faculty member and the dean will be given a copy of the evaluation committee's report. A copy of the evaluation committee's report will be placed in the personnel file of the faculty member.

- (1) The evaluation committee shall be elected annually by all the voting tenured faculty of the unit, consist of at least five members. During the evaluation process, the faculty member will be given the opportunity to meet with the evaluation committee. The faculty member and the dean or director will be given a copy of the report of the review committee evaluation. A copy of the written report will be placed in the personnel file of the faculty member.
- (c) The results of the sixth-year evaluation will be communicated by the dean or director of the faculty member's unit to the chief academic officer ~~and to the President~~ for review and appropriate action and include the following: the annual post tenure reviews for the period under review, any materials submitted by the faculty member, the report of the dean or director, and, if applicable, reports from the evaluation committee. Based on this evaluation, the following actions may occur:
- (1) A faculty member found to be performing above a minimum satisfactory level may be recommended for merit raises, nominated for awards, or other forms of recognition.
 - (2) For faculty members whose performance indicates they would benefit from additional institutional support, the evaluation may be used to provide such support (e.g. teaching effectiveness support, mentoring in research, counseling guidance on service expectations).
 - (3) For individuals found to be performing unsatisfactorily, review to determine if good cause exists for termination under the current Regents' *Rules and Regulations*, Series 31008 may be considered. All proceedings for termination of tenured faculty on the basis of periodic performance evaluation shall be only for incompetence, neglect of duty or other good cause shown and must be conducted in accordance

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

with the due process procedures of the Regents' *Rules and Regulations*, Series 31007, including an opportunity for referral of the matter to alternative dispute resolution. Such proceedings must also include a list of specified charges by the chief administrative officer and an opportunity for a hearing before a faculty tribunal. In all such cases, the burden of proof shall be on the institution, and the rights of a faculty member to due process and academic freedom shall be protected.

- (d) The chief academic officer shall inform the faculty member of the result of the review.

3. Faculty with Joint Appointments

Faculty members with appointments in two or more academic units and where the time is equally shared among those units shall utilize the procedures in this section. Faculty members with joint appointments in two or more academic units and where the time is not equally shared shall follow the procedure for the academic unit in which he or she spends the most time (see subsections 1 and 2 of this section). The nature of the joint appointment shall be determined by reference to the appointment letter for the year immediately prior to the six-year review.

- (a) Joint appointments within the same College, School, or Center

Faculty members who have joint appointments within the same College, School, or Center shall follow the procedures detailed in II.B.2. When evaluating the faculty member, the dean or director shall consider all the materials submitted by the faculty member and shall consult the department chairs (if applicable) for the units in which the faculty member holds an appointment.

- (b) Joint appointments across Colleges, Schools, or Centers

Faculty members who have joint appointments across Colleges, School, or Centers shall elect the academic unit in which they will begin their sixth-year review. The review shall follow the same procedures detailed in II.B.2. The dean or director of that academic unit shall consider all the materials submitted by the faculty member

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

and shall consult with the department chair, dean, or director of the academic units in which the faculty member holds appointments.

4. Faculty Members Who Hold Administrative Appointments

The sixth-year cumulative evaluation of tenured faculty members who are Department Chairs, Assistant Deans, Associate Deans, Deans, Vice Presidents, Vice Provosts, Provost or President will be conducted by a department evaluation committee (or equivalent). The department evaluation committee (or equivalent) shall be composed of at least five tenured members elected by the voting tenured faculty of the department (or equivalent unit) and may be the same committee as specified in II.B.2 [or II.B.3] if timing of the chair's sixth-year cumulative evaluation coincides with that of other department faculty. Departments without sufficient eligible tenured faculty shall select tenured faculty from another department from within the college (or equivalent unit). The evaluation based on all submitted materials, shall determine whether the performance of the administrator as a faculty member, taken as a whole across the four performance areas (teaching, research, service, and administration), is at or above a minimum satisfactory level relative to established department (or unit) criteria. Appropriate consideration should be given to the administrator's administrative service, particularly regarding its impact on the level of research activity, number of courses taught and extent of involvement in other service activities. The administrator will be informed in writing of the result of this evaluation. A copy of the written report will be placed in the administrator's personnel file in the department (or equivalent unit).

III. DEFERMENT OF SIXTH-YEAR EVALUATION

~~The sixth-year evaluation may not be waived for any tenured faculty member but may be deferred in rare circumstances when the review period will coincide with approved leave, comprehensive for promotion or appointment to an endowed position. A faculty member may choose to defer the sixth-year review for a period of one year from the regularly scheduled review. The sixth-year evaluation for a tenured faculty member may be waived only if the evaluation coincides with a comprehensive review for promotion. The next periodic cumulative evaluation for faculty members undergoing a comprehensive review for promotion will occur in six years from the completion of the promotion review. The sixth-year evaluation may be deferred when the review coincides with approved leave or appointment to an endowed position. A faculty member with approved leave or appointment to an endowed position may choose to defer the sixth-year review for a period of one year from the regularly scheduled review. After the completion of the deferred~~

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

review, the faculty member's next periodic cumulative evaluation will occur in six years. The requirement of periodic review does not imply that individuals with unsatisfactory annual evaluations may not be subject to further review and/or appropriate administrative action.

The success of the University's periodic performance evaluation of tenured faculty policy will depend on the quality of policy implementation and the University's commitment to assist and support faculty development. In this context, the Provost shall have oversight responsibility for policy implementation and faculty development.

IV. IMPLEMENTATION

The periodic evaluation of tenured faculty will be phased in over six years beginning with the 1998-99 academic year. A faculty member will be evaluated on a six-year cycle determined by the academic year of his or her last comprehensive review.

V. NOTIFICATION

- A. The chief academic officer shall send a written notification to all tenure-track and tenured faculty members detailing the specifics of this policy after it is approved by the Board of Regents.
- B. The department chair (or equivalent) shall inform, via the letter of offer, all new tenure-track and tenure hires to the faculty of the specifics of this policy.

VI. OVERSIGHT

- A. At the final Faculty Senate meeting of each academic year, the chief academic officer shall provide a report summarizing the number of faculty evaluated under this policy and the result of those evaluations.
- B. This policy will be reviewed every two years after initial implementation by **U. T. Arlington's** chief academic officer in consultation with the Faculty Senate's Executive Committee. A report summarizing the review will be presented to the Faculty Senate.

PERIODIC PERFORMANCE EVALUATION OF TENURED FACULTY (CONTINUED)

VII. INTENT

Nothing in this document or the application of institutional evaluation policies shall be interpreted to applied to infringe on the tenure system, academic freedom, due process or other protected rights, nor to establish new term-tenure systems or to require faculty to reestablish their credentials for tenure.

