

Meeting No. 979

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

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May 12-13, 2004

Austin, Texas

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OF  
THE UNIVERSITY OF TEXAS SYSTEM  
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MEETING NO. 979

WEDNESDAY, MAY 12, 2004.--The members of the Board of Regents of The University of Texas System convened at 4:25 p.m. on Wednesday, May 12, 2004, 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 Miller, presiding  
Vice-Chairman Clements  
Vice-Chairman Hunt  
Vice-Chairman Krier  
Regent Barnhill  
Regent Caven  
Regent Estrada  
Regent Huffines

Absent  
Regent Craven

Counsel and Secretary Frederick

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

ANNOUNCEMENT OF RESIGNATION BY CHAIRMAN CHARLES MILLER.--  
Chairman Charles Miller announced he was stepping down as Chairman of the Board and stated he had resigned as a Regent of The University of Texas System Board of Regents. Mr. Miller's announcement followed his letter of resignation to Governor Rick Perry on May 5, 2004. He said he felt he could resign at this time because of the support from the extraordinary professionals who lead The University of Texas System and he commended the faculty, staff, and student bodies at the institutions for the quality and depth of their work.

U. T. System: Annual meeting with officers of the U. T. System Student Advisory Council

Chairman Miller introduced Mr. Emmanuel Gomez, Vice-Chair of The University of Texas System Student Advisory Council who was sitting in for Chair Jeremy Chance, and in turn Mr. Gomez introduced the following members of the Council for presentations on accomplishments and recommendations included in materials in the Agenda Book.

Campus Life Committee: Mr. Brian J. Haley

Health and Graduate Affairs Committee: Ms. Marian J. Barber

Finance and Planning Committee: Mr. Josh Warren

Legislative Affairs Committee: Ms. Jennifer Brannan

Technology and Facilities Planning Committee: Mr. Luis Galvan

Chairman Miller thanked the members of the Student Advisory Council for the quality of their work and Chancellor Yudof said the Council's recommendations will be considered and he committed to work on the process to continue to improve the level of consultation. He said consulting with the students makes for better decision-making.

RECESS.--At 5:00 p.m., Chairman Miller announced that the Board would recess to reconvene at 8:30 a.m. in Open Session on Thursday, May 13, 2004.

THURSDAY, MAY 13, 2004.--The members of the Board of Regents of The University of Texas System reconvened at 8:40 a.m. on Thursday, May 13, 2004, 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 Miller, presiding  
Vice-Chairman Clements  
Vice-Chairman Hunt  
Vice-Chairman Krier  
Regent Barnhill  
Regent Caven  
Regent Estrada  
Regent Huffines

Absent  
Regent Craven

Counsel and Secretary Frederick

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

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD FEBRUARY 3-4, 2004, AND SPECIAL MEETINGS HELD MARCH 11 AND APRIL 19, 2004.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on February 3-4, 2004, in Brownsville, Texas, were approved as prepared by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume LI, Pages 228 - 456.

The Board also approved the Minutes of the special meetings of the Board of Regents of the U. T. System held on March 11 and April 19, 2004, in Austin, Texas, as prepared by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume LI, Pages 457 - 469.

REMARKS BY VICE-CHAIRMAN HUNT.--Vice-Chairman Hunt provided the following remarks concerning Chairman Miller's announcement yesterday (May 12) on his resignation from the Board of Regents:

Remarks by Vice-Chairman Hunt

You and I have been on this Board for five years. I think the first time we met was before the Senate Nominations Committee. You are a man of ideas with the belief that good ideas should drive policy and that in

implementing policy, change is not easy. It takes persistence, sometimes confronting the status quo to bring about change. Charles is a change agent probably more than anyone I have ever met:

- Deregulation in 2001 by removing a lot of costly regulations
- Tuition deregulation and full indirect cost recovery in 2003
- Accountability in all areas including System leadership.

Charles has been the leader, the driving force, the mentor to fellow Board members including me. Even on oversight of UTIMCO (The University of Texas Investment Management Company) where there have been differences of opinion, it is not whether oversight is needed and whether it should be institutionalized as it should be; but it is the degree of oversight with differences in rhythm. Many but not all of the changes that I mentioned would not have happened without Charles Miller. I fully understand that reality. He will be missed by me and by this Board. In my opinion, he is not replaceable. Thank you.

Chairman Miller accepted the accolades and expressed his gratitude for the work and support he has received during his term as a Regent of The University of Texas System.

## SPECIAL ITEMS AND REPORTS

### 1. U. T. System: Briefing on legislative issues for the 79th Texas Legislature

Mr. Ashley Smith, Vice Chancellor for Governmental Relations, updated the Board on the status of legislative issues, including recommendations on deregulation initiatives, for The University of Texas System for the 79th Texas Legislature. He said more than 100 issues were submitted by the 15 component institutions. These issues, which will be categorized into one or more themes for more orderly presentation, processing, and tracking, are designed to enhance performance of the U. T. mission to provide high quality educational opportunities. Vice Chancellor Smith said the issues will come before the Board for approval in August 2004.

In response to a question from Vice-Chairman Krier if there are issues before the current Special Legislative Session on school finance reform that deserved attention prior to the next regular session, Vice Chancellor Smith assured members of the Board that his office is watching for issues but there is nothing that causes concern.

2. U. T. System: Update on Activities of the National Center for Educational Accountability

Chairman Miller called on President Faulkner to introduce Mr. Thomas W. Luce, Chairman of the Board of the National Center for Educational Accountability (NCEA). Dr. Faulkner said Mr. Luce was involved in school reform efforts in the early 1980s and has worked continuously in school reform since that time. President Faulkner said The University of Texas at Austin, Just for the Kids (JFTK), and the Education Commission of the States partnered to form the NCEA, which is separately incorporated and stands apart from three founding organizations.

Mr. Luce noted Chairman Miller and Regent Caven were original members of the Board of Directors of JFTK and he clarified that the Education Commission of the States is a nonprofit organization founded in the 1960s, governed by a Board of Directors consisting of all 50 governors, thus bringing nonpartisan credibility and an entrée to all 50 states. Mr. Luce described the purpose of the Center, the major initiatives underway, and expansion of the program internationally. [[Mr. Luce's PowerPoint presentation](#) on activities of the Center is on file in the Office of the Board of Regents.]

In August 2001, the Board authorized the creation of the NCEA in Austin, Texas, and approved participation by U. T. Austin in activities of the NCEA. The NCEA, as a support foundation for the benefit of U. T. Austin and other related public purposes, is housed at U. T. Austin under a lease arrangement in space shared by the U. T. Austin Center for Educational Accountability, the U. T. Austin unit that carries out efforts contemplated by the NCEA and the parties. These units are located adjacent to the U. T. Austin J. J. Pickle Research Campus in North Austin.

Mr. Luce thanked members of the Board for their investment and support of the Center's efforts to take the data model across the country and, more importantly, to use data in Texas to drive efficiencies and change. In response to a question from Chairman Miller, Mr. Luce said that Texas is only one of two states (the other being Florida) that has the pipeline capabilities to track students from kindergarten through college but he said Texas is ahead of Florida in data collection and is just scratching the surface in how to interact with higher education. Mr. Miller said Mr. Luce is one of the pioneers of higher education reform and expressed appreciation for the presentation.

3. U. T. Board of Regents: Resolution Honoring Ambassador Pamela P. Willeford

Upon motion of Regent Huffines, duly seconded, the Board approved the following resolution to recognize the leadership of former Texas Higher Education Coordinating Board Chairman Pamela P. Willeford:

RESOLUTION

WHEREAS, The Honorable Pamela P. Willeford, Ambassador to Switzerland and to the Principality of Liechtenstein, served the State of Texas as Chair of the Texas Higher Education Coordinating Board from 1998 to 2003 with visionary leadership;

WHEREAS, In October 2000, under the leadership of Chair Willeford, the Texas Higher Education Coordinating Board adopted *Closing the Gaps by 2015*, a plan to close educational gaps in student participation, student success, excellence, and research within Texas, as well as between Texas and other states; and

WHEREAS, The U. T. Board of Regents is committed to the goals of *Closing the Gaps* and desires to salute the work of Ambassador Willeford, the members of the Texas Higher Education Coordinating Board, and the Coordinating Board staff, including Commissioner of Higher Education Don W. Brown.

THEREFORE, BE IT RESOLVED, That on behalf of The University of Texas System, the Board expresses profound and deep appreciation and gratitude to Ambassador Willeford and those individuals instrumental in the conception and implementation of *Closing the Gaps*.

The motion carried unanimously.

[Counsel and Secretary's Note: Commissioner Don Brown retired from the Texas Higher Education Coordinating Board on May 31, 2004.]

4. U. T. Board of Regents: Update on Regents' Rules and Regulations revision project (Deferred)

An update on the Regents' Rules and Regulations revision project was deferred.

REMARKS BY CHAIRMAN MILLER ON GIFTS TO THE UNIVERSITY OF TEXAS SYSTEM.--Chairman Miller announced that this is the first time in many years that a quarterly gift report has not been included in the meeting materials in the Agenda Book. He said gift reports will instead be mailed to members of the Board prior to each quarterly meeting for information.

Chairman Miller then highlighted several significant gifts reported in the Docket:

- gift from Sony Semiconductor San Antonio to support the College of Engineering at The University of Texas at San Antonio;
- gift from the USAA Foundation to benefit The University of Texas Health Science Center at San Antonio;
- several sizable gifts to benefit the Alliance for Cellular Signaling at The University of Texas Southwestern Medical Center at Dallas;
- gifts to The University of Texas Medical Branch at Galveston to benefit the John Sealy Hospital;
- \$10 million in gifts to The University of Texas M. D. Anderson Cancer Center;
- the report by The University of Texas Health Science Center at Houston of gifts totaling \$40.6 million, including pledges of \$35 million to support the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases;
- gift from the Michael and Susan Dell Foundation for the Dell Center for New Teacher Success in the College of Natural Sciences at The University of Texas at Austin; and
- gift from the Houston Endowment Inc. for the UTOPIA program (formerly called the Digital Knowledge Gateway) at U. T. Austin.

Mr. Miller also mentioned that the members of the Board would hear a report from the Washington Advisory Group concerning the need for private support for research and how best to spend the needed funds. With this in mind, he thanked donors for their continuing support to The University.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 9:15 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Miller 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 below and on Pages 13 - 55.

\* \* \* \* \*

## REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Page 8).--Chairman Miller reported that there were no items referred from the Executive Committee to the Board pursuant to Section 7, Subsection 7.1, Subdivision 7.14 of Chapter I of Part One of the Regents' Rules and Regulations.

REPORT OF THE AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE (Page 8).--Committee Chairman Estrada reported that there were no items for consideration by the Audit, Compliance, and Management Review Committee, but he wanted to inform the Board that The University of Texas System Audit Office received a Quality Assurance Review Report, otherwise known as a Peer Review, and the Report was outstanding in every manner and praiseworthy of the Chief Audit Executive and staff of the Audit Office.

RECONVENE.--At 9:30 a.m., the Board reconvened as a committee of the whole.

REMARKS BY FORMER REGENT HOWARD N. RICHARDS.--Chairman Miller called on former Regent Howard Richards who had requested to address the Board. Mr. Richards commended the health institutions as jewels of The University of Texas System. He encouraged members of the Board to continue to make resources available to these institutions and specifically applauded President Cigarroa and the medical staff of The University of Texas Health Science Center at San Antonio for their exceptional treatment of him while he was there with a medical condition. Mr. Richards was a member of the Board from 1979 to 1985.

#### SPECIAL ITEM

5. U. T. System: Report from the Washington Advisory Group and acceptance of Report

Chairman Miller called on Chancellor Yudof to introduce the report from the Washington Advisory Group, LLC (WAG). Chancellor Yudof said the Washington Advisory Group was engaged by The University of Texas System in July 2003 to study the research capabilities and the potential for expansion of eight of the academic institutions. He said The University of Texas at Austin was not included in the study since the institution ranks among the top 100 research universities, nor were the health institutions included because they already conduct extensive research. Chancellor Yudof said the intent of the study was to provide sound advice about the steps the various institutions might undertake to increase their research funding and, as a consequence, to improve their national standings in both research and education. He identified one of the primary needs as recruitment and retention of faculty.

Executive Vice Chancellor Sullivan said the presentation would be very important in the economic development of Texas for the next decade and she introduced two consultants from the WAG as follows:

- Dr. Frank Press who gave a PowerPoint presentation on The University of Texas System Research Capability Expansion at The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, and The University of Texas at San Antonio.
- Dr. Joe B. Wyatt who gave a PowerPoint presentation on The University of Texas at Brownsville/Texas Southmost College, The University of Texas – Pan American, The University of Texas of the Permian Basin, and The University of Texas at Tyler.

