

Meeting No. 988

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

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February 9-10, 2005

Austin, Texas

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OF
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MEETING NO. 988

WEDNESDAY, FEBRUARY 9, 2005.--The members of the Board of Regents of The University of Texas System convened at 9:45 a.m. on Wednesday, February 9, 2005, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance and absent:

ATTENDANCE.--

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

Absent
Vice-Chairman Hunt

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 3:40 p.m., Chairman Huffines announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE.--At 5:15 p.m., the Board reconvened in open session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Huffines reported no action was needed on any of the following items considered in Executive Session:

1. U. T. System: Discussion and appropriate action regarding legal issues related to disclosure of private investment information under the *Texas Public Information Act* including pending litigation related to such disclosure
2. U. T. Austin: Discussion and appropriate action regarding intellectual property lawsuit titled Board of Regents of The University of Texas System, on behalf of The University of Texas at Austin, and Hydro Quebec v. Nippon Telephone and Telegraph Corporation
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4. U. T. System: Discussion and appropriate action regarding Environmental Protection Agency action concerning Gulf Nuclear Superfund Sites ID#s 06KN, 06MD and 06ME, Odessa, Ector County, Houston and Webster, Harris County, Texas
5. U. T. System: Consideration of individual personnel matters relating to evaluation of presidents, U. T. System officers and employees
6. U. T. System: Consideration of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents, U. T. System officers and employees

Discussion of general personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents or officers and employees of The University of Texas System was deferred for consideration on February 10, 2005.

RECESS.--At 5:15 p.m., Chairman Huffines announced the Board would reconvene at 9:30 a.m. in Open Session on Thursday, February 10, 2005, following the meeting of the Student, Faculty, and Staff Campus Life Committee.

THURSDAY, FEBRUARY 10, 2005.--The members of the Board of Regents of The University of Texas System reconvened at 9:45 a.m. on Thursday, February 10, 2005, in the Board Meeting Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present
Chairman Huffines, presiding
Vice-Chairman Clements
Vice-Chairman Hunt
Vice-Chairman Krier
Regent Barnhill
Regent Caven
Regent Craven
Regent Estrada
Regent Rowling

Counsel and Secretary Frederick

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

U. T. System: Annual Meeting with Officers of the U. T. System Faculty Advisory Council

Dr. James Bartlett, Chair of The University of Texas System Faculty Advisory Council (FAC), introduced Dr. Robert Nelsen, Co-Chair of the Council's Faculty Quality Committee and a prior Chair of the FAC, and Dr. M. Teresa Verklan, a member of the FAC and immediate Past Chair of the Council.

Dr. Bartlett presented a PowerPoint presentation regarding ways to stimulate research activities on campuses by providing bridge funding or seed funding for approved but unfunded research grants.

In a PowerPoint presentation titled *Texas for Texans Data Base*, Dr. Nelson discussed his recommendation to create three System-wide databases of research background and research interests of faculty and graduate students. He said the idea emerged from the Washington Advisory Group report presented on May 13, 2004, to the U. T. System Board of Regents, which stated U. T. System institutions needed to improve the means for collaboration among institutions and to improve the quality and quantity of graduate students.

Dr. Verklan discussed issues concerning nursing education in a PowerPoint presentation about the shortage of nursing faculty. She said more than one million vacant positions are projected for registered nurses by 2010. She pointed out factors contributing to the faculty shortage including faculty age, departure from academic life, and salary differentials and she discussed proposed short- and long-term strategies. Long-term strategies included recruitment and retention of nursing faculty, and collaboration with other disciplines and with the local community.

Executive Vice Chancellor Sullivan commended the members of the Faculty Advisory Council for their thoughtful and considered ideas. She responded that Dr. Barlett's proposal of seed funding as bridge funding for research grants was attractive but she expressed concern about the source of funds. She said Dr. Nelsen's database proposal is innovative particularly to attract graduate students, and she spoke about useful incentives in the proposal. She agreed the expertise to implement the database proposal probably already exists at U. T. System and probably would not be expensive. Dr. Sullivan said Dr. Verklan's presentation on the shortage of nursing faculty was timely, and acknowledged the problem is difficult with no easy solution. She said she was unaware the Master of Science in Nursing (MSN) degree is considered the threshold for teaching and the doctoral is not, commenting this must be unique among professional programs. Executive Vice Chancellor Sullivan suggested the issue be considered at the level of nursing accreditors and stated some of the nursing issues such as age of faculty need to be addressed in the short-term rather than the long-term. She said she is working with Executive Vice Chancellor Shine who has convened a task force to discuss nursing and to propose innovative solutions. Dr. Shine said he made a strong case to the House Appropriations Subcommittee on Higher Education that morning about issues related to the shortage in nursing faculty. Following further discussion, Chairman Huffines asked Dr. Sullivan to review the cost and practicality of Dr. Nelsen's database proposal and report back to the Board within 30-60 days.

Chairman Huffines also asked Dr. Sullivan to review the proposals from Dr. Bartlett and Dr. Verklan and to report back to the Board. Following concerns raised by Regent Craven and Dr. Nelsen, Vice-Chairman Krier requested a review of how to track diversity in U. T. System school faculties and new hires outside the annual human resource report and to share the findings with the FAC.

U. T. 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 November 4-5, 2004, in Austin, 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 75 - 215.

The Board also approved the Minutes of the special meeting of the Board of Regents of the U. T. System held on December 9-10, 2004, in Dallas, Texas, as prepared by the Counsel and Secretary to the Board. The official copy is recorded in the *Permanent Minutes*, Volume LII, Pages 216 - 237.

WELCOME TO OFFICIALS OF THE UNIVERSITY OF TEXAS SYSTEM: VICE CHANCELLOR AND GENERAL COUNSEL BURGDORF, VICE CHANCELLOR BARNHILL, AND MS. CATHY SWAIN, DIRECTOR OF INVESTMENT OVERSIGHT.--Chairman Huffines introduced the following officials of The University of Texas System:

- Mr. Barry D. Burgdorf; Vice Chancellor and General Counsel,
- Dr. Robert E. Barnhill, Vice Chancellor for Research and Technology Transfer, who will begin work on April 1, 2005, and
- Ms. Cathy Swain, Director of Investment Oversight.

Mr. Huffines also introduced Mr. Bryan Jones, a student at The University of Texas at Austin who is working with him and also working in the Office of the Board of Regents.

SPECIAL REPORTS AND SPECIAL ITEMS

1. U. T. Board of Regents: Acceptance of the Accountability and Performance Report for 2004-2005

With the aid of a PowerPoint presentation, Dr. Geri H. Malandra, Associate Vice Chancellor for Accountability, presented The University of Texas System Board of Regents' Accountability and Performance Report for 2004-2005, which the Board, upon motion of Regent Barnhill, seconded by Regent Craven, then accepted.

Dr. Malandra said the Report is a series of management improvement initiatives for the U. T. System, is being used as a reference book, and provides background for the institutional compacts. She elaborated that the Report provides a readily available, robust set of data available in one place. She discussed portions of the data, success measures, and noteworthy findings, and said that access, diversity, success are all important. She remarked the University is more than holding its own nationally with 25% of research expenditures in the state, eight of the U. T. institutions are in the top

rankings in terms of research and research-related expenditures in the state, and in 2003, U. T. System institutions ranked fourth nationwide in the number of patents awarded to faculty at top-ranked universities.

Associate Vice Chancellor Malandra said Historically Underutilized Business expenditures are featured in the accountability report, as well as growth of endowments at U. T. System, second only to Yale University. She said philanthropy is a priority as may be found in the institutional compacts and institutional profiles in the Report include Centers of Excellence as suggested by Vice-Chairman Krier.

Dr. Malandra said accountability is a continual study of analysis, tracking and calling attention to trends and the data is used in compact and planning activities. She is considering conducting some special studies such as persistence in graduation rates of particular groups of students, the impact of tuition changes, surveys of post-graduation experience, more on teaching, and more on human resources, all the while continuing to align the U. T. System work with that of the accountability system for the State of Texas.

Chairman Huffines said the U. T. System is not only the leader in the state on accountability, but a leader in the country. Dr. Malandra said there is interest for a continued national conversation as to how higher education enterprises can become more accountable.

2. U. T. Board of Regents: Approval not to proceed with a bid for the management and operation contract of the Los Alamos National Laboratory

On February 4, 2004, the Board authorized Chancellor Yudof and other University of Texas System officials, at his direction, to plan for a potential bid by taking all steps the Chancellor deemed reasonable to proceed with the necessary preparation to compete for the management contract to operate the Los Alamos National Laboratory, with the understanding that this authorization includes approval to budget and expend funds of up to \$500,000 for this purpose; to contract for needed services and supplies; to seek agreements with potential academic and industrial partners; and to utilize consultants, in conformance with State laws and Regental policy, as needed to assist in the U. T. System's preparation for participation in the bid process. At the July 16, 2004 meeting of the Board, Chancellor Yudof reported the U. T. System had registered interest in a potential bid with the Department of Energy for management and operation of Los Alamos National Laboratory.

Chancellor Yudof made the following statement and recommendation:

Statement by Chancellor Yudof

Today we have an agenda item pertaining to our review of a possible bid for a contract to manage and operate the Los Alamos National Laboratory. At the Board's direction almost a year ago, we have, over the intervening months, worked through the requisite due diligence you expected of us -- a process that has involved a thorough review of the report by the Blue Ribbon Commission on competing the management and operations contracts for the Department of Energy's (DOE) national laboratories, a review of the existing contract with the University of California, and the DOE's latest draft request for proposals, which I believe is still in draft form.

We have held multiple discussions with potential university and industry partners, we have toured the facilities, participated in public meetings sponsored by DOE, followed the same events and developments as you have seen covered in the public media, and assessed our own strengths and expertise in relation to a potential bid.

Our intention all along has been to answer these questions for ourselves and for the Board of Regents -- what should be our relationship to managing and operating one of the nation's 15 multidisciplinary national laboratories? What should our role as a System be? And second, is managing and operating Los Alamos National Laboratory in collaboration with multiple partners the right thing for U. T. System and for the nation at this time?

Los Alamos has a unique history. From the first, it has been associated with the development of the nation's nuclear arsenal. Over the 60 plus years of its existence, the nature of scientific inquiry involving the nuclear threat has changed, as has the mission of Los Alamos. Emphasis has shifted from the manufacture of weapons to maintaining the integrity of our existing stockpile, devising secure means of destroying nuclear weapons and disposing of nuclear materials and ensuring that our knowledge of nuclear technology is the most advanced in the world.

Los Alamos is now a principal center for research on issues and technologies related to homeland security. It is responsible for interpreting the latest scientific intelligence information from around the world. And, defense concerns are only part of the charge given to Los Alamos. The Los Alamos labs in New Mexico are a major research complex that supports more than 50 cross-disciplinary facilities and includes work on projects involving energy, the environment and health. This new research diversity is reflected at most of our national laboratories and represent the evolving role these institutions will continue to play in our nation's security and technological and scientific preeminence necessary to maintain that security.

Because the national labs are so dependent on their ability to recruit and support outstanding scientists, universities are often asked to collaborate in their management and operation. Other private entities may handle the security or environmental clean-up, but the universities know how to recruit and retain outstanding scientists and how to implement research projects. That is the reason we are sought out by these national labs.

While Los Alamos National Laboratory has drawn our immediate attention, it is the larger framework of national laboratories and their future that draws our primary interest. The system of laboratories is a resource without peer internationally and, here at home, it is a treasured incubator of discovery -- a complex, interconnected infrastructure of facilities dedicated to pure science and technology.

There is no doubt that the U. T. System faculty and students would benefit from the experience of managing and operating a national laboratory. And so, as we evaluated this potential bid and its benefits for us and the nation, we have made a point of appraising our core competencies and how they might fit into the work, not only of Los Alamos, but any national laboratory. We believe that U. T. System institutions would fare well in any competitive bidding situation.

However, after conducting an exhaustive due diligence review, I have concluded and am recommending formally to the Board, that the U. T. System should not proceed with a bid for this management and operation contract of Los Alamos at this time. The bottom line here is fairly simple: given the current circumstances, the commitment of time required for managing and operating the laboratory would strain the resources of us or

any partner with whom we might work. As a consequence, I cannot recommend that we bid on the Los Alamos management and operating contract at this time.

I do want to underscore that, should the nature of the management and operating contract change in the future, this recommendation does not foreclose the possibility of a bid for Los Alamos -- or another national laboratory -- at some time in the future. And, we will continue to focus on the possibility of other relationships such as the one we will discuss in our next agenda item as a way to build on our contribution to the science and security of our nation at the national laboratories, consistent with our fundamental mission of research and education.

Mr. Chairman, that is my report to you at the conclusion of this lengthy period of due diligence and my recommendation to you and to the Board today.

Chairman Huffines thanked Chancellor Yudof for his remarks and then made the following statement:

Statement by Chairman Huffines

On behalf of the Board, I want to express our appreciation for the hard work and long hours put into evaluating the potential for this bid by you, your staff, and the task force and consultants.

I also want to say that the Chancellor has kept me well informed throughout this process and I can assure the Board that the requirement for due diligence was met and, indeed, exceeded.

While as you stated, Chancellor, the management of Los Alamos is a very tempting prospect for the System, for our faculty and students and for our State. I agree that, given the current circumstances, it is wise to forego bidding on the contract.

The Board and I continue to be interested in a leadership role for the U. T. System in the Department of Energy's national laboratories and research centers. I assure you that our interest does not end with today's recommendation and action by the Board of Regents.

Regent Barnhill moved the Board approve Chancellor Yudof's recommendation and Regent Craven seconded the motion, which carried by acclamation.

3. U. T. System: Authorization to enter into a Memorandum of Understanding and future implementing agreements with Sandia Corporation, operator of Sandia National Laboratories, for an expanded and formalized relationship and increased interaction and collaboration in educational and research activities

Following presentations and discussion as follows, authorization was given for Chancellor Yudof to execute, on behalf of the Board, a Memorandum of Understanding (MOU) between The University of Texas System and Sandia Corporation, operator of Sandia National Laboratories, in substantially the form attached on Pages 18 - 31, and the necessary implementing agreements, as outlined in the Memorandum to be finalized in the future, for an expanded and formalized relationship and increased interaction and collaboration in educational and research activities.

The purpose of the Memorandum is to provide the basis for implementing (1) an expanded and formalized relationship between Sandia and U. T. System that will assess and enhance performance excellence at Sandia National Laboratories, and (2) increased interactions and collaborations between individual staff, faculty, and students at Sandia and the institutions comprising U. T. System.

This Memorandum supplements the Memoranda of Understanding (MOU) entered into by The University of Texas at Austin (MOU #02-S-348) and by The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas Southwestern Medical Center at Dallas, and The University of Texas System (MOU #03-S-386). These two Memoranda providing for collaborative research activities are incorporated into the new Memorandum by reference.

To further the expanded and formalized relationship between Sandia and U. T. System, the Sandia Board of Directors has elevated the Organizational Structure for Oversight of Science and Technology at Sandia through the following actions by resolution on January 26, 2005: The Sandia Board of Directors has established a designated U. T. System Director's position to be filled through election by the Board of Directors. That U. T. System Director will organize and lead technical peer reviews of Sandia's science and technology foundations, working through a newly formed Subcommittee of the Mission Committee of the Board of Directors.

Chancellor Yudof and Vice Chancellor Smith then provided the following remarks:

Remarks by Chancellor Yudof

As the Board knows, the U. T. System has extensive experience in working with national laboratories and in particular with the Sandia National Laboratory with which we have had a longstanding relationship primarily through The University of Texas at Austin. However, in March 2004, the U. T. System signed a Memorandum of Understanding, which created a strategic relationship between the U. T. System, the three U. T. Metroplex institutions (The University of Texas at Dallas, The University of Texas at Arlington, and The University of Texas Southwestern Medical Center at Dallas) and Sandia National Laboratories. This MOU was in addition to an existing relationship between Sandia and U. T. Austin that had been in place for several years.

With the strong support and encouragement of Senator Hutchison, that relationship and the expanded involvement of additional U. T. System institutions with Sandia have proven to be strong and successful for all parties.

Today we have a significant development in the course of this important and growing relationship with Sandia. With the Board's permission, I would like to call on Vice Chancellor Ashley Smith to give us the details of the proposed expansion of that MOU that you have on your agenda for consideration today.

Remarks by Vice Chancellor Smith

Thank you Chancellor, Mr. Chairman, members of the Board of Regents. It's my distinct privilege and honor today to lay out for your consideration an expanded five-year Memorandum of Understanding between U. T. System and Sandia. In addition to work done that was noted by Chancellor Yudof in prior Memorandums of Understanding, we have an expanded program in this Memorandum. In particular, it focuses on four segments.

The first segment is a peer review process; the second is collaboration; the third is education; and the fourth is government. With regard to the peer review process, we have a commitment for development and implementation by the U. T. System of a peer review process for Sandia, particularly focused on Science, Technology, and Engineering.

With regard to the collaboration, we have a commitment for joint development and implementation of strategic program areas that will enhance Sandia's mission. With regards to education, we have a commitment for increased interactions between staff, faculty, and students at Sandia and at U. T. System institutions.

And finally with regard to governance, we have a significant provision, which adds a newly designated U. T. position to the Board of Regents of Sandia. That position will lead and organize the technical reviews and it will operate through a newly created subcommittee. I join with each one of you in congratulating Dr. Larry Faulkner as having been the individual elected to serve in that position as the U. T. System Director. I want to emphasize as part of the agreement, the work done in accordance with the memorandum will be unclassified; nonclassified.

Dr. Juan Sanchez was a critical element in our success in negotiating the MOU.

Dr. Sanchez then introduced the following other faculty and researchers in the audience: Dr. Ronald Elsenbaumer, Vice President for Research at U. T. Arlington; Dr. J. Tinsley Oden, Associate Vice President for Research and Director of the Institute for Computational Engineering and Science at U. T. Austin; and Dr. Scott Tinker, Director of the Bureau of Economic Geology, state geologist, and professor of geological sciences at U. T. Austin. Dr. Sanchez provided the following remarks:

Remarks by Vice President Sanchez

The management of the peer review process clearly distinguishes the U. T. System/Sandia relationship from the many tactical or even strategic partnerships that Sandia has with many universities in the country. It essentially gives us the opportunity to convene our expertise, our power to convene expertise and talent across the nation, as well as our reputation and our leadership in developing sound accountability principals to bear on the quality and the future direction of science and technology that goes on at the lab. This is the responsibility of the System, but in my view is very well aligned with our public service mission. We are not only uniquely qualified to do the job, but the process that is outlined in the MOU is in my view the right way to assist the quality of science and technology in all of our national labs: let the experts external to the lab manage the entire process. This has the obvious payoff that increases the credibility of the work -- the very good work -- that goes on in the lab. Sandia ought to be commended for the willingness to put a significant portion of their

research portfolio through the scrutiny of a truly independent and rigorous quality assessment process. And I believe in doing so, we are jointly raising the accountability bar for all the national labs.

We got to the programs we have selected, as I said, jointly. Let me mention at least a few of the qualities they have. First, they address issues of critical importance to our national security. The program areas that we have selected include energy and water sustainability and security; computational engineering and science; high energy density lasers; and health security -- four broad program areas that have another characteristic in the sense that they bring our complementary expertise to the table. The third characteristic they have is the magnitude, and the scope of the challenge is such that it is absolutely essential to build strong multidisciplinary teams, which we can obviously do better by bringing the strength of the U. T. System and the strength of the Sandia National Labs to bear on this issue. I am convinced the MOU is not only good for the U. T. System and Sandia, but it is good for the nation and I believe that it will set a higher standards for operation of national labs.

Vice Chancellor Smith commended Executive Vice Chancellor Shine for his work in organizing the health security program portion and he introduced Executive Vice Chancellor Sullivan for comments on the educational aspects of the MOU. Dr. Sullivan commented on opportunities for joint faculty appointments; opportunities for Sandia personnel to take for-credit and not-for-credit courses and distance learning courses; a summer program involving a U. T. faculty member and a U. T. graduate student who would offer a course at Sandia and work collaboratively on a research project that would be paid for by Sandia; and resident tuition benefits for Sandia personnel and families that will require work at the legislative level. She said nothing in this report changes admissions criteria or compromises the usual faculty appointment process.

Chairman Huffines thanked Vice Chancellor Smith, Executive Vice Chancellor Sullivan, Dr. Sanchez, and their respective teams for their work.

Regent Craven asked if the work will involve classified research or nuclear weapons and Vice Chancellor Smith responded that the collaborative work is all nonclassified. He said the peer review process may be broader.