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	2	5	7	34
b. To keep proper sequence	6	2	8	8
c. New program	2	2	4	27
d. Cross listed	0	2	2	9
e. First time offered	0	0	0	3
f. Accreditation or licensing standard	2	2	4	4
g. Limited facilities	0	2	2	7
Subtotal	12	15	27	92
h. Voluntarily offered	5	10	15	31
Total	17	25	42	123
Semester Credit Hours generated in small classes	276	334	610	1895
Percentage of total Semester Credit Hours offered in small classes	0.12%	0.16%	0.14%	0.43%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	0	3	3	3
b. To keep proper sequence	0	0	0	2
c. New program	0	3	3	6
d. Cross listed	9	6	15	18
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	2
g. Limited facilities	0	0	0	0
Subtotal	9	12	21	31
h. Voluntarily offered	1	0	1	7
Total	10	12	22	38
Semester Credit Hours generated in small classes	74	105	179	314
Percentage of total Semester Credit Hours offered in small classes	0.17%	0.26%	0.21%	0.36%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. AUSTIN

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Host Communications, Inc.
Funds: U. T. Austin estimates that the amendment to the existing contract will result in \$1,000,000 of additional revenue during the first year of the amended contract.
Period: July 1, 2005 through June 30, 2015
Description: Amendments to the existing contract will result in increased revenue to the University earned with the Annual Rights Fee and Adjusted Gross Revenue Royalty. For the rights and privileges granted to Host Communications, Inc. by the University, Host Communications, Inc. will pay to the University an Annual Rights Fee of \$310,000 which is an increase from the existing contract of \$210,000. From the sales and marketing of the rights and licenses belonging to the University, Host Communications, Inc. shall remit to the University an Adjusted Gross Revenue Royalty based on a percentage of the Aggregate Gross Revenue (AGR) collected by Host Communications, Inc. pursuant to the following increments:

Contract Year 1

- 54% of AGR collected less than or equal to \$5,000,000; plus
- 70% of AGR collected greater than \$5,000,000 but less than or equal to \$10,000,000; plus
- 80% of AGR collected greater than \$10,000,000 but less than or equal to \$15,000,000; plus
- 82.5% of AGR collected greater than \$15,000,000

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

Contract Years 2 - 10

- 60% of AGR collected less than or equal to \$5,000,000; plus
- 74% of AGR collected greater than \$5,000,000 but less than or equal to \$10,000,000; plus
- 80% of AGR collected greater than \$10,000,000 but less than or equal to \$15,000,000; plus
- 82.5% of AGR collected greater than \$15,000,000

The existing contract with Host Communications, Inc. has the following remittance schedule:

- 46.5% of AGR collected less than or equal to \$5,000,000; plus
- 55% of AGR collected greater than \$5,000,000 but less than or equal to \$7,000,000; plus
- 60% of AGR collected greater than \$7,000,000

2. Agency: National Archives and Records Administration
Funds: \$1,131,980
Period: Effective March 1, 2005 through August 31, 2009
Description: University to provide consolidated facilities management for the operation, preventive maintenance, repair, utilities, security and housekeeping services for the building systems and structures at the Lyndon B. Johnson Presidential Library and Museum.
3. Agency: Texas Department of Family and Protective Services
Funds: \$2,131,806
Period: Effective September 1, 2005 through August 31, 2006
Description: U. T. Austin will provide professional development and certification to staff of the Texas Department of Family and Protective Services providing training for certification and program support services to meet the needs of Child Protective Services, Adult Protective Services, Child Care Licensing, and the Statewide Intake program.

AMENDMENTS TO THE 2004-05 BUDGET

TRANSFERS OF FUNDS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

Description	\$ Amount	RBC #
SERVICE DEPARTMENTS FUNDS		
Information Technology Services		
1. Amount of Transfer:	500,000	777
From: ITS Telecommunications and Networking UTX Telephone System Operating Income		
To: ITS Telecommunications and Networking UTX Telephone System Maintenance, Operation, and Equipment		
Transfer funds from income account to maintenance and operation account for immediate use. Expenditures include payment of monthly telephone services and equipment purchases.		
AUXILIARY ENTERPRISE FUNDS		
Intercollegiate Athletics for Men		
2. Amount of Transfer:	3,700,000	778
From: Operating Income	3,700,000	
To: Other Expenses Travel	3,000,000 700,000	
Adjust budget for actual income received in excess of the estimated income amount originally budgeted.		

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
AUXILIARY ENTERPRISE FUNDS (Continued)		
Intercollegiate Athletics for Men		
3. Amount of Transfer:	750,000	831
From: Operating Income		
To: Other Expenses		
Budget adjustment to cover prepaid expenses.		
PLANT FUNDS		
Physical Plant – Colorado Apartments		
4. Amount of Transfer:	644,000	814
From: Housing and Food Services General Repair and Replacement Reserve Account		
To: COL/GAT – Install Fire Code Windows All Expenses		
To provide funding for installation of fire code windows and smoke detectors in the Colorado (COL) and Gateway (GAT) apartments.		
Physical Plant – Brackenridge Apartments		
5. Amount of Transfer:	589,325	779
From: Housing and Food Services General Repair and Replacement Reserve Account		
To: Brackenridge – Central HVAC Phase 1 All Expenses		
Funding for HVAC renovations and exterior painting at Brackenridge Apartments.		

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	63	45	108	91
b. To keep proper sequence	67	92	159	187
c. New program	0	0	0	0
d. Cross listed	35	44	79	54
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	13	5	18	19
g. Limited facilities	0	0	0	0
Subtotal	178	186	364	382
h. Voluntarily offered	5	7	12	31
Total	183	193	376	382
Semester Credit Hours generated in small classes	3,174	2,915	6,089	6,674
Percentage of total Semester Credit Hours offered in small classes	0.51%	0.50%	0.51%	0.55%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	22	25	47	21
b. To keep proper sequence	31	37	68	81
c. New program	0	0	0	0
d. Cross listed	55	74	129	101
e. First time offered	0	0	0	4
f. Accreditation or licensing standard	6	6	12	16
g. Limited facilities	0	0	0	0
Subtotal	114	142	256	223
h. Voluntarily offered	0	0	0	0
Total	114	142	256	223
Semester Credit Hours generated in small classes	1,037	1,454	2,491	1,951
Percentage of total Semester Credit Hours offered in small classes	0.17%	0.25%	0.21%	0.16%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. BROWNSVILLE

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	31	33	64	28
b. To keep proper sequence	16	15	31	46
c. New program	5	7	12	10
d. Cross listed	5	8	13	38
e. First time offered	1	2	3	1
f. Accreditation or licensing standard	2	2	4	1
g. Limited facilities	2	1	3	1
Subtotal	62	68	130	125
h. Voluntarily offered	1	1	2	2
Total	63	69	132	127
Semester Credit Hours generated in small classes	1011	1049	2060	1927
Percentage of total Semester Credit Hours offered in small classes	4.25%	3.85%	4.04%	4.18%