Dr. Sullivan spoke about a proposed action plan for the U. T. System in response to the WAG report. [The response is on file in the Office of the Board of Regents.] She identified four issues common to all campuses as follows and proposed strategies to address each issue:

1. Recruit additional researchers to the U. T. System
2. Build leadership and infrastructure for research-intensive departments, colleges, and institutions
3. Recruit graduate students
4. Pursue external research funding more aggressively.

Members of the Board commended these studies, reports, and the action plan as useful to implement changes. Regent Huffines asked for a follow-up report in 180 days regarding implementation of the action plan. Chancellor Yudof said to build these institutions, more faculty devoted to research is needed as well as improved faculty/student ratios. He said the University needs to be opportunistic about building relationships to secure funding. He said in addition to funding, a vision, a strategic plan, leadership, and accountability are all necessary to achieve results.

Vice-Chairman Hunt pointed out that discretionary funds are lacking to support strategic initiatives and suggested the Board consider options to better allocate resources. Following further discussion, Executive Vice Chancellor Shine endorsed the recommended collaboration with the health science centers, saying the future of medical research depends on interaction with the academic campuses.

Dr. Press and Dr. Wyatt stressed that while funds will help to achieve results, hiring and retention of top-notch faculty are critical. The consultants agreed that faculty would be challenged by the intellectual opportunities Texas could offer. In response to a question by Chairman Miller concerning the structure of higher education in Texas, Dr. Wyatt said Texas addressed regulation by the Higher Education Coordinating Board. He said there is no substitute for gently regulated, high standard, entrepreneurial behavior.

In response to a question comparing public and private institutions in terms of a competitive edge in reaching the desired national research prominence, Dr. Press said they are about the same. Dr. Wyatt offered that it depends on the state regulatory environment and that the Board of Regents provides the buffer between developing a quality institution and the politics of funding. Chancellor Yudof noted that pay differential might enter into such discussion and he raised the issue that a different kind of faculty member, such as a researcher, might need to be recruited; faculty who would not be required to undertake heavy teaching loads as well as to do research work. He said that culturally, stock is put in academic freedom and he asked the consultants for their suggestions on how that could be overcome. Dr. Wyatt emphasized that

this is delicate work but needs to be done with relentless pursuit by identifying the best faculty, convincing them they need to provide the leadership, and by doing reviews and evaluations continuously. He said this needs to be handled with due process and dignity, but relentlessly. Chancellor Yudof asked if there should be a university-wide faculty committee versus a college-level committee to involve greater faculty review and Dr. Press indicated this would be a good approach; that it is their recommendation that the central administration monitor departments at least for the first few years, even if the process is not done formally.

Chairman Miller thanked the Dr. Press and Dr. Wyatt for their work and the Board accepted the Report from the Washington Advisory Group.

RECESS TO EXECUTIVE SESSION.--At 11:20 a.m., Chairman Miller announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code Sections 551.071, 551.072, and 551.074 to consider those matters listed on the Executive Session agenda.

RECONVENE.--At 12:50 p.m., the Board reconvened in open session.

#### EXECUTIVE SESSION OF THE BOARD OF REGENTS

In response to Chairman Miller's request regarding the wishes of the Board, the following actions were taken:

1. U. T. Health Science Center – Houston and U. T. M. D. Anderson Cancer Center: Approval of settlement of insurance proceeds related to Tropical Storm Allison

Regent Caven moved that the Chancellor, the Office of Business Affairs, and the Office of General Counsel be authorized to negotiate final settlement of a property insurance claim against HSB Industrial Risk Insurers on behalf of The University of Texas Health Science Center at Houston and The University of Texas M. D. Anderson Cancer Center for damages arising out of Tropical Storm Allison in accordance with the proposal presented in Executive Session.

The motion was seconded by Regent Estrada and carried by acclamation.

2. U. T. System: Approval regarding pending State claims against Medco

Upon motion by Vice-Chairman Hunt, duly seconded, the Board authorized the Chancellor and the Office of General Counsel to settle claims against Medco made by the State of Texas on behalf of The University of Texas System in accordance with the proposal presented in Executive Session.

Chairman Miller did not vote and the motion carried.

3. U. T. System: Authorization to execute an amendment to Surface Lease No. 6762 between the Board of Regents of The University of Texas System and Domaine Cordier U.S.A., Inc., covering approximately 1,110 acres of land located in Pecos County, Texas, to provide for a fixed royalty

Vice-Chairman Krier moved that the Chancellor and Interim Vice Chancellor for Business Affairs be authorized to execute an amendment to Surface Lease No. 6762 between the Board of Regents of The University of Texas System and Domaine Cordier U.S.A., Inc., covering approximately 1,110 acres of land located in Pecos County, Texas, in accordance with the parameters discussed in Executive Session.

Regent Huffines seconded the motion, which carried unanimously.

4. U. T. System: Consideration of personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents and 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 and officers and employees of The University of Texas System.

5. U. T. System: Consideration of personnel matters relating to evaluation of presidents and U. T. System officers and employees

No action was taken related to evaluation of presidents and officers and employees of The University of Texas System.

6. U. T. Dallas and U. T. Pan American: Consideration of individual personnel matters related to Presidential Searches

No action was taken on personnel matters relating to the Presidential Searches at The University of Texas at Dallas and The University of Texas - Pan American.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 13 - 27).--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 which 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. 117 (Catalog Change)

The Board approved Docket No. 117 in the form distributed by the Counsel and Secretary to the Board. It is attached following Page 56 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 component institution involved.

The Docket item involving the appointment of Mr. James D. Spaniolo as President at The University of Texas at Arlington was found to be in the best interest of The University of Texas System, as required by Texas Education Code Section 51.948.

To avoid any appearance of a possible conflict of interest, Regent Barnhill was recorded as abstaining from vote on Item 3 on Page Docket - 33 related to a gift from Eli Lilly and Company to The University of Texas Southwestern Medical Center at Dallas because of stock holdings. Chairman Miller, Vice-Chairman Clements, and Regent Caven were recorded as abstaining from vote on Item 4 on Page Docket - 33 related to a gift from Merck Genome Research Institute, Inc., to U. T. Southwestern Medical Center - Dallas because of stock holdings.

Further, Vice-Chairman Krier was recorded as abstaining from voting on Item 1 on Page Docket - 44 related to a gift from the USAA Foundation to The University of Texas Health Science Center at San Antonio because of her employment with USAA.

2. U. T. Board of Regents: Report on Investments for quarter ended February 29, 2004, and Performance Report by Ennis Knupp + Associates

The Report on Investments for The University of Texas System for the quarter ended February 29, 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 15 - 21 contain the Summary Reports on Investments for the three months ended February 29, 2004.

Item I on Pages 15 - 16 reports summary activity for the Permanent University Fund (PUF) investments. The PUF's net investment return for the three months was 8.34%. The PUF's net investment return for the 12 months ended February 29, 2004, was 31.74%. Committee Chairman Hunt noted this was the largest 12-month return for at least the last 20 years, and likely, the entire 127-year history of the PUF. The PUF's net asset value increased by \$563.8 million since the beginning of the quarter to \$8,218.9 million. This change in net asset value includes increases due to contributions from PUF land receipts and net investment return, offset by a decrease for the payment of one-quarter of the PUF's annual distribution.

Item II on Pages 17 - 19 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 8.22%. The GEF's net investment return for the 12 months ended February 29, 2004, was 32.56%. The GEF's net asset value increased \$291.9 million since the beginning of the quarter to \$4,244.5 million.

Item III on Page 20 reports summary activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was 1.20% for the three months. The SITF's net asset value decreased by \$260.3 million since the beginning of the quarter to \$1,106.2 million. This decrease in net asset value includes withdrawals from the SITF and distributions.

Item IV on Page 21 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 component operating funds held in the Dreyfus money market fund, increased by \$466.2 million to \$2,274.9 million during the three months since the last reporting period. Market values for the remaining asset types were debt securities: \$286.7 million versus \$109.0 million at the beginning of the period; equities: \$210.5 million versus \$298.1 million at the beginning of the period; and other investments: \$6.2 million versus \$14.4 million at the beginning of the period.

A [Performance Report](#) prepared by Ennis Knupp + Associates on investments for the quarter ended February 29, 2004, 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 February 29, 2004 (2)

(\$ millions)

	FY02-03	FY03-04		
	Full Year	1st Qtr	2nd Qtr	Year-to-Date
Beginning Net Assets	6,738.3	7,244.8	7,655.1	7,244.8
PUF Lands Receipts (3)	102.1	27.8	23.7	51.5
Investment Return	787.6	475.9	634.3	1,110.2
Expenses	(20.2)	(6.4)	(7.2)	(13.6)
Distributions to AUF	(363.0)	(87.0)	(87.0)	(174.0)
Ending Net Assets	<u>7,244.8</u>	<u>7,655.1</u>	<u>8,218.9</u>	<u>8,218.9</u>
AUF Distribution:				
From PUF Investments	338.4	87.0	87.0	174.0
From Surface Income	8.1	0.8	2.3	3.1
Total	<u>346.5</u>	<u>87.8</u>	<u>89.3</u>	<u>177.1</u>
Total Net Investment Return	12.02%	6.60%	8.34%	15.49%

(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, 2003 values of \$822.4 million and \$163.9 million, respectively.

(3) PUF Land Receipts - As of February 29, 2004: 1,089,255 acres under lease; 519,061 producing acres; 3,073 active leases; and 2,076 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 February 29, 2004

	<u>Asset Allocation</u>	<u>Endowment Neutral Policy Portfolio</u>	<u>Actual Net Investment Return</u>
Cash and Cash Equivalents	-1.7%	0.0%	0.25%
U.S. Equities	34.3%	25.0%	7.67%
Global Equities	21.8%	17.0%	13.84%
Equity Hedge Funds	11.2%	10.0%	7.50%
Absolute Return Hedge Funds	9.6%	15.0%	5.10%
Commodities	3.1%	3.0%	10.59%
Fixed Income	11.0%	15.0%	3.92%
<b>Total Marketable Securities</b>	<u><b>89.3%</b></u>	<u><b>85.0%</b></u>	<b>8.48%</b>
<b>Private Capital</b>	<b>10.7%</b>	<b>15.0%</b>	<b>7.31%</b>
<b>Total</b>	<u><u><b>100.0%</b></u></u>	<u><u><b>100.0%</b></u></u>	<b>8.34%</b>

II. GENERAL ENDOWMENT FUND (1) (2)

a.) Summary Investment Report at February 29, 2004

(\$ millions)

	FY02-03		FY03-04					
	Full Year		1st Qtr		2nd Qtr		Year-to-Date	
Beginning Net Assets	3,293.2		3,584.8		3,952.6		3,584.8	
Net Contributions	(79.0)		209.5		135.8		345.3	
Investment Return	423.5		257.5		327.1		584.6	
Expenses	(5.8)		(2.6)		(2.6)		(5.2)	
Allocations (3)	(47.1)		(96.6)		(168.4)		(265.0)	
Ending Net Assets	3,584.8		3,952.6		4,244.5		4,244.5	
Net Asset Value per Unit	102.539		109.488		118.428		118.428	
Units and Percentage Ownership								
(End of Period):								
PHF	7,263,383	20.8%	7,174,022	19.9%	7,091,271	19.8%	7,091,271	19.8%
LTF	27,696,705	79.2%	28,926,791	80.1%	28,749,330	80.2%	28,749,330	80.2%
Total	34,960,088	100.0%	36,100,813	100.0%	35,840,601	100.0%	35,840,601	100.0%
Total Net Investment Return	12.81%		6.83%		8.22%		15.61%	

(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 February 29, 2004 (1)

(\$ millions)

	FY02-03	FY03-04		
	Full Year	1st Qtr	2nd Qtr	Year-to-Date
<b>PERMANENT HEALTH FUND</b>				
Beginning Net Assets	698.2	745.0	785.6	745.0
Investment Return	86.0	50.4	64.2	114.6
Expenses	(0.7)	(0.2)	(0.1)	(0.3)
Distributions (Payout)	(38.5)	(9.6)	(9.7)	(19.3)
Ending Net Assets	745.0	785.6	840.0	840.0
Net Asset Value per Unit (2)	0.908489	0.958104	1.024378	1.024378
No. of Units (End of Period)	820,000,000	820,000,000	820,000,000	820,000,000
Distribution Rate per Unit	0.04700	0.01175	0.01175	0.02350
Total Net Investment Return	12.67%	6.76%	8.15%	15.45%
<b>LONG TERM FUND</b>				
Beginning Net Assets	2,595.1	2,839.8	3,167.0	2,839.8
Net Contributions	59.6	165.1	17.2	182.3
Investment Return	332.1	204.4	260.5	464.9
Expenses	(3.1)	(3.3)	(0.9)	(4.2)
Distributions (Payout)	(143.9)	(39.0)	(39.2)	(78.2)
Ending Net Assets	2,839.8	3,167.0	3,404.6	3,404.6
Net Asset Value per Unit (2)	5.114	5.388	5.761	5.761
No. of Units (End of Period)	555,329,487	587,747,101	591,003,265	591,003,265
Distribution Rate per Unit	0.25800	0.066125	0.066125	0.132250
Total Net Investment Return	12.78%	6.76%	8.14%	15.45%