Executive Vice Chancellor Shine said Professor Stanley Lemon, Director of the Institute for Human Infections and Immunity at The University of Texas Medical Branch at Galveston, was not able to be present at the meeting but he is the leader of U. T.'s efforts in health security. The project is called health security because it is meant to deal with science-related biological agents that might be important in dealing with bioterrorism, which is a charge

of the Sandia lab, but also offers an opportunity to develop new kinds of technologies and science to deal with biological agents that might naturally occur. He reiterated it is a combined public health and bio-security activity.

Regent Estrada asked if there is indemnification language included in the MOU and Vice Chancellor Smith assured him the issue has been addressed.

Chancellor Yudof said this is a very broad-based collaboration and takes U. T. System far in science and technology. He said there is a shift in the governance role in that U. T. System will be in charge of Sandia's peer review process. He said President Diana Natalicio has served on the Sandia Board with great distinction and she will now be joined by President Larry Faulkner.

Chairman Huffines thanked Senator Kay Bailey Hutchison for her interest and efforts and remarked this is a milestone in the relationship with Sandia National Laboratories and reflects well on the U. T. System. The new opportunities and responsibilities that come with this Memorandum of Understanding are a tribute to the quality of the faculty and students.

A brief summary of the agreement follows:

1. Peer Review and Scientific Accountability
 - a. U. T. System agrees to develop, perform, and be accountable for the peer review process of the Sandia Assurance System for Science, Technology and Engineering. The review panels will be composed of appropriate nationally recognized leaders from leading universities, corporations, and agencies.
 - b. Beginning October 1, 2005, U. T. System will provide advice and assessment of the state of health and planning related to Sandia's science, technology, and engineering capabilities.
 - c. U. T. System will maintain an office on site and staffed by qualified personnel from U. T. System institutions to provide oversight of the peer review process. Full staffing of the office will be completed by October 1, 2005.
 - d. Sandia will reimburse U. T. System, under a separate implementing agreement delineating the terms and conditions, for the reasonable and authorized costs of maintaining and staffing the office; salaries and Sandia work-related travel for the assigned staff; and authorized expenses related to the reviews.

2. Research Program Interfaces and Collaborations

a. In addition to the current and ongoing activities and organizational relationships detailed in the two existing MOUs referenced above, Sandia and U. T. System agree to undertake unclassified, joint research projects that take advantage of the complementary competencies of Sandia and U. T. System as illustrated below:

- **Simulation Engineering** provides real-time sensor updates to simulations. Two complementary approaches are worth pursuing: broadly applicable simulation-engineering research for the National Science Foundation and National Nuclear Security Administration/Advanced Simulation and Computing Program, and potential first application to real-time updated simulation engineering of the Texas Power Grid (in preparation for extending the work to the U.S. power grid) for the Department of Energy and for the Department of Homeland Security to prevent cascading failures and to mitigate the effects of terrorist attacks on the power infrastructure.
- **UT-Sandia Petawatt High Energy Density Physics Capability** will leverage the unique 100 Joule petawatt laser at U. T. Austin and the unique 500 Joule petawatt and 2000 Joule terawatt lasers at Sandia for a combined regional capability in this emerging research area.
- **Sustainable Energy and Water Security and Sustainability** builds on the unique energy and geochemical expertise of the U. T. System and the Texas-based petrochemical industry and the Sandia expertise in energy and water-related science and engineering. This program will address the mid-term and long-term alternatives for a sustainable supply for mobile energy under sponsorship by an industry consortium, a petrochemical corporation after appropriate fairness-of-opportunity process, or the Department of Energy. The initial focus will be on energy and water resources and on dynamic modeling and simulation.
- **Joint U. T. System-Sandia Health Security Program** builds on the expertise in infectious diseases and radiological bioscience within the U. T. System, and the Sandia expertise in biomedical-related sensors, microsystems, nanotechnology, computational biology,

measurement science, and proteomics to pursue major program opportunities. The initial focus will be on cell membrane biology, chemistry, and proteomics because of their importance to counterterrorism and health security. The program will seek to position itself to become a Department of Homeland Security Center of Excellence and to respond to a National Institutes of Health PO1 Research Program Project.

- b. In undertaking the joint projects, the project-specific funding for joint research will be provided through the Principal Investigator to the participating institutions.

3. Educational Collaboration

- a. Sandia and U. T. System agree to utilize joint appointments so that Sandia scientists can provide staff for graduate programs at U. T. System institutions and U. T. System personnel can engage in long-term involvement in Sandia research programs.
- b. U. T. System agrees to provide on-site courses to Sandia personnel through the use of resident U. T. System professors and to provide distance learning opportunities. These offerings could include courses from continuing education programs throughout the U. T. System, such as those offered by the Center for Lifelong Engineering Education as well as specialty, topical research courses of mutual interest between Sandia and U. T. System. Sandia will pay for any courses provided to Sandia personnel under separate implementing agreements.
- c. U. T. System agrees to explore opportunities for granting resident tuition status to Sandia personnel and families who are accepted to attend U. T. System institutions. Since legislation may be required to accomplish this, U. T. System cannot commit to the success of this endeavor at the time of the signing.

4. Term of the Agreement

The agreement will remain effective for five years, subject to either party withdrawing on 30 days' notice.

5. Future Implementing Agreements

- a. Peer Review. An implementing agreement providing for reimbursement of U. T. System costs will be executed prior to October 1, 2005.

- b. Educational Programs. Implementing agreements providing for reimbursement of instructional costs will be executed by the U. T. institution providing the courses.
- c. Research Programs. Implementing agreements providing for project-specific funding will be provided through the principal investigator to the participating institutions.

To assure accountability, annual reports will be prepared summarizing activity under the Memorandum of Understanding. On October 1 of each year, a report summarizing the results of the peer review process will be forwarded by the on-site coordinator to the Vice Chancellor for Research and Technology Transfer and to the Chancellor. On the same date, a report summarizing results of joint research activities will be forwarded by the participating institutions to the Vice Chancellor for Research and Technology Transfer and to the Chancellor, and a report summarizing results of the educational collaboration will be forwarded by the participating institutions to the Executive Vice Chancellor for Academic Affairs and to the Chancellor.

Following receipt of the reports on October 1, the Chancellor will prepare for the Board of Regents a summary of the preceding year's activities.

Counsel and Secretary's Note: A minor amendment was made to the last sentence of the Background of the Memorandum of Understanding, which was signed on April 6, 2005. The amended sentence reads as follows: "The Subcommittee will be composed of at least two Board members including the Chair and will be assisted in its work by at least two advisors from universities, two from industry, and two from government agencies and/or federal or national laboratories."

Memorandum of Understanding

Between

Sandia Corporation

and

The University of Texas System

This agreement is by and between Sandia Corporation ("Sandia"), operator of Sandia National Laboratories, with principal offices located in Albuquerque, New Mexico, and The University of Texas System ("UTS").

Purpose

The purpose of this agreement is to provide the basis for implementing (1) an expanded and formalized relationship between Sandia and UTS that will assess and enhance performance excellence at Sandia National Laboratories and (2) increased interactions and collaborations between individual staff, faculty and students at Sandia and the institutions comprising UTS.

Background

Sandia has a number of missions defined by National Nuclear Security Administration (NNSA), Department of Energy (DOE) and the Department of Homeland Security (DHS), among which are deterrence of attack with nuclear weapons, non-proliferation, energy, homeland security, research, work for other federal agencies, and the fostering of science and engineering education. Much of the work is funded in relatively large programs at the laboratory level and conducted by staff working in multidisciplinary teams under the direction of a project manager.

The University of Texas System's primary missions are education, research, health care and public service of regional, national and international significance. Research at the institutions of UTS is aimed at expanding the educational opportunities available to undergraduate and graduate students, at promoting scholarly inquiry and to the development of knowledge and understanding. UTS maintains strong and internationally recognized research programs in science and engineering that contribute to the academic achievement and stature of institutions and assist UTS in fulfilling its responsibilities to the state and the nation.

To further the expanded and formalized relationship between Sandia and UTS, the Sandia Board of Directors has elevated the Organizational Structure for Oversight of Science and Technology at Sandia through the following actions by resolution of the Board on January 26, 2005: The Sandia Board of Directors has established a

designated UTS Director's position to be filled through the election by the Board of Directors. That UTS Director will organize and lead technical peer reviews of Sandia's science and technology foundations, working through a newly formed Subcommittee of the Mission Committee of the Board of Directors. The Subcommittee will be composed of at least two Board members including the Chair and at least two advisors from universities, two from industry, and two from government agencies and/or federal or national laboratories.

Mutual Commitments

1. This agreement supplements the Memoranda of Understanding entered into by The University of Texas at Austin (MOU# 02-S-348) and by The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas Southwestern Medical Center at Dallas and The University of Texas System (MOU# 03-S-386). The two MOUs are hereby incorporated by reference.
2. Peer Review and Scientific Accountability.
 - a. UTS agrees to develop, perform, and be accountable for the peer review process of the Sandia Assurance System for Science, Technology and Engineering. The review panels will be composed of appropriate nationally recognized leaders from the leading universities, corporations, and agencies.
 - b. Beginning October 1, 2005, UTS will provide forthright and unfiltered advice and assessment of the state of health and planning related to Sandia's Science, Technology, and Engineering capabilities. The reviews will cover the integrated effectiveness of the science, technology, and engineering research and development performed under the Laboratory Directed Research and Development Program, the Research Foundations of the Nuclear Weapon Program, the research sponsored by the Office of Science, and other precompetitive foundational research from other sponsors. The scope does not include the programmatic deliverables to external customers.
 - c. The opinions expressed represent the opinions of the committees and not that of the UTS.
 - d. At least 50% initial composition of the review committees will be drawn from the current membership of Sandia's ST&E External Advisory Boards to ensure continuity of knowledgeable reviewers. The committee membership will evolve, consistent with and in accordance with the process developed by UTS. UTS or Sandia can disqualify chairs and members based on conflict of interest or exceptional bias

that cannot be effectively mitigated. The chairs and membership of each board must be mutually acceptable to UTS and to Sandia.

- e. UTS will maintain an office on site and staffed by qualified personnel from UTS institutions to provide oversight of the peer review process. Full staffing of the office will be completed by October 1, 2005.
- f. UTS will provide to the Chief Technology Officer of Sandia quarterly reports detailing the results of the peer review oversight and the value added by the oversight process in accord with the best practices jointly derived by UTS and Sandia from relevant studies by National Academy of Sciences and from the Guidance of the DOE Office of Science and the Government Performance Research Act and from the UTS research on scientific accountability.
- g. Sandia will reimburse UTS, under a separate implementing agreement delineating the terms and conditions, for the reasonable and authorized costs of maintaining and staffing the office, salaries and Sandia work-related travel for the assigned staff, and for the reasonable and authorized expenses related to the reviews.
- h. Sandia and UTS agree to provide a screening mechanism so that UTS will not provide peer review or evaluation that would create a conflict of interest for UTS.

3. Research Program Interfaces and Collaborations

- a. In addition to the current and ongoing activities and organizational relationships detailed in the two MOUs referenced above in Item 1, Sandia and UTS agree to undertake joint research projects that take advantage of the complementary competencies of Sandia and UTS as illustrated in Exhibit A.
- b. In undertaking the joint projects, the project-specific funding for joint research will be provided through the Principal Investigator to the participating institutions. At the request of the participating scientist or engineer to his or her own department, proposal preparation will be provided by the participant's institution as in-kind contributions.
- c. Funding pre-project expenses that go beyond reasonable in-kind contributions of personnel time will be the responsibility of the principal investigator.

4. Educational Collaboration

- a. Sandia and UTS agree to utilize joint appointments so that Sandia scientists can serve as staff for graduate programs at UTS institutions and UTS personnel can engage in long-term involvement in Sandia research programs.
- b. UTS agrees to provide on-site courses to Sandia personnel through the use of resident UTS professors and to provide distance learning opportunities, as described in Exhibit B. These offerings could include courses from continuing education courses throughout the UTS, such as those offered by the Center for Lifelong Engineering Education as well as specialty, topical research courses of mutual interest between Sandia and UTS. Sandia shall pay for any courses provided to Sandia personnel under separate implementing agreements.
- c. UTS agrees to explore opportunities for granting tuition benefits to Sandia personnel and families who wish to attend UTS institutions. Since legislation may be required to accomplish this, UTS cannot commit to the success of this endeavor at the time of the signing. Further developments will be included in Exhibit C.

Patent, Technical Data and Works of Authorship

Patents, technical data, and works of authorship arising from the activities under this Agreement will be subject to the conditions set forth in Appendix A of this agreement.

Conditions for Sandia Participation

1. It is agreed and understood that any work done or actions taken by Sandia must be in accordance with the terms and conditions of the prime contract between Sandia Corporation and the DOE for the operation of Sandia National Laboratories; and, must be in accordance with any successor contracts for operation of Sandia National Laboratories. In case of any conflict between this Agreement and the prime contract for the operation of Sandia, the prime contract shall take precedence.
2. It is further agreed and understood that Sandia is required by the DOE to include certain terms and conditions in all implementing agreements it enters into with third parties. UTS and Sandia agree that, to the extent applicable to this Agreement, such terms and conditions shall be set forth in writing in such implementing agreements.

Conditions for UTS' Participation

It is agreed and understood that any work done or actions taken by UTS must be in accordance with the terms and conditions of the policies of the Board of Regents of the University of Texas System ("BOR"), particularly with respect to BOR Intellectual Property Policy, as set forth in The University of Texas System Regents' *Rules and Regulations* 90101 through 90106. In the case of any conflict between this Agreement and BOR Intellectual Property Policy, the latter shall take precedence.

Implementing Agreements

1. The details of the level of support to be furnished to one organization by the other with respect to funding will be developed in specific implementing agreements subject to availability of funds. Agreements or projects that set forth specific arrangements for program implementation shall be separately developed and agreed to in implementing agreements facilitated by this Agreement. Specific funding and tasking will be established under such implementing agreements. Appropriate patent and other intellectual property provisions shall be included in implementing agreements entered by the parties on a case by-case basis.
2. No claims for consequential damages, incidental damages, claims for lost profits, or other indirect damages arising out of or resulting from the work conducted under implementing agreements facilitated by this Agreement shall be allowed.

Duration

This Agreement shall remain in full force and effect for a period of five (5) years from the date this agreement is executed by all parties. Either party may withdraw from this agreement at its sole discretion upon thirty (30) days written notice to the other party. Any agreement reached by the parties to designate a Responsible Party according to the provisions set forth in Appendix A, shall survive the termination of this Agreement.

Entire Agreement

The foregoing supplements the previously referenced agreements (MOU# 02-S-348 and MOU# 03-S-386) which have been incorporated by reference and will continue to be in effect. The three MOUs compose the entire agreement and understanding between the parties, superseding any previous or contemporaneous understandings,

commitments, or agreement, oral or written, with respect to the subject matter of these MOUs. If there is any conflict between this MOU and the previously referenced MOUs, the terms of this MOU shall control.

On Behalf of:
The University of Texas System

Sandia Corporation

Mark G. Yudof
Chancellor
The University of Texas System
Date: _____

Dr. Paul Robinson
President
Sandia National Laboratories
Date: _____

Exhibit A: Program Areas Proposed for Initial Implementation of this MOU

Potential program areas are listed in Exhibit A to motivate the immediate implementation of this agreement and will be updated periodically as the projects will change over time.

1. Simulation Engineering provides real-time sensor updates to simulations. Two complementary approaches are worth pursuing: broadly applicable simulation-engineering research for the NSF and NNSA/ASC and potential first application to real-time updated simulation engineering of the Texas Power Grid (in preparation for extending the work to the US power grid) for the DOE and for DHS to prevent cascading failures and to mitigate the effects of terrorist attacks on the power infrastructure. The work at UT Arlington and at Sandia on understanding the Texas Power Grid and the work in the Center for Electromechanics, UT Austin, on the control of the power systems in the all electric ship may help illustrate, develop, and market this approach.

2. UT-Sandia Petawatt High Energy Density Physics Capability will leverage the unique 100 Joule petawatt laser at UT Austin and the unique 500 Joule petawatt and 2000 Joule terawatt lasers at Sandia for a combined regional capability in this emerging research area. We will continue to mutually support each other's pursuit of funding for each institution's petawatt lasers and strive to find a path to fund the required target chamber at Sandia. The proposal is sufficiently mature to seek funding but the challenge is to find funding that does not conflict with the Nuclear Weapon mission priorities or prior commitments.

3. Sustainable Energy and Water Security and Sustainability builds on the unique energy and geochemical expertise of the UTS and the Texas-based petrochemical industry and the Sandia expertise in energy and water-related science and engineering. The growing dependence on unconventional sources, including methane from coal, and the political uncertainties in the oil-rich regions of the world are motivating petroleum companies to seek near-term (< 5 year), mid-term (5 to 15 year), and long-term (>15 year) alternatives. This program will address the mid-term and long-term alternatives for a sustainable supply for mobile energy under sponsorship by an industry consortium, a petrochemical corporation after appropriate fairness-of-opportunity process, or the DOE. The initial focus will be on energy and water resources and on dynamic modeling and simulation. Other promising areas include downstream fuels processing, nonconventional natural gas systems, carbon sequestration, and large-scale energy storage.

4. Joint UTS-Sandia Health Security Program builds on the UTS expertise in infectious diseases and radiological bioscience within the UTS and the Sandia expertise in biomedical-related sensors, microsystems, nanotechnology, computational biology, measurement science, and proteomics to pursue major

program opportunities. The initial focus will be on cell membrane biology, chemistry, and proteomics because of their importance to counterterrorism and health security. The program will seek to position itself to become a DHS Center of Excellence and respond to a NIH PO1 Research Program Project.

Exhibit B: Criteria for Courses and Associated Interactions

In addition to the already developed suite of courses offered by the Center for Lifelong Engineering Education under consideration, Sandia will initiate a summer program of educational and research interactions between the Sandia National Laboratories and the UT System. These interactions and the resulting courses are intended to provide Sandia access to world-class, unique educational opportunities that are the result of ongoing research at the University of Texas System campuses.

These topical research short courses are to be offered on-site at Sandia National Laboratories in conjunction with a summer research leave opportunity for a UT System faculty member and graduate student. Courses are to be based upon a joint proposal from a Sandia National Laboratories technical staff member and UT System faculty member and accepted by the Sandia ST&E Executive Council. Each proposal will consist of a white paper describing a research area of ongoing and mutual interest to both parties. The UT System faculty member and the Sandia Point of Contact will propose to the ST&E Executive Council a conceptual area for a research short course and a research area. The timetable for submission and consideration of proposals is to be determined. The courses would be presented throughout the summer.

Each course will be open to students across Sandia National Laboratories who are interested in the topical research area and who are approved by their Sandia manager to take the course. A Sandia National Laboratories staff member seeking a graduate degree must be admitted to the graduate program of the appropriate UTS institution. Sandia National Laboratories will provide suitable educational facilities for course delivery. Auditing will be at the discretion of the student's Sandia manager.

The UT System faculty and graduate student will be appropriately located within a research organization at Sandia National Laboratories. Research collaboration between the faculty and the research organization should culminate in joint proposals, refereed journal publications, patent disclosures, Doctoral Studies Program acceptances or other tangible outcomes. The UT System faculty will have access to Sandia National Laboratories' facilities (experimental and computational) during the course of the research leave. Sandia National Laboratories will pay for appropriate clearance (L or Q clearance) if location within a restricted technical area is required. The UT System faculty and graduate student must be US citizens.

This opportunity should increase the ongoing research collaborations between Sandia National Laboratories and the UT System. The UT System faculty will benefit from access to ongoing Sandia research as well as access to state-of-the-art facilities. Sandia will benefit through the educational opportunities for technical staff outside their current research assignments and collaboration on nascent research topics. Both organizations will benefit through increased creativity from collaborative research.

Exhibit C: Status of Initiative to Explore Opportunities for Granting Resident Tuition Status to Sandia Personnel and Families Who Are Accepted to Attend UTS Institutions

Action by UTS, the Regents of the UTS, and the Texas Legislature may be required to provide resident tuition status to Sandia Personnel and families who are accepted to attend the UTS Institutions. Such action will be explored after the MOU has been implemented and the benefit to the State of Texas of the expanded and formalized relationship between UTS and Sandia has been demonstrated. Exhibit C will be updated annually to record progress on this initiative.