SMALL CLASS REPORT, FALL 2003 AND SPRING 2004 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	3	5	8	17
b. To keep proper sequence	1	0	1	0
c. New program	3	4	7	4
d. Cross listed	1	2	3	5
e. First time offered	0	0	0	1
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	0
Subtotal	8	11	19	27
h. Voluntarily offered	7	6	13	3
Total	15	17	32	30
Semester Credit Hours generated in small classes	127	136	263	236
Percentage of total Semester Credit Hours offered in small classes	3.12%	3.26%	3.19%	3.11%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. DALLAS

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS					
Math Sciences					
1. John Van Ness					751
From: Professor (T)		100	12	86,300	
To: Professor Emeritus	9/1-5/31			0	

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

SCHOOL OF SOCIAL SCIENCES					
1. Brian J. Berry (T)					752
From: Endowed Professor		100	09	168,250	
To: Dean and Endowed Professor	7/1-8/31	100	12	266,600	
2. James C. Murdoch (T)					757
From: Dean, Professor and Director		100	12	151,286	
To: Professor and Director	7/1-8/31	100	09	108,150	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
Sociology Professor					
3. James W. Marquart (T)	8/1-8/31	100	09	98,500	738
Geography Professor					
4. Daniel A. Griffith (T)	7/1-7/31	100	09	175,000	742
Associate Professor					
5. Michael Tiefelsdorf (T)	8/1-8/31	100	09	78,500	799
Political Science Associate Professor					
6. Thomas L. Brunell (T)	8/1-8/31	100	09	75,000	769
SCHOOL OF ARTS AND HUMANITIES					
Art History Professor					
7. William J. Rushing, III (T)	8/1-8/31	100	09	95,000	770
SCHOOL OF MANAGEMENT					
Organizations, Strategy and International Management Professor					
8. Mike W. Peng (T)	6/15-8/31	100	09	154,000	743
Economics Professor					
9. Huibing Zhang (T)	7/1-8/31	100	09	165,000	750
Strategic Management Associate Professor					
10. Livia Markoczy (T)	7/1-8/31	100	09	122,000	748
11. David Deeds (T)	7/1-8/31	100	09	123,000	797

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE Telecommunications Distinguished Chair of Telecommunications 12. John H. Hansen (T)	8/1-8/31	100	9	140,000	808

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement has been awarded, has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Dallas is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at Dallas. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Women's Basketball Coach
Funds: \$44,705 annually
Period: September 1, 2005 through March 31, 2007
Description: Initial agreement for employment of Head Women's Basketball Coach, Polly Thomason, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	14	9	23	18
b. To keep proper sequence	7	4	11	38
c. New program	0	0	0	0
d. Cross listed	0	1	1	100
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	0
Subtotal	21	14	35	156
h. Voluntarily offered	7	7	14	17
Total	28	21	49	173
Semester Credit Hours generated in small classes	529	398	927	1444
Percentage of total Semester Credit Hours offered in small classes	0.48%	0.38%	0.43%	0.72%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

<u>Primary Reasons for Teaching</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>	<u>Prior Year Total</u>
a. Required for graduation	0	2	2	7
b. To keep proper sequence	5	3	8	15
c. New program	0	0	0	0
d. Cross listed	0	0	0	40
e. First time offered	0	1	1	3
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	0
Subtotal	5	6	11	65
h. Voluntarily offered	1	6	7	12
Total	6	12	18	77
Semester Credit Hours generated in small classes	63	96	159	351
Percentage of total Semester Credit Hours offered in small classes	0.19%	0.30%	0.24%	0.56%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. EL PASO

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Request for Budget Change (RBC) has been administratively approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS ADMINISTRATION					
1. Janice R. Joplin (T)					922
From: Associate Professor Chair – Marketing and Management		100 SUPLT	09 09	90,500 2,000	
To: College of Business Administration – Associate Dean Associate Professor Chair – Marketing and Management		50 50 SUPLT	12 09 09	120,667 90,500 2,000	

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	8	7	15	18
b. To keep proper sequence	7	6	13	19
c. New program	1	1	2	7
d. Cross listed	7	1	8	197
e. First time offered	4	1	5	5
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	4	2	6	4
Subtotal	31	18	49	250
h. Voluntarily offered	12	5	17	15
Total	43	23	66	265
Semester Credit Hours generated in small classes	565	425	990	3,436
Percentage of total Semester Credit Hours offered in small classes	0.31%	0.25%	0.28%	0.99%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

<u>Primary Reasons for Teaching</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>	<u>Prior Year Total</u>
a. Required for graduation	1	1	2	1
b. To keep proper sequence	0	1	1	3
c. New program	5	5	10	4
d. Cross listed	2	7	9	35
e. First time offered	2	4	6	1
f. Accreditation or licensing standard	1	0	1	1
g. Limited facilities	0	0	0	1
Subtotal	11	18	29	46
h. Voluntarily offered	4	3	7	3
Total	15	21	36	49
Semester Credit Hours generated in small classes	94	170	264	356
Percentage of total Semester Credit Hours offered in small classes	0.52%	0.99%	0.75%	0.94%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. PAN AMERICAN

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF SOCIAL AND BEHAVIORAL SCIENCES					
Psychology and Anthropology Professor					
1. Frederick A. Ernst (T)	9/1-5/31	100	09	78,000	918
COLLEGE OF EDUCATION					
Educational Psychology Professor					
2. Salvador Hector Ochoa (T)	9/1-5/31	100	09	92,000	919
Department Chair	9/1-8/31	SUPLT	11.5	10,000	
COLLEGE OF SOCIAL AND BEHAVIORAL SCIENCES					
Department of Anthropology Dean and Professor					
3. Van A. Reidhead (T)	9/1-5/31	100	09	112,000	767
	9/1-5/31	WOS	09	85,000	
COLLEGE OF SCIENCE AND ENGINEERING					
School of Engineering					
4. Edwin LeMaster (T)					768
From: Interim Dean		100	12	119,027	
Professor		WOS	09	78,084	
To: Dean	7/15-8/31	100	12	126,000	
Professor	9/1-8/31	WOS	09	82,329	

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreements have been awarded, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas - Pan American is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas - Pan American. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Men's Head Golf Coach
Funds: \$29,333 annually
Period: August 1, 2005 through June 30, 2006
Description: Initial agreement for employment of Men's Head Golf Coach, Andrew Tredway, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

2. Item: Head Men's and Women's Track and Cross Country Coach
From: \$42,848 annually
Period: July 1, 2004 through June 30, 2005
To: \$44,134 annually
Period: July 1, 2005 through June 30, 2006
Description: Agreement for employment of Head Men's and Women's Track and Cross Country Coach, Ricky Vaughn, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