(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 February 29, 2004

	<u>Asset Allocation</u>	<u>Endowment Neutral Policy Portfolio</u>	<u>Actual Net Investment Return</u>
Cash and Cash Equivalents	-1.9%	0.0%	0.25%
U.S. Equities	33.3%	25.0%	7.69%
Global Equities	22.2%	17.0%	13.89%
Equity Hedge Funds	11.5%	10.0%	7.42%
Absolute Return Hedge Funds	10.2%	15.0%	5.08%
Commodities	3.2%	3.0%	10.72%
Fixed Income	11.4%	15.0%	3.85%
<b>Total Marketable Securities</b>	<u><b>89.9%</b></u>	<u><b>85.0%</b></u>	<b>8.49%</b>
<b>Private Capital</b>	<b>10.1%</b>	<b>15.0%</b>	<b>5.84%</b>
<b>Total</b>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<b>8.22%</b>

III. SHORT INTERMEDIATE TERM FUND (1)

Summary Investment Report at February 29, 2004

(\$ millions)

	FY02-03	FY03-04		
	Full Year	1st Qtr	2nd Qtr	Year-to-Date
Beginning Net Assets	1,435.9	1,435.3	1,366.5	1,435.3
Net Contributions (Withdrawals)	26.6	(73.4)	(267.4)	(340.8)
Investment Return	25.8	12.9	14.6	27.5
Expenses	(0.7)	(0.2)	(0.1)	(0.3)
Distributions of Income	(52.3)	(8.1)	(7.4)	(15.5)
Ending Net Assets	1,435.3	1,366.5	1,106.2	1,106.2
Net Asset Value per Unit	9.917	9.947	10.000	10.000
No. of Units (End of Period)	144,736,640	137,378,810	110,618,420	110,618,420
Total Net Investment Return	1.64%	0.88%	1.20%	2.09%

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

IV. SEPARATELY INVESTED ASSETS

Summary Investment Report at February 29, 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
<b>Cash &amp; Equivalents:</b>														
Beginning value 11/30/03	3,167	3,167	1,452	1,452	25,292	25,292	459	459	79	79	1,778,299	1,778,299	1,808,748	1,808,748
Increase/(Decrease)	(217)	(217)	251	251	13,050	13,050	23	23	20	20	453,043	453,043	466,170	466,170
Ending value 02/29/04	2,950	2,950	1,703	1,703	38,342	38,342	482	482	99	99	2,231,342	2,231,342	2,274,918	2,274,918
<b>Debt Securities:</b>														
Beginning value 11/30/03	-	-	263	197	38,284	40,216	14,850	15,434	-	-	53,516	53,148	106,913	108,995
Increase/(Decrease)	-	-	-	8	(186)	(113)	(236)	(66)	-	-	176,584	177,899	176,162	177,728
Ending value 02/29/04	-	-	263	205	38,098	40,103	14,614	15,368	-	-	230,100	231,047	283,075	286,723
<b>Equity Securities:</b>														
Beginning value 11/30/03	40	9,766	1,900	1,225	38,303	39,599	22,561	21,624	-	-	256,762	225,878	319,566	298,092
Increase/(Decrease)	-	2,083	20	98	546	3,801	(554)	1,254	-	-	(98,800)	(94,825)	(98,788)	(87,589)
Ending value 02/29/04	40	11,849	1,920	1,323	38,849	43,400	22,007	22,878	-	-	157,962	131,053	220,778	210,503
<b>Other:</b>														
Beginning value 11/30/03	11,000	11,000	158	158	3,234	3,234	169	43	-	-	-	-	14,561	14,435
Increase/(Decrease)	(4,900)	(4,900)	(159)	(159)	(3,232)	(3,232)	5	20	-	-	-	-	(8,286)	(8,271)
Ending value 02/29/04	6,100	6,100	(1)	(1)	2	2	174	63	-	-	-	-	6,275	6,164

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

Details of individual assets by account furnished upon request.

3. U. T. System: Approval of annual distributions from the Permanent University Fund, the Permanent Health Fund, and the Long Term Fund

Upon recommendation of The University of Texas Investment Management Company (UTIMCO) and the UTIMCO Board of Directors, the Board approved that:

- a. The fiscal year distribution from the Permanent University Fund (PUF) to the Available University Fund (AUF) be decreased by 1.97% from \$348,033,578 to \$341,174,270 effective September 1, 2004. The distribution is an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF. The decline in the distribution is a direct result of the decline in the market value of the PUF, as reflected in the trailing 12-quarter average.
- b. The distribution rate for the Permanent Health Fund (PHF) remains at its current rate per unit of \$0.047.
- c. The distribution rate for The University of Texas System Long Term Fund (LTF) be increased from \$0.2645 per unit to \$0.2697 per unit effective November 30, 2004.

For comparative purposes, the distributions from the PUF, PHF, and LTF represent 4.15%, 4.59%, and 4.68% of the respective fund's market value as of February 29, 2004.

The PUF Investment Policy Statement states that the annual distribution from the PUF to the AUF shall be an amount equal to 4.75% of the trailing 12-quarter average of the net asset value of the PUF for the quarter ending February of each fiscal year. Per this formula, the amount to be distributed from the PUF for Fiscal Year 2005 is \$341,174,270 as calculated on the following page.

Quarter Ended	PUF Net Asset Value
5/31/01	\$ 7,749,573,154
8/31/01	7,540,148,091
11/30/01	7,079,157,437
2/28/02	7,114,025,229
5/31/02	7,303,322,636
8/31/02	6,738,274,515
11/30/02	6,397,124,818
2/28/03	6,299,971,921
5/31/03	6,850,946,583
8/31/03	7,244,827,576
11/30/03	7,655,088,067
02/29/04	8,218,934,425
	\$ 86,191,394,452
Number of Quarters	12
Average Net Asset Value	\$ 7,182,616,204
Distribution Percentage	4.75%
FY 2004-05 Distribution	<b>\$ 341,174,270</b>

Article VII, Section 18 of the Texas Constitution requires that the amount of distributions to the AUF be determined by the U. T. Board of Regents (U. T. Board) in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The Constitution further limits the U. T. Board's discretion to set annual PUF distributions to the satisfaction of three tests:

1. The amount of PUF distributions to the AUF in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on PUF bonds and notes. The distribution of \$341,174,270 is substantially greater than PUF bonds debt service of \$119,050,836 projected for Fiscal Year 2005.

System	Debt Service
U. T.	\$ 84,167,084
TAMU	34,883,752
Total	\$ 119,050,836

Sources: U. T. System Office of Finance  
Texas A&M University System  
Office of Treasury Services

2. The U. T. Board may not increase annual PUF distributions to the AUF (except as necessary to pay PUF debt service) if the purchasing power of PUF investments for any rolling 10-year period has not been preserved. As the schedule on the following page indicates, the average

annual increase in the rate of growth of the value of PUF investments (net of expenses, inflation, and distributions) for the trailing 10-year period ended February 29, 2004, was 3.86%.

Average Annual	Percent
Rate of Total Return	9.85%
Mineral Interest Receipts	1.25%
Expense Rate	(0.12)% (1)
Inflation Rate	(2.41)%
Distribution Rate	(4.71)%
Net Real Return	<u>3.86%</u>

(1) Paid from AUF until 1/01/00

- The annual distribution from the PUF to the AUF during any fiscal year made by the U. T. Board may not exceed an amount equal to 7% of the average net fair market value of PUF investment assets as determined by the U. T. Board, except as necessary to pay PUF bonds debt service. The annual distribution rate calculated using the trailing 12-quarter average value of the PUF is within the 7% maximum allowable distribution rate.

Value of PUF Investments (1)	Distribution	Distribution as a % of Value of PUF Investments	Maximum Allowed Rate
\$7,182,616,204	\$341,174,270	<b>4.75%</b>	7.00%

(1) Source: UTIMCO

The spending policy objectives of the PHF and the LTF are to:

- provide a predictable stable stream of distributions over time;
- ensure that the inflation-adjusted value of the distributions is maintained over the long term; and
- ensure that the inflation-adjusted value of the assets of the PHF and the LTF, as appropriate after distributions, is maintained over the long term.

The goal is for the average spending rate of the PHF or the LTF, as appropriate over time, to not exceed the average annual investment return of such fund after inflation in order to preserve the purchasing power of such fund's distributions and underlying assets.

Unless otherwise established by UTIMCO and approved by the U. T. Board, the spending formula under the PHF Investment Policy Statement and the LTF Investment Policy Statement increases distributions at the rate of inflation subject to a distribution range of 3.5% to 5.5% of the average market value of the PHF assets and LTF assets for each fund's respective trailing 12 fiscal quarters. The Investment Policies expressly reserve to the U. T. Board the ability to approve a per unit distribution amount for the PHF and the LTF, as appropriate, that, in the Board's judgment, would be more appropriate than the formula rate calculated by the spending policy provisions.

The PHF's net asset value of \$785.6 million at November 30, 2003, is less than the original PHF contributions of \$820.0 million due to difficult financial markets since its inception. As a consequence, the PHF rate of \$0.047 per unit remains unchanged for Fiscal Year 2005. The PHF's average distribution rate calculated using the prior 12-quarter average value of the PHF is 5.1%, within the range of 3.5% to 5.5% set forth in the PHF Investment Policy Statement. The distribution rate of \$0.047 per unit for the PHF was approved by the UTIMCO Board on April 8, 2004.

In addition to the spending policy objectives for the LTF (described above), the LTF Investment Policy Statement expressly recognizes that, under the Uniform Management of Institutional Funds Act, the U. T. Board may distribute from the LTF the net appreciation, realized and unrealized, in the fair market value of LTF assets over the historic dollar value of the Fund. At November 30, 2003, the net asset value of the LTF was \$3,167.0 million. The 2.0% increase in LTF distribution rate from \$0.2645 per unit to \$0.2697 is based on the investment policy to increase the distribution by the average rate of inflation for the trailing 12 fiscal quarters. The consumer price index for the prior three years as of November 30, 2003, was 2.0%. The LTF's average distribution rate calculated using the prior 12-quarter average value of the LTF is 5.2%, within the range of 3.5% to 5.5% set forth in the LTF Investment Policy Statement. The distribution rate of \$0.2697 per unit for the LTF was approved by the UTIMCO Board on April 8, 2004.

4. U. T. System: Authorization to establish a deferred compensation plan under Internal Revenue Code Section 457(b), to delegate authority to administer the plan, and to authorize conforming changes to Part Two, Chapter VI, Section 9 (Deferred Compensation Plan) of the Regents' Rules and Regulations (Deferred)

The item concerning establishment of a deferred compensation plan under Internal Revenue Code Section 457(b) for all employees of The University of Texas System and the component institutions was deferred by the Finance and Planning Committee on May 12, 2004.

5. U. T. Board of Regents: Adoption of Fifth Supplemental Resolution to the Master Resolution establishing the Revenue Financing System Taxable Commercial Paper Note Program and authorization for officers of U. T. System to complete all transactions related thereto

The Board:

- a. adopted the Fifth Supplemental Resolution to the Master Resolution, substantially in the form presented to the Board of Regents and as originally approved by the Board on November 14, 1996, authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System Taxable Commercial Paper Notes, Series B, in an aggregate principal amount not to exceed \$50 million; and
- b. authorized appropriate officers and employees of U. T. System as set forth in the Fifth Supplemental Resolution to take any and all actions necessary to carry out the intentions of the U. T. Board of Regents within the limitations and procedures specified therein; to make certain covenants and agreements in connection therewith; and to resolve other matters incident and related to the issuance, sale, security, and delivery of such Notes.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the U. T. Board of Regents on February 14, 1991, amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as required by Section 5 of the Master Resolution, the Board resolved that:

- a. sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the Board relating to the Financing System; and
- b. the component institutions, 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 parity debt.

The use of tax-exempt debt for projects is limited by the Internal Revenue Code to facilities employed for governmental purposes. Projects with nongovernmental or private use beyond established limits are denied the benefits of tax-exempt debt and must employ taxable debt. Taxable debt

is anticipated to be issued for certain projects in the FY 2004-2009 Capital Improvement Program that will have space rented to nongovernmental entities for a period of time.

The Fifth Supplemental Resolution authorizing a Revenue Financing System Taxable Commercial Paper Note program was originally approved by the Board of Regents on November 14, 1996. No taxable notes were issued under the program and the authorization under the Fifth Supplemental Resolution is deemed to have lapsed. The reauthorization of the Fifth Supplemental Resolution will establish an interim financing program for the projects in the FY 2004-2009 Capital Improvement Program involving nongovernmental use. Liquidity for the program will be provided by the U. T. System through an arrangement with The University of Texas Investment Management Company (UTIMCO) consistent with the provisions governing liquidity for the tax-exempt commercial paper program.