Appendix A

Patent, Technical Data and Works of Authorship

1. Ownership rights to subject inventions and works of authorship arising under all funded or unfunded arrangements between UTS and Sandia shall be consistent with appropriate Sandia contractual obligations to the Department of Energy (DOE), any applicable federal statutes and the Intellectual Property Policy of The University of Texas System Board of Regents.
2. Ownership rights of UTS in subject inventions developed by UTS' employees, contractors, faculty or students, funded in whole or in part by Sandia, are governed by 35 USC 200 et seq., and by the Intellectual Property Policy of The University of Texas System Board of Regents.
3. Ownership rights of Sandia in subject inventions developed by Sandia employees or contractors, irrespective of the source of funding, shall be controlled by Sandia's contract with DOE and all class waivers applicable to such inventions granted to Sandia by DOE.
4. Ownership rights of copyrightable works of authorship either solely authored or co-authored by employees, contractors, faculty or students of UTS or Sandia shall be controlled by 17 USC 201 and by the Intellectual Property Policy of The University of Texas System Board of Regents; provided, however, that Universities' rights in such works that are funded in whole or in part by Sandia are governed by 48 CFR 52.227-14, with Alternates I, II, III and IV as appropriate.
5. Ownership rights in subject inventions and works of authorship created by part time Sandia/part time UTS' employees shall be consistent with Sandia's obligations to DOE and any applicable federal statutes and the Intellectual Property Policy of The University of Texas System Board of Regents.
6. Except as otherwise provided by 48 CFR 52.227-14 (g), and to the extent provided by 42 USC 5908 and 35 USC 202(c)(4), the United States Government shall retain a nonexclusive, nontransferable, irrevocable, paid up license to practice, or have practiced, throughout the world for, or on behalf of the United States, all works of authorship created and inventions conceived or first reduced to practice during the course of a government funded contract between Sandia and Universities.
7. It is explicitly understood that with respect to subject inventions and works of authorship arising under any research projects carried out under a separate agreement between Sandia and UTS such as a Visiting Scientist Agreement, Cooperative Research and Development Agreement, Work For Others Agreement, lease agreement for laboratory equipment, materials and facilities, that the terms of such agreements relating to inventions and works of authorship shall, to the extent

inconsistent herewith, supersede the terms herein; provided, however, such terms and conditions shall be negotiated and mutually acceptable to the parties.

8. The following categories of patents, technical data and works of authorship developed under this Agreement, irrespective of ownership, are subject to this agreement:

- subject inventions whose co-inventors and works of authorship whose co-authors include both Sandia and UTS' contractors, employees, faculty or students;
- subject inventions and works of authorship created by Sandia employees or contractors utilizing UTS' equipment, personnel or facilities on the premises of UTS for which UTS is not compensated by Sandia;
- subject inventions and works of authorship created by UTS' employees, contractors, faculty or students utilizing Sandia equipment, personnel or facilities on the premises of Sandia for which Sandia is not compensated by UTS.

9. Upon filing an invention disclosure at either Sandia or UTS relating to one or more of the above-enumerated categories, a copy thereof shall be sent by the filing party to designated representatives of the other party. The designated representatives of UTS and the Sandia Patent and Licensing Office shall agree within ninety (90) days after receipt thereof that either Sandia or UTS shall:

- Undertake patent or other protection of the subject invention disclosed;
- Undertake an analysis of the potential value of the subject invention which it shall share with the other party upon request; and
- Undertake licensing or other commercialization of the subject invention.

The party assuming responsibility for the above matters is referred herein as the Responsible Party.

10. Within such 90-days period, the parties shall also reach agreement as to how each shall share the proceeds of licensing such inventions. Such agreement shall be based on the parties' determination as to the value of the contribution of each party to such invention. In determining the value of the contribution of each party, consideration shall be given to, among other matters, the extent of the intellectual contribution of employees, contractors, faculty and students, as well as the value of the non-monetary support of each party to the invention. By the way of example, such non-monetary support includes the use of equipment or facilities of one party, which have not been otherwise expressly compensated for by the other party. Once made, such agreement shall be final unless otherwise agreed to by the parties.

11. If UTS and Sandia Patent and Licensing Office are unable to agree within such ninety (90) day period as to which of them shall be the Responsible Party for patenting and licensing of the technology or how the parties shall share in licensing proceeds, then such not agreed upon issues shall be resolved by the respective UTS designated representative and the Sandia Vice President for Science, Technology and Partnerships. Their mutual decision shall be rendered within thirty-(30) days after referral to them and that decision shall be final.

12. If the Responsible Party should decide not to continue performance of the tasks described in paragraph 9 above with respect to any invention, it shall so advise the other party in a timely fashion so as to effectively allow the other party to assume such tasks if it so desires.

13. The Responsible Party shall be responsible for payment of all costs of patenting and commercialization. Such party should be entitled to reimbursement for the reasonable out-of-pocket and commercialization costs incurred by it from the proceeds of such commercialization before any such proceeds are shared between the parties. Documentation with respect to such costs shall be provided to the other party. No party shall be liable for the costs of foreign patent prosecutions or enforcement actions, and such costs may not be deducted from the proceeds of commercialization unless agreed by the parties.

14. The Responsible Party shall also have full authority, and the same is hereby granted, to represent the interests of the parties and shall make periodic reports and provide other information to the other parties regarding the commercialization of the technology, including patent status and the commercialization efforts made. The Responsible Party shall also make disbursements semi-annually to the other parties, beginning on the January 1 or July 1 following the first receipt of such proceeds.

15. The parties not responsible for patenting and commercialization of any invention shall cooperate with such efforts by making information and other internal resources reasonably available as appropriate and shall use reasonable efforts to promote the cooperation of its contractors or employees who are inventors. The parties not responsible for patenting and commercialization shall execute all documents necessary and appropriate to allow the Responsible Party to carry out patenting and commercialization responsibilities, including the execution of powers of attorney.

16. With respect to scholarly works of authorship created in the above apportionment situations, the parties agree to grant to each other a non-exclusive, paid-up and royalty-free license to exercise throughout the world all rights of whatever kind or nature now or hereafter protected by the Copyright Law of the United States (the "Copyright Law") in and to all scholarly works produced pursuant to this Agreement, including the rights to reproduce, distribute, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, subject to any rights required to be assigned or granted in order to permit publication of such scholarly works. The management of commercialization and sharing of commercialization proceeds of all other works of authorship or other copyrightable

materials subject to this Agreement shall be handled in the manner set forth above for patentable inventions.

17. Each party represents that it has the full power and authority to agree with the other parties how inventions subject to this Agreement are protected and commercialized and how the income from licensing thereof shall be shared by the parties.

18. Nothing in this Agreement, expressed or implied, is intended to confer any right remedies, claims or interests upon a person not a party hereto.

4. U. T. Board of Regents: Regents' Rules and Regulations, Series 30101 - Amendment to replace the U. T. System-wide Classified Personnel Pay Plan with plans at the institutional level

The Regents' *Rules and Regulations*, Series 30101 was amended to revise language in Section 1 to read as set forth below and to delete former Sections 2 - 6 to allow The University of Texas System-wide Classified Personnel Pay Plan to be replaced with institutional pay plans in compliance with a Business Procedures Memorandum (BPM) that was outlined in the Agenda Book.

1. Title

Classified Personnel Pay Plan

2. Rule and Regulation

Sec. 1 Institutional Classified Personnel Pay Plan. The institutions of the U. T. System and System Administration shall adopt and maintain a classified personnel pay plan that conforms to the guidelines established by the Chancellor in a Business Procedures Memorandum. Each institution's president shall be responsible for the development and operation of the respective institution's classified personnel pay plan. The Chancellor shall be responsible for the development and operation of System Administration's classified pay plan.

Previously, the Regents' *Rules* required U. T. System to maintain a centralized pay plan for classified employees and delegated authority to the Chancellor for approval of the pay plan. Changes were forwarded to U. T. System Administration for handling, which constrained internal business operations. The institutions requested the flexibility to make decisions regarding classified titles and pay ranges based on individual business needs.

5. U. T. Board of Regents: Regents' Rules and Regulations, Series 80601 - Amendment to increase delegated authority to accept settlement amounts for property and casualty insurance

The Regents' *Rules and Regulations*, Series 80601 was amended to read as set forth on Page 33 to increase the settlement amount for property and casualty insurance and surety bond claims that may be approved by the Executive Vice Chancellor for Business Affairs. These settlements are for claims other than life, disability, and health claims for which The University of Texas System is the claimant.

The Board further authorized the Executive Vice Chancellor for Business Affairs to approve all self-insurance settlement payments under the Comprehensive Property Protection Plan (CPPP), without regard to the dollar amount.

1. Title

Property and Casualty Insurance and Surety Bonds

2. Rule and Regulation

Sec. 1 Authority to Purchase. The terms of any insurance policies and surety bonds, other than life, disability, and health insurance policies for any U. T. System institution or for System Administration, shall be negotiated by the Director of Risk Management. The Executive Vice Chancellor for Business Affairs shall approve the purchase or renewal of policies with premiums in excess of \$500,000.

Sec. 2 Notice of Loss and Approval of Claims. At the time a loss occurs applicable to either System-wide or individual insurance policies and surety bonds, the Director of Risk Management shall be notified by the chief business officer of the institution. For all claims, other than life, disability and health claims, in which the University is a claimant, the Director of Risk Management shall approve all loss claims and settlements under \$250,000. The Executive Vice Chancellor for Business Affairs shall approve any settlement between \$250,000 and \$1,000,000, and any settlements under the University's Comprehensive Property Protection Plan. Settlement of commercial insurance or surety bond claims in excess of \$1,000,000 must have the approval of the Board of Regents.

Sec. 3 Settlement of Catastrophic Claims. In the case of a catastrophic occurrence where the loss is so extensive that partial commercial insurance payments in excess of \$1,000,000 are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. The Board of Regents will be notified by the Chancellor of all partial payments received in excess of \$1,000,000. Final settlement of commercial insurance claims in excess of \$1,000,000 will require approval by the Board.

Previously, the Regents' *Rules and Regulations* authorized the Executive Vice Chancellor for Business Affairs to approve any settlement not to exceed \$500,000 with notification to be provided to the Board at his/her discretion. The Executive Vice Chancellor for Business Affairs could also approve settlements over \$500,000 and up to \$1,000,000, but those settlements required ratification by the Board. Settlements in excess of \$1,000,000 required approval by the Board.

The rule, as amended, allows the Executive Vice Chancellor for Business Affairs to approve commercial insurance settlements not to exceed \$1,000,000, as well as all settlements made under the self-insurance portions of U. T. System's property insurance program. Settlement of commercial insurance and surety bond claims in excess of \$1,000,000 still require approval of the Board.

U. T. System's property insurance program, known as the Comprehensive Property Protection Plan (CPPP), was originally established in November 1995, with approval of the Board and the Plan was enhanced in 2003 when the Board approved and partially funded the revised self-insurance structure to specifically address named wind and flood exposures.

The self-insurance fund for the Fire and All Other Perils program covers up to \$7.25 million per loss. This essentially funds the deductible on the commercial insurance policy. The self-insurance fund for the Named Wind and Flood program covers up to \$50 million per loss. If a loss under this program exceeds the available balance in the self-insurance fund, debt may be issued to fulfill the obligation of the program. If that occurs, the debt issuance will require Board approval pursuant to the Regents' *Rules*.

6. U. T. Board of Regents: Appointment of Regent H. Scott Caven, Jr., and Regent Robert B. Rowling to the Board of Directors of The University of Texas Investment Management Company (UTIMCO) effective immediately

In accordance with the requirements of the Regents' *Rules and Regulations*, Series 10402, the Board appointed the following Regents to serve, effective immediately, on The University of Texas Investment Management Company (UTIMCO) Board of Directors for terms ending April 1, 2007, or until the successor of each is chosen and qualifies, or until their earlier resignation or removal:

Regent H. Scott Caven, Jr. (to replace Regent Barnhill)

Regent Robert B. Rowling (to replace Vice-Chairman Clements)

Regent Caven and Regent Rowling were noted as abstaining from discussion and vote 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 U. T. 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.

Vice-Chairman Clements served on the UTIMCO Board of Directors since May 2001 and Regent Barnhill served on the UTIMCO Board of Directors since July 2004.

7. U. T. Board of Regents: Announcement of establishment of a George W. Bush Presidential Library Special Ad Hoc Advisory Committee

Chairman Huffines announced the establishment of a George W. Bush Presidential Library Special Ad Hoc Advisory Committee of The University of Texas System Board of Regents and provided the following remarks:

Remarks by Chairman Huffines

I am excited today to announce to the Board and to the public, that I have established a special ad hoc advisory committee to prepare and recommend a thoughtful, competitive proposal or proposals to bring the Presidential Library of President George W. Bush to The University of Texas System.

I am delighted that two distinguished Texans have agreed to serve as co-chairs of this committee. The Honorable Tom Loeffler, former Chairman of the Board of Regents, and Dr. Peter T. Flawn, President Emeritus of The University of Texas at Austin and a former President of The University of Texas at San Antonio as well have agreed to lead this effort. I have also asked Mr. Loeffler and Dr. Flawn to advise and recommend to me other members to this Committee.

I will charge the Committee to marshal the considerable talent, creativity, and experience to go forward in a very expeditious effort to develop a truly innovative proposal or set of proposals for an appropriate presidential library for our President. We have the geographic presence in the state, as well as the expertise, to represent the work, the leadership, and the contribution that President George W. Bush made and continues to make to this

state, to the nation, and to the world. With the U. T. System institutions we have a major presence in each of the metropolitan areas in which he lived and worked in Texas.

I am looking forward to drawing on the resources of the 15 U. T. institutions to develop a unique proposal or proposals that we can take forward as a decision is made where to locate the country's 12th presidential library. Chancellor Yudof and I are strongly committed to this significant opportunity and hope that all members of the Board and other U. T. System leaders focus great energy to bring the Library to the U. T. System.

Associate Vice Chancellor Steve Collins will serve as the primary U. T. System liaison to the Committee, with support as needed from other U. T. System offices and consultants. We will ask the co-chairmen to provide an initial report on the Committee's work to the Board as soon as possible.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 12:00 p.m., the Board recessed for meetings of the Standing Committees, and Chairman Huffines announced that at the conclusion of each committee meeting the Board would reconvene to approve the report and recommendations of that committee.

The meetings of the Standing Committees were conducted in open session, and the reports and recommendations thereof are set forth on the following pages.

REPORT AND RECOMMENDATIONS OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Page 37).--Committee Chairman Estrada reported that the Audit, Compliance, and Management Review Committee met in open session to consider the matter on its agenda and to formulate a recommendation for the U. T. Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Audit, Compliance, and Management Review Committee and approved in open session by the U. T. Board of Regents:

U. T. System: Approval to renew the contract with Ernst & Young, LLP, as the external auditor for 2005 audit of funds managed by The University of Texas Investment Management Company (UTIMCO), and to negotiate for additional audit services related to UTIMCO

The Board granted approval to renew the auditing services contract with Ernst & Young, LLP, to perform audits for the fiscal year ending August 31, 2005, for funds managed by The University of Texas Investment Management Company (UTIMCO) as listed below:

- a. Permanent University Fund (PUF)
- b. The University of Texas System General Endowment Fund (GEF)
- c. Permanent Health Fund (PHF)
- d. The University of Texas System Long Term Fund (LTF)
- e. The University of Texas Short Intermediate Term Fund (SITF)

Approval was also granted for University of Texas staff to negotiate and enter into a contract with Ernst & Young, LLP, to provide additional audit services related to UTIMCO, including UTIMCO's voluntary implementation of the Sarbanes-Oxley Act of 2002.

Fiduciary responsibility for the PUF, GEF, PHF, LTF, and SITF rests with the U. T. Board of Regents. *Texas Education Code* Section 66.08 requires that U. T. System have an annual financial audit performed of the PUF.

On July 7, 2003, the Board of Regents authorized U. T. System staff to negotiate and enter into an auditing services contract with Ernst & Young, LLP. The contract was for one year with a right to renew in one-year increments for four years. The contract was renewed by the Board of Regents on February 4, 2004, and this is the second year this contract has been renewed.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 38 - 50).--Committee Chairman Hunt 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. 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. Board of Regents:

1. U. T. System: Approval of Docket No. 120

The Board approved *Docket No. 120* in the form distributed by the Counsel and Secretary to the Board. It is attached following Page 68 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.

To avoid any appearance of a possible conflict of interest, Regent Rowling was recorded as abstaining from vote on the item on Page Docket - 9 related to acceptance of the final payment on a pledge from the Rowling Foundation to The University of Texas at Austin. Regent Barnhill was recorded as abstaining from vote on Item 4 on Page Docket - 31 related to the gift from Eli Lilly and Company to The University of Texas Southwestern Medical Center at Dallas because of stock holdings.

2. U. T. System: Approval of additional amount of equipment financing for Fiscal Year 2005 and resolution of parity debt

The Board

- a. approved an additional aggregate amount of \$23,400,000 of Revenue Financing System Equipment Financing for Fiscal Year 2005 as allocated to those University of Texas System institutions set out on Page 40; and
- b. resolved 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 cost of equipment including costs incurred 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. Board of Regents relating to the Financing System;
- the institutions and U. T. System Administration, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$23,400,000 for the purchase of equipment; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*, that evidences the Board's intention to reimburse project expenditures with bond proceeds.

APPROVAL OF U. T. SYSTEM EQUIPMENT FINANCING
FY 2005 (February)

| Institution | \$ Amount of Request | Description of Equipment Purchases | DSC* |
|----------------------------------|----------------------|--|------|
| U. T. Arlington | \$4,200,000 | Student information system computer, elevator modernization, HVAC equipment replacement, lighting upgrades, and utility infrastructure | 2.2 |
| U. T. Brownsville | 700,000 | Upgrade for integrated financial/student system | 1.9 |
| U. T. Dallas | 5,000,000 | Enterprise Resource Planning software | 2.8 |
| U. T. Medical Branch - Galveston | 10,000,000 | Clinical and information technology equipment | 3.2 |
| U. T. Pan American | 2,500,000 | Information technology equipment | 2.4 |
| U. T. Health Center - Tyler | 1,000,000 | Clinical equipment | 6.5 |
| Total | | \$23,400,000 | |

* Debt Service Coverage ("DSC") is the sum of operating surplus plus depreciation plus interest expense divided by debt service for FY 2004.

U. T. System Office of Finance, January 3, 2005

3. U. T. Board of Regents: Report on Investments for quarter ended November 30, 2004, Liquidity Profile, and Performance Report by Ennis Knupp + Associates

The Report on Investments for The University of Texas System for the quarter ended November 30, 2004, for the Permanent University Fund (PUF), General Endowment Fund (GEF), Permanent Health Fund (PHF), Long Term Fund (LTF), Short Intermediate Term Fund (SITF), and Separately Invested Assets as prepared by The University of Texas Investment Management Company (UTIMCO) is summarized below.

Pages 43 - 49 contain the Summary Reports on Investments for the three months ended November 30, 2004.

Item I on Pages 43 - 44 reports summary activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the three months was 7.23% versus its composite benchmark return of 5.58%. The PUF's net asset value increased by \$560.3 million since the beginning of the quarter to \$8,648.2 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return.

Item II on Pages 45 - 47 reports summary activity for the General Endowment Fund (GEF), the Permanent Health Fund (PHF), and the Long Term Fund (LTF). The GEF's net investment return for the three months was 7.39% versus its composite benchmark return of 5.58%. The GEF's net asset value increased \$296.1 million since the beginning of the quarter to \$4,503.7 million.

Item III on Page 48 reports summary activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was .34% for the three months versus the SITF's performance benchmark of negative .28%. The SITF's net asset value increased by \$21.0 million since the beginning of the quarter to \$1,199.0 million. This increase in net asset value was due to net contributions to the SITF.

Item IV on Page 49 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 \$225.1 million to \$2,518.9 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$56.6 million versus \$56.1 million at the beginning of the period; equities: \$217.3 million versus \$325.0 million at the beginning of the period; and other investments: \$.1 million versus \$16.1 million at the beginning of the period.

The November 30, 2004, PUF and GEF Combined Liquidity Profile is set forth on Page 50.

An [Executive Summary](#) of the Performance Report on investments for the quarter ended November 30, 2004, as prepared by Ennis Knupp + Associates was included in the Agenda Book and is on file in the Office of the Board of Regents.

I. PERMANENT UNIVERSITY FUND (1)a.) Summary Investment Report at November 30, 2004 (2)

(\$ millions)

| | <u>FY03-04</u> <u>Full Year</u> | <u>FY04-05</u> <u>1st Qtr</u> |
|---------------------------------|------------------------------------|----------------------------------|
| Beginning Net Assets | 7,244.8 | 8,087.9 |
| PUF Lands Receipts (3) | 146.7 | 67.7 |
| Investment Return | 1,070.2 | 583.9 |
| Expenses | (25.8) | (6.0) |
| Distributions to AUF | (348.0) | (85.3) |
| Ending Net Assets | <u>8,087.9</u> | <u>8,648.2</u> |
| AUF Distribution: | | |
| From PUF Investments | 348.0 | 85.3 |
| From Surface Income | 7.6 | 1.0 |
| Total | <u>355.6</u> | <u>86.3</u> |
| Total Net Investment Return | 14.73% | 7.23% |

(1) Report prepared in accordance with *Texas Education Code* Sec. 51.0032.

(2) General - The Investment Summary Report excludes PUF Lands mineral and surface interests with estimated August 31, 2004 values of \$722.1 million and \$164.0 million, respectively.