OTHER FISCAL ITEMS (CONTINUED)

EMPLOYMENT AGREEMENTS (CONTINUED)

3. Item: Head Men's Baseball Coach
From: \$50,000 annually
Period: July 1, 2004 through June 30, 2005
To: \$51,500 annually
Period: July 1, 2005 through June 30, 2006
Description: Agreement for employment of Head Men's Baseball Coach, Willie Gawlik, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.
4. Item: Head Women's Golf Coach
From: \$31,209 annually
Period: July 1, 2004 through June 30, 2005
To: \$32,145 annually
Period: July 1, 2005 through June 30, 2006
Description: Agreement for employment of Head Women's Golf Coach, Barbara Odale, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.
5. Item: Athletic Director
Funds: \$80,000 annually
Period: March 1, 2005 through August 31, 2006
Description: Initial agreement for employment of Athletic Director, Scott Street, for the above designated period following the standard athletic director's employment contract prepared by the Office of General Counsel.

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	33	8	41	4
b. To keep proper sequence	7	9	16	10
c. New program	2	20	22	1
d. Cross listed	29	43	72	68
e. First time offered	0	0	0	5
f. Accreditation or licensing standard	9	51	60	0
g. Limited facilities	6	7	13	14
Subtotal	86	138	224	102
h. Voluntarily offered	45	42	87	56
Total	131	180	311	158
Semester Credit Hours generated in small classes	1770	2748	4518	2162
Percentage of total Semester Credit Hours offered in small classes	1.02%	1.69%	1.34%	0.67%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

<u>Primary Reasons for Teaching</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>	<u>Prior Year Total</u>
a. Required for graduation	10	11	21	1
b. To keep proper sequence	1	4	5	4
c. New program	0	2	2	0
d. Cross listed	11	12	23	14
e. First time offered	0	1	1	1
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	19
Subtotal	22	30	52	39
h. Voluntarily offered	23	18	41	5
Total	45	48	93	44
Semester Credit Hours generated in small classes	321	243	564	328
Percentage of total Semester Credit Hours offered in small classes	2.50%	2.00%	2.20%	1.38%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. PERMIAN BASIN

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ARTS AND SCIENCES					
1. Lois S. Hale (T)					887
From: Interim Dean	9/1-8/31	100	12	95,000	
To: Dean and Professor of Kinesiology	9/1-8/31	100	12	110,000	
SCHOOL OF EDUCATION					
Dean, Professor					886
2. Guy E. Mills (T)	9/1-8/31	100	12	125,000	
3. Thomas L. Dynneson Professor Emeritus	9/1-8/31				730

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	9	1	10	66
b. To keep proper sequence	32	47	79	10
c. New program	9	9	18	2
d. Cross listed	0	0	0	61
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	1	1	2	0
Subtotal	51	58	109	139
h. Voluntarily offered	6	1	7	3
Total	57	59	116	142
Semester Credit Hours generated in small classes	940	944	1,884	2,328
Percentage of total Semester Credit Hours offered in small classes	2.98%	3.30%	3.13%	4.22%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	2	0	2	5
b. To keep proper sequence	0	5	5	0
c. New program	0	0	0	0
d. Cross listed	0	0	0	6
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	0
Subtotal	2	5	7	11
h. Voluntarily offered	1	0	1	0
Total	3	5	8	11
Semester Credit Hours generated in small classes	21	54	75	99
Percentage of total Semester Credit Hours offered in small classes	0.73%	1.88%	1.30%	1.79%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. SAN ANTONIO

GIFTS

The following gift has been received, has been administratively approved by the President or his delegate and is recommended for approval by the U. T. System Board of Regents:

- | | |
|--------------------------------|---|
| Donor Name: | UGS Corporation |
| College/School/
Department: | College of Engineering, Department of Mechanical
Engineering |
| Purpose: | Software will assist engineering students to gain practical
experience with state-of-the-art product lifecycle
management technologies used by leading global
manufacturers. |
| Asset Type: | Software (100 seats each of UGNX, Solid Edge, OEV and
Parasolid Academic Bundles) |
| Value: | \$5,197,600 |

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS					
Office of the Dean					
1. Lynda de la Viña (T)					937
From: Professor and Interim Dean		100	12	195,000	
To: Professor and Dean	9/1-8/31	100	12	228,000	
Management Sciences and Statistics					
Professor					
2. Keying Ye (T)	9/1-5/31	100	09	110,000	834
Marketing					
Associate Professor					
3. Victoria Jones (T)	9/1-5/31	100	09	110,000	835
COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT					
Office of the Dean					
4. Betty Merchant (T)					935
From: Interim Dean and Associate Professor of Educational Leadership and Policy Studies		100	12	127,000	
To: Dean and Professor of Educational Leadership and Policy Studies	9/1-8/31	100	12	130,000	
Counseling, Educational Psychology, Adult and Higher Education					
Associate Professor					
5. Beth Durodoye (T)	9/1-5/31	100	09	62,000	842

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ENGINEERING					
Biomedical Engineering					
Professor					
6. Rena Bizios (T)	1/16-5/31	100	4.5	118,000	848
7. Jeffrey Thompson (T)	9/1-5/31	100	09	110,000	850
Civil and Environmental Engineering					
8. Chia Shih (T)					933
From: Professor		100	09	95,069	
To: Interim Chair	9/1-5/31	100	09	96,495	
Electrical Engineering					
Professor					
9. Mo Jamshidi (T)	1/16-5/31	100	4.5	155,000	846
Mechanical Engineering and Biomechanics					
Professor					
10. Frank Chen (T)	1/16-5/31	100	4.5	150,000	847
COLLEGE OF LIBERAL AND FINE ARTS					
Psychology					
Professor					
11. Reed Hunt (T)	1/16-5/31	100	4.5	105,000	843
12. Ephrem Fernandez (T)	1/16-5/31	100	4.5	85,000	844
History					
Professor					
13. Bruce Daniels (T)	1/16-5/31	100	4.5	115,000	845

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF PUBLIC POLICY					
Social Work					
Associate Professor					
14. Mary Kay Houston-Vega (T)	9/1-5/31	100	09	72,000	853
Professor					
15. Goutham Menon (T)	1/1-5/31	100	05	63,000	851
COLLEGE OF SCIENCE					
Biology					
Associate Professor					
16. Jose Lopez-Ribot (T)	9/1-5/31	100	09	90,000	855
Professor					
17. Judy Teale (T)	9/1-5/31	100	09	145,000	856
Chemistry					
Chair and Professor					
18. Walter Ermler (T)	9/1-5/31	100	09	145,000	939
Professor					
19. Harry Jarrett (T)	12/1-5/31	100	06	135,000	854