The U. T. System's Revenue Financing System Tax-Exempt Commercial Paper Note program was established on April 12, 1990. Since that time, the size of the program has been increased periodically up to the current authorization of \$750 million to meet the financing needs of the U. T. System.

Note: The [Fifth Supplemental Resolution](#) to the Master Resolution authorizing the issuance, sale, and delivery of Board of Regents of The University of Texas System Revenue Financing System Taxable Commercial Paper Notes, Series B, in substantially the form provided to the Board, was reviewed by outside bond counsel and the U. T. System Office of General Counsel and is on file in the Office of the Board of Regents. Succeeding resolutions that are in substantially the same form will not be made available as part of the Agenda materials.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 28 - 37).--Committee Chairman Krier reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. Board of Regents: Approval to amend the Regents' Rules and Regulations regarding academic titles (Part One, Chapter III, Section 1, Subsection 1.6, Subdivision 1.62)

The Board approved amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 1, Subsection 1.6, Subdivision 1.62 to add new academic titles for faculty at new Item (d) of Subparagraph 1.624 as set forth below and to renumber current Item (d) as Item (e):

1.624 . . .

- (d) Adjoint Professor, Adjoint Associate Professor and Adjoint Assistant Professor

These titles may be used by the component institutions to designate faculty who serve the institution in cooperative or joint programs pursuant to a memorandum of understanding, cooperative research and development agreement, or similar partnership instrument. Persons holding these titles will be employees of and compensated by the partnership organization. They will not be deemed employees of the component institution. They will, however, have the same obligations, responsibilities, and authority as regular faculty employed directly by the component institution when performing faculty functions pursuant to the agreement. Appointments will usually be part-time for the purpose of supervising theses and dissertations or for teaching highly specialized courses. The term of the appointment shall be specified in the agreement with the partner organization.

The addition of the Adjoint prefix for academic titles in the Regents' Rules and Regulations, Part One, Chapter III, Section 1, Subsection 1.6 will allow University of Texas component institutions to designate individuals as faculty members with similar obligations, responsibilities, and authority as regular faculty, who are employees of partnership entities in joint or cooperative research and instructional programs. Adjoint faculty will not be deemed employees of the component institution nor will they be eligible for tenure status.

2. U. T. Arlington: Authorization to purchase real property at 415 South Oak Street, Arlington, Tarrant County, Texas; and approval of parity debt

On behalf of The University of Texas at Arlington, the Board:

- a. authorized the Executive Director of Real Estate to take all steps necessary to purchase the property located at 415 South Oak Street, Arlington, Tarrant County, Texas, and to execute all documents related thereto; 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 acquisition 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. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$1.3 million.

To help meet current demand for university-owned housing, the Aquarius Apartment property, consisting of a 52-unit apartment complex on a 0.9986-acre site, will be purchased at the appraised market value of \$1.3 million.

3. U. T. Arlington: Determination of necessity and authorization to acquire real property located at 124 Southdale Drive, Arlington, Tarrant County, Texas

On behalf of The University of Texas at Arlington, the Board:

- a. determined it is necessary for U. T. Arlington to acquire the real property and improvements located at 124 Southdale Drive, Arlington, Tarrant County, Texas, at a price not to exceed its fair market value as determined by an independent appraisal; and

- b. authorized 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 action.

The property consists of a lot containing approximately 9,450 square feet and a nonowner occupied house containing 852 square feet. The improvements will be demolished and the land will be used to construct the Silver Stone Apartments project included in the FY 2004-2009 Capital Improvement Program. The schedule for this student apartment project includes a construction start date of September 1, 2004, and a completion date of July 2005. [See Item 2 on Page 46 related to construction of the Silver Stone Apartments.]

4. U. T. Austin: LBJ Plaza Renovation/Lady Bird Johnson Center - Amendment of 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 LBJ Plaza Renovation/Lady Bird Johnson Center project at The University of Texas at Austin as follows:

**Architecturally or Historically Significant:**

Yes  No

**Project Delivery Method:**

Construction Manager at Risk

**Substantial Completion Date:**

February 2007

**Total Project Cost:**

<u>Source</u>	
Grants	\$15,000,000
Unexpended Plant Funds	<u>\$15,000,000</u>
	\$30,000,000

**Project Description:**

This project consists of the rehabilitation and modification of the elevated plaza and drainage system surrounding the LBJ Library, which has leaked for many years. Finishes in the lecture hall and auditorium of the building, which have been damaged by water infiltration, will be repaired. The 1,000-seat LBJ Auditorium will be modified to allow for a better setting for smaller events. Additionally, a portion of the elevated plaza will be replaced with a garden and amphitheater honoring Lady Bird Johnson.

This project is required to repair the cause of serious water damage that is degrading exterior structural components and interior finishes. Several pieces of the exterior travertine cladding have fallen from the building because of water infiltration and a corroded support system. The drainage system is undersized and improperly designed, contributing to the water infiltration. The new Lady Bird Johnson Center and

Amphitheater will eliminate part of the plaza that leaks and provide a more functional space between the LBJ Library and the LBJ School of Public Affairs. Federal funding will be provided in association with the LBJ Library, a federal facility.

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

5. U. T. Dallas: Approval of Doctor of Philosophy in Geospatial Information Sciences

The Board:

- a. authorized establishment of a Doctor of Philosophy (Ph.D.) in Geospatial Information Sciences at The University of Texas at Dallas; and
- b. approved submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

New technologies including geographic information systems, the global positioning system, and satellite-based remote sensing have emerged in recent years to collect, store, manage, analyze, and utilize information regarding features of the earth's surface and to combine these with other types of social, economic, and environmental information.

Twelve full-time tenured and tenure-track faculty from the School of Social Science, the Department of Geosciences, and the Department of Computer Science will form the core of the program and two full-time tenure-track faculty will be added to support the program. Graduate assistants will be required for computer support.

Estimated expenditures for the first five years of the program total \$640,435. This includes \$236,436 in new faculty salaries; \$180,564 for new graduate assistants; \$119,456 for new library and information technology resources; \$43,000 for supplies, materials, and equipment; \$32,606 for clerical support; and \$28,373 for new program administration costs. U. T. Dallas will commit \$374,762 of existing resources from a combination of interest income and general, non-state institutional funds in addition to \$265,673 in formula funding to finance the first five years of the program.

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

6. U. T. Dallas: Authorization to purchase land and improvements located at 2200 Mockingbird Lane, Dallas, Dallas County, Texas

On behalf of The University of Texas at Dallas, the Board:

- a. authorized purchase of land and improvements located at 2200 Mockingbird Lane, Dallas, Dallas County, Texas;
- b. acknowledged the purchase price is less than the fair market value as determined by independent appraisals;
- c. approved submission of the transaction to the Texas Higher Education Coordinating Board for approval, if necessary; and
- d. authorized 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 is being purchased from Forest Properties, L.P., for \$3.3 million and will be used to expand operations and space for the Center for BrainHealth, which was established in 1999 as a component of the teaching and research activities of the Callier Center for Communication Disorders. In the event that the closing occurs on or before July 1, 2004, the purchase price will be reduced by \$100,000.

7. U. T. Dallas: Authorization to amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to reduce the total project cost for the Founders/Founders Annex/Berkner Renovation; approval to reallocate Permanent University Fund Bond Proceeds; approval to purchase real property located at 17919 Waterview Parkway, Dallas, Dallas and Collin Counties, Texas; and approval to add the renovation project and purchase of real property to the CIP

The Board:

- a. amended the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to reduce the total project cost for the Founders/Founders Annex/Berkner Renovation at The University of Texas at Dallas as follows:

Permanent University Fund (PUF) Bond Proceeds	\$ 5,300,000
Tuition Revenue Bond Proceeds	<u>\$21,993,750</u>
	\$27,293,750

- b. approved addition of the 17919 Waterview Parkway project to the CIP;
- c. approved the transfer of \$9,700,000 from PUF Bond Proceeds from the Founders/Founders Annex/Berkner Renovation project for the purchase of real property and for the renovation project;
- d. approved the purchase of real property and improvements located at 17919 Waterview Parkway, Dallas, Dallas and Collin Counties, Texas, at a total price of \$6,000,000 plus related closing costs;
- e. approved submission of the transaction to the Texas Higher Education Coordinating Board for approval; and
- f. authorized 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 is being purchased for \$6,000,000 from First Industrial Texas, L.P., and will be used for research space for the Schools of Natural Sciences, Mathematics, Engineering, and Computer Science. The source of acquisition funding is a reallocation of PUF Bond Proceeds previously approved for the Founders/Founders Annex/Berkner Renovation project. The project will be added to the CIP as a purchase and renovation project, with a breakdown of \$6,000,000 for the purchase, \$2,950,000 for renovations, and \$750,000 for equipment and furnishings. U. T. Dallas plans to relocate most of the occupants from the Founders area into the 17919 Waterview Parkway facility and other campus areas to allow for needed fire and life safety improvements to the Founders, Founders Annex, and Berkner buildings.

- 8. U. T. Pan American: Child Development Center - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to include project; appropriation of funds and authorization of expenditure; and authorization of institutional management

The Board amended the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to include the Child Development Center project at The University of Texas - Pan American as follows:

**Architecturally or Historically Significant:**

Yes  No

**Project Delivery Method:**

Competitive Sealed Proposals

**Substantial Completion Date:** June 2006

**Total Project Cost:** Source  
Unexpended Plant Funds \$1,594,000

**Additional Recommendations:**

- a. approve a preliminary project cost of \$1,594,000 with funding from Unexpended Plant Funds;
- b. appropriate funds and authorize expenditure of \$1,594,000 from Unexpended Plant Funds; and
- c. authorize U. T. Pan American to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

**Project Description:** This facility will be constructed for approximately 140 children of students, faculty, and staff. The location will be adjacent to the existing Education Complex and will allow academic observation and will facilitate applied research programs.

This project would best be managed by the U. T. Pan American Facilities Management personnel who have the experience and capability to manage all aspects of the work.

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

9. U. T. San Antonio: Approval to enter into a collaborative agreement with the City of San Antonio to expand the Downtown Campus through an exchange of three parcels of land and to engage in a long-range plan for the Institute of Texan Cultures; and authorization to acquire the leasehold interest in the improvements located at 301 South Frio Street, San Antonio, Bexar County, Texas

On behalf of The University of Texas at San Antonio, the Board:

- a. granted authorization to finalize a formal resolution between the U. T. Board of Regents and the City of San Antonio for the exchange of real property and purchase of leasehold interest as set out in Items b. and c. below;
- b. approved the exchange of a 6.0027-acre tract out of the Institute of Texan Cultures campus, San Antonio, Bexar County, Texas, for two tracts of land located at 700 West Commerce Street and 301 South Frio Street in San Antonio, with each of the parties responsible for their respective expenses to complete the transactions;

[Counsel and Secretary's Note: The San Antonio City Council approved this land swap at its meeting on April 15, 2004.]

- c. authorized the Executive Director of Real Estate to enter into an agreement to purchase the leasehold interest in the improvements located at 301 South Frio Street for a price not to exceed the fair market value as determined by independent appraisers;
- d. approved submission of the transactions to the Texas Higher Education Coordinating Board for approval, if necessary;
- e. authorized the Chancellor to execute a formal resolution that summarizes the collaborative agreement between the U. T. Board of Regents and the City of San Antonio; and
- f. authorized the Executive Director of Real Estate or the Interim Vice Chancellor for Business Affairs 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 Executive Director of Real Estate negotiated an agreement to expand the Downtown Campus of U. T. San Antonio by exchanging a surplus 6.0027-acre tract of land with facilities out of the campus of the Institute of Texan Cultures at an appraised value of \$2.09 million for two tracts of land across the street from the U. T. San Antonio Downtown Campus. One of the tracts to be acquired on behalf of U. T. San Antonio is a parking lot with a vacant drive-thru bank facility at an appraised value of \$1.72 million; the other is improved with a 91,650 square foot office building and paved parking lot at an appraised value of \$7.3 million. The parking lot will be used for parking until funding is obtained to construct additional classrooms and offices. The existing office building will be converted to exclusive use by the University as quickly as the existing leases terminate. Funding for costs associated with the exchanges of land will be from Local Fund Balances, with funding for the purchase of the leasehold interest to be paid with Revenue Financing System Bond Proceeds.

10. U. T. San Antonio: Authorization to establish a Master of Social Work degree

The Board:

- a. authorized establishment of a Master of Social Work (MSW) degree program at The University of Texas at San Antonio;
- b. approved 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 Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met.