(3) PUF Land Receipts - As of November 30, 2004: 1,138,179 acres under lease; 511,597 producing acres; 3,139 active leases; and 2,064 producing leases.

I. PERMANENT UNIVERSITY FUND (continued)

b.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended November 30, 2004

| | Asset Allocation | Endowment Neutral Policy Portfolio | Actual Net Investment Return | Endowment Neutral Policy Portfolio Return (1) | Benchmark |
|------------------------------------|------------------|------------------------------------|------------------------------|---|--|
| Cash and Cash Equivalents | 1.6% | 0.0% | 0.41% | 0.39% | 90 Day T-Bills Average Yield |
| U.S. Equities | 27.6% | 25.0% | 9.17% | 8.45% | 80% Russell 3000 Index plus 20% Dow Jones Wilshire Real Estate Securities Index |
| Global Equities | 20.7% | 17.0% | 11.56% | 14.22% | Morgan Stanley Capital International - All Country World Free ex U.S. |
| Equity Hedge Funds | 8.1% | 10.0% | 3.65% | 1.40% | 90 Day T-Bills Average Yield plus 4% |
| Absolute Return Hedge Funds | 13.5% | 15.0% | 4.99% | 1.15% | 90 Day T-Bills Average Yield plus 3% |
| Commodities | 5.0% | 3.0% | 10.24% | 11.34% | Goldman Sachs Commodity Index minus 100 basis points |
| Fixed Income | 14.2% | 15.0% | 2.39% | 0.52% | 66.7% Lehman Brothers Aggregate Bond Index plus 33.3% Lehman Brothers US Index Treasury Inflation Protected Securities |
| Total Marketable Securities | 90.7% | 85.0% | 7.41% | 6.14% | |
| Private Capital | 9.3% | 15.0% | 5.44% | 2.40% | Venture Economics' Periodic IRR Index |
| Total | 100.0% | 100.0% | 7.23% | 5.58% | |

(1) The benchmark return for the endowment neutral policy portfolio is calculated by summing the neutrally weighted index return (% weight for the asset class multiplied by the benchmark return for the asset class) for the various asset classes in the endowment portfolio for the period reported.

II. GENERAL ENDOWMENT FUND (1) (2)

a.) Summary Investment Report at November 30, 2004

(\$ millions)

| | FY03-04 | | FY04-05 | |
|--|------------|--------|------------|--------|
| | Full Year | | 1st Qtr | |
| Beginning Net Assets | 3,584.8 | | 4,207.6 | |
| Net Contributions | 559.5 | | 95.5 | |
| Investment Return | 559.0 | | 315.0 | |
| Expenses | (9.6) | | (1.8) | |
| Allocations (3) | (486.1) | | (112.6) | |
| Ending Net Assets | 4,207.6 | | 4,503.7 | |
| Net Asset Value per Unit | 117.595 | | 126.278 | |
| Units and Percentage Ownership (End of Period): | | | | |
| PHF | 6,923,785 | 19.4% | 6,846,092 | 19.2% |
| LTF | 28,857,142 | 80.6% | 28,818,941 | 80.8% |
| Total | 35,780,927 | 100.0% | 35,665,033 | 100.0% |
| Total Net Investment Return | 14.77% | | 7.39% | |

(1) Report prepared in accordance with *Texas Education Code* Sec. 51.0032.

(2) On March 1, 2001, the Permanent Health Fund (PHF) and Long Term Fund (LTF) purchased units in the newly created General Endowment Fund (GEF). The initial number of units was based on the PHF's and LTF's contribution of its net values as of February 28, 2001.

(3) The GEF allocates its net investment income and realized gain (loss) to its unit holders based on their ownership of GEF units at month end. The allocated amounts are reinvested as GEF contributions. The allocation is proportional to the percentage of ownership by the unit holders, and therefore, no additional units are purchased.

II. GENERAL ENDOWMENT FUND (continued)

b.) Unit Holders' Summary Investment Report at November 30, 2004 (1)

(\$ millions)

| | <u>FY03-04</u> <u>Full Year</u> | <u>FY04-05</u> <u>1st Qtr</u> |
|------------------------------|------------------------------------|----------------------------------|
| <u>PERMANENT HEALTH FUND</u> | | |
| Beginning Net Assets | 745.0 | 814.4 |
| Investment Return | 108.6 | 60.1 |
| Expenses | (0.7) | (0.2) |
| Distributions (Payout) | <u>(38.5)</u> | <u>(9.6)</u> |
| Ending Net Assets | 814.4 | 864.7 |
| Net Asset Value per Unit (2) | 0.993200 | 1.054513 |
| No. of Units (End of Period) | 820,000,000 | 820,000,000 |
| Distribution Rate per Unit | 0.04700 | 0.01175 |
| Total Net Investment Return | 14.60% | 7.36% |
| <u>LONG TERM FUND</u> | | |
| Beginning Net Assets | 2,839.8 | 3,393.3 |
| Net Contributions | 276.5 | 37.7 |
| Investment Return | 441.1 | 253.1 |
| Expenses | (6.1) | (3.7) |
| Distributions (Payout) | <u>(158.0)</u> | <u>(41.4)</u> |
| Ending Net Assets | 3,393.3 | 3,639.0 |
| Net Asset Value per Unit (2) | 5.585 | 5.923 |
| No. of Units (End of Period) | 607,622,749 | 614,379,162 |
| Distribution Rate per Unit | 0.264500 | 0.067425 |
| Total Net Investment Return | 14.59% | 7.36% |

(1) The Permanent Health Fund (PHF) and Long Term Fund (LTF) are internal mutual funds for the pooled investment of endowment funds. The PHF is comprised of endowments for health-related institutions of higher education and the LTF is comprised of privately raised endowments and other long-term funds of U.T. System components.

(2) The asset allocation of the PHF and LTF is representative of the asset allocation for the GEF. A nominal amount of cash is held in PHF and LTF to pay expenses incurred separately by these funds.

II. GENERAL ENDOWMENT FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the three months ended November 30, 2004

| | Asset Allocation | Endowment Neutral Policy Portfolio | Actual Net Investment Return | Endowment Neutral Policy Portfolio Return (1) | Benchmark |
|------------------------------------|------------------|------------------------------------|------------------------------|---|--|
| Cash and Cash Equivalents | 0.1% | 0.0% | 0.41% | 0.39% | 90 Day T-Bills Average Yield |
| U.S. Equities | 26.9% | 25.0% | 9.21% | 8.45% | 80% Russell 3000 Index plus 20% Dow Jones Wilshire Real Estate Securities Index |
| Global Equities | 21.3% | 17.0% | 11.90% | 14.22% | Morgan Stanley Capital International - All Country World Free ex U.S. |
| Equity Hedge Funds | 8.3% | 10.0% | 3.65% | 1.40% | 90 Day T-Bills Average Yield plus 4% |
| Absolute Return Hedge Funds | 14.0% | 15.0% | 5.06% | 1.15% | 90 Day T-Bills Average Yield plus 3% |
| Commodities | 5.1% | 3.0% | 10.31% | 11.34% | Goldman Sachs Commodity Index minus 100 basis points |
| Fixed Income | 14.6% | 15.0% | 2.56% | 0.52% | 66.7% Lehman Brothers Aggregate Bond Index plus 33.3% Lehman Brothers US Index Treasury Inflation Protected Securities |
| Total Marketable Securities | 90.3% | 85.0% | 7.54% | 6.14% | |
| Private Capital | 9.7% | 15.0% | 6.01% | 2.40% | Venture Economics' Periodic IRR Index |
| Total | 100.0% | 100.0% | 7.39% | 5.58% | |

(1) The benchmark return for the endowment neutral policy portfolio is calculated by summing the neutrally weighted index return (% weight for the asset class multiplied by the benchmark return for the asset class) for the various asset classes in the endowment portfolio for the period reported.

III. SHORT INTERMEDIATE TERM FUND (1)

Summary Investment Report at November 30, 2004

(\$ millions)

| | <u>FY03-04</u> <u>Full Year</u> | <u>FY04-05</u> <u>1st Qtr</u> |
|---------------------------------|------------------------------------|----------------------------------|
| Beginning Net Assets | 1,435.3 | 1,178.0 |
| Net Contributions (Withdrawals) | (261.3) | 22.8 |
| Investment Return | 33.2 | 4.3 |
| Expenses | (0.6) | (0.2) |
| Distributions of Income | <u>(28.6)</u> | <u>(5.9)</u> |
| Ending Net Assets | 1,178.0 | 1,199.0 |
| Net Asset Value per Unit | 9.927 | 9.911 |
| No. of Units (End of Period) | 118,671,708 | 120,971,065 |
| Total Net Investment Return | 2.49% | 0.34% |

(1) Report prepared in accordance with *Texas Education Code* Sec. 51.0032.

IV. SEPARATELY INVESTED ASSETS

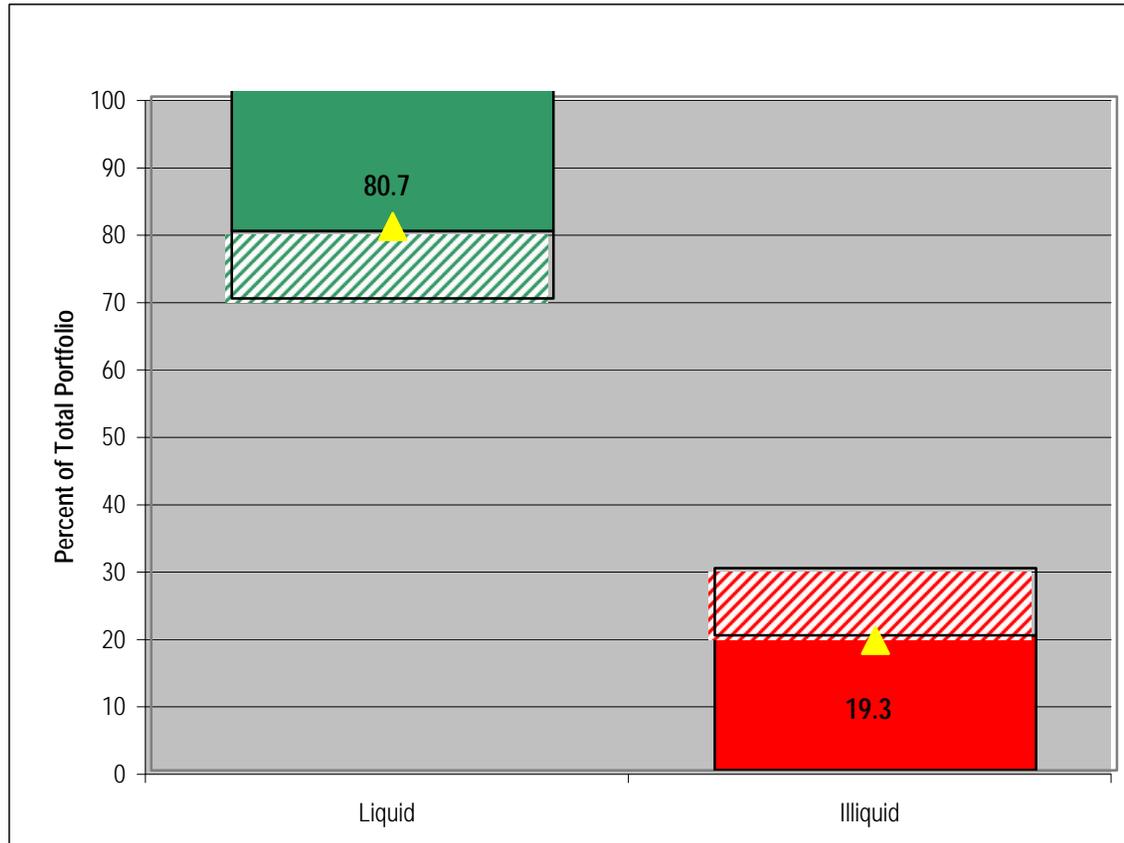
Summary Investment Report at November 30, 2004

(\$ thousands)

| ASSET TYPES | FUND TYPE | | | | | | | | | | | | | |
|--------------------------------|-----------------|---------------|-------------|---------------|---------------------------|---------------|-----------------------------|---------------|--------------|---------------|-----------------|---------------|-------------|---------------|
| | CURRENT PURPOSE | | | | ENDOWMENT & SIMILAR FUNDS | | ANNUITY & LIFE INCOME FUNDS | | AGENCY FUNDS | | OPERATING FUNDS | | TOTAL | |
| | DESIGNATED | | RESTRICTED | | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET | BOOK | MARKET |
| Cash & Equivalents: | <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 08/31/04 | 3,046 | 3,046 | 5,924 | 5,924 | 73,824 | 73,824 | 539 | 539 | - | - | 2,210,400 | 2,210,400 | 2,293,733 | 2,293,733 |
| Increase/(Decrease) | 1,165 | 1,165 | (3,665) | (3,665) | (16,807) | (16,807) | 22 | 22 | - | - | 244,405 | 244,405 | 225,120 | 225,120 |
| Ending value 11/30/04 | 4,211 | 4,211 | 2,259 | 2,259 | 57,017 | 57,017 | 561 | 561 | - | - | 2,454,805 | 2,454,805 | 2,518,853 | 2,518,853 |
| Debt Securities: | | | | | | | | | | | | | | |
| Beginning value 08/31/04 | - | - | 263 | 207 | 39,050 | 39,904 | 15,232 | 16,005 | - | - | - | - | 54,545 | 56,116 |
| Increase/(Decrease) | - | - | - | (1) | 1,060 | 454 | 94 | 78 | - | - | - | - | 1,154 | 531 |
| Ending value 11/30/04 | - | - | 263 | 206 | 40,110 | 40,358 | 15,326 | 16,083 | - | - | - | - | 55,699 | 56,647 |
| Equity Securities: | | | | | | | | | | | | | | |
| Beginning value 08/31/04 | 46 | 8,608 | 1,907 | 1,296 | 39,159 | 40,813 | 20,841 | 21,360 | - | - | 286,322 | 252,958 | 348,275 | 325,035 |
| Increase/(Decrease) | - | 492 | 49 | 302 | 401 | 3,716 | (21) | 1,921 | - | - | (113,029) | (114,167) | (112,600) | (107,736) |
| Ending value 11/30/04 | 46 | 9,100 | 1,956 | 1,598 | 39,560 | 44,529 | 20,820 | 23,281 | - | - | 173,293 | 138,791 | 235,675 | 217,299 |
| Other: | | | | | | | | | | | | | | |
| Beginning value 08/31/04 | 15,000 | 15,000 | 1,002 | 1,002 | 3 | 3 | 190 | 63 | - | - | - | - | 16,195 | 16,068 |
| Increase/(Decrease) | (15,000) | (15,000) | (978) | (978) | 6 | 6 | 12 | 1 | - | - | - | - | (15,960) | (15,971) |
| Ending value 11/30/04 | - | - | 24 | 24 | 9 | 9 | 202 | 64 | - | - | - | - | 235 | 97 |

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

PUF and GEF Combined Liquidity Profile November 30, 2004



The green bar indicates the Policy range for investments categorized as “liquid”. The red bar indicates the Policy range for investments categorized as “illiquid”. The shaded sections of the green and red bars indicate trigger zones requiring special action by the UTIMCO Board or the Liquidity Committee. For example, the allowable range for illiquid investments is 0% to 30% of the total portfolio. However, any illiquid investments made in the 20% to 30% trigger zone requires prior approval by the Liquidity Committee or the UTIMCO Board.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 51 - 54).--In the absence of Committee Chairman Krier, Regent Craven 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. 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. Board of Regents.

1. U. T. Austin: Elementary Charter School Permanent Facility - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to include project

The Board amended the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to include the Elementary Charter School Permanent Facility project at The University of Texas at Austin at a preliminary project cost of \$4,500,000 with funding from Gifts.

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: July 2007

Total Project Cost: Source
Gifts \$4,500,000

The project will provide a permanent structure on the Elementary Charter School property at 2200 East Sixth Street, Austin, Texas, to house administrative and shared use functions including office space, a multipurpose room (cafeteria/assembly), a kitchen, a library, a gymnasium, and a storage area.

The University of Texas Elementary Charter School opened in August 2003 in modular buildings to provide pre-kindergarten, kindergarten, and first grade classrooms, as well as common use and administrative support space. Additional modular facilities were installed in 2004 to provide second grade classrooms, a library, and special education space. Plans are currently under way to provide additional modular space for third grade classrooms.

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

2. U. T. Dallas: Authorization to establish Master of Science and Doctor of Philosophy degree programs in Materials Science and Engineering

The Board

- a. established a Master of Science (M.S.) degree and a Doctor of Philosophy (Ph.D.) degree in Materials Science and Engineering at The University of Texas at Dallas;
- b. authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action; and
- c. authorized the Executive Vice Chancellor for Academic Affairs to certify on behalf of the U. T. Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

The interdisciplinary Materials Science and Engineering programs at U. T. Dallas will emphasize teaching and research in the following areas: 1) nanostructured materials; 2) electronic, optical, and magnetic materials; 3) biomimetic materials; 4) polymeric materials; 5) micro electro mechanical systems; 6) organic electronics; and 7) advanced processing and characterization of modern materials. The degree programs will be administered by the Erik Jonsson School of Engineering and Computer Science and will utilize faculty, proven courses, and facilities of both the Jonsson School and the School of Natural Sciences and Mathematics. The model is similar to the Materials Science program at U. T. Austin and, like that program, the degree programs will draw upon current centers of excellence in biology, chemistry, electrical engineering, nanoscience, and physics.

A minimum of 60 semester credit hours beyond the master's will be required for the Ph.D. degree. The M.S. degree will require 33 semester credit hours and will be available to students who do not complete the Ph.D., but who have completed specified coursework to qualify for the master's degree. Implementation of the degrees is anticipated during the 2005-2006 academic year.

Twenty current faculty members will participate as affiliated faculty in the delivery of the new graduate programs. Three new full-time equivalent faculty members are projected to be added during years two and three. Fourteen new, organized courses will be added and phased into the offerings over the first five years.

Materials Science and Engineering is a significant part of the growth of graduate scientific research at U. T. Dallas. In August 2003, the State of Texas committed \$50 million in State of Texas Economic Development funds for U. T. Dallas as part of a government-university-industry project to place

the next Texas Instruments manufacturing plant in Richardson, Texas. This proposal to offer M.S. and Ph.D. degrees in Materials Science and Engineering is part of this economic development plan, and graduates are expected to play a key role in the economic competitiveness of not only the Texas Instruments facility, but also in the Dallas/Fort Worth region, in the State of Texas, and the nation. In particular, the field of Materials Science and Engineering has been encouraged in recent reports from important external experts such as the Washington Advisory Group.

Estimated expenditures for the first five years of the programs are \$1,520,925. This includes new costs of \$990,125 for faculty salaries, \$270,816 for administration, \$194,988 for clerical staff, and \$64,996 for supplies and materials.

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

3. U. T. Pan American: Authorization to purchase the real property and improvements located at 2402 South U.S. Highway 281, Edinburg, Hidalgo County, Texas

On behalf of The University of Texas - Pan American, the Board

- a. authorized the purchase of real property and improvements located at 2402 South U.S. Highway 281, Edinburg, Hidalgo County, Texas, at a price not to exceed the fair market value as determined by independent appraisals, 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;
- b. authorized submission of the acquisition to the Texas Higher Education Coordinating Board for approval, if necessary; and
- c. authorized the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing actions.

The property, consisting of approximately 0.69 acres with a 3,721 square foot former McDonald's restaurant and 25 paved parking spaces, is adjacent to

the U. T. Pan American Annex, a 70,000 square foot facility on the south side of the City of Edinburg, Texas, that houses varied programs, computerized testing rooms, and the institution's high school to university services function.

The site and facility will be used to house a U. T. Pan American Go Center, an initiative of the Texas Higher Education Coordinating Board, to assist high school students through the process of applying for admission to an institution of higher education.

The transaction will be a bargain sale, with McDonald's Corporation making a gift of a portion of the purchase price of \$100,000. The remaining portion will be funded with Unexpended Physical Plant Reserves. Additionally, McDonald's Corporation will give U. T. Pan American a credit at closing of a portion of the purchase price as a donation to the Go Center.

4. U. T. Tyler: Appointment of Dr. James H. Stewart, Jr., as President Emeritus

In recognition of his service as founding president, the Board appointed Dr. James H. Stewart, Jr., as President Emeritus at The University of Texas at Tyler in accordance with the Regents' *Rules and Regulations*, Series 20301, relating to honorary titles.

Dr. Stewart served as President of U. T. Tyler and its predecessors, Tyler State College and Texas Eastern University, from 1972-1981. He earned bachelor's, master's, and doctoral degrees from the University of North Texas.