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF BUSINESS					
Office of the Dean					
1. Lynda de la Viña (T)					936
From: Professor and Interim Dean		100	12	195,000	
To: Professor and Dean	7/1-8/31	100	02	228,000	
Management Sciences and Statistics					
Professor					
2. Keying Ye (T)	8/18-8/31	100	0.5	110,000	833
Marketing					
Associate Professor					
3. Victoria Jones (T)	8/18-8/31	100	0.5	110,000	840
COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT					
Office of the Dean					
4. Betty Merchant (T)					934
From: Associate Professor and Interim Dean		100	12	120,000	
To: Associate Professor and Dean	7/1-8/31	100	02	130,000	
Counseling, Educational Psychology, Adult and Higher Education					
Associate Professor					
5. Beth Durodoye (T)	8/18-8/31	100	0.5	62,000	841

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
COLLEGE OF ENGINEERING					
Biomedical Engineering					
Professor					
6. Jeffrey Thompson (T)	8/18-8/31	100	0.5	110,000	849
Civil and Environmental Engineering					
7. Chia Shih (T)					932
From: Professor		100	09	95,069	
To: Interim Department Chair and Professor	6/1-8/31	100	03	95,069	
COLLEGE OF PUBLIC POLICY					
Social Work					
Associate Professor (T)					
8. Mary Kay Houston-Vega	8/18-8/31	100	0.5	72,000	852
COLLEGE OF SCIENCE					
Chemistry					
Chair and Professor					
9. Walter Ermler (T)	7/1-8/31	100	02	145,000	938

OTHER FISCAL ITEMS

EMPLOYMENT AGREEMENTS

The following agreement has been awarded, has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for approval by the U. T. System Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at San Antonio is a member, and the Regents' *Rules and Regulations* and the policies of The University of Texas at San Antonio. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Athletics Director
From: \$116,054 annually
Period: September 1, 2002 through August 31, 2005
To: \$127,003 annually
Period: September 1, 2005 through August 31, 2008
Description: Agreement for employment of Athletics Director, Lynn Hickey, for the above designated period following the standard athletics director employment contract prepared by the Office of General Counsel.

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of this office or position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Dr. de la Viña with The University of Texas at San Antonio. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University appointment.

- | | |
|---------------|---|
| Name: | Dr. Lynda de la Viña |
| Title: | Dean, College of Business, Holder of the Peter T. Flawn Professorship |
| Position: | Appointment by Governor Rick Perry as member of the Emerging Technology Fund Advisory Committee |
| Period: | Serve at the pleasure of the Governor; no term set |
| Compensation: | None |
| Description: | The 17-person Advisory Committee will make recommendations to the Governor, Lieutenant Governor and Speaker of the House on collaborations, investments, research grants, and recruitment associated with the Emerging Technology Fund. |

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	7	7	14	16
b. To keep proper sequence	15	13	28	12
c. New program	7	6	13	8
d. Cross listed	24	30	54	35
e. First time offered	2	0	2	3
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	8	2	10	4
Subtotal	63	58	121	78
h. Voluntarily offered	3	7	10	11
Total	66	65	131	89
Semester Credit Hours generated in small classes	1138	1182	2320	1618
Percentage of total Semester Credit Hours offered in small classes	0.43%	0.48%	0.46%	0.34%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	9	12	21	6
b. To keep proper sequence	7	3	10	2
c. New program	0	3	3	4
d. Cross listed	13	8	21	21
e. First time offered	2	3	5	2
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	0
Subtotal	31	29	60	35
h. Voluntarily offered	6	5	11	8
Total	37	34	71	43
Semester Credit Hours generated in small classes	248	256	504	324
Percentage of total Semester Credit Hours offered in small classes	0.99%	1.03%	1.01%	0.66%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. TYLER

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Academic Affairs and is summarized as follows:

**Organized Undergraduate Classes with
Fewer than 10 Enrolled Students**

<u>Primary Reasons for Teaching</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>	<u>Prior Year Total</u>
a. Required for graduation	22	11	33	30
b. To keep proper sequence	30	22	52	59
c. New program	0	0	0	0
d. Cross listed	0	3	3	8
e. First time offered	4	2	6	1
f. Accreditation or licensing standard	0	5	5	0
g. Limited facilities	0	1	1	6
Subtotal	56	44	100	104
h. Voluntarily offered	1	12	13	10
Total	57	56	113	114
Semester Credit Hours generated in small classes	1041	849	1890	1638
Percentage of total Semester Credit Hours offered in small classes	1.82%	1.53%	1.68%	1.67%

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

<u>Primary Reasons for Teaching</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>	<u>Prior Year Total</u>
a. Required for graduation	11	3	14	14
b. To keep proper sequence	4	15	19	9
c. New program	0	0	0	0
d. Cross listed	0	10	10	3
e. First time offered	0	0	0	1
f. Accreditation or licensing standard	0	1	1	0
g. Limited facilities	1	0	1	5
Subtotal	16	29	45	32
h. Voluntarily offered	1	7	8	13
Total	17	36	53	45
Semester Credit Hours generated in small classes	468	612	1080	1068
Percentage of total Semester Credit Hours offered in small classes	8.19%	11.06%	9.61%	10.94%

Instructions for completing the Small Class Report have clarified the calculation of small classes when they involve cross-listed or multi-section classes. For institutions using a different calculation method in previous years, comparisons to this year may not be reliable.

U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and is recommended for approval by The University of Texas System Board of Regents. It has been determined that the holding of this position is of benefit to the State of Texas and The University of Texas and there is no conflict between holding this position and the appointment of Mr. Mojica with The University of Texas Southwestern Medical Center at Dallas. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between this position and the University appointment.

1. Name: Mr. Miguel Narvaez Mojica
Title: Assistant Professor, Orthotics and Prosthetics
Position: Appointment by Governor Rick Perry to the Texas Board of Orthotics and Prosthetics
Period: November 3, 2004 through December 31, 2006
Compensation: None
Description: The Board provides program regulation, licensure approval, and enforcement actions within the State of Texas. As such the position has influence within the profession and visibility with government leaders.