The program will be offered by the Department of Social Work in the College of Public Policy and is designed to prepare students for advanced placement in social service agencies as direct service providers or in administrative or community building capacities. The program requires 36 semester credit hours of coursework beyond the bachelor's degree for students who have earned the Bachelor of Social Work (BSW) degree from an accredited college or university and 60 semester credit hours of coursework beyond the bachelor's degree for students who have not earned the BSW degree.

A minimum of two additional full-time faculty members from the Department of Social Work are expected to be hired to begin in the 2004-2005 academic year, with three additional full-time faculty members from the Department of Social Work expected to be hired to begin their appointments by Fall 2005. Two additional full-time faculty members will be hired by year five. The eight full-time equivalent members of the Social Work faculty will form the core of the program. Five additional tenured or tenure-track faculty members from other departments will contribute to the program's delivery. No new facilities or renovations of existing facilities are required.

Estimated expenditures for the first five years of the program total \$2,691,700. This includes \$1,779,000 in new faculty salaries; \$375,000 for program administration; \$52,500 for new graduate assistants; \$192,200 for new library and information technology resources; \$68,000 for supplies, materials, and equipment; and \$225,000 for clerical support. U. T. San Antonio will commit \$1,040,700 of existing resources in addition to \$1,651,000 in formula funding to finance the first five years of the program.

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

- 11. U. T. San Antonio: Recreation and Athletics Facilities - Amendment of 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 Recreation and Athletics Facilities project at The University of Texas at San Antonio as follows:

**Architecturally or Historically Significant:**

Yes  No

**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** July 2007

**Total Project Cost:**

<u>Source</u>	
Revenue Financing System Bond Proceeds	\$12,000,000
Gifts	\$ 3,000,000
Unexpended Plant Funds	\$ 1,500,000
Grants	<u>\$ 1,500,000</u>
	\$18,000,000

**Project Description:** This project consists of upgrades and additions to the recreation and athletics facilities at U. T. San Antonio to include a new track and soccer stadium, baseball and softball field improvements, and additional recreation and sports fields. The debt for the Revenue Financing System Bond Proceeds will be repaid from student fees.

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

12. U. T. El Paso: Authorization to accept invitation from Conference USA and to negotiate and finalize terms of athletic conference membership

Committee Chairman Krier noted that an additional item related to a recommendation for The University of Texas at El Paso to become a member of a new athletic conference was before the Board on yellow paper. In accordance therewith, the Board authorized U. T. El Paso to accept an invitation from Conference USA (C-USA) to become a member in 2005. Further, Chancellor Yudof and President Natalicio were authorized to negotiate and finalize terms and conditions for such membership.

U. T. El Paso joined the Western Athletic Conference (WAC) in 1967. There are currently eight members in the WAC and in 2003, Rice University, Southern Methodist University, and the University of Tulsa announced they would leave the WAC in 2005 to become members of C-USA.

U. T. El Paso's participation in C-USA will enable it to compete regularly in Texas, especially in the Dallas and Houston areas, where there are large concentrations of U. T. El Paso alumni. Participation in C-USA will also significantly enhance the University's potential for additional postseason play and for increased revenue streams for its athletics programs. C-USA has an eight-year agreement, initiated in 2001, with ESPN that incorporates television coverage by ESPN, ESPN2, ESPN Regional Television, ABC Sports, ESPN.com, and ESPN Classic. In addition, the conference has tie-ins with five football bowl games.

U. T. El Paso's Miners will be grouped in C-USA's Western Division with the University of Houston, Rice University, Southern Methodist University, Tulane University, and the University of Tulsa.

REPORT AND RECOMMENDATION OF THE HEALTH AFFAIRS COMMITTEE  
 (Pages 38 - 43).--Committee Chairman Clements reported that the Health Affairs Committee met in open session to consider 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 which follow were recommended by the Health Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. M. D. Anderson Cancer Center: Brain Suite - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to include project; appropriation of funds and authorization of expenditure; and authorization of institutional management

The Board approved the recommendations for the Brain Suite project at The University of Texas M. D. Anderson Cancer Center as follows:

**Architecturally or Historically Significant:**

Yes  No

**Project Delivery Method:**

Competitive Sealed Proposals

**Substantial Completion Date:**

December 2004

**Total Project Cost:**

Source  
 Hospital Revenues \$2,800,000

**Recommendations:**

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to include the Brain Suite at a preliminary project cost of \$2,800,000 with funding from Hospital Revenues;
- b. appropriate funds and authorize expenditure of \$2,800,000 from Hospital Revenues; and
- c. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

**Project Description:**

U. T. M. D. Anderson Cancer Center has identified an opportunity to import a new technology to improve the treatment of brain tumors. Brain Suite is a neurosurgical operating room that provides and fully integrates all relevant surgical and diagnostic tools, including Magnetic Resonance Imaging (MRI), to treat complicated neuro-surgical cases. Brain Suite provides benefits for tumor resection and intra operative diagnostic imaging, and also opens up new avenues of scientific research for the Neurosurgical Department. Through the integration of a high-field magnetic resonant scanner into the operating room, new paradigms, protocols, and surgical procedures can be examined.

This project would best be managed by the U. T. M. D. Anderson Cancer Center Facilities Management personnel who have the experience and capability to manage all aspects of the work.

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

2. U. T. Health Science Center - Houston: Authorization to acquire real property improvements (Hermann Professional Building and Parking Garage) located at 6410 and 6414 Fannin Street, Houston, Harris County, Texas; approval to lease the 3.0195-acre site; and approval of parity debt

Authorization was granted by the U. T. Board of Regents, on behalf of The University of Texas Health Science Center at Houston, to:

- a. purchase the real property improvements (Hermann Professional Building and Parking Garage) located at 6410 and 6414 Fannin Street, Houston, Harris County, Texas, at a price of \$31 million;
- b. appropriate funds and authorize the expenditure of \$19.55 million from Tuition Revenue Bond Proceeds and \$11.45 million from Revenue Financing System Bond Proceeds;
- c. lease on a long-term basis, the 3.0195-acre site on which the improvements are located;
- d. authorize the Executive Director of Real Estate (subject to approval by the Office of General Counsel) to complete ground lease negotiations; 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; and
- e. submit the transactions to the Texas Higher Education Coordinating Board for approval, if necessary.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative, the Board resolved that:

- a. parity debt shall be issued to pay the acquisition cost, including any costs prior to the issuance of such parity debt;
- b. sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and

- c. U. T. Health Science Center - Houston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of parity debt in the aggregate amount of \$31 million.

Section 55.1732 (a)(11) of the Texas Education Code authorizes the Board of Regents to issue \$19.55 million of Tuition Revenue Bonds on behalf of U. T. Health Science Center - Houston "to construct or purchase a classroom building that includes facilities for clinical teaching and clinical research."

To accomplish this purpose, U .T. Health Science Center - Houston will purchase the Hermann Professional Building and Parking Garage, which is located at 6410 and 6414 Fannin Street in Houston, Texas, from its current owner, the Memorial Hermann Healthcare System (MHHS). The subject property consists of a 14-story medical office tower containing 308,155 gross square feet (293,481 net rentable square feet) and an attached 1,416-space parking garage containing 463,303 gross square feet, plus an additional 26,697 net rentable square feet of office space on the first floor. The site contains approximately 3.02 acres. The property lies within the boundaries of the Texas Medical Center directly across the street from the U. T. Health Science Center - Houston Medical School Building and Memorial Hermann Hospital (the institution's primary teaching hospital).

Together with its not-for-profit healthcare corporation, University of Texas Physicians, U. T. Health Science Center - Houston currently occupies approximately 51% of the Hermann Professional Building on a lease basis. Combined with space currently utilized by MHHS clinics and private physicians who also participate in the teaching of medical residents, a substantial portion of the property is already being used for U. T. Health Science Center - Houston mission-related clinical teaching and clinical research purposes. Acquisition of the property will allow the institution to maintain its long-term clinical teaching and research relationship with MHHS while reducing expenses through the elimination of current lease obligations. While the U. T. Health Science Center - Houston intends to fully utilize the facility for its own use, it expects that portions of the building and garage will continue being leased to MHHS, private physicians, and a limited number of nonmedical tenants until such spaces are needed by the institution.

The \$31 million purchase price for the medical office tower and parking garage is supported by independent MAI appraisals. The sources of acquisition funding are \$19.55 million of Tuition Revenue Bond Proceeds and \$11.45 million of Revenue Financing System Bond Proceeds. Debt service on the \$11.45 million of Revenue Financing System debt will be repaid by net revenues from the project and by practice plan income derived from ambulatory clinics.

Because MHHS will not agree to sell land in close proximity to its main hospital site, the land will be leased, rather than sold, to the U. T. Board of Regents for the benefit of U. T. Health Science Center - Houston. The primary term of the lease will be 50 years. The Board of Regents may extend the lease for a second term of 50 years and a third term of 25 years at its sole option.

3. U. T. Health Center - Tyler: Health Clinic on U. T. Tyler campus - Amendment of 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 (CIP) and the FY 2004-2005 Capital Budget to include the Health Clinic project at The University of Texas Health Center at Tyler as follows:

**Architecturally or Historically Significant:**

Yes  No

**Project Delivery Method:**

Competitive Sealed Proposals

**Substantial Completion Date:**

July 2006

**Total Project Cost:**

Source  
Revenue Financing System Bond Proceeds \$3,500,000

**Project Description:**

The Health Clinic will be located on the U. T. Tyler campus. This project will construct a 10,000 gross square foot, one-story facility incorporating outpatient clinic facilities for the general public, faculty, staff, and students of U. T. Tyler. The facility will include examination rooms, nurse and clerical work areas, medical records storage, teaching and testing areas, waiting rooms, and staff offices. An additional parking area will also be constructed adjacent to the facility.

U. T. Health Center – Tyler currently operates and leases two facilities in South Tyler and has been exploring different options for consolidating operations into one facility. This possibility, combined with the need to provide student, faculty, and staff health care on the U. T. Tyler campus, provides justification for a more permanent investment. In addition to being able to serve a greater patient population in the new facility, U. T. Health Center – Tyler also expects overhead costs to be decreased as a result of the combined operation with the debt for financing repaid from patient care income. Furthermore, operations at this facility will provide an on-campus teaching forum for education and clinical research for students.

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

4. U. T. M. D. Anderson Cancer Center: Determination of necessity and authorization to acquire three parcels of real property, through purchase or condemnation, in the expansion zone known as the Mid-campus Area, specifically 1303 Eaton Street, 7123 Selma Street, and 7213 Cecil Street, Houston, Harris County, Texas

By House Bill 1840 passed by the 76th Texas Legislature in 1999, a geographical expansion area was created for The University of Texas M. D. Anderson Cancer Center, referred to as the Mid-campus Area. The institution has immediate needs to use the Mid-campus Area for a building site and the creation of a public roadway connection between the main hospital complex and the U. T. Research Park.

Historically, much of the Mid-campus Area was divided into relatively small parcels with numerous owners. U. T. M. D. Anderson Cancer Center has for many years been systematically assembling larger tracts of land through negotiated purchases within the area, and there now remain specific parcels that must be acquired.

On March 11, 2004, the Board passed a resolution recognizing its right and responsibility to secure the land and also recognized the desirability of negotiation for these acquisitions, urging The University of Texas System Real Estate Office and U. T. M. D. Anderson Cancer Center to make all reasonable efforts to negotiate the purchase of the three remaining parcels of land necessary to complete the Mid-campus Acquisition Program at prices not to exceed fair market value as determined by independent appraisals.

In accordance therewith, the Board granted authorization to:

- a. acquire the property located at 1303 Eaton Street, 7123 Selma Street, and 7213 Cecil Street, Houston, Harris County, Texas, through purchase or condemnation proceedings, if necessary, at prices not exceeding fair market values as determined by independent appraisals or by determinations of the courts; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments and other agreements, and subject to consent by the Executive Vice Chancellor for Health Affairs, to initiate condemnation actions of the subject properties, if necessary, through the U. T. System Office of General Counsel and the Office of the Attorney General of the State of Texas, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing action.

In the event U. T. M. D. Anderson Cancer Center is unsuccessful in acquiring the remaining properties through good faith negotiations, in accordance with the Resolution adopted by the Board of Regents on March 11, 2004, the institution was granted authority to condemn the properties at fair market values as determined by the courts, subject to first obtaining the consent of the Executive Vice Chancellor for Health Affairs prior to initiating such condemnation actions.

5. U. T. Health Center - Tyler: Appointment of Ronald F. Garvey, M.D., as President Emeritus

Ronald F. Garvey, M.D., was appointed President Emeritus at The University of Texas Health Center at Tyler in accordance with the Regents' Rules and Regulations, Part One, Chapter II, Section 21, relating to honorary titles. This appointment was retroactive starting on February 1, 2003.