Dr. Stewart became president of Tyler State College on September 1, 1972, and, as the first employee, began the challenging task of developing the only public degree-granting institution of higher education in the 14-county East Texas Planning Region. He served 45 years in higher education and public education before retiring in 1999.

REPORT AND RECOMMENDATION OF THE HEALTH AFFAIRS COMMITTEE
(Page 55).--Committee Chairman Clements acknowledged the 100th anniversary of The University of Texas Dental Branch at Houston in 2005 and congratulated President Willerson and the students, faculty, and staff.

Committee Chairman Clements reported that the Health Affairs Committee met in open session to consider the matter on its agenda and to formulate a recommendation for the U. T. Board of Regents. Unless otherwise indicated, the action set forth in the Minute Order that follows was recommended by the Health Affairs Committee and approved in open session by the U. T. Board of Regents:

U. T. System: Appointment of Charles B. Mullins, M.D., as Executive Vice Chancellor for Health Affairs Emeritus

Charles B. Mullins, M.D., was appointed Executive Vice Chancellor for Health Affairs Emeritus at The University of Texas System Administration in recognition of his 39 years of service to the U. T. System, The University of Texas Southwestern Medical Center at Dallas, and the State of Texas in accordance with the Regents' *Rules and Regulations*, Series 20301, relating to honorary titles.

Dr. Mullins obtained his bachelor's degree from North Texas State University and a medical degree from The University of Texas Southwestern Medical School and was a flight surgeon in the United States Air Force. Dr. Mullins performed his residency in internal medicine and his fellowship in cardiology at Parkland Memorial Hospital in Dallas, and in 1966 began his academic career at U. T. Southwestern Medical School, rising to the rank of Professor of Medicine. From 1977-1979, he was Associate Dean for Clinical Affairs and Director of Medical Affairs at Parkland Memorial Hospital, and from 1979-1981, he was Chief Executive Officer of Parkland Hospital and the Dallas County Hospital District.

On September 1, 1981, Dr. Mullins was named Executive Vice Chancellor for Health Affairs of the U. T. System and served in this capacity until August 31, 2001. On January 31, 2005, Dr. Mullins retired from U. T. Southwestern Medical Center - Dallas, culminating a distinguished medical career as a researcher, teacher, cardiologist, and administrator. Upon his retirement, Dr. Mullins was appointed Professor Emeritus of Internal Medicine and Ashbel Smith Professor Emeritus. (See Item 1 on Page 38 of the Finance and Planning Committee for approval of the Ashbel Smith Professorship Emeritus via the Docket.)

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 56 - 64).--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 U. T. 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. Board of Regents:

1. U. T. Arlington: Deferred Maintenance/Capital Renewal Projects - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approve transfer of funds; and reduce total project cost for the Brick Repairs - Pickard Hall and College of Business Administration

The Board approved the recommendations for the Deferred Maintenance/ Capital Renewal Projects at The University of Texas at Arlington as follows:

Project Number: 301-168
Architecturally or Historically Significant: Yes No
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: August 2006

| | | | |
|--|---|---------------|----------------|
| Total Project Cost: Deferred Maintenance/Capital Renewal Projects | <u>Source</u> | <u>Former</u> | <u>Current</u> |
| | Permanent University Fund Bond Proceeds | \$2,119,134 | \$2,229,976 |

| | | | |
|--|---|---------------|----------------|
| Total Project Cost: Brick Repairs – Pickard Hall and COBA | <u>Source</u> | <u>Former</u> | <u>Current</u> |
| | Permanent University Fund Bond Proceeds | \$8,057,599 | \$7,946,757 |

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost by \$110,842
- b. approve the transfer of Permanent University Fund Bond Proceeds in the amount of \$110,842 from the Brick Repairs - Pickard Hall and College of Business Administration (COBA) project; and
- c. reduce the total project cost for the Brick Repairs - Pickard Hall and COBA.

Previous Board Actions

Deferred Maintenance/Capital Renewal Projects: On May 8, 2003, the project was included in the CIP with a preliminary project cost of \$1,405,354 with funding from Permanent University Fund (PUF) Bond Proceeds. On February 4, 2004, the total project cost was increased to \$2,119,134 with funding from the PUF.

Brick Repairs - Pickard Hall and COBA: On February 10, 2000, the project was included in the CIP with a preliminary project cost of \$12,500,000 with funding from the PUF. On September 14, 2000, the Chancellor approved the design development and increasing the total project cost to \$13,068,800 with additional funding of \$568,800 from Tuition Revenue Bond Proceeds. On May 8, 2002, the total project cost was reduced to \$9,462,953. On May 8, 2003, the total project cost was reduced to \$8,057,599.

Project Description

U. T. Arlington is requesting the transfer of the remaining \$110,842 of PUF from the Brick Repairs - Pickard Hall and COBA project that has been completed to the Deferred Maintenance/Capital Renewal Projects. The additional funds will be used to address additional fire and life safety issues.

The Deferred Maintenance/Capital Renewal Projects address exterior masonry repairs to University Hall, chiller replacements at the Automation and Robotics Research Institute (ARRI) (Fort Worth Riverbend Campus), and elevator renewals and replacements.

2. U. T. Dallas: Center for BrainHealth - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost and approval to revise funding sources

The Board approved the recommendations for the Center for BrainHealth project at The University of Texas at Dallas as follows:

Project Number: 302-193
Architecturally or Historically Significant: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: January 2007

| | | | |
|----------------------------|---|---------------|----------------|
| Total Project Cost: | <u>Source</u> | <u>Former</u> | <u>Current</u> |
| | Gifts | \$5,000,000 | \$ 6,000,000 |
| | Revenue Financing System Bond Proceeds | | \$ 4,000,000 |
| | Permanent University Fund Bond Proceeds | | \$ 1,000,000 |
| | | | \$11,000,000 |

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost; and
- b. revise the funding sources.

Previous Board Action

On November 13, 2003, the project was included in the CIP with a preliminary project cost of \$5,000,000 with funding from Gifts.

Project Description

U. T. Dallas received a \$5,000,000 gift from a private donor to support the acquisition of a building to house the Center for BrainHealth. The purchase of the building in the amount of \$3,200,000 was completed in July 2004. The remaining funding of \$1,800,000 from Gifts will be used for renovation.

Additionally, the total project cost will be increased from \$5,000,000 to \$11,000,000. The renovation work to the building, which contains 45,500 gross square feet, will provide office and laboratory space for 50 research projects and remediation of environmental issues.

The additional funding of \$1,000,000 from Permanent University Fund Bond Proceeds (Library, Equipment, Repair and Rehabilitation) is associated with Project Emmitt, a \$3 billion, five-year program for research, development, and manufacturing.

- 3. U. T. El Paso: Biosciences Facility - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approval to revise funding source; and appropriation of funds and authorization of expenditure

The Board approved the recommendations for the Biosciences Facility project at The University of Texas at El Paso as follows:

Project Number: 201-114
Architecturally or Historically Significant: Yes No
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: April 2006

| Total Project Cost: | <u>Source</u> | <u>Former</u> | <u>Current</u> |
|----------------------------|---|---------------------|---------------------|
| | Tuition Revenue Bond Proceeds | \$12,750,000 | \$12,750,000 |
| | Permanent University Fund Bond Proceeds | \$ 8,500,000 | \$ 8,500,000 |
| | Revenue Financing System Bond Proceeds | <u>\$ 5,750,000</u> | <u>\$ 5,750,000</u> |
| | National Institutes of Health Grant | | <u>\$ 3,500,000</u> |
| | | \$27,000,000 | \$30,500,000 |

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost;
- b. revise the funding source; and
- c. appropriate funds and authorize expenditure of funds.

Previous Board Actions

On November 8, 2001, the project was included in the CIP with a preliminary project cost of \$19,250,000 with funding of \$12,750,000 from Tuition Revenue Bond Proceeds and \$6,500,000 from Permanent University Fund Bond Proceeds. On May 8, 2002, the Board approved increasing the total project cost to \$25,000,000 with additional funding of \$5,750,000 from Revenue Financing System Bond Proceeds. On August 8, 2002, the Board approved design development plans. On May 8, 2003, the Board approved increasing the total project cost to \$27,000,000 with additional funding of \$2,000,000 from Permanent University Fund Bond Proceeds.

Project Description

Funding of \$3,500,000 from the National Institutes of Health will be used to complete of additional research space in areas of the building that were scheduled to be shelled. The facility is a new, five-story building of approximately 84,000 gross square feet and includes site development and extension of site utilities.

4. U. T. San Antonio: Recreation and Athletic Facilities - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to decrease total project cost; authorization of institutional management; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Board approved the recommendations for the Recreation and Athletic Facilities project at The University of Texas at San Antonio as follows:

Project Number: 401-210

Architecturally or Historically Significant: Yes No

Institutionally Managed: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2006

| | | | |
|----------------------------|--|---------------------|----------------|
| Total Project Cost: | <u>Source</u> | <u>Former</u> | <u>Current</u> |
| | Revenue Financing System Bond Proceeds | \$12,000,000 | \$1,900,000 |
| | Gifts | \$ 3,000,000 | |
| | Unexpended Plant Funds | \$ 1,500,000 | |
| | Grants | <u>\$ 1,500,000</u> | |
| | | \$18,000,000 | |

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to decrease the total project cost;
- b. authorize U. T. San Antonio 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. Board of Regents relating to the Financing System; and

- U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$1,900,000.

Debt Service

The \$1,900,000 debt service in Revenue Financing System debt will be repaid from net operating revenues of recreation sports. Total annual debt service on the project is estimated at \$158,991. Overall debt service coverage for recreation sports is expected to average 1.59 times from FY 2005 through 2010.

Previous Board Action

On May 13, 2004, the project was included in the CIP with a preliminary project cost of \$18,000,000 with funding of \$12,000,000 from Revenue Financing System Bond Proceeds, \$3,000,000 from Gifts, \$1,500,000 from Unexpended Plant Funds, and \$1,500,000 from Grants.

Project Description

U. T. San Antonio will institutionally manage a reduced project scope to construct three additional intramural fields and support facilities to include utilities, lighting, accessible pedestrian walkways, and landscaping. The balance of the project will be added as a new project in the future.

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

5. U. T. Austin: Honorific naming of the field laboratory building at the Stengl "Lost Pines" Biological Station in Bastrop, Texas, as the Lorraine F. Wyer Residential Laboratory

The Board approved naming the field laboratory building at the Stengl "Lost Pines" Biological Station in Bastrop, Texas, at The University of Texas at Austin as the Lorraine F. Wyer Residential Laboratory.

The U. T. Austin College of Natural Sciences operates a biological field station in Bastrop, Texas. In 1992, Dr. Lorraine I. "Casey" Stengl, a physician and U. T. Austin graduate, donated the land for the 208-acre Stengl "Lost Pines" Biological Station. Dr. Stengl recently donated \$300,000 for the construction of a 1,300 square foot greenhouse and an approximately

1,500 square foot custom field laboratory building that provides teaching and research space, as well as overnight accommodations for biological sciences students and researchers. The field laboratory building opened on October 1, 2004.

In honor of her longtime friend and colleague, Dr. Lorraine F. Wyer, Dr. Stengl requested naming of the field laboratory building as the Lorraine F. Wyer Residential Laboratory.

Dr. Stengl created three endowments that benefit the College of Natural Sciences: the Stengl-Wyer Endowment, the Lorraine I. Stengl Endowment Fund, and the Zoology Scholarship Endowment for Excellence. She has also contributed to other endowments at U. T. Austin.

6. U. T. Permian Basin: Honorific naming of the Falcon's Nest housing as The A. C. and Melba Bassett Falcon's Nest

To recognize the contributions of Mr. A. C. "Johnny" and Melba Bassett, the Board approved the Falcon's Nest housing naming at The University of Texas of the Permian Basin as The A. C. and Melba Bassett Falcon's Nest.

The three-section complex, built in 1996 by The Bassett Construction Company, was the first apartment-style student housing complex constructed on the campus.

Mr. Johnny Bassett was responsible for spearheading an affordable housing project in Odessa after World War II, making it possible for hundreds of families to realize the dream of owning their own homes. Mr. Bassett supported and helped establish The College Fund of Ector County Scholarship Foundation, proceeds from which will establish a \$220,000 endowed scholarship in the names of A. C. "Johnny" and Melba Bassett.

7. U. T. M. D. Anderson Cancer Center: Authorization to rename pediatric services as The Children's Cancer Hospital at The University of Texas M. D. Anderson Cancer Center

Committee Chairman Barnhill stated a revised agenda item was on yellow paper as approved by the Facilities Planning and Construction Committee yesterday (February 9).

In accordance therewith, the Board approved renaming the pediatric services at The University of Texas M. D. Anderson Cancer Center as The Children's Cancer Hospital at The University of Texas M. D. Anderson Cancer Center.

U. T. M. D. Anderson Cancer Center has long been recognized for its superior cancer treatment and research. However, market research conducted by outside experts identifies a perception among consumers that U. T. M. D. Anderson Cancer Center is designed primarily for adult cancer treatment.

No other pediatric oncology inpatient care facility in Texas offers children access to the quality and depth of pediatric oncological expertise as does U. T. M. D. Anderson Cancer Center. To meet its mission to provide the best cancer care possible to patients of all ages, the institution determined it should designate its pediatric services as The Children's Cancer Hospital at The University of Texas M. D. Anderson Cancer Center, a designation that communicates to the world that U. T. M. D. Anderson Cancer Center has a specific pediatric inpatient facility and serves to better inform families of their choices in pediatric cancer care and of the specific resources focused on caring for children with cancer.

At U. T. M. D. Anderson Cancer Center, children are hospitalized in the 26-bed George E. Foreman Child and Adolescent inpatient unit located on the 9th floor of the Albert B. and Margaret M. Alkek Hospital. Children requiring intensive care are treated in the Level II Pediatric Intensive Care Unit (ICU) located on the 7th floor of the Alkek Hospital. All ambulatory care is provided in the Robin Bush Child and Adolescent Clinic located on the 7th floor of the R. Lee Clark Clinic Building.

The naming of pediatric services in this way will not require a separate billing number, a separate license, or a separate administrative structure. The Children's Cancer Hospital at The University of Texas M. D. Anderson Cancer Center will use the same pathology/laboratory, diagnostic, nutrition and pharmacy services at U. T. M. D. Anderson Cancer Center as well as the same patient business services, informatics and facilities support.

8. U. T. Health Science Center - Houston: Honorific naming of the building to house the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases as the Fayez S. Sarofim Research Building

The Board approved the naming of the building to house the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases at The University of Texas Health Science Center at Houston as the Fayez S. Sarofim Research Building.

Mr. Fayez S. Sarofim has been a longtime supporter of U. T. Health Science Center - Houston. He recently pledged \$25 million over 10 years to the institution for the New Frontiers Campaign. The first payment of \$2.5 million was accepted by the U. T. Board of Regents via the Docket on May 13, 2004.

The terms of the gift state that the funds shall be used to help develop a stem cell research center in the Institute of Molecular Medicine, including the recruitment and retention of a scientific leader for the center and their research operations. All stem cell research will be in accordance with applicable federal guidelines.

Mr. Sarofim is Chairman and President of Fayez Sarofim & Company, an investment firm he founded. He serves on the boards of Kinder Morgan, Unitrin Inc., and Argonaut Group, Inc.; is a limited partner in the Houston Texans pro football team and Brera Capital Partners; and in 1997, he was inducted into the Texas Business Hall of Fame. Mr. Sarofim's community involvement is also extensive. Mr. Sarofim's previous gifts to U. T. Health Science Center - Houston total \$13,200, including \$10,000 for internal medicine. He has also given \$190,000 to the Hermann Eye Fund to endow the Fayez Sarofim Distinguished Professorship in Ophthalmology.

RECESS TO EXECUTIVE SESSION.--At 12:30 p.m., Chairman Huffines announced the Board would recess to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE.--At 2:20 p.m., the Board reconvened in open session, and took the following action on matters discussed in Executive Session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

1. U. T. System: Consideration of individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents, U. T. System officers and employees

No action was taken related to general personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents or officers and employees of The University of Texas System.

(Discussion of this item was deferred from February 9, 2005.)

2. U. T. Dallas: Selection of Dr. David E. Daniel as President

Vice-Chairman Clements moved that Dr. David E. Daniel, currently Dean of Engineering and Professor of Civil Engineering at the University of Illinois at Urbana-Champaign, be selected President of The University of Texas at Dallas effective at a date and compensation, commensurate with the responsibilities of the office, to be negotiated in accordance with University of Texas System policies by Executive Vice Chancellor Sullivan, approved by Chancellor Yudof, and submitted to the Board for approval via the usual budgetary procedures.

Mrs. Clements further moved that the *Minutes* reflect that, by approval of this motion, the Board has made a finding that this appointment is in the best interest of U. T. Dallas, as required by State law.

The motions were seconded by Regent Barnhill and carried unanimously.

RECONVENE.--At 3:00 p.m., following a press conference with President-Elect Daniel, the Board reconvened as a committee of the whole for a report remaining on the agenda.

SPECIAL REPORT

U. T. Austin: [Report of the Commission of 125](#)

Mr. Kenneth M. Jastrow, II, Chairman of the Commission and Chairman and Chief Executive Officer of Temple-Inland, Austin, Texas, gave a PowerPoint presentation on the Commission of 125, a group of citizens convened to express a vision of how The University of Texas at Austin can best serve Texas and the larger society during the next 25 years. The Commission was proposed during the 2001-2002 academic year, 125 years after the Constitution of 1876 mandated that Texas establish "a university of the first class". In the spirit of that mandate, the group was named the Commission of 125, following the process begun in 1958 on the 75th anniversary of the University to convene a group of 75 individuals to provide a citizen's view of how the University could best serve the people of Texas in the generations ahead. In the 1980s, a Centennial Commission composed of 100 individuals was also convened for the same purpose.

President Faulkner introduced other members of the Commission in attendance and Chairman Huffines acknowledged the contributions of all members of the Commission including Regent Barnhill and many former members of the Board of Regents.

Mr. Jastrow commented that under the presidencies of Dr. Logan Wilson, Dr. Peter T. Flawn, and Dr. Larry R. Faulkner, the Committee of 75, the Centennial Commission, and the Commission of 125, respectively, have done their work. Mr. Jastrow recognized Mr. Geoffrey M. Leavenworth, Special Assistant to the President and Executive Director of the Commission of 125, and Ms. Christine W. Marcin, Executive Assistant in the President's Office, U. T. Austin, for their background work with the Commission.

Mr. Jastrow described the process used to develop the Commission's recommendations. The process included the substantial exchange of ideas and learning about The University of Texas from the 218 members by a committee process. The Commission was divided into 8 committees composed of 24-25 members and an Executive Committee composed of the 8 Chairmen of the Standing Committees and 16 additional people for a total of 24.

The Committees prepared 21 recommendations that the Executive Committee used to develop a mission statement, a vision, and a single imperative to move the University forward over the next 25 years for the

creation of a disciplined culture of excellence that resulted in the following two strategic initiatives that became the focus of the Commission's Report:

1. Develop a new undergraduate core curriculum to better prepare students for lives of accomplishment; and
2. Establish a more demanding standard for leadership of academic departments and research centers, and give those leaders the authority and resources to succeed.

Mr. Jastrow said the last time The University of Texas defined its core curriculum was in the early 1980s and the Commission felt strongly the curriculum be examined since there have been many changes in the last 20 years. Regarding the second initiative, Mr. Jastrow said it is somewhat leading edge to discuss the recommendations to change the governance at The University of Texas but it is something to suggest that the college department chairs and research center chairs have significant authority, have longer tenure in terms of their time as department chair, and be held accountable for success.

Mr. Jastrow said 16 operational recommendations that supported the two strategic initiatives came from the 21 recommendations that were made to the Commission, and implementation is underway. In an effort to monitor the progress of The University against the recommendations, President Faulkner has been requested to present to the Commission every six months in writing and annually over the next five years, a report of how The University is doing relative to the recommendations made.

Mr. Jastrow remarked that each Regent would receive a copy of the Commission's report titled *A Disciplined Culture of Excellence - Report of the Commission of 125* and a photograph of the Tower lit up in the "125," which is the first time there have been three symbols on the Tower. He concluded by saying the Commission has set a high bar and believes The University has not only the opportunity to be in the nation's top five public institutions, but indeed the obligation to be the top university on the public scale. Mr. Jastrow asked the Board to consider the Commission's final recommendation that as a statement and signature that this University can achieve and aspire to be the best, the name of The University be considered by returning the name to "its constitutional mandate, The University of Texas, and dropping 'at Austin'."

On behalf of members of the Board, Chairman Huffines congratulated Mr. Jastrow and members of the Commission for their work. President Faulkner confirmed progress is being made on implementing the initiatives. A Curriculum Committee has been set up, chaired by Dean William C. Powers, Jr., and discussions are being held on departmental governance.