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Health Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	22	22	44	24
b. To keep proper sequence	0	0	0	0
c. New program	0	0	0	0
d. Cross listed	0	0	0	0
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	13	3	16	1
Subtotal	35	25	60	23
h. Voluntarily offered	3	4	7	6
Total	38	29	67	31

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	8	10	18	22
b. To keep proper sequence	3	4	7	5
c. New program	0	0	0	0
d. Cross listed	1	1	2	1
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	16
Subtotal	12	15	27	44
h. Voluntarily offered	0	0	0	0
Total	12	15	27	44

U. T. MEDICAL BRANCH - GALVESTON

GIFTS

The following gifts have been received, have been administratively approved by the President or his delegate and are recommended for approval by the U. T. System Board of Regents:

1. Donor Name: The Sealy & Smith Foundation
College/School/
Department: School of Medicine
Purpose: Payment against a \$10,400,000 grant authorized May 2005 for the following hospital programs: anesthesia machines \$1,700,000; Emergency Department CT scanner, \$3,000,000, and replacement of the Cardiac Catheterization Lab, \$1,260,000.
Asset Type: Cash
Value: \$5,960,000
2. Donor Name: The Sealy & Smith Foundation
College/School/
Department: School of Medicine
Purpose: Payment in full of a \$4,000,000 grant authorized April 2004 for the renovation of the Rebecca Sealy Hospital.
Asset Type: Cash
Value: \$1,100,000
3. Donor Name: The Sealy & Smith Foundation
College/School/
Department: School of Medicine
Purpose: Payment in full of a \$2,661,492 grant authorized August 2005 for the purchase of capital equipment for the John Sealy Hospital and Clinics.
Asset Type: Cash
Value: \$2,661,492
4. Donor Name: The Sealy & Smith Foundation
College/School/
Department: School of Medicine
Purpose: Payment against a \$3,200,000 grant authorized August 2005 for Magnetic Resonance Imaging.
Asset Type: Cash
Value: \$2,500,000

CONTRACTS

The following contracts have been administratively approved by the President or his delegate and the Executive Vice Chancellor for Health Affairs, and are recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Brazoria County, Texas
Funds: \$3,603,293
Period: October 1, 2005 through September 30, 2007
Description: Amendment to extend the term of the agreement for an additional two-year period. U. T. Medical Branch - Galveston will continue to provide primary care and hospital services to inmates of Brazoria County, Texas.

2. Agency: Correctional Managed Health Care Committee
Funds: \$24,881,235
Period: September 1, 2005 through September 30, 2005
Description: Amendment to extend the term of the agreement for an additional one month. U. T. Medical Branch - Galveston provides healthcare to offenders for and on behalf of the Texas Department of Criminal Justice.

3. Agency: Correctional Managed Health Care Committee
Funds: \$573,908,930
Period: October 1, 2005 through August 31, 2007
Description: U. T. Medical Branch - Galveston will provide health care services to Texas Department of Criminal Justice (TDCJ) offenders in units located in the Geographical Service Areas 3, 4, 5, 6, 7, and 8 operated by TDCJ. U. T. Medical Branch - Galveston also will provide centralized services for the TDCJ offenders in Geographical Service Areas 1 through 10 operated by TDCJ.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

4. Agency: Department of Assistive and Rehabilitation Service
Division for Early Childhood Intervention (ECI)
Funds: \$1,392,704
Period: September 1, 2005 through August 31, 2006
Description: U. T. Medical Branch - Galveston will continue a program of early childhood intervention services for children with developmental delay and continue a program of respite services for families of children enrolled in ECI comprehensive services.

5. Agency: Department of State Health Services
Funds: \$2,181,703
Period: September 1, 2004 through August 31, 2005
Description: Amendment to provide additional funds for U. T. Medical Branch - Galveston to provide prenatal, preventive, and primary child health, dysplasia, and dental services for Title V eligible individuals.

6. Agency: United States of America, Department of Justice/
Federal Bureau of Prisons, Beaumont, Texas
Funds: \$51,016,250
Period: January 18, 2005 through January 17, 2006
Description: Modification for U. T. Medical Branch - Galveston to continue to provide managed health care services at the Federal Correctional Complex in Beaumont, Texas.

7. Agency: Texas Department of Criminal Justice (TDCJ)
Funds: \$1,100,000
Period: September 1, 2005 through August 31, 2007
Description: U. T. Medical Branch - Galveston will provide meals to assigned offenders and TDCJ staff while at the Hospital in Galveston.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS COMING IN (CONTINUED)

8. Agency: ValueOptions of Texas, Inc.
Funds: \$16,334,174
Period: August 1, 2005 through August 31, 2006
Description: U. T. Medical Branch – Galveston will provide administration of uniform assessment; primary care medical screening services; care coordination of clinical sub-specialty services; and clinical pharmacy services to indigent members of the NorthSTAR program.

FUNDS GOING OUT

9. Agency: Otis Elevator Company
Funds: \$3,163,875
Period: September 13, 2005 through September 12, 2010
Description: Otis Elevator Company will provide preventive maintenance services to U. T. Medical Branch – Galveston facilities. Such services shall include, all labor, transportation, supplies, materials, parts, tools, scaffolding, machinery, hoists, employee safety equipment, lubricants, supervision, applicable taxes, and all other work, materials and equipment expressly required under the agreement. The vendor was selected from ten bidders.
10. Agency: Palestine-Principal Healthcare, L.P., d/b/a Palestine Regional Medical Center
Funds: \$1,600,000
Period: September 1, 2005 through August 31, 2007
Description: Amendment to extend the agreement for an additional 2-year period. Palestine-Principal Healthcare, L.P., d/b/a Palestine Regional Medical Center will continue to provide offsite health care to government wards on behalf of U. T. Medical Branch – Galveston.

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE					
Radiology					
1. Gregory Chaljub (T)					838
From: Associate Professor		100	12	280,000	
To: Associate Professor	9/1-8/31	100	12	300,000	
Institute for Medical Humanities; Preventive Medicine and Community Health					
2. Anne Hudson-Jones (T)					839
From: Hobby Family Professorship in Medical Humanities, Professor		100	12	114,794	
To: Hobby Family Professorship in Medical Humanities, Professor	9/1-8/31	100	12	125,000	

AMENDMENTS TO THE 2005-06 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued)					
Human Biological Chemistry and Genetics; Surgery; Sealy Center for Cancer Cell Biology					
3. Bernard M. Evers (T)					857
From: Professor, Robertson Poth Distinguished Chair in General Surgery, Interim Director		100	12	353,903	
To: Professor, Robertson Poth Distinguished Chair in General Surgery, Interim Director	9/1-8/31	100	12	390,000	

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

SCHOOL OF MEDICINE					
Internal Medicine					
1. William J. Calhoun (T)					782
From: Professor		100	12	325,000	
To: The Sealy and Smith Distinguished Chair in Internal Medicine, Professor	7/1-8/31	100	12	325,000	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF MEDICINE (Continued)					
Internal Medicine (Continued)					
2. Randall J. Urban (T)					781
From: Nelda C. and H. J. Lutcher Stark Distinguished Chair in Internal Medicine, Professor and Chair Ad Interim		90	12	333,333	
To: Edward Randall and Edward Randall, Jr. Distinguished Chair in Internal Medicine, Professor and Chair	6/23-8/31	94.14	12	330,000	
Structural Biology; Human Biological Chemistry and Genetics; Sealy Center for Molecular Science					
3. Vincent J. Hilser (T)					715
From: Associate Professor, Scientist		100	12	110,000	
To: Director, Associate Professor, Scientist	6/1-8/31	100	12	137,500	

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103 and are submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding these positions and the appointment of Drs. Hargraves and Freeman with The University of Texas Medical Branch at Galveston. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University.