As Acting Director of U. T. Health Center - Tyler from 1997-1998, Dr. Garvey became the first President of the institution in 1998. During his tenure at the institution, he focused on the financial performance of the institution, dramatically improved its financial picture, and successfully led the initiative to obtain funding for a \$12 million expansion of the Center for Biomedical Research. Dr. Garvey retired as president in October 2002, after five years of exemplary service to the people of East Texas.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 44 - 55).--Committee Chairman Huffines 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 which 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: Meadow Run Apartments - Phase II - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and approval of parity debt

The Board approved the recommendations for the Meadow Run Apartments - Phase II at The University of Texas at Arlington as follows:

- Project Number:** 301-189
- Architecturally or Historically Significant:** Yes  No
- Project Delivery Method:** Competitive Sealed Proposals
- Substantial Completion Date:** July 2005
- Total Project Cost:** Source  
Revenue Financing System Bond Proceeds \$7,722,000
- Debt Service:** The \$7,722,000 in Revenue Financing System Bond Proceeds debt will be repaid from net revenues on the project. The annual debt service will be structured proportionately to the projected amount of net revenue available. Debt service coverage on the project is expected to achieve 1.3 times by the seventh year of operation. Auxiliary Fund Balances are available for interim debt service coverage.
- Recommendations:**
- a. approve design development plans;
  - b. approve the evaluation of alternative energy economic feasibility;
  - c. appropriate funds and authorize expenditure of funds; and
  - d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
    - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and
- U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$7,722,000.

**Previous Board Action:**

In December 2003, the Chancellor, under delegated authority from the Board, approved decreasing the total project cost from \$10,572,000 to \$7,722,000 to allow for the land purchase of the site for the apartments.

**Project Description:**

The project will include the construction of four three-story buildings consisting of approximately 94,500 total gross square feet capable of housing 216 students with a mix of one-bedroom and two-bedroom units. A clubhouse and mail center and a swimming pool constructed during Phase I will be available for use by occupants of Phase II. Parking for 171 vehicles is included and will be located south of and adjacent to the existing parking lot constructed by the Meadow Run Apartments - Phase I.

Due to increased student enrollment at U. T. Arlington, demand for University-owned and operated apartments is strong. Currently, there are 900 people on the residence hall waiting list and 1,115 people waiting for apartments. To begin to meet this need, the institution has added housing for over 1,000 students over the past three years. In Fall 2000, Arlington Hall added 600 residence hall beds to the on-campus housing inventory; in Fall 2002, Arbor Oaks and Timber Brook Apartments added 240 apartment units; and in Fall 2003, Meadow Run Apartments added 120 apartment units. The completion of Kalpana Chawla Hall in Fall 2004 will add an additional 430 residence hall beds.

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

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

2. U. T. Arlington: Student Apartments - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; approval of parity debt; and redesignation of project as the Silver Stone Apartments

The Board approved the recommendations for the Student Apartments at The University of Texas at Arlington as follows:

**Project Number:** 301-188

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Competitive Sealed Proposals

**Substantial Completion Date:** July 2005

**Total Project Cost:** Source  
Revenue Financing System Bond Proceeds \$14,357,000

**Debt Service:** The \$14,357,000 in Revenue Financing System Bond Proceeds debt will be repaid from net revenues on the project. The annual debt service will be structured proportionately to the projected amount of net revenue available. Debt service coverage on the project is expected to be at least 1.3 times by the fifth year of operation. Auxiliary Fund Balances are available for interim debt service coverage.

**Recommendations:**

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and

- U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$14,357,000.

e. redesignate the project as the Silver Stone Apartments.

**Previous Board Action:**

On August 7, 2003, the project was approved by the Board for inclusion in the Capital Improvement Program.

**Project Description:**

The project will include approximately 150,000 total gross square feet consisting of the construction of 13 two- and three-story buildings capable of housing approximately 270 students, one community building, and utility support buildings. A clubhouse and mail center and a swimming pool will be included. There will be utility upgrades, site development, and improvements including surface parking. The redesignation to Silver Stone Apartments is the recommendation by vote of the U. T. Arlington Housing Department staff.

Due to increased student enrollment at U. T. Arlington, demand for University-owned and operated housing is strong. Currently, there are 900 people on the residence hall waiting list and 1,115 people waiting for apartments. To begin to meet this need, the institution has added housing for over 1,000 students over the past three years. In Fall 2000, Arlington Hall added 600 residence hall beds to the on-campus housing inventory; in Fall 2002, Arbor Oaks and Timber Brook Apartments added 240 apartment units; and in Fall 2003, Meadow Run Apartments added 120 apartment units. The completion of Kalpana Chawla Hall in Fall 2004 will add an additional 430 residence hall beds.

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

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

(See Item 3 on Page 29 related to acquisition of property at 124 Southdale Drive, Arlington, Tarrant County, Texas.)

3. U. T. Dallas: Natural Science and Engineering Research Building - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and approval of parity debt

The Board approved the recommendations for the Natural Science and Engineering Research Building at The University of Texas at Dallas as follows:

**Project Number:** 302-192

**Architecturally or Historically Significant:** Yes  No

**Project Delivery Method:** Construction Manager at Risk

**Substantial Completion Date:** December 2006

**Total Project Cost:** Source  
Revenue Financing System Bond Proceeds \$85,000,000

**Debt Service:** Debt service on the Natural Science and Engineering Research Building will be secured by and payable from Pledged Revenues of the Revenue Financing System; however, pursuant to an Economic Development Agreement between the Board of Regents and the State of Texas dated March 1, 2004, it is the intention of the State to appropriate additional funding to U. T. Dallas to reimburse 100% of the debt service costs for the first 10 years of the agreement, with the percentage declining to 10% by years 19 and 20. U. T. Dallas has agreed to generate income from external research contracts and other collaborative efforts to satisfy the debt service obligations not covered through general revenue appropriations. To the extent this research income is insufficient, U. T. Dallas has pledged to use up to \$4,300,000 of Local Fund Balances as necessary to meet its debt service obligations. Annual debt service on the \$85,000,000 in Revenue Financing System debt is expected to be approximately \$6,840,000. Debt service coverage on the projected net obligation payable by U. T. Dallas is expected to be at least 1.3 times.

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

**Previous Board Action:**

On November 13, 2003, the project was approved by the Board for inclusion in the Capital Improvement Program.

**Project Description:**

The project will include approximately 200,000 gross square feet for technology research and development. The new building is to provide state-of-the-art, multidisciplinary research laboratories, laboratory support spaces, faculty and student offices, and administrative offices. The building will include core facilities for imaging, cleanroom space, and shell space for a central vivarium. The departments of Computer Science and Natural Science and the engineering program are to be housed in this building with the goal of establishing top ranking for the institution.

The State of Texas has negotiated an agreement with Texas Instruments for construction of a new \$3 billion research, development, and manufacturing facility to be located in Richardson, Texas. As part of that agreement, the State has offered to significantly enhance the academic and research programs at the Erik Jonsson School of Engineering and Computer Sciences at U. T. Dallas. To satisfy the State’s commitment to Texas Instruments, the State and U. T. System have proposed Project Emmitt, a \$3 billion, five-year program aimed at elevating the Jonsson School to a Top-50 ranking among United States engineering schools. The core building will be the Natural Science and Engineering Research Building to consolidate programs into one facility.

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

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

Committee Chairman Huffines expressed his appreciation to the staff at The University of Texas at Dallas and the Office of Facilities Planning and Construction for their work on the Natural Science and Engineering Research Building project. He said the project is on the fast track, and the building will be beautiful and ground will hopefully be broken in November 2004.

4. U. T. Permian Basin: Student Housing Phase III - Amendment of FY 2004-2009 Capital Improvement Program and FY 2004-2005 Capital Budget to increase total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and approval of parity debt

The Board approved the recommendations for the Student Housing Phase III at The University of Texas of the Permian Basin as follows:

- Project Number:** 501-185
- Architecturally or Historically Significant:** Yes  No
- Project Delivery Method:** Competitive Sealed Proposals
- Substantial Completion Date:** July 2005
- Total Project Cost:** Source  
Revenue Financing System Bond Proceeds \$7,900,000
- Debt Service:** The \$7,900,000 in Revenue Financing System Bond Proceeds debt will be repaid from net housing revenue operations. Debt service coverage on the institution's combined student housing operations is expected to be at least 1.3 times.
- Recommendations:**
- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost by \$1,900,000;
  - b. approve design development plans;
  - c. approve the evaluation of alternative energy economic feasibility;
  - d. appropriate funds and authorize expenditure of funds; and
  - e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
    - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and
- U. T. Permian Basin, 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 \$7,900,000.

**Project Description:**

The new housing project will consist of approximately 45,000 gross square feet capable of housing 114 students. The project is in a six building configuration. Each building is to have three one-bedroom units, eight two-bedroom units, and a laundry room. This is the third phase of a planned expansion and upgrading of on-campus housing. The project will include improvements to the existing cafeteria, paved parking for approximately 125 vehicles, and utility connections. Present housing is filled to capacity. The increase of \$1,900,000 in the total project cost will accommodate the redefined scope determined in the facility program.

The housing expansion will accommodate projected increased enrollment and the increase of the undergraduate student body. Current on-campus housing consists of approximately 224 total beds with housing of an additional 198 beds currently under construction.

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

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

5. U. T. Permian Basin: Acceptance of gift of a replica of Stonehenge

On behalf of The University of Texas of the Permian Basin, the Board accepted the gift of a full-size replica of Stonehenge from a group of citizens. The replica will be exact in the horizontal size dimensions and 70% of the vertical dimensions.

The Stonehenge replica will be located on 0.3 acres of land near the Visual Arts Studio. The stones will be set in the appropriate orientation to fit the alignment of the original structure, corrected for the new latitude and longitude. The actual stones will be obtained from a local Permian Basin quarry and installed by the staff at U. T. Permian Basin after review and approval of the recommended layout and engineering design by the appropriate administration and staff of U. T. Permian Basin. The Stonehenge replica will be a major draw to the campus for travelers and school children. The cost of installation will be donated, and maintenance will be minimal.

6. U. T. Austin: Honoring naming of the Animal Rehabilitation Keep at the Marine Science Institute as the Edith McAllister Animal Rehabilitation Keep (Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3, Honoring Namings)

The Board approved the naming of the Animal Rehabilitation Keep at the Marine Science Institute at The University of Texas at Austin as the Edith McAllister Animal Rehabilitation Keep.

The Keep in Port Aransas is a permanent building for the rehabilitation of injured birds, turtles, and mammals recovered in the Coastal Bend area. The facility is climate controlled and provides the needed tanks and filtration systems for rehabilitation of wounded animals.

Mrs. McAllister and her daughter, Ms. Taddy McAllister, raised most of the funds for the construction and equipment for the facility, which was dedicated in August 1999.

7. U. T. San Antonio: Honoring naming of a wing of the Biotechnology, Sciences and Engineering Building (West Campus Wet Lab Building) as the Margaret Batts Tobin Laboratory Building (Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3, Honoring Namings)

The Board approved the naming of the West Campus Wet Lab Building wing of the Biotechnology, Sciences and Engineering Building project at The University of Texas at San Antonio as the Margaret Batts Tobin Laboratory Building.

The research facility contains 22,000 gross square feet and will house numerous generic biology research labs as well as a Biosafety level-3 laboratory.

Mrs. Margaret Batts Tobin served on the U. T. Board of Regents from 1947 to 1955. She was the third woman appointed to the Board and was a prominent

businesswoman and cultural leader in San Antonio for many years until her death in August 1989. Throughout her years in San Antonio, she was active in the community.

8. U. T. Tyler: Student Dormitory and Academic Excellence Center - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost and appropriation of additional funds and authorization of expenditure (Deferred)

The item related to amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase the total project cost and appropriate additional funds and authorize expenditure of the Student Dormitory and Academic Excellence Center at The University of Texas at Tyler was deferred by the Facilities Planning and Construction Committee on May 12, 2004.

9. U. T. M. D. Anderson Cancer Center: Federal Emergency Management Agency (FEMA) 404 Projects - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost and appropriation of additional funds and authorization of expenditure

The Board approved the recommendations for the Federal Emergency Management Agency (FEMA) 404 Projects at The University of Texas M. D. Anderson Cancer Center as follows:

**Architecturally or Historically Significant:**

Yes  No

**Project Delivery Method:**

Construction Manager at Risk

**Institutionally Managed:**

Yes  No

**Substantial Completion Date:**

February 2006

**Total Project Cost:**

<u>Source</u>	
Grants	\$27,939,183
Hospital Revenues	<u>\$ 9,360,817</u>
	\$37,300,000

**Recommendations:**

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost by \$5,200,000; and
- b. appropriate additional funds and authorize expenditure of funds.

**Previous Board Action:** On May 8, 2003, the Board approved the project for inclusion in the CIP and authorized institutional management for the project.