SCHEDULED MEETINGS.--The next scheduled meeting will be held on March 10, 2005, in Austin.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 3:25 p.m.

/s/ Francie A. Frederick
Counsel and Secretary to the Board

May 11, 2005

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
DOCKET NO. 120**

January 28, 2005

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Woody L. Hunt, Chairman
John W. Barnhill, Jr.
H. Scott Caven, Jr.
Cyndi Taylor Krier
Robert B. Rowling

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. Board of Regents on February 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 Interim 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 - 3 |
| The University of Texas at Arlington | Docket 4 - 8 |
| The University of Texas at Austin | Docket 9 - 15 |
| The University of Texas at Dallas | Docket 16 - 17 |
| The University of Texas at El Paso | Docket 18 - 22 |
| The University of Texas - Pan American | Docket 23 - 24 |
| The University of Texas at San Antonio | Docket 25 - 27 |
| The University of Texas at Tyler | Docket 28 - 30 |
| The University of Texas Southwestern Medical Center at Dallas | Docket 31 - 39 |
| The University of Texas Medical Branch at Galveston | Docket 40 - 45 |
| The University of Texas Health Science Center at Houston | Docket 46 - 49 |
| The University of Texas Health Science Center at San Antonio | Docket 50 - 52 |
| The University of Texas M. D. Anderson Cancer Center | Docket 53 - 62 |
| The University of Texas Health Center at Tyler | Docket 63 |



Mark G. Yudof
Chancellor

xc: Other Members of
the Board

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U. T. SYSTEM ADMINISTRATION

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Student Resources, a division of Mega Life Insurance Company, St. Petersburg, Florida
- Funds: Approximately \$13,000,000 annually, based upon September 1, 2003 enrollment and using proposed September 1, 2005 rates
- Period: September 1, 2005 through August 31, 2008
- Description: Student Resources, a division of Mega Life Insurance Company, St. Petersburg, Florida, will provide the U. T. System fully insured Student Health Insurance for benefits eligible students, fellows/visiting scholars, and their dependents. The vendor was selected from six respondents following a competitive bid process:
- Academic Health Plans, on behalf of Nationwide Life Insurance Company, Colleyville, Texas;
 - Academic Health Plans, on behalf of UniCare Life and Health Insurance Company, Colleyville, Texas;
 - Associated Insurance Plans International Incorporated, on behalf of UniCare Life and Health Insurance Company, Prospect Heights, Illinois;
 - The Chickering Group, a wholly owned independent subsidiary of Aetna, Cambridge, Maine;
 - Macori, Incorporated, on behalf of UniCare Life and Health Insurance Plans, Spring, Texas; and
 - Student Resources, a division of Mega Life and Health Insurance Company, St. Petersburg, Florida.

REAL ESTATE REPORT

THE UNIVERSITY OF TEXAS SYSTEM REAL ESTATE ASSETS

Managed by U. T. System Real Estate Office

Summary Report at November 30, 2004

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 8/31/04 | \$ 5,355,012 | \$ 23,148,538 | \$ 24,744,921 | \$ 203,234,154 | \$ 673,644 | \$ 598,515 | \$ 30,773,578 | \$ 226,981,207 |
| Increase or Decrease | (1,249,378) | (845,208) | 82,623,681 | 359,713 | - | - | 81,374,304 | (485,495) |
| Ending Value 11/3/004 | \$ 4,105,635 | \$ 22,303,330 | \$ 107,368,602 | \$ 203,593,867 | \$ 673,644 | \$ 598,515 | \$ 112,147,882 | \$ 226,495,712 |
| Other Real Estate: | | | | | | | | |
| Ending Value 8/31/04 | \$ 131,255 | \$ 131,255 | \$ 329,376 | \$ 329,376 | \$ - | \$ - | \$ 460,631 | \$ 460,631 |
| Increase or Decrease | (950) | (950) | (8,482) | (8,482) | - | - | (9,432) | (9,432) |
| Ending Value 11/30/04 | \$ 130,305 | \$ 130,305 | \$ 320,894 | \$ 320,894 | \$ - | \$ - | \$ 451,199 | \$ 451,199 |

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

Details of individual assets by account furnished on request.

OTHER FISCAL ITEMS

SETTLEMENT OF INSURANCE POLICIES

The following insurance settlement summary has been approved by the Executive Vice Chancellor for Business Affairs and is recommended for approval by the U. T. Board of Regents.

1. Insured: The University of Texas at Arlington
Insurer: The University of Texas System
Comprehensive Property Protection Plan
Location: U. T. Arlington Central Utility Plant
Type of Loss: On October 24, 2003, U. T. Arlington experienced a major fire at its Central Utility Plant. The fire began when a contractor cutting metal at the site created a spark that ignited fumes produced by an adhesive.
Net Amount Claimed: U. T. System's property claim adjuster investigated the loss and determined the insured value of the loss to be \$2,031,900. At the time of the loss, this building was insured under the self-insurance portion of the U. T. System Comprehensive Property Protection Plan (CPPP). The Office of Risk Management, the Controller, the Executive Vice Chancellor for Business Affairs, and the Chief Business Officer at U. T. Arlington recommend the claim be settled for \$1,781,900. This represents the total insured loss amount of \$2,031,900 less the applicable institutional deductible of \$250,000. Since it appears the fire was ignited as a result of contractor negligence, U. T. System has initiated a liability claim against the General Contractor on this project. The Office of Risk Management will work in conjunction with the Office of General Counsel and U. T. Arlington to maximize recovery to both the CPPP Fund and U. T. Arlington for expenses associated with this loss.

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. 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 | | | | | |
| Electrical Engineering | | | | | |
| 1. Ronald L. Carter (T) | | | | | 300 |
| From: Professor | | 100 | 09 | 92,840 | |
| To: Professor and Associate Chair | 9/1-5/31 9/1-5/31 | 100 SUPLT | 09 09 | 92,840 3,600 | |
| 2. Kai S. Yeung (T) | | | | | 318 |
| From: Professor and Associate Chair | | 100 | 09 | 78,600 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 78,600 | |
| Mechanical and Aerospace Engineering | | | | | |
| 3. Wen S. Chan (T) | | | | | 323 |
| From: Professor and Acting Chair | | 100 SUPLT SUPLT | 09 09 09 | 90,000 7,500 4,000 | |
| To: Professor | 9/16-5/31 9/16-5/31 | 100 SUPLT | 09 09 | 90,000 4,000 | |

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> | |
| COLLEGE OF ENGINEERING (Continued) | | | | | |
| Mechanical and Aerospace Engineering Professor and Chair | | | | | |
| 4. J. Craig Dutton (T) | 9/1-5/31 | 100 | 09 | 158,000 | 328 |
| | 9/16-5/31 | SUPLT | 8.5 | 7,083 | |
| | 9/16-5/31 | SUPLT | 8.5 | 4,722 | |
| 5. Roger D. Goolsby (T) | | | | | 330 |
| From: Professor | | 100 | 09 | 84,227 | |
| To: Professor and Acting Chair, Material Science and Engineering | 9/1-5/31 | 100 | 09 | 84,227 | |
| | 9/1-1/15 | SUPLT | 4.5 | 3,750 | |
| Computer Science and Engineering Associate Professor | | | | | |
| 6. Gautam Das (T) | 9/1-5/31 | 100 | 09 | 110,000 | 327 |
| COLLEGE OF LIBERAL ARTS | | | | | |
| Linguistics and Teaching English as a Second Language | | | | | |
| 7. Jerold A. Edmondson (T) | | | | | 324 |
| From: Professor | | 100 | 09 | 66,222 | |
| To: Professor and Acting Chair | 9/1-5/31 | 100 | 09 | 66,222 | |
| | 9/1-1/15 | SUPLT | 4.5 | 3,000 | |
| Modern Languages Associate Professor | | | | | |
| 8. Christopher B. Conway (T) | 9/1-5/31 | 100 | 09 | 55,000 | 326 |

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 SCIENCE | | | | | |
| Chemistry | | | | | |
| 9. Dennis S. Marynick (T) | | | | | 347 |
| From: Professor and Associate Chair | | 100 SUPLT | 09 09 | 83,830 2,500 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 83,830 | |
| Supplement recognition as Jenkins Garrett Professorship | 9/1-5/31 | SUPLT | 09 | 2,500 | |
| 10. Martin Pomerantz (T) | | | | | 348 |
| From: Professor | | 100 | 09 | 86,800 | |
| To: Professor and Associate Chair | 9/1-5/31 | 100 | 09 | 86,800 | |
| Physics | | | | | |
| 11. John L. Fry (T) | | | | | 468 |
| From: Professor and Chairperson | | 100 SUPLT | 09 09 | 91,853 7,000 | |
| To: Professor | 11/1-5/31 | 100 | 09 | 91,853 | |
| Professor and Chairperson (T) | | | | | |
| 12. Jim L. Horwitz | 10/1-5/31 | 100 | 09 | 109,667 | 419 |
| | 10/1-5/31 | SUPLT | 09 | 7,000 | |
| SCHOOL OF NURSING | | | | | |
| 13. Josie L. O'Quinn (T) | | | | | 316 |
| From: Associate Professor | | 100 | 09 | 66,350 | |
| To: Associate Clinical Professor | 9/1-5/31 | 60 | 09 | 67,850 | |

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate \$</u> | <u>RBC #</u> |
|--|-----------------------------------|-----------------------|-----------------|---------------------------------|--------------|
| SCHOOL OF URBAN AND PUBLIC AFFAIRS | | | | | |
| OFFICE OF THE DEAN | | | | | |
| 14. Rod Hissong (T) | | | | | 310 |
| From: Associate Dean and Associate Professor | | 100 SUPLT | 09 12 | 65,397 9,000 | |
| To: Acting Dean and Associate Professor | 9/1-5/31 9/1-8/31 9/1-12/31 | 100 SUPLT SUPLT | 09 12 04 | 65,397 9,000 15,000 | |

SCHOOL OF SOCIAL WORK

Office of the Dean

15. Donald K. Granvold (T) 307

| | | | | | |
|------------------------------------|----------|----------|----------|-------------------|--|
| From: Associate Dean and Professor | | 100 0 | 12 09 | 106,080 67,003 | |
| To: Professor | 9/1-5/31 | 100 | 09 | 67,003 | |

TRANSFERS OF FUNDS

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|---|------------------|--------------|
| PROVOST & VICE PRESIDENT FOR ACADEMIC AFFAIRS | | |
| ENGINEERING | | |

16. Amount of Transfer: 2,037,185 351

From: Engineering-Instructional Reserve Unallocated

To: Provost-Indirect Cost M&O

Transfer of unallocated faculty salary balances in College of Engineering to Provost startup reserve account to provide for equipment and laboratory expenditures for new faculty.

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. Board of Regents. Such employment under this agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas at Arlington is a member, and the *Rules and Regulations* of the Board of Regents of The University of Texas System and the policies of The University of Texas at Arlington. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

- Item: Head Volleyball Coach
Funds: \$44,000 annually
Period: January 1, 2005 through December 31, 2007
Description: Agreement for employment of Head Volleyball Coach, Diane Seymour, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. AUSTIN

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. Board of Regents:

1. Donor Name: Rowling Foundation
College/School/ Department: Intercollegiate Athletics
Purpose: Payment on a \$5 million pledge
Asset Type: Cash
Value: \$1,000,000

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. Board of Regents:

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Capital Metropolitan Transportation Authority
Funds: \$5,487,000
Period: September 1, 2005 through August 31, 2006
Description: Amend the current agreement, whereby Capital Metro provides shuttle bus service for U. T. Austin for an additional year, extending the contract term.

FUNDS COMING IN

2. Agency: U.S. Government, Department of Veterans Affairs
Funds: \$2,971,927
Period: January 1, 2005 through December 31, 2014
Description: Lease agreement in which University leases 9,366 square feet; Suites 1 and 2 of the MCC Building, J.J. Pickle Research Center, 3925 West Braker Lane, Austin, Texas 78759, to the U.S. Department of Veterans Affairs for the term of 10 years for use as office space and a magnetic imaging research center.

CONTRACTS WITH AN AGENCY OF A FOREIGN GOVERNMENT

FUNDS COMING IN

3. Agency: Turku School of Economics and Business Administration, Turku, Finland
Funds: \$78,660
Period: April 3, 2005 through April 9, 2005
Description: U. T. Austin to provide a week-long executive program entitled "Competing and Leadership in a Changing Business Environment" to Turku School of Economics and Business Administration, on the campus of U. T. Austin.

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. 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> | |
| RED McCOMBS SCHOOL OF BUSINESS | | | | | |
| Management Science & Information Systems | | | | | |
| 1. Cynthia M. Beath | | | | | 267 |
| From: Professor (T) | 9/1-5/31 | 100 | 09 | 120,200 | |
| To: Professor Emeritus | 9/1-5/31 | | | | |
| Management | | | | | |
| 2. Victor L. Arnold (T) | | | | | 268 |
| From : Kleberg-King Ranch Centennial Professorship | 9/1-5/31 | 100 | 09 | 118,000 | |
| To : Professor Emeritus | 9/1-5/31 | | | | |
| COLLEGE OF LIBERAL ARTS | | | | | |
| History | | | | | |
| The Raymond Dickson, Alton C. Allen and Dillon Anderson Centennial Professorship and Professor | | | | | |
| 3. Henry W. Brands (T) | 1/16-5/31 | 100 | 09 | 150,000 | 412 |
| Philosophy | | | | | |
| Professor | | | | | |
| 4. Jonathan Dancy (T) | 1/16-5/31 | 100 | 09 | 160,000 | 282 |

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate \$</u> | <u>RBC #</u> |
|---|---|-----------------------|---------------|-----------------|---------------------------------|--------------|
| COLLEGE OF NATURAL SCIENCES | | | | | | |
| Astronomy | | | | | | |
| 5. | Donald E. Winget (T) | | | | | 280 |
| From: | Professor | | 100 | 09 | 84,500 | |
| To: | Harlan J. Smith Centennial Professorship In Astronomy and Professor | 9/1-5/31 | 100 | 09 | 84,500 | |
| | | 9/1-5/31 | SUPLT | 09 | 8,750 | |
| Mathematics | | | | | | |
| Professor Emeritus | | | | | | |
| 6. | Peter W. M. John | 9/1-5/31 | | | | 284 |
| Neurobiology | | | | | | |
| Karl Folkers Chair in Interdisciplinary Biomedical Research and Professor | | | | | | |
| 7. | Daniel Johnston (T) | 9/1-5/31 | 100 | 09 | 265,000 | 286 |
| | | 9/1-5/31 | SUPLT | 09 | 10,000 | |

TRANSFERS OF FUNDS

| <u>Description</u> | | <u>\$ Amount</u> | <u>RBC #</u> |
|----------------------------|---|------------------|--------------|
| PLANT FUNDS | | | |
| Physical Plant – MHD - HHD | | | |
| 8. | Amount of Transfer: | 614,000 | 363 |
| From: | Auxiliary Enterprise Funds Housing and Food Services Division Office | | |
| To: | Moore Hall and Hill Hall Dormitory Exterior Egress Improvements | | |

Funding for exterior egress improvements at Moore Hall (MHD) and Hill Hall (HHD) Dormitories.

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

TRANSFERS OF FUNDS (CONTINUED)

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|--|------------------|--------------|
| PLANT FUNDS (Continued) | | |
| Physical Plant - Kinsolving | | |
| 9. Amount of Transfer: | 1,826,000 | 364 |
| From: Housing and Food Services General Repair And Replacement Reserve Account | | |
| To: Kinsolving Dormitory – Second Floor Improvements | | |
| Funding for second floor improvements in Kinsolving Dormitory. | | |
| Physical Plant – Academic Space | | |
| 10. Amount of Transfer: | 3,500,000 | 365 |
| From: Designated Funds – VPBA Research Enhancement Allotment | | |
| To: Academic Space Improvements Allocation | | |
| To provide funding for Fiscal Year 2004-05 Academic Space Improvement Allocation to the Physical Plant. | | |
| Physical Plant – Texas Union Building | | |
| 11. Amount of Transfer: | 500,000 | 484 |
| From: Texas Union – Reserve for Renewal and Replacement Allocation | | |
| To: Texas Union Building – Ballroom Ceiling All Expenses | | |
| Funding for repair of the Texas Ballroom ceiling in the Texas Union Building. | | |

OTHER FISCAL ITEMS

PURCHASE ORDER

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

1. Agency: GTE Southwest Incorporated dba Verizon
Funds: \$1,457,460
Title/Description: Acquisition of optical fiber network equipment for use on the statewide Lonestar Education and Research Network (LEARN) backbone. LEARN is part of an overall plan to connect Texas universities to the National Tera Grid. The vendor was selected from ten respondents following a competitive bid process:
 - Alcatel USA, Plano, Texas;
 - Celion Networks, Richardson, Texas;
 - Ciena Corporation, Linthicum, Maryland;
 - Fujitsu Networks, Richardson, Texas;
 - GTE Southwest Inc. (DBA Verizon), Bryan, Texas;
 - Infinera Corporation, Sunnyvale, California;
 - Movaz Networks, Norcross, Georgia;
 - Nortel Networks, Austin, Texas;
 - Sorrento Networks, San Diego, California; and
 - XTERA Communications, Allen, Texas.

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. 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 the position and the appointment of Mr. Self with The University of Texas at Austin. 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: | Mr. Floyd G. Self, Jr. |
| Title: | Director, U. T. Austin Purchasing Office |
| Position: | Member, Texas Council on Purchasing from People with Disabilities |
| Period: | November 24, 2004 through January 31, 2009 |
| Compensation: | None |
| Description: | Governor Rick Perry appointed Mr. Self to serve on the Texas Council on Purchasing from People with Disabilities. The Council's major functions include approving community rehabilitation programs for participation in a set aside purchasing program called the State Use Program, setting fair market prices of products and services offered for sale through this program, and contracting with a central nonprofit agency to carry out the day-to-day functions of the program. |

U. T. DALLAS

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. 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 ARTS AND HUMANITIES | | | | | |
| Arts & Aesthetic Studies | | | | | |
| Margaret McDermott Distinguished Chair and Professor | | | | | |
| 1. Richard R. Brettell (T) | 9/1-5/31 | 100 | 09 | 73,000 | 233 |
| Computer Animation | | | | | |
| Associate Professor | | | | | |
| 2. Midori K. Deleon (T) | 9/1-5/31 | 100 | 09 | 80,000 | 231 |
| Media Studies | | | | | |
| Ashbel Smith Professor | | | | | |
| 3. Mihai Nadin (T) | 9/1-5/31 | 100 | 09 | 130,000 | 467 |
| SCHOOL OF MANAGEMENT | | | | | |
| Accounting | | | | | |
| Ashbel Smith Professor | | | | | |
| 4. Ashiq Ali (T) | 9/1-5/31 | 100 | 09 | 180,000 | 422 |

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. 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 *Rules and Regulations* of the Board of Regents of The University of Texas System 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 Men and Women's Tennis Coach
Funds: \$24,000 annually
Period: November 1, 2004 through August 31, 2005
Description: Agreement for employment of Head Tennis Coach, Bryan Whitt, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. EL PASO

GIFTS

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

1. Donor Name: Mr. Larry K. Durham - Durham Family Foundation
College/School/ Department: Intercollegiate Athletics
Purpose: Athletic Facility Construction Gift Fund
Asset Type: Cash
Value: \$1,000,000

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. 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 EDUCATION | | | | | |
| Educational Leadership and Foundations | | | | | |
| Professor and Chair | | | | | |
| 1. William J. Johnston (T) | 9/1-5/31 | 100 | 09 | 75,000 | 443 |
| | 9/1-5/31 | SUPLT | 09 | 2,000 | |
| 2. Sandra R. Hurley (T) | | | | | 452 |
| From: Associate Professor and and College of Education - Associate Dean | 9/1-5/31 | 50 | 09 | 56,484 | |
| | 9/1-10/15 | 50 | 12 | 70,116 | |
| To: Vice President for Academic Affairs - Associate Vice President and Associate Professor | 10/16-5/31 | 100 | 12 | 80,000 | |
| | 10/16-5/31 | WOS | 09 | 56,484 | |
| COLLEGE OF ENGINEERING | | | | | |
| Computer Science | | | | | |
| 3. David G. Novick (T) | | | | | 453 |
| From: Professor, Southwestern Bell Professorship in the College of Engineering, and Chair | | 100 | 09 | 110,974 | |
| | | SUPLT | 09 | 2,000 | |
| To: Vice President for Academic Affairs - Associate Vice President, Professor, Southwestern Bell Professorship in College of Engineering | 9/1-5/31 | 100 | 12 | 150,632 | |
| | 9/1-5/31 | WOS | 09 | 110,974 | |