1. Name: Martha A. Hargraves, Ph.D., M.P.H.
 Title: Associate Professor, Department of Obstetrics and
 Gynecology
 Position: Reappointment by Governor Rick Perry to the Health
 Disparities Task Force as Chair
 Period: June 23, 2005 through February 1, 2007
 Compensation: None
 Description: The purpose of the task force is to assist the Texas State
 Health Services in its goal of eliminating health and health
 access disparities in Texas among multicultural,
 disadvantaged, and regional populations and to reorganize
 department programs in order to eliminate disparities.

2. Name: Jean L. Freeman, Ph.D.
 Title: Professor, Department of Internal Medicine - Geriatrics
 Position: Reappointment by Governor Rick Perry to the Aging and
 Disability Services Council
 Period: August 23, 2005 through February 1, 2011
 Compensation: None
 Description: The purpose of the Council is to make recommendations to
 the Texas Health and Human Services Executive
 Commissioner and the Department of Aging and Disability
 Services (DADS) Commissioner on the management and
 operations of DADS.

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Health Affairs and is summarized as follows:

**Organized Undergraduate Classes with
Fewer than 10 Enrolled Students**

<u>Primary Reasons for Teaching</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>	<u>Prior Year Total</u>
a. Required for graduation	22	20	42	38
b. To keep proper sequence	6	4	10	38
c. New program	5	6	11	0
d. Cross listed	3	3	6	0
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	0
Subtotal	36	33	69	76
h. Voluntarily offered	0	0	0	4
Total	36	33	69	80

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for graduation	27	26	53	35
b. To keep proper sequence	5	1	6	21
c. New program	0	0	0	1
d. Cross listed	9	2	11	1
e. First time offered	2	1	3	14
f. Accreditation or licensing standard	1	1	2	0
g. Limited facilities	17	14	31	28
Subtotal	61	45	106	100
h. Voluntarily offered	8	16	24	13
Total	69	61	130	113

U. T. HEALTH SCIENCE CENTER - HOUSTON

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved as required by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF NURSING					
Nursing Systems and Technology					
1. Jeanette A. McNeill (T)					716
From: Department Chair for Nursing for Target Populations and General Instruction, Professor		100 SUPLT	12 12	75,000 3,750	
To: General Instruction, Professor	5/16-8/31	100	12	75,000	
2. Sandra L. Upchurch (T)					689
From: Associate Professor		100	12	80,000	
To: Associate Professor	6/1-8/31	49	12	39,200	
Department of Nursing	6/1-8/31	51	12	40,800	
Interim Department Chair	6/1-8/31	SUPLT	12	5,000	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF NURSING (Continued)					
Administration					
3. Frank L. Cole (T)					717
From: Assistant Dean and Chairman		51	12	51,000	
Environmental Sciences, General Instruction, Southwest Center for Occupational Environmental Health, Professor		SUPLT	12	5,000	
		49	12	49,000	
To: Environmental Sciences, General Instruction, Southwest Center for Occupational Environmental Health, Professor	6/1-8/31	100	12	100,000	
SCHOOL OF PUBLIC HEALTH					
Environmental Sciences					
4. Lawrence W. Whitehead (T)					805
From: Associate Professor and Interim Director		100	12	89,383	
		SUPLT	12	15,000	
To: Associate Professor	7/1-8/31	100	12	89,383	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF PUBLIC HEALTH (Continued)					
Environmental Sciences					
5. George Delclos (T)					807
From: Associate Professor		50	12	119,378	
To: Associate Professor and Director	7/1-8/31	100	12	119,378	
	7/1-8/31	SUPLT	12	15,000	
MEDICAL SCHOOL					
Integrative Biology and Pharmacology					
6. Ferid Murad (T)					870
From: Regental Professor, Chair and John S. Dunn Distinguished Chair in Integrative Biololgy and Pharmocology and Institute of Molecular Medicine, Scientific Director		100	12	290,150	
		SUPLT	12	215,120	
To: Regental Professor, Chair and John S. Dunn Distinguished Chair in Integrative Biololgy and Pharmocology and Institute of Molecular Medicine, Scientific Director	7/1-8/31	100	12	290,150	
	7/1-8/31	SUPLT	12	290,120	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL SCHOOL (Continued)					
Biochemistry and Molecular Medicine					
7. Ann-Bin Shyu (T)					822
From: Professor		100	12	115,000	
To: Professor and Jesse H. Jones Chair in Molecular Medicine	7/1-8/31	100	12	115,000	
Neurology					
8. Jerry S. Wolinsky (T)					771
From: Professor and Bartels Family Professorship in Neurology		100 SUPLT	12 12	170,000 10,000	
To: Professor and Bartels Family Professorship in Neurology and Opal Rankin Professorship	9/1-8/31 9/1-8/31	100 SUPLT	12 12	170,000 10,000	
Internal Medicine - Administration					
9. K. Lance Gould (T)					653
From: Professor and Martin Bucksbaum Distinguished Chair in Heart Disease		100	12	287,718	
To: Professor and Distinguished Chair in Heart Disease, Executive and Medical Director of the Weatherhead Center at Memorial Hermann Hospital	3/1-8/31 3/1-8/31	100 AUG	12 12	287,718 122,282	

OTHER MATTERS

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' *Rules and Regulations*, Series 30103, and are submitted for approval by the U. T. System Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding these positions and the appointments of Drs. Caskey, Landry, and Novy with The University of Texas Health Science Center at Houston. By approval of these items, the Board is also asked to find that holding these positions is of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and the University appointments.