**Project Description:** U. T. M. D. Anderson Cancer Center is requesting the addition of \$3,944,770 from FEMA and \$1,255,230 from Hospital Revenues to include two additional grant awards for the project.

During 2001, rains from Tropical Storm Allison caused damage to many facilities within the Texas Medical Center. The governor of the State of Texas requested federal funding under the FEMA Hazard Mitigation Grant Program and Public Assistance Program for projects that could involve restoration and improvements of internal facility systems and components. U. T. M. D. Anderson Cancer Center applied and received approval for federal assistance.

The approved projects are required as part of an effort to protect facilities and equipment from future potential flooding. In particular, the projects involve relocation of critical electrical and mechanical equipment in various buildings, installation of emergency disconnects, and relocation of the medical records transcription offices. These improvements are considered essential to the protection of the facilities from potential damage caused by future floods.

FEMA previously approved eight distinct projects. U. T. M. D. Anderson Cancer Center recently received notification that FEMA has approved two additional projects in the amount of \$5,200,000. The two additional projects are similar to the ongoing FEMA projects as the work involves relocation and protection of critical building systems and components. FEMA will fund 75% of the approved project cost and U. T. M. D. Anderson Cancer Center will fund the remaining portion of the project cost.

10. U. T. Health Center - Tyler: Ambulatory Care Center - Phase II - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; appropriation of additional funds and authorization of expenditure; and approval of parity debt

The Board approved the recommendations for the Ambulatory Care Center - Phase II at The University of Texas Health Center at Tyler as follows:

**Project Number:** 801-167  
**Architecturally or Historically Significant:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** April 2005

<b>Total Project Cost:</b>	<u>Source</u> Revenue Financing System Bond Proceeds \$2,500,000
<b>Debt Service:</b>	The \$322,000 in Revenue Financing System Bond Proceeds debt will be repaid from net revenues on the project. The annual debt service will be structured proportionately to the projected amount of net revenue available. Debt service coverage on the project is expected to be at least 1.3 times.
<b>Recommendations:</b>	<ol style="list-style-type: none"> <li>a. amend the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase the total project cost;</li> <li>b. appropriate additional funds and authorize expenditure of funds; and</li> <li>c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that <ul style="list-style-type: none"> <li>• parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;</li> <li>• 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</li> <li>• U. T. Health Center – Tyler, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$322,000.</li> </ul> </li> </ol>
<b>Previous Board Action:</b>	On August 13, 2003, the funding of \$2,178,000 from Revenue Financing System Bond Proceeds was appropriated. In March 2004, the Chancellor approved the design development plans.
<b>Project Description:</b>	<p>U. T. Health Center – Tyler is requesting an increase of \$322,000 in the total project cost to allow for the complete buildout of both the Women’s Wellness Center and Surgery Clinic, including imaging services.</p> <p>The project consists of 25,000 gross square feet to house the Women’s Wellness Center and a Surgery Clinic, which includes wound and urology clinics. The outpatient clinical facilities will include examination rooms, nurse and clerical work areas, medical records, teaching and testing areas, and waiting rooms. Additional mechanical and electrical equipment is required to support floor areas, and an additional elevator will be installed in an existing shaft.</p>

SCHEDULED MEETINGS.--Chairman Miller announced that the next special called meeting would be held on June 21, 2004, in Austin, with an additional special meeting in early June regarding the election of a new Chairman of the Board. The next regular scheduled meeting would be held on August 11-12, 2004, at The University of Texas M. D. Anderson Cancer Center.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 12:55 p.m.

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

August 9, 2004

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
DOCKET NO. 117**

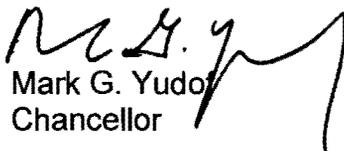
April 15, 2004

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Woody L. Hunt, Chairman  
John W. Barnhill, Jr.  
H. Scott Caven, Jr.  
James Richard Huffines  
Cyndi Taylor Krier

The Docket for The University of Texas System Administration and the Dockets recommended by the Presidents concerned and prepared by the component institutions listed below are submitted for approval as appropriate at the meeting of the U. T. Board of Regents on May 13, 2004. The Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Interim Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel, and I concur in these recommendations.

<u>Institutions</u>	<u>Pages</u>
The University of Texas System Administration	Docket 1- 5
The University of Texas at Arlington	Docket 6- 9
The University of Texas at Austin	Docket 10-16
The University of Texas at Brownsville	Docket 17-19
The University of Texas at Dallas	Docket 20-21
The University of Texas at El Paso	Docket 22-23
The University of Texas - Pan American	Docket 24
The University of Texas of the Permian Basin	Docket 25
The University of Texas at San Antonio	Docket 26-31
The University of Texas at Tyler	Docket 32
The University of Texas Southwestern Medical Center at Dallas	Docket 33-35
The University of Texas Medical Branch at Galveston	Docket 36-41
The University of Texas Health Science Center at Houston	Docket 42-43
The University of Texas Health Science Center at San Antonio	Docket 44
The University of Texas M. D. Anderson Cancer Center	Docket 45-50

  
Mark G. Yudof  
Chancellor

xc: Other Members of  
the Board

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## U. T. SYSTEM ADMINISTRATION

### CONTRACTS

The following contract or agreement has been administratively approved by the Chancellor 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 GOING OUT

1. Agency: Wireless Generation, Inc.  
Funds: \$1,350,000  
Period: May 13, 2004 through September 30, 2004  
Description: In conjunction with the Texas Reading First Initiative, Wireless Generation, Inc., will provide a technology-based observational assessment infrastructure, develop updates to existing Texas Primary Reading Inventory software, and update customized user documentation including training and materials. Wireless Generation, Inc., will also develop and implement a Tejas Lectura En Espanol software application and pilot program. Funds will be reimbursed to The University of Texas System through the Texas Education Agency from grant funds awarded to The University of Texas System for the Texas Reading First Initiative.

**AMENDMENT TO THE 2003-04 BUDGET**

**TRANSFERS OF FUNDS**

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
ROLLING OWNER CONTROLLED INSURANCE PROGRAM (ROCIP)		
1. Amount of Transfer:	3,000,000	6

From: Income Account - ROCIP III

To: Expense Account - ROCIP IV

Transfer funds from ROCIP III to fund expenses associated with ROCIP IV until such time as premiums are collected to repay ROCIP III.

## OTHER MATTERS

### APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT

The following items have been approved by the Chancellor in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and are submitted for approval by the U. T. Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding the positions and the appointment of Dr. Shine with The University of Texas System Administration. By approval of these items, the Board is also asked to find that holding these positions are of benefit to the State of Texas and The University of Texas and there is no conflict between the positions and Dr. Shine's appointment.

1.     Name:                     Kenneth I. Shine, M.D.  
       Title:                    Executive Vice Chancellor for Health Affairs  
       Position:                 Special Government Employee Member  
       Period:                  February 5, 2004 through February 5, 2005  
       Compensation:            None  
       Description:             Mr. Charles E. McQueary, Under Secretary for Science and Technology, Department of Homeland Security, appointed Dr. Shine to serve as an inaugural member of the Homeland Security Science and Technology Advisory Committee. The mission of this newly-formed committee is to be a source of independent, scientific, and technical planning advice for the Department.
  
2.     Name:                     Kenneth I. Shine, M.D.  
       Title:                    Executive Vice Chancellor for Health Affairs  
       Position:                 Chair  
       Period:                  February 2, 2004 through January 31, 2006  
       Compensation:            None  
       Description:             Mr. Peter J. Pitts, Associate Commissioner for External Relations, Department of Health and Human Services, appointed Dr. Shine to serve as Chair of the Science Board of the Food and Drug Administration. The Board advises the Commissioner of the Food and Drug Administration in discharging his/her responsibilities as they relate to addressing specific and technically complex scientific issues of regulatory importance.

## OTHER MATTERS (CONTINUED)

### APPROVAL OF NEWLY COMMISSIONED U. T. SYSTEM PEACE OFFICERS

In accordance with Chapter 51.203 of the Texas Education Code, the U. T. Board of Regents is requested to approve the commissioning of the individuals listed below as peace officers effective December 12, 2003. The following officers have completed a course of training that included mandated Texas Commission on Law Enforcement Officer Standards and Education courses at The University of Texas System Police Training Academy and have successfully passed the State of Texas Peace Officer Licensing Examination.

<u>Name</u>	<u>Component Institution</u>
Michael J. Armendariz	U. T. Health Science Center - Houston
Charles Christopher Bonnet	U. T. Austin
Wesley J. Braunsdorf	U. T. Medical Branch - Galveston
Joel Alberto Campos	U. T. Brownsville
Jacob M. Corbitt	U. T. Medical Branch - Galveston
Jacob Karl Criswell	U. T. San Antonio
Timothy L. Crowell	U. T. Austin
Jorge A. Cruz	U. T. Pan American
Ricardo Delgadillo	U. T. Brownsville
Kevin B. Gray	U. T. Health Science Center - Houston
Joseph I. P. Hansen	U. T. Permian Basin
Bobby M. Hudson	U. T. Tyler
Covell W. Johnson	U. T. Health Science Center - Houston
Felix J. Jones	U. T. Health Science Center - Houston
Noel J. Layer	U. T. Medical Branch - Galveston
Guillermo R. Lyne, III	U. T. Brownsville
Diego N. Mata	U. T. Pan American
Megan J. L. Meixsell	U. T. Austin
Jimmy Lee Moore, Jr.	U. T. Austin
Michael Mulla	U. T. Health Science Center - Houston
Maria Del Carmen Perez	U. T. Brownsville
Wesley Ray Schlather	U. T. Austin
Russell Brooks Whitehair	U. T. San Antonio

# REAL ESTATE REPORT

## THE UNIVERSITY OF TEXAS SYSTEM REAL ESTATE ASSETS

Managed by U. T. System Real Estate Office

Summary Report at February 29, 2004

### FUND TYPE

	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
<b>Land &amp; Buildings:</b>								
Ending Value 11/30/03	\$ 6,191,822	\$ 24,388,537	\$ 25,166,108	\$ 120,417,643	\$ 1,249,644	\$ 858,515	\$ 32,607,575	\$ 145,664,695
Increase or Decrease	(836,810)	(1,200,000)	(103,187)	82,575,431	-	-	(939,997)	81,375,431
Ending Value 2/29/04	\$ 5,355,012	\$ 23,188,537	\$ 25,062,921	\$ 202,993,074	\$ 1,249,644	\$ 858,515	\$ 31,667,578	\$ 227,040,126
<b>Other Real Estate:</b>								
Ending Value 11/30/03	\$ 140,945	\$ 140,945	\$ 306,290	\$ 306,290	\$ -	\$ -	\$ 447,235	\$ 447,235
Increase or Decrease	(7,847)	(7,847)	50,596	50,596	-	-	42,749	42,749
Ending Value 2/29/03	\$ 133,098	\$ 133,098	\$ 356,886	\$ 356,886	\$ -	\$ -	\$ 489,984	\$ 489,984

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

Details of individual assets by account furnished on request.

## U. T. ARLINGTON

### 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: Seismic Micro-Technology, Inc.  
College/School/ Department: College of Science, Geology Department  
Purpose: Research  
Asset Type: Gift-in-kind (software)  
Value: \$704,000

**AMENDMENTS TO THE 2003-04 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.

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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>	
<b>COLLEGE OF ENGINEERING</b>					
Mechanical and Aerospace					
1. Roger D. Goolsby (T)					37
From: Professor		100	09	77,200	
To: Professor and	9/1-5/31	100	09	77,200	
Director, Material Science and Engineering	12/1-5/31	SUPLT	06	5,000	

## OTHER FISCAL ITEMS

### EMPLOYMENT AGREEMENTS

The following agreement has been awarded, has been approved by the Chancellor, and is recommended for approval by the U. T. Board of Regents. Such employment under these agreements is subject 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.

1. Item: President  
Funds: \$239,000 annually  
Period: Beginning February 1, 2004  
Description: Agreement for employment of James D. Spaniolo as President of The University of Texas at Arlington. The President reports to the Chancellor and the Executive Vice Chancellor for Academic Affairs and shall hold office without fixed term subject to the pleasure of the Chancellor. President Spaniolo will receive \$35,400 as a salary supplement in lieu of a housing allowance pursuant to approved policy. All reasonable moving expenses from East Lansing, Michigan to Arlington, Texas will be reimbursed. Medical insurance premiums will be paid for the first 90 days of employment. President Spaniolo is also appointed as a Professor, with tenure, in the Department of Communication, College of Liberal Arts, with an initial academic rate of \$90,000 per year. During his presidency, President Spaniolo will not be paid a salary as Professor.

**OTHER FISCAL ITEMS (CONTINUED)**

**PURCHASE ORDERS OVER \$1,000,000**

The following purchase of new equipment has been administratively approved by the Executive Vice Chancellor for Academic Affairs or her designee and is recommended for approval by the U. T. Board of Regents.

1. Company: Leo Electron Microscopy Inc.  
Item: Crossbeam with Electron Beam Writer and Scanning Electron Microscope  
Amount: \$1,500,000  
Department: Nanofab Center  
Description: This new equipment enables Nanofab Center researchers to expand their research capabilities.

## U. T. AUSTIN

### 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: Michael & Susan Dell Foundation  
College/School/ Department: College of Natural Sciences  
Purpose: Dell Center for New Teacher Success  
Asset Type: Cash  
Value: \$280,000 (represents first payment of \$503,000 commitment)
  
2. Donor Name: Houston Endowment Inc.  
College/School/ Department: Vice President for Resource Development  
Purpose: UTOPIA (formerly called Digital Knowledge Gateway)  
Asset Type: Cash  
Value: \$700,000

## CONTRACTS

The following contracts or agreements have been awarded, 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: \$5,521,805  
Period: September 1, 2004 through August 31, 2005  
Description: Amend the current agreement, whereby Capital Metropolitan Transportation Authority provides shuttle bus service for U. T. Austin for an additional year.
  
2. Agency: URS Corporation, Austin, Texas  
Funds: \$1,588,050  
Period: March 12, 2004 through February 11, 2005  
Description: Agreement between College of Engineering and URS Corporation to provide for the installation of seven air monitoring stations and two surveillance cameras along the Corpus Christi ship channel. U. T. Austin is performing a research project titled "Corpus Christi Air Monitoring and Surveillance Camera Installation and Operation Project" under the direction of Dr. David T. Allen, funded through the Federal Court of the Southern District of Texas for \$6.7 million. Funds for project provided as a result of a court-ordered condition of probation for Koch Petroleum under *United States v. Koch Petroleum Group, L.P.*

**AMENDMENTS TO THE 2003-04 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.

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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					
Finance					
Associate Professor					
1. John M. Griffin (T)	1/16-5/31	100	09	170,000	70

**TRANSFERS OF FUNDS**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
EDUCATIONAL AND GENERAL FUNDS		
Advanced Technology Program		
2. Amount of Transfer:	4,352,519	93

From: Advanced Technology Program

To: Legislative Appropriation –  
Advanced Research and Advanced Technology Program

To record the appropriation transfer from the Texas Higher Education Coordinating Board for 2003-04 Grants, Advanced Research Program, and the Advanced Technology Program.

**AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**TRANSFERS OF FUNDS (CONTINUED)**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
<b>DESIGNATED FUNDS</b>		
Liberal Arts		
3. Amount of Transfer:	974,595	73
From: Flat Rate Tuition Fee Distribution - Operating Income		
To: Flat Rate Tuition Fee Distribution - Allocation for Budget Adjustment		
Transfer balance forward income to make funds available for expenditures. Transfer of final 2002-03 flat rate adjustment.		
Vice President for Research		
4. Amount of Transfer:	756,000	72
From: Washington Advisory Group - Operating Income		
To: Washington Advisory Group - Visiting Lecturers and Consultants		
Transfer from income account to expense account to provide funding for payments to Washington Advisory Group consultants. Income account funded by inter-branch transfer from U. T. System Investment Income account.		
<b>PLANT FUNDS</b>		
Physical Plant Repair Projects		
5. Amount of Transfer:	10,000,000	77
From: Designated Funds - Designated Tuition - Academic Sustainability Tuition - Resident		
To: Physical Plant - Repair Projects Funded From Designated Tuition		
Fiscal Year 2003-04 Maintenance funding from Academic Sustainability Tuition (AST) - Resident Tuition.		

**AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**TRANSFERS OF FUNDS (CONTINUED)**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS (Continued)		
Renewals and Replacements		
6. Amount of Transfer:	3,500,000	76
From: Building Renewals and Replacements Fund- Indirect Cost Recovery		
To: Physical Plant Academic Space Improvements		
Transfer of funds for Fiscal Year 2003-04 Academic Space Improvements from Indirect Cost Recovery.		
Physical Plant – ADA CIP Phase 3		
7. Amount of Transfer:	650,000	74
From: Designated Funds - Designated Tuition – Academic Sustainability Tuition Nonresident		
To: ADA CIP Phase 3 – Designated Tuition		
Fiscal Year 2003-04 allocation to the Americans with Disabilities Act (ADA) Capital Improvements Projects (CIP) Phase 3 from Academic Sustainability Tuition – Resident tuition.		
Academic Space Improvements		
8. Amount of Transfer:	900,000	97
From: Designated Funds - Designated Tuition		
To: Physical Plant – Academic Space Improvements		
To provide one-time funding, as approved by Provost Sheldon Ekland- Olson, for the High Bay Laser Research Laboratory.		

**AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**TRANSFERS OF FUNDS (CONTINUED)**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
LIBRARY, EQUIPMENT, REPAIR, AND REHABILITATION		
School of Social Work Fire and Safety Project		
9. Amount of Transfer:	1,025,000	100
From: LERR Allocation – Battle Hall Fire and Life Safety Project		
To: LERR Allocation – School of Social Work Fire and Life Safety Project		

Transfer LERR allocation from the Battle Hall Fire and Safety Life Project to the School of Social Work Fire and Life Safety Project. A revised assessment of campus-wide fire and life safety issues has determined deficiencies associated with the School of Social Work building, particularly the Child Care Facility housed in this building, are a more pressing campus priority. This project will correct fire and safety deficiencies and will include, but are not limited to the following: installation of a fire sprinkler system, improved fire separation between the child care and academic areas, emergency ventilation in the stage contained in the public assembly area, and an upgrade of the smoke detection system and emergency lighting.

## 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, Part One, Chapter III, Section 13 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 Dr. Butler 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:         | Dr. John Sibley Butler  |
| Title:        | Professor, McCombs School of Business   |
| Position:     | J. William Fulbright Foreign Scholarship Board  |
| Period:       | December 11, 2003 through September 22, 2006  |
| Compensation: | \$128.00 per eight-hour day for hours in attendance at the quarterly Board meetings and other official meetings or conferences.   |
| Description:  | President George W. Bush appointed Dr. Butler to serve as a member of the J. William Fulbright Foreign Scholarship Board. This Board supervises the Fulbright Program and certain programs authorized by the Fulbright-Hayes Act and selects students, scholars, teachers, trainees, and other persons to participate in the educational exchange programs. |

**U. T. BROWNSVILLE**

**AMENDMENTS TO THE 2003-04 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.

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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>	
<b>SCHOOL OF EDUCATION</b>					
School of Specialties					
1. Gayle L. Brogdon (T)					19
From: Assistant Dean	9/1-8/31	100	12	80,851	
To: Assistant Dean and Department Chair ad interim	9/1-8/31 1/5-8/31	100 SUPLT	12 12	80,851 8,000	
2. Sylvia C. Peña (T)					24
From: Dean and Houston Endowment Chair		100 SUPLT	12 12	102,577 25,000	
To: Professor and Houston Endowment Chair	9/1-5/31 9/1-8/31	100 SUPLT	09 12	75,353 25,000	
3. Carl A. Stockton (T)					27
To: Dean	1/2-8/31	100	12	105,000	

**AMENDMENTS TO THE 2003-04 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 EDUCATION (Continued)					
School of Specialties (Continued)					
3. Olivia Rivas (T)					25
From: Professor		100	12	75,353	
and Dean ad interim		SUPLT	12	8,438	
To: Professor	1/2-8/31	100	12	75,353	
SCHOOL OF BUSINESS					
Business Technology					
4. Beatriz Castillo (T)					20
From: Associate Master					
Technical Instructor		100	09	54,537	
To: Associate Master					
Technical Instructor and	9/1-5/31	100	09	54,537	
Department Chair ad interim	1/2-8/31	SUPLT	08	4,000	
5. Mary Sullivan (T)					26
From: Associate Professor and					
Department Chair		100	09	63,942	
		SUPLT	12	8,000	
To: Associate Professor	9/1-5/31	100	09	63,942	

**AMENDMENTS TO THE 2003-04 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>	
<b>COLLEGE OF LIBERAL ARTS</b>					
English and Speech					21
6. Charles Dameron (T)					
From: Professor and Department Chair		100 SUPLT	09 12	55,577 12,000	
To: Interim Dean	1/2-8/31	100	12	92,290	
8. William H. Harris (T)					22
From: Associate Master Technical Instructor		100	09	49,497	
To: Associate Master Technical Instructor and Department Chair	9/1-5/31 1/2-8/31	100 SUPLT	09 08	49,497 6,000	
<b>Office of the Dean</b>					
9. Farhat Iftekharuddin (T)					23
From: Dean		100	12	92,290	
To: Professor and Special Assistant to Provost	9/1-5/31 1/2-8/31	100 SUPLT	09 08	68,110 24,180	

## U. T. DALLAS

### CONTRACTS

The following contracts or agreements have been awarded, 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

##### SPONSORED RESEARCH AGREEMENT WITH FOREIGN CORPORATION

##### FUNDS COMING IN

1. Agency: Samsung Advanced Institute of Technology, a division of Samsung Electronics Corporation, a Korean corporation  
Funds: \$81,851  
Period: January 4, 2004 through January 3, 2005  
Description: Sponsored research agreement – *“Proton Conducting Membrane for Fuel Cells”*
  
2. Agency: Samsung Advanced Institute of Technology, a division of Samsung Electronics Corporation, a Korean corporation  
Funds: \$180,000  
Period: January 4, 2004 through December 31, 2006  
Description: Sponsored research agreement – *“New DNA Hybridization Detection Method Research Using CNT for Micro-Array Use”*

## AMENDMENTS TO THE 2003-04 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.

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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>	
SOCIAL SCIENCES					
Professor					
1. Douglas J. Watson (T)	1/1-5/31	100	09	93,500	9

**U. T. EL PASO**

**AMENDMENTS TO THE 2003-2004 BUDGET**

**APPOINTMENTS AND PROMOTIONS**

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

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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>	
<b>COLLEGE OF LIBERAL ARTS</b>					
Criminal Justice					
1. Martha Smithey (T)					16
From: Associate Professor Criminal Justice and Associate Professor Sociology and Anthropology		WOS  100	09  09	49,652  49,652	
To: Interim Director of Women's Studies and Associate Professor Criminal Justice and Associate Professor Sociology and Anthropology	1/16-5/31  1/16-5/31  1/16-5/31	SUPLT  WOS  100	09  09  09	2,000  49,652  49,652	
<b>COLLEGE OF HEALTH SCIENCES</b>					
School of Allied Health					
2. Joseph W. Tomaka (T)					17
From: Associate Professor		100	09	51,191	
To: Associate Professor and Coordinator of the Health Sciences Program	1/16-5/31  1/16-5/31	100  SUPLT	09  09	60,000  2,000	

**AMENDMENTS TO THE 2003-04 BUDGET (CONTINUED)**

**TRANSFERS OF FUNDS**

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
INTERCOLLEGIATE ATHLETICS		
3. Amount of Transfer:	1,474,000	19
From: Intercollegiate Athletics – Beginning Balance	474,000	
Student Service Fee	819,237	
Stanton Building – Rental Income	180,763	
To: Intercollegiate Athletics – Estimated Income and Transfers	790,000	
Intercollegiate Athletics – Event Management	241,000	
Intercollegiate Athletics – Sports Medicine	35,000	
Intercollegiate Athletics – Football	408,000	

Budget adjustment is necessary to reflect the decrease in revenue, increased expenses, and a related increase in transfers for Intercollegiate Athletics.

## U. T. PAN AMERICAN

### 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 - Pan American 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 - Pan American. The violation of the provisions of such constitution, bylaws, rules, or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Women's Volleyball Coach  
Funds: \$33,314 annually  
Period: February 1, 2004 through January 31, 2005  
Description: Agreement for employment of Head Women's Volleyball Coach, David M. Thorn, for the above designated period following the standard coach's employment contract prepared by the Office of General Counsel.

**U. T. PERMIAN BASIN**  
**AMENDMENTS TO THE 2003-04 BUDGET**

**TRANSFERS OF FUNDS**

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

<u>Description</u>	<u>\$ Amount</u>	<u>RBC #</u>
PLANT FUNDS		1
1. Amount of Transfer:	1,090,000	
From: Unexpended Plant Funds		
To: Baseball Sports Complex	425,000	
Parking Lots	440,000	
University Marquee Signage	225,000	

This transfer is needed to adjust revenues and expenses resulting from additional students on campus and to provide infrastructure improvements.

## U. T. SAN ANTONIO

### GIFTS

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

1. Donor Name: Sony Semiconductor San Antonio  
College: College of Engineering  
Purpose: Semiconductor equipment to be used for educational and research purposes in the microelectronics manufacturing systems area  
  
Asset Type: Equipment Gift  
Value: \$1,983,337.00

## **PARKING AND TRAFFIC REGULATIONS**