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 HEALTH SCIENCES | | | | | |
| School of Nursing | | | | | |
| Professor | | | | | |
| 4. Thomas C. Olson (T) | 9/1-5/31 | 100 | 09 | 80,000 | 448 |
| COLLEGE OF LIBERAL ARTS | | | | | |
| Languages and Linguistics | | | | | |
| Professor and Chair | | | | | |
| 5. Kirsten F. Nigro (T) | 9/1-5/31 | 100 | 09 | 86,500 | 445 |
| | 9/1-5/31 | SUPLT | 09 | 2,000 | |
| Political Science | | | | | |
| 6. William G. Weaver (T) | | | | | 446 |
| From: | Political Science - Associate Professor and Center for Law and Border Studies - Associate Professor | | | | |
| | | 66.67 | 09 | 58,948 | |
| | | 33.33 | 09 | 58,948 | |
| To: | Political Science – Chair and Political Science - Associate Professor and Center for Law and Border Studies – Associate Professor | | | | |
| | 9/1-5/31 | 66.67 | 09 | 58,948 | |
| | 9/1-5/31 | 33.33 | 09 | 58,948 | |
| | 9/1-5/31 | SUPLT | 09 | 2,000 | |
| Social Work | | | | | |
| 7. Kip Coggins (T) | | | | | 447 |
| From: | Associate Professor | | | | |
| | | 100 | 09 | 52,750 | |
| To: | Director (ad interim) and Associate Professor | | | | |
| | 9/1-5/31 | 100 | 09 | 52,750 | |
| | 9/1-5/31 | SUPLT | 09 | 2,000 | |

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> | |
| COLLEGE OF SCIENCE | | | | | |
| Geological Science | | | | | |
| 8. Diane I. Doser (T) | | | | | 449 |
| From: Geological Sciences - Professor and Environmental Science and Engineering - Professor | | 100 | 09 | 80,887 | |
| To: Geological Sciences - Chair and Geological Sciences - Professor and Environmental Science and Engineering – Professor | | 100 | 09 | 80,887 | |
| | 9/1-5/31 | SUPLT | 09 | 2,000 | |
| 9. Kate C. Miller (T) | | | | | 450 |
| From: Chair and Professor | | 100 SUPLT | 09 09 | 81,200 2,000 | |
| To: College of Sciences - Associate Dean and College of Sciences - Associate Dean and Geological Sciences - Professor | 9/1-5/31 | 50 | 12 | 108,267 | |
| | 9/1-5/31 | 50 | 09 | 81,200 | |
| | 9/1-5/31 | SUPLT | 12 | 2,000 | |

AMENDMENTS TO THE 2003-04 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 HEALTH SCIENCES | | | | | |
| Office of the Dean | | | | | |
| Dean and Professor – Health Promotions | | | | | |
| 1. Leslie O. Schulz (T) | 8/1-8/31 | 100 | 12 | 143,000 | 160 |
| | | 0 | | 102,062 | |
| COLLEGE OF SCIENCE | | | | | |
| Office of the Dean | | | | | |
| Interim Dean and Professor - Chemistry | | | | | |
| 2. Michael P. Eastman (T) | 8/16-8/31 | 100 | 12 | 138,000 | 168 |
| | | 0 | | 98,493 | |
| INFORMATION RESOURCES AND PLANNING | | | | | |
| 3. Stephen Riter (T) | | | | | 176 |
| From: | Vice President for Academic Affairs – Vice President and Electrical Engineering - Professor | | | | |
| | 9/1-8/31 | 100 | 12 | 149,968 | |
| | 9/1-5/31 | 0 | 09 | 101,112 | |
| To: | Vice President for Information Resources and Planning - Vice President and Electrical Engineering - Professor | | | | |
| | 8/1-8/31 | 100 | 12 | 149,968 | |
| | 9/1-5/31 | 0 | 09 | 101,112 | |

U. T. PAN AMERICAN

AMENDMENTS TO THE 2004-2005 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. 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 HEALTH SCIENCES AND HUMAN SERVICES | | | | | |
| Department of Occupational Therapy | | | | | |
| 1. Angela Scoggins (T) | | | | | 477 |
| From: Associate Professor | | 100 | 09 | 61,427 | |
| To: Associate Professor | 09/1-05/31 | 100 | 09 | 61,427 | |
| Interim Chair | | SUPLT | 09 | 2,000 | |
| COLLEGE OF SCIENCE AND ENGINEERING | | | | | |
| School of Engineering | | | | | |
| 2. Edwin LeMaster (T) | | | | | 478 |
| From: Associate Dean and Professor | | 100 | 09 | 113,027 | |
| To: Interim Dean and Professor | 09/1-05/31 | 100 | 09 | 119,027 | |
| 3. Miguel Angel Gonzalez (T) | | | | | 479 |
| From: Associate Professor | | 100 | 09 | 68,681 | |
| To: Associate Professor | 09/1-05/31 | 100 | 09 | 98,500 | |
| Interim Associate Dean | | | | | |

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 SOCIAL AND BEHAVIORIAL SCIENCES | | | | | |
| Department of Masters of Public Administration Program | | | | | |
| Associate Professor, Director/Chair | | | | | |
| 4. Espiridion Borrego (T) | 09/1-05/31 | 100 | 09 | 65,500 | 476 |
| | | SUPLT | 09 | 2,000 | |

U. T. SAN ANTONIO

CONTRACTS

The following contract has been administratively approved by the President or his delegate and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Texas Department of Transportation
Funds: \$2,000,000 subject to increase to \$5,000,000
Period: February 10, 2005 through February 10, 2007
Description: Texas Department of Transportation agrees to reimburse U. T. San Antonio - Center for Archaeological Research for General Archaeological Services.

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. Board of Regents:

| <u>Description</u> | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary</u> | | <u>RBC #</u> |
|---|-----------------------|---------------|-----------------|-------------------------|--|--------------|
| | | | | <u>Rate \$</u> | | |
| VICE PRESIDENT FOR RESEARCH GRADUATE STUDIES | | | | | | |
| 1. Joseph Stafford (T) | | | | | | 244 |
| From: Vice Provost | | | | | | |
| Research Development, | 9/1-8/31 | 100 | 12 | 175,100 | | |
| and Professor, Counseling, | 9/1-5/31 | 0 | 09 | 78,000 | | |
| Educational Psychology, | | | | | | |
| Adult & Higher Education | | | | | | |
| Department of College of | | | | | | |
| Education & Human Development | | | | | | |
| To: Vice President for | 9/1-8/31 | 100 | 12 | 175,100 | | |
| Research and Graduate | 9/1-5/31 | 0 | 09 | 78,000 | | |
| Studies and Professor, | | | | | | |
| Counseling, Educational | | | | | | |
| Psychology, Adult & Higher | | | | | | |
| Education Department of | | | | | | |
| College of Education & Human | | | | | | |
| Development | | | | | | |

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. 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 *Rules and Regulations* of the Board of Regents of The University of Texas System 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: Head Men's Basketball Coach
Funds: \$8,612 monthly
Period: September 1, 2004 through March 31, 2007
Description: Agreement for employment of Head Basketball Coach, Tim Carter, 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 Cross Country Coach
Funds: \$2,528 monthly
Period: September 1, 2004 through June 30, 2005
Description: Agreement for employment of Head Men's and Women's Cross Country Coach, Rose Monday, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

U. T. TYLER

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. Board of Regents:

1. Donor Name: Anonymous
College/School/ Department: Institution
Purpose: First Residence Hall
Asset Type: Common Stock
Value: \$3,000,011

2. Donor Name: Anonymous
College/School/ Department: Art Department
Purpose: Fine Arts Building
Asset Type: Common Stock
Value: \$1,000,003

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. 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 & SCIENCES | | | | | |
| Department of Literature and Languages | | | | | |
| 1. Victor Scherb (T) | | | | | 490 |
| From: Professor, Chair | 91/-5/31 | 100 | 09 | 58,143 | |
| To: Professor, Chair | 9/1-5/31 | 100 | 09 | 58,143 | |
| Jack and Dorothy Fay White Fellowship for Teaching Excellence | 9/1-5/31 | SUPLT | 09 | 2,500 | |
| COLLEGE OF EDUCATION & PSYCHOLOGY | | | | | |
| Department of Special Education | | | | | |
| 2. Brenda Gilliam (T) | | | | | 491 |
| From: Associate Professor, Chair | 91/-5/31 | 100 | 09 | 56,672 | |
| To: Jack and Dorothy Fay White Fellowship for Teaching Excellence | 9/1-5/31 | 100 | 09 | 56,672 | |
| Associate Professor, Chair | 9/1-5/31 | SUPLT | 09 | 2,500 | |

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> | |
| DEPARTMENT OF BUSINESS ADMINISTRATION | | | | | |
| Management | | | | | |
| 3. C. Ray Gullett (T) | | | | | 496 |
| From: Professor | | 100 | 09 | 83,618 | |
| To: Professor Emeritus | 9/1-8/31 | | | | |
| COLLEGE OF ARTS AND SCIENCES | | | | | |
| Journalism | | | | | |
| 4. Kenneth R. Casstevens (T) | | | | | 517 |
| From: Associate Professor | | 100 | 09 | 58,786 | |
| To: Associate Professor Emeritus | 9/1-8/31 | | | | |
| COLLEGE OF EDUCATION AND PSYCHOLOGY | | | | | |
| Counselor Education | | | | | |
| 5. Shirley M. Jones (T) | | | | | 518 |
| From: Associate Professor | | 100 | 09 | 48,902 | |
| To: Associate Professor Emeritus | 9/1-8/31 | | | | |

U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

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. Board of Regents:

1. Donor Name: Children's Medical Center of Dallas
College/School/
Department: Pediatrics
Purpose: To support the Clinical Quality Improvements at Children's Medical Center of Dallas
Asset Type: Cash
Value: \$500,000

2. Donor Name: The Cain Foundation
College/School/
Department: Institution
Purpose: To support the establishment of a Comprehensive Center in Mobility Research
Asset Type: Cash
Value: \$500,000

3. Donor Name: GE Medical Systems
College/School/
Department: Internal Medicine
Purpose: To support Gulf War Syndrome research
Asset Type: Cash
Value: \$500,000

4. Donor Name: Eli Lilly and Company
College/School/
Department: Pharmacology
Purpose: To support the Alliance for Cellular Signaling
Asset Type: Cash
Value: \$625,000

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: Allied Waste Industries, Inc. (DBA Trinity Waste Services)
Funds: Approximately \$1,268,897
Period: February 10, 2005 with annual extensions through August 31, 2009
Description: Allied Waste Industries, Inc., (DBA Trinity Waste Services) agrees to provide trash hauling and disposal services on the campus. The vendor was selected from five respondents to a Request for Proposal issued October 2004 following a competitive bid process:

- Allied Waste Industries, Inc., Hutchins, Texas;
- Champion Waste Services, Ltd., Dallas, Texas;
- IESI TX Corp., Balch Springs, Texas; and
- Republic Waste Services of Texas, Ltd. (DBA Duncan Disposal), Hutchins, Texas; and
- Waste Management of Texas, Inc., Lewisville, Texas.

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 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> | |
| SOUTHWESTERN MEDICAL SCHOOL | | | | | |
| Center for Biostatistics and Clinical Science | | | | | |
| 1. Milton Packer (T) | 9/1-8/31 | 100 | 12 | 300,000 | 254 |
| Director, Professor of Internal Medicine and the Gayle and Paul Stoffel Distinguished Chair in Cardiology | | | | | |
| Microbiology | | | | | |
| 2. Michael V. Norgard (T) | | | | | 255 |
| From: Professor, Chairman and the B. B. Owen Distinguished Chair in Molecular Research | | 100 | 12 | 228,000 | |
| To: Professor, Chairman and the B. B. Owen Distinguished Chair in Molecular Research | 9/1-8/31 | 100 | 12 | 250,000 | |
| Neurology | | | | | |
| Associate Professor | | | | | |
| 3. Steven Vernino (T) | 9/1-8/31 | 100 | 12 | 164,000 | 257 |

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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Obstetrics and Gynecology | | | | | |
| 4. Kenneth J. Leveno (T) | | | | | 258 |
| From: Professor, Gillette Professorship in Obstetrics and Gynecology | | 100 | 12 | 260,000 | |
| To: Professor, Jack A. Pritchard, M.D. Chair in Obstetrics and Gynecology | 9/1-8/31 | 100 | 12 | 260,000 | |
| Psychiatry | | | | | |
| 5. David W. Self (T) | | | | | 259 |
| From: Associate Professor, Lydia Bryant Test Professorship in Psychiatric Research | | 100 | 12 | 119,300 | |
| To: Associate Professor, Wesley Gilliland Professorship in Biomedical Research | 9/1-8/31 | 100 | 12 | 119,300 | |
| 6. Madhukar H. Trivedi (T) | | | | | 260 |
| From: Professor | | 100 | 12 | 206,400 | |
| To: Professor, Lydia Bryant Test Professorship in Psychiatric Research | 9/1-8/31 | 100 | 12 | 206,400 | |

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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Cancer Immunobiology Center | | | | | |
| 7. Ellen S. Vitetta (T) | | | | | 273 |
| From: Professor, Director and the Scheryle Simmons Patigian Distinguished Chair in Cancer Immunobiology | | 100 | 12 | 228,000 | |
| To: Professor, Director and the Scheryle Simmons Patigian Distinguished Chair in Cancer Immunobiology | 9/1-8/31 | 100 | 12 | 260,000 | |
| Internal Medicine | | | | | |
| 8. Daniel J. Garry (T) | | | | | 274 |
| From: Associate Professor, Gail Griffiths Hill Chair in Cardiology | | 100 | 12 | 167,600 | |
| To: Associate Professor, Gail Griffiths Hill Chair in Cardiology | 9/1-8/31 | 100 | 12 | 195,000 | |
| Simmons Comprehensive Cancer Center | | | | | |
| Professor, Director, Associate Dean for Oncology Programs and the Lisa K. Simmons Distinguished Chair in Comprehensive Oncology | | | | | |
| 9. James Knox Van Arsdale Willson, Jr. (T) | 9/22-8/31 | 100 | 12 | 385,000 | 342 |

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

APPOINTMENTS AND PROMOTIONS (CONTINUED)

| <u>Description</u> | | <u>Effective Date</u> | <u>% Time</u> | <u>No. Mos.</u> | <u>Full-time Salary Rate \$</u> | <u>RBC #</u> |
|---|------------------------|---------------------------|-------------------|---------------------|---|--------------|
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | | |
| Pediatrics | | | | | | |
| Professor | | | | | | |
| 10. | Julio Perez-Fontan (T) | 9/1-8/31 | 100 | 12 | 300,000 | 378 |
| Radiation Oncology | | | | | | |
| Associate Professor | | | | | | |
| 11. | Michael D. Story (T) | 9/1-8/31 | 100 | 12 | 120,000 | 379 |
| Professor | | | | | | |
| 12. | David J. Chen (T) | 10/11-8/31 | 100 | 12 | 190,000 | 376 |

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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Pharmacology | | | | | |
| 13. Alfred G. Gilman (T) | | | | | 377 |
| From: Professor, Chairman, Interim Dean of Southwestern Medical School, Raymond and Ellen Willie Distinguished Chair in Molecular Neuro- pharmacology in Honor of Harold B. Crasilneck, Ph.D. Regental Professor and the Atticus James Gill, M.D. Chair in Medical Science | | 100 | 12 | 445,000 | |
| To: Professor, Chairman, Interim Dean of Southwestern Medical School, Raymond and Ellen Willie Distinguished Chair in Molecular Neuro- pharmacology in Honor of Harold B. Crasilneck, Ph.D. Regental Professor, Atticus James Gill, M.D. Chair in Medical Science and the Tom Craddick Distinguished Chair in Medical Science | 8/1-8/31 | 100 | 12 | 445,000 | |
| Internal Medicine | | | | | |
| 14. Ralph V. Shohet (T) | | | | | 433 |
| From: Professor | | 100 | 12 | 131,300 | |
| To: Professor | 11/1-8/31 | 100 | 12 | 175,000 | |

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> | |
| SOUTHWESTERN MEDICAL SCHOOL (Continued) | | | | | |
| Neurology | | | | | |
| 15. Stephen C. Cannon (T) | | | | | 474 |
| From: Professor, Chairman and the Lois C. A. and Darwin E. Smith Distinguished Chair in Neurological Mobility Research | | 100 | 12 | 314,000 | |
| To: Professor, Chairman and the Linda and Mitch Hart Distinguished Chair in Neurology | 12/1-8/31 | 100 | 12 | 314,000 | |
| 16. Michael K. Racke (T) | | | | | 475 |
| From: Professor | | 100 | 12 | 156,500 | |
| To: Professor, Lois C. A. and Darwin E. Smith Distinguished Chair in Neurological Mobility Research | 12/1-8/31 | 100 | 12 | 156,500 | |
| INSTITUTIONAL SUPPORT | | | | | |
| Office of the President | | | | | |
| 17. Charles B. Mullins (T) | | | | | 543 |
| From: Professor | | 100 | 12 | 350,000 | |
| To: Professor Emeritus, Ashbel Smith Professorship | 2/1-8/31 | 100 | 12 | | |

AMENDMENTS TO THE 2004-05 BUDGET (CONTINUED)

TRANSFERS OF FUNDS

| <u>Description</u> | <u>\$ Amount</u> | <u>RBC #</u> |
|---|------------------|--------------|
| U. T. SOUTHWESTERN MEDICAL CENTER – HOSPITALS | | |
| Patient Care Activities | | |
| 18. Amount of Transfer: | 180,364,347 | 481 |
| From: Estimated Educational and General Income | | |
| Income from Patients | 178,153,184 | |
| Interest on Time Deposits | 40,269 | |
| Miscellaneous Income | 2,170,894 | |
| To: Patient Care Activities | | |
| Institutional Support | 154,745,254 | |
| Staff Benefits | 237,348 | |
| Purchased Utilities | 14,876,102 | |
| All Other Physical Plant Operations | 2,166,760 | |
| Debt Service | 6,098,215 | |
| | 2,240,668 | |

This request for budget change reflects the increase in revenue and expenditures in the E&G budget due to the acquisition of St. Paul University Medical Center and Zale Lipshy University Hospital by U. T. Southwestern Medical Center at Dallas effective January 1, 2005.

U. T. SOUTHWESTERN MEDICAL CENTER –
AUXILIARY ENTERPRISES

Auxiliary Enterprises - Hospitals

| | | |
|----------------------------|-----------|-----|
| 19. Amount of Transfer: | 4,370,943 | 492 |
| From: Estimated Income | | |
| | 4,370,943 | |
| To: Budgeted Expenses | | |
| Excess of Estimated Income | 3,787,768 | |
| Over Budgeted Expenses | 583,175 | |

This request for budget change reflects the increase in budgeted revenue and expenditures due to the acquisition of St. Paul University Medical Center and Zale Lipshy University Hospital by U. T. Southwestern Medical Center at Dallas effective January 1, 2005. Auxiliary Enterprises includes Outpatient Pharmacies, Cafeteria/Catering Services, and Gift Shops.

U. T. MEDICAL BRANCH - GALVESTON

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. Board of Regents:

GENERAL CONTRACTS

FUNDS COMING IN

1. Agency: Driscoll Children's Hospital
Funds: \$37,108,577
Period: September 1, 2004 through August 31, 2009
Description: U. T. Medical Branch – Galveston will provide or arrange to provide for anesthesia and pediatric critical care services at Driscoll Children's Hospital in Corpus Christi, Texas.

2. Agency: Texas Department of State Health Services
Funds: \$1,331,355
Period: September 1, 2004 through August 31, 2005
Description: U. T. Medical Branch – Galveston will provide or assure the provision of prenatal, preventive, and primary child health, dysplasia, and dental services (for children and adolescents) for Title V eligible individuals.

3. Agency: Texas Department of State Health Services
Funds: \$1,711,600
Period: September 1, 2004 through August 31, 2005
Description: U. T. Medical Branch – Galveston will provide family planning services to Title XX eligible individuals.

4. Agency: Texas Department of State Health Services
Funds: \$1,351,148
Period: September 1, 2004 through August 31, 2005
Description: U. T. Medical Branch – Galveston will continue to promote the reduction of injuries occurring from exposures to poisons and toxic substance through public and professional education and help reduce medical costs incurred by State of Texas residents by providing treatment recommendations.

CONTRACTS (CONTINUED)

GENERAL CONTRACTS (CONTINUED)

FUNDS GOING OUT

5. Contractor: R. L. H. Construction, Incorporated
Amount: \$3,000,000
Source of Funds: Institutional Project Funds
Date of Contract: November 1, 2004
Estimated Completion Date: October 31, 2006
Project Title: Job Order Contracting Services
Description: R. L. H. Construction, Incorporated will furnish all of the materials and perform all of the work shown on the drawings and described in the specifications associated with any Statement of Work provided by U. T. Medical Branch – Galveston for a Job Order under this agreement. The vendor was selected from nine bidders following a competitive bid process:

- General Contractor Services, Inc., Houston, Texas;
- Jamail Construction Company, Houston, Texas;
- Moorhouse Construction Company, Houston, Texas;
- R. L. H. Construction Incorporated, Galveston, Texas;
- Rosecrans Corporation, Houston, Texas;
- South Coast Construction Company, Houston, Texas;
- Southern Accent Systems, Houston, Texas;
- Trevino Group, Inc., Houston, Texas; and
- Vaughn Construction Company, Houston, Texas.

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 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> | |
| SCHOOL OF MEDICINE | | | | | |
| Office of the Dean of Medicine; Internal Medicine; Microbiology | | | | | |
| 1. Stanley M. Lemon (T) | | | | | 221 |
| From: Dean of Medicine; Professor | | 100 | 12 | 410,352 | |
| To: Dean of Medicine; John Sealy Distinguished University Chair in Human Infections and Immunity, Professor | 10/1-8/31 | 100 | 12 | 410,352 | |
| Internal Medicine Daisy Emory Allen Distinguished Chair in Geriatric Medicine and Associate Professor | | | | | |
| 2. Elena Volpi (T) | 9/1-8/31 | 100 | 12 | 150,000 | 346 |
| SCHOOL OF MEDICINE; SCHOOL OF ALLIED HEALTH | | | | | |
| Internal Medicine; Physician Assistant Studies | | | | | |
| 3. Richard R. Rahr (T) | | | | | 352 |
| From: Clinical Specialist; Professor and Chair | | 100 | 12 | 95,139 | |
| To: Clinical Specialist; The Dibrell Family Professorship in the Art of Medicine, Professor and Chair | 9/1-8/31 | 100 | 12 | 95,139 | |

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 | | | | | |
| 4. Yochai Birnbaum (T) | | | | | 341 |
| From: Professor | | 100 | 12 | 238,000 | |
| To: Edward D. and Sally M. Futch Professorship in Cardiology, Professor | 10/1-8/31 | 100 | 12 | 238,000 | |
| Psychiatry & Behavioral Sciences; Pharmacology; Center for Addiction Research | | | | | |
| 5. Kathryn A. Cunningham (T) | | | | | 226 |
| From: Professor; Director | | 100 | 12 | 189,680 | |
| To: Professor; Chauncey Leake Distinguished Professorship in Pharmacology; Director | 9/1-8/31 | 100 | 12 | 189,680 | |
| Psychiatry & Behavioral Sciences | | | | | |
| 6. Michael O'Boyle (T) | | | | | 343 |
| From: Professor | | 100 | 12 | 175,230 | |
| To: Harry K. Davis Professorship In Psychiatry and Professor | 10/1-8/31 | 100 | 12 | 175,230 | |

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) | | | | | |
| Otolaryngology | | | | | |
| 7. Byron J. Bailey | | | | | 339 |
| From: Professor (T) | | 100 | 12 | 296,000 | |
| To: Professor and Chair Emeritus | 9/1-8/31 | 0 | 0 | 0 | |
| Surgery; Orthopaedics and Rehabilitation | | | | | |
| 8. Haring J. Nauta (T) | | | | | 366 |
| From: Physician; Professor | | 100 | 12 | 350,000 | |
| To: Samuel R. Snodgrass, M.D. Professorship in Neurosurgery; Physician; Professor | 10/1-8/31 | 100 | 12 | 350,000 | |

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 submitted for approval by the U. T. 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 Jean L. Freeman, Ph.D., with The University of Texas Medical Branch at Galveston. 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: | Jean L. Freeman, Ph.D. |
| Title: | Professor, Internal Medicine, Geriatrics |
| Position: | Appointment to the Aging and Disability Services Council |
| Period: | November 22, 2004 through February 1, 2005 |
| Compensation: | None |
| Description: | Governor Rick Perry has appointed Dr. Freeman to the Aging and Disability Services Council. The Council is composed of nine members who study and make recommendations regarding the management and operation of the Texas Department of Aging and Disability Services, including policies and procedures and rules governing the delivery of services as well as rights and duties of persons who are served or regulated by the Texas Department of Aging and Disability Services. |

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 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> | |
| HEALTH SCIENCE CENTER-GENERAL | | | | | |
| Office of the President | | | | | |
| 1. Gilbert A. Castro (T) | | | | | 292 |
| From: Vice President, Academic Administration | | 100 | 12 | 191,000 | |
| To: Vice President for Inter-Institutional Relations | 9/1-8/31 | 100 | 12 | 210,000 | |
| INSTITUTE OF MOLECULAR MEDICINE | | | | | |
| Institute of Molecular Medicine | | | | | |
| 2. Irma Gigli (T) | | | | | 305 |
| From: Professor, Walter and Mary Mischer Professorship | | 100 SUPLT | 12 12 | 221,776 28,224 | |
| To: Professor, Walter and Mary Mischer Professorship and Hans J. Muller-Eberhard, M.D., Ph.D. Chair in Immunology | 9/1-8/31 | 100 | 12 | 250,000 | |
| SCHOOL OF PUBLIC HEALTH | | | | | |
| Health & Human Spirit Program | | | | | |
| Director of the Center for Health, Humanities & the Human Spirit and Professor | | | | | |
| 3. Thomas Cole (T) | 9/1-8/31 9/1-8/31 | 100 SUPLT | 12 12 | 155,000 40,000 | 322 |

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 | | | | | |
| General Instruction | | | | | |
| 4. Christine A. Brosnan (T) | | | | | 442 |
| From: Associate Professor; and Associate Professor-Management and Policy Sciences-School of Public Health | | 100 | 12 | 71,313 | |
| To: Interim Assistant Dean, Chair, and Associate Professor; Management and Policy Sciences-School of Public Health | 11/1-8/31 | 49 | 12 | 71,313 | |
| | 11/1-8/31 | 51 | 12 | 71,313 | |
| | 11/1-8/31 | SUPLT | 12 | 5,000 | |
| MEDICAL SCHOOL | | | | | |
| Anesthesiology | | | | | |
| 5. Bruce Butler (T) | | | | | 295 |
| From: Professor; and Professor, Environmental Sciences-School of Public Health | | 51 | 12 | 78,540 | |
| | | 49 | 12 | 75,460 | |
| | | SUPLT | 12 | 11,000 | |
| To: Professor; and Professor, Environmental Sciences-School of Public Health | 9/1-8/31 | 51 | 12 | 83,640 | |
| Assistant Vice President, Research and Technology-Research Technology | 9/1-8/31 | 49 | 12 | 79,233 | |
| Management | 9/1-8/31 | SUPLT | 12 | 11,000 | |

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> | |
| MEDICAL SCHOOL (Continued) | | | | | |
| Anesthesiology (Continued) | | | | | |
| 6. Robert D. Warters (T) | | | | | 297 |
| From: Associate Professor and Vice Chairman | | 100 SUPLT | 12 12 | 125,000 25,000 | |
| To: Professor and Vice Chairman | 9/1-8/31 9/1-8/31 | 100 SUPLT | 12 12 | 145,000 50,000 | |
| Medical School – Dean | | | | | |
| 7. Stanley G. Schultz (T) | | | | | 489 |
| From: Dean and Professor, Fondren Chair in Cellular Signing | | 100 SUPLT | 12 12 | 250,000 57,000 | |
| To: Dean, Professor Fondren Chair in Cellular Signaling and H. Wayne Hightower Distinguished Professorship in the Medical Sciences | 12/14-8/31 12/14-8/31 12/14-8/31 | 100 SUPLT SUPLT | 12 12 12 | 250,000 57,000 12,500 | |
| Infectious Diseases | | | | | |
| 8. Barbara E. Murray (T) | | | | | 516 |
| From: Professor, and Professor-HCHD-Infectious Diseases | | 100 SUPLT | 12 12 | 184,999 20,000 | |
| To: Professor and Director Infectious Diseases and J. Ralph Meadows Professorship in Internal Medicine | 9/1-8/31 9/1-8/31 | 100 SUPLT | 12 12 | 184,999 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> | |
| DENTAL SCHOOL | | | | | |
| Restorative Dentistry and Biomaterials | | | | | |
| 9. Arthur H. Jeske (T) | | | | | 439 |
| From: Professor | | 100 | 12 | 103,414 | |
| To: Professor and Chairman | 11/16-8/31 | 100 | 12 | 103,414 | |
| | 11/16-8/31 | SUPLT | 12 | 25,000 | |

U. T. HEALTH SCIENCE CENTER - 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. Board of Regents:

- | | |
|--------------------------------|---|
| Donor Name: | Ruth McLean Bowers |
| College/School/ Department: | Research Imaging Center |
| Purpose: | To support the possibility of constructing a new cyclotron wing, as an extension of the McDermott Clinical Science Building, to be used by the Research Imaging Center team and radiochemistry production laboratories. Additional funds in the amount of \$600,000 have been pledged by Mrs. Bowers. |
| Asset Type: | Cash |
| Value: | \$1,000,000 |

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. 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> | |
| GRADUATE SCHOOL OF BIOMEDICAL SCIENCES | | | | | |
| Cellular and Structural Biology | | | | | |
| 1. Brian Alan Herman (T) | | | | | 455 |
| From: Professor and Chairman | 9/1-9/30 | 100 | 12 | 212,096 | |
| To: Vice President for Research Office of the Vice President for Research | 10/1-8/31 | 100 | 12 | 280,000 | |
| SCHOOL OF MEDICINE | | | | | |
| Distinguished Chair in Health Policy and Professor of Medicine | | | | | |
| 2. John P. Howe, III, M.D. (T) | 9/1-8/31 | 0 | 12 | WOS | 207 |
| To continue leave of absence through 8/31/2005 | | | | | |
| Surgery | | | | | |
| Dr. Witten B. Russ Professor and Chairman | | | | | |
| 3. Stephen M. Cohn (T) | 9/1-8/31 | 100 | 12 | 500,000 | 472 |

AMENDMENTS TO THE 2003-04 BUDGET

APPOINTMENTS AND PROMOTIONS

The following Request for Budget Change (RBC) has been administratively approved as required by the Executive Vice Chancellor for Health Affairs and is 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> | |
| SCHOOL OF MEDICINE | | | | | |
| Surgery | | | | | |
| Dr. Witten B. Russ Professor and Chairman | | | | | |
| 1. Stephen M. Cohn (T) | 8/15-8/31 | 100 | 12 | 500,000 | 208 |

U. T. M. D. ANDERSON CANCER CENTER

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. Board of Regents:

1. Donor Name: The Commonwealth Foundation for Cancer Research
College/School/ Department: Institution
Purpose: Cancer Research
Asset Type: Cash
Value: \$1,250,000

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. 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> | |
| U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF | | | | | |
| Anesthesiology | | | | | |
| Chair, Professor | | | | | |
| 1. David L. Brown (T) | 9/1-8/31 | 100 | 12 | 400,000 | 177 |
| Lymphoma/Myeloma | | | | | |
| Associate Professor | | | | | |
| 2. Qing Yi (T) | 9/1-8/31 | 100 | 12 | 12110,000 | 179 |
| Melanoma Medical Oncology | | | | | |
| 3. Patrick Hwu (T) | | | | | 180 |
| From: Chair, Professor | | 100 | 12 | 286,200 | |
| To: Chair, Professor and Robert R. Herring Distinguished Professorship | 9/1-8/31 | 100 | 12 | 286,200 | |
| Lymphoma/Myeloma | | | | | |
| 4. Jorge Romaguera (T) | | | | | 182 |
| From: Associate Professor | | 100 | 12 | 194,503 | |
| To: Professor | 9/1-8/31 | 100 | 12 | 210,503 | |

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> | |
| U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF (Continued) | | | | | |
| Anesthesiology | | | | | |
| 5. James Arens (T) | | | | | 183 |
| From: Chair, Professor and Doctor R. Lee Clark Professorship | | 100 | 12 | 442,335 | |
| To: Professor and Doctor R. Lee Clark Professorship | 9/1-8/31 | 100 | 12 | 442,335 | |
| Anesthesiology | | | | | |
| Associate Professor | | | | | |
| 6. Howard Gutstein | | | | | 184 |
| From: Associate Professor | | 100 | 12 | 248,951 | |
| To: Associate Professor (T) | 9/1-8/31 | 100 | 12 | 248,951 | |
| Gynecologic Oncology | | | | | |
| 7. David Gershenson (T) | | | | | 185 |
| From: Chair, Professor and Ann Rife Cox Chair in Gynecology | | 100 | 12 | 472,357 | |
| To: Chair, Professor and J. Taylor Wharton, M.D., Distinguished Chair | 9/1-8/31 | 100 | 12 | 472,357 | |

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> | |
| U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF (Continued) | | | | | |
| Urology | | | | | |
| 8. Christopher Wood | | | | | 186 |
| From: Assistant Professor | | 100 | 12 | 244,051 | |
| To: Associate Professor (T) | 9/1-8/31 | 100 | | 12254,051 | |
| Imaging Physics | | | | | |
| 9. Edward Jackson (T) | | | | | 188 |
| From: Associate Professor | | 100 | 12 | 183,167 | |
| To: Professor | 9/1-8/31 | 100 | | 12199,167 | |
| Clinical Cancer Prevention | | | | | |
| 10. Scott M. Lippman (T) | | | | | 190 |
| From: Chair, Professor and Anderson Clinical Faculty Chair for Cancer Treatment and Research | | 100 | 12 | 305,400 | |
| To: Chair, Professor and Ellen F. Knisely Distinguished Chair in Colon Cancer Research | 9/1-8/31 | 100 | | 12305,400 | |

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> | |
| U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF (Continued) | | | | | |
| Anesthesiology | | | | | |
| 11. Thomas Feeley (T) | | | | | 200 |
| From: Division Head, Professor and Helen Shafer Fly Distinguished Professorship of Anesthesiology | | 100 | | 12436,589 | |
| To: Patient Care Position Pool, Anesthesiology and Critical Care Division Head, Special Assistant to the Chief Operating Office (ad interim), Professor and Helen Shafer Fly Distinguished Professorship of Anesthesiology | 9/1-8/31 | 100 | 12 | 436,589 | |
| | 9/1-8/31 | SUPLT | 12 | 10,000 | |
| Pulmonary Medicine | | | | | |
| 12. Burton F. Dickey | | | | | 251 |
| From: Chair, Professor | | 100 | | 12259,963 | |
| To: Chair, Professor (T) | 9/1-8/31 | 100 | 12 | 259,963 | |

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> | |
| U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF (Continued) | | | | | |
| Epidemiology | | | | | |
| 13. Margaret R. Spitz (T) | | | | | 252 |
| From: Chair, Professor and Olga Keith Wiess Chair for Cancer Research | | 100 | 12 | 288,412 | |
| To: Chair, Professor and Olga Keith Wiess Distinguished University Chair for Cancer Research | 9/1-8/31 | 100 | | 12288,412 | |
| Translational Research, VP Office | | | | | |
| 14. Robert C. Bast, Jr. (T) | | | | | 253 |
| From: Vice President, Translational Research, Professor and Harry Carothers and Olga Wiess Chair for Cancer Research | | 100 | | 12339,200 | |
| To: Vice President, Translational Research, Professor and Harry Carothers Wiess Distinguished University Chair for Cancer Research | 9/1-8/31 | 100 | 12 | 339,200 | |

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> | |
| U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF (Continued) | | | | | |
| Endocrine Neoplasia and Hormone Disorder | | | | | |
| 15. Steven I. Sherman (T) | | | | | 256 |
| From: Chair (ad interim), Associate Professor | | 100 SUPLT | 12186,430 12 14,000 | | |
| To: Chair, Associate Professor | 10/1-8/3 | 100 | 12225,000 | | |
| Anesthesiology | | | | | |
| 16. David Brown (T) | | | | | 421 |
| From: Chair, Professor | | 100 | 12400,000 | | |
| To: Anesthesiology and Pain Medicine Chair, Professor and Edward Rotan Distinguished Professorship | 9/1-8/3 | 100 | 12400,000 | | |
| Head and Neck Surgery | | | | | |
| 17. Ehab Y. Hanna (T) | | | | | 425 |
| From: Professor | | 100 | 12336,000 | | |
| To: Professor, Clinical Medical Director | 11/1-8/31 11/1-8/31 SUPLT | 100 | 12 336,000 1210,000 | | |

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> | |
| U. T. M. D. ANDERSON CANCER CENTER - MEDICAL STAFF (Continued) | | | | | |
| Patient Care Position Pool, Critical Care and Surgical Oncology | | | | | |
| 18. Barry W. Feig (T) | | | | | 426 |
| From: Associate Professor | | 100 | | 12276,837 | |
| | | SUPLT | 12 | 2,500 | |
| | | SUPLT | 12 | 33,980 | |
| To: Patient Care Position Pool and Surgical Oncology Associate Professor | 11/1-8/31 11/1-8/31 | 100 SUPLT | 12 12 | 276,837 2,500 | |
| Radiation Physics – Patient Care | | | | | |
| 19. Radhe Mohan (T) | | | | | 427 |
| From: Chair, Professor and Bessie McGoldrick Professorship in Clinical Cancer Research | | 100 | 12 | 292,356 | |
| To: Chair, Professor and Larry and Pat McNeil Chair in Radiation Oncology | 9/1-8/31 | 100 | 12 | 2295,356 | |
| Radiation Oncology | | | | | |
| 20. Kie-Kan Ang (T) | | | | | 432 |
| From: Professor and Gilbert H. Fletcher Memorial Chair | | 100 | 12 | 425,934 | |
| To: Professor and Gilbert H. Fletcher Memorial Distinguished Chair | 10/19-8/31 | 100 | 12 | 2425,934 | |

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> | |
| U. T. M. D. ANDERSON CANCER CENTER - RESEARCH | | | | | |
| Cancer Biology | | | | | |
| Professor and Lockton Distinguished Chair | | | | | |
| 21. Craig Logsdon (T) | 10/1-8/31 | 100 | 12 | 185,000 | 420 |
| Biostatistics | | | | | |
| Professor | | | | | |
| 22. Valen Johnson (T) | 9/1-8/31 | 100 | 12 | 183,000 | 161 |
| Immunology | | | | | |
| Associate Professor | | | | | |
| 23. Chen Dong (T) | 9/1-8/31 | 100 | 12 | 110,000 | 178 |
| Molecular Therapeutics | | | | | |
| 24. Gordon B. Mills(T) | | | | | 192 |
| From: | Chair, Professor and Olga Keith and Harry Carothers Wiess Chair for Cancer Research | | | | |
| | | 100 | 12 | 267,388 | |
| To: | Chair, Professor and Ann Rife Cox Chair in Gynecology | | | | |
| | 9/1-8/31 | 100 | 12 | 267,388 | |
| Experimental Therapeutics | | | | | |
| 25. Elizabeth A. Grimm (T) | | | | | 199 |
| From: | Professor | | | | |
| | | 100 | 12 | 186,375 | |
| To: | Professor and Frances King Black Memorial Professorship for Cancer Research | | | | |
| | 9/1-8/31 | 100 | 12 | 189,375 | |

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. Board of Regents. It has been determined that the holding of these 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 Mr. Leach and Dr. Foxhall with The University of Texas M. D. Anderson Cancer Center.

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.

1. Name: Leon J. Leach
Title: Executive Vice President
Position: Appointment to the Health and Human Services Council
Period: November 9, 2004 to February 1, 2007
Compensation: Travel costs are reimbursed in accordance with current per diem rates.
Description: On November 9, 2004, Governor Rick Perry appointed Mr. Leon J. Leach to the Health and Human Services Council. The council was created to assist in developing policies and rules for the Health and Human Services Commission, as well as to make recommendations regarding management and operation of the Commission.
2. Name: Lewis E. Foxhall, M.D.
Title: Associate Vice President, Health Policy
Position: Appointment to the State Health Services Council
Period: November 24, 2004 to February 1, 2009
Compensation: None
Description: On November 24, 2004, Governor Rick Perry appointed Dr. Lewis Foxhall to the State Health Services Council. The council promotes optimal health for individuals and communities while providing effective health, mental health, and substance abuse services to Texans.

U. T. HEALTH CENTER - TYLER

CONTRACTS

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

GENERAL CONTRACTS

FUNDS GOING OUT

1. Agency: C Construction Company, Inc.
Funds: \$1,433,337
Period: Agreement made November 14, 2004 and shall be completed within one hundred and eighty days (180) calendar days after the commencement date
Description: C Construction Company, Inc. shall furnish all of the materials and perform all of the work shown on the drawings and described in the specifications entitled Emergency Care Center Expansion and Renovation. The vendor was selected from four respondents to a Request for Proposal following a competitive bid process:
 - Dave Reeves, Mesquite, Texas;
 - C Construction, Tyler, Texas;
 - HGR Construction, Tyler, Texas; and
 - RPR Construction, Tyler, Texas.