- | | |
|---------------|--|
| Name: | C. Thomas Caskey, M.D. |
| Title: | Distinguished Professor at the Institute of Molecular Medicine for the Prevention of Human Diseases (IMM) |
| Position: | Appointment to the Advisory Committee for the Emerging Technology Fund |
| Period: | Serve at the pleasure of the Governor; no term set |
| Compensation: | None |
| Description: | In August 2005, Governor Rick Perry appointed Dr. Caskey to the Emerging Technology Fund Advisory Committee. The 17-person advisory committee will make recommendations to the Governor, Lieutenant Governor and Speaker of the House on collaborations, investments, research grants, and recruitment associated with the Emerging Technology Fund. |

OTHER MATTERS (CONTINUED)

APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT (CONTINUED)

2. Name: Susan Landry, Ph.D.
Title: Chief of Developmental Pediatrics, Michael Matthew Knight Professor, and Director of the State Center for Early Childhood Development
Position: Appointed as chair of the Advisory Committee on Head Start Accountability and Education Performance
Period: January 10, 2005 through April 2, 2006
Compensation: None
Description: The Secretary of the U.S. Department of Health and Human Services appointed Dr. Landry as chairman of the newly formed Advisory Committee on Head Start Accountability and Education Performance. The Committee will help assess progress in developing and implementing the Head Start National Reporting System, a school readiness rating system for early childhood education. The Committee will also make recommendations for integrating the system with other broader, ongoing assessments of Head Start.
3. Name: Diane Novy, Ph.D.
Title: Professor in the Departments of Anesthesiology and Psychiatry and Behavioral Sciences
Position: Member of the Assistive and Rehabilitative Services Council
Period: August 29, 2005 through February 1, 2011
Compensation: None
Description: Governor Perry appointed Dr. Novy to the Assistive and Rehabilitative Services Council, a Council created to help the Texas Department of Assistive and Rehabilitative Services (DARS) develop rules and policies for people with disabilities and families of children with developmental delays.

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Health Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	0	0	0	0
b. To keep proper sequence	3	2	5	0
c. New program	0	0	0	1
d. Cross listed	5	0	5	0
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	3
Subtotal	8	2	10	4
h. Voluntarily offered	0	0	0	1
Total	8	2	10	5

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes with
Fewer than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	17	17	34	39
b. To keep proper sequence	55	80	135	107
c. New program	4	4	8	6
d. Cross listed	10	12	22	13
e. First time offered	6	6	12	9
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	3
Subtotal	92	119	211	177
h. Voluntarily offered	22	16	38	51
Total	114	135	249	228

U. T. HEALTH SCIENCE CENTER - SAN ANTONIO

ADMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
SCHOOL OF NURSING					
Chronic Nursing					
1. Adrienne D. Linton (T)					823
From: Associate Professor	9/1-8/31	100	12	93,133	
To: Associate Professor and Chair	9/1-8/31	100	12	98,450	

ADMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

GRADUATE SCHOOL OF
BIOMEDICAL SCIENCES
Department of Physiology
Professor and Chair

1. David S. Weiss (T)	8/1-8/31	100	12	250,000	819
SCHOOL OF NURSING					
Chronic Nursing					
2. Adrienne D. Linton (T)					820
From: Associate Professor	9/1-8/31	100	12	93,133	
To: Associate Professor and Chair	8/22-8/31	100	12	98,450	

FEES AND MISCELLANEOUS CHARGES

OTHER FEES AND CHARGES

The following new charge recommended for approval by the U. T. System Board of Regents and inclusion in institutional catalogs has been approved by the Executive Vice Chancellor for Health Affairs. All recommended charges are consistent with applicable statutory requirements under Section 54.504 and Section 55.16 of the *Texas Education Code*.

<u>Name/Description</u>	<u>\$ Amount of Fee</u>
PRACTICUM FEE To defray the costs of travel and operating expenses incurred for site visits to monitor allied health students during their rotations to hospitals, offices, and laboratories throughout San Antonio and in South Texas for the Supervised Clinical Practice courses in the Master of Physician Assistant Studies beginning spring 2006.	5 per semester credit hour

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Health Affairs and is summarized as follows:

Organized Undergraduate Classes With Fewer Than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	1	4	5	17
b. To keep proper sequence	32	30	62	29
c. New program	2	0	2	4
d. Cross listed	1	0	1	2
e. First time offered	1	2	3	3
f. Accreditation or licensing standard	6	3	9	0
g. Limited facilities	29	4	33	0
Subtotal	72	43	115	55
h. Voluntarily offered	17	12	29	70
Total	89	55	144	125

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005 (CONTINUED)

**Organized Graduate Classes With
Fewer Than 5 Enrolled Students**

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	9	11	20	30
b. To keep proper sequence	7	15	22	26
c. New program	0	1	1	2
d. Cross listed	0	1	1	18
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	1	7	8	13
Subtotal	17	35	52	89
h. Voluntarily offered	24	25	49	34
Total	41	60	101	123

U. T. M. D. ANDERSON CANCER CENTER

CONTRACTS

The following contract has been awarded, has been administratively approved by the President or his delegate and is recommended for approval by the U. T. System Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: HAA Preferred Partners
Funds: Amount dependant on Services Provided
Period: July 15, 2004 - July 14, 2005, and annually thereafter
Description: Provide HAA Preferred Members with treatment for oncology related diseases.

AMENDMENTS TO THE 2005-06 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Requests for Budget Change (RBC) have been administratively approved as required by the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. Board of Regents:

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
MEDICAL STAFF					
Executive Vice President					
Chief Academic Officer					
1. William C. Satterfield (T)					802
From: Veterinary Sciences Chair ad interim, Associate Professor		100 SUPLT	12 12	133,306 10,000	
To: Veterinary Sciences Associate Professor	9/1-8/31	100 SUPLT	12 12	133,306 10,000	

AMENDMENTS TO THE 2004-05 BUDGET

APPOINTMENTS AND PROMOTIONS

Executive Vice President					
Chief Academic Officer					
1. Reuben Lotan (T)					801
From: Chair ad interim, Professor, Irving and Nadine Mansfield and Robert David Levitt Cancer Research Chair		100 SUPLT	12 12	247,431 20,000	
To: Professor, Irving and Nadine Mansfield and Robert David Levitt Cancer Research Chair	8/15-8/31	100 SUPLT	12 12	247,431 20,000	

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

<u>Description</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate \$</u>	
RESEARCH					
Experimental Therapeutics					
Chair, Professor					
2. Garth Powis (T)	8/15-8/31	100	12	277,660	800

SMALL CLASS REPORT, FALL 2004 AND SPRING 2005

Pursuant to Section 51.403 of the *Texas Education Code* and Section 5.26 of the *Texas Higher Education Coordinating Board Rules*, a report for the record regarding the teaching of small classes has been filed. The institution has reviewed the data in this report and, as appropriate, made administrative changes to ensure that teaching such small classes continues to be justified. The detailed listing of small classes is available in the U. T. System Office of Health Affairs and is summarized as follows:

Organized Undergraduate Classes with Fewer than 10 Enrolled Students

Primary Reasons for Teaching	Fall	Spring	Total	Prior Year Total
a. Required for Graduation	14	15	29	35
b. To keep proper sequence	22	20	42	35
c. New program	8	5	13	0
d. Cross listed	0	0	0	0
e. First time offered	0	0	0	0
f. Accreditation or licensing standard	0	0	0	0
g. Limited facilities	0	0	0	0
Subtotal	44	40	84	70
h. Voluntarily offered	0	0	0	0
Total	44	40	84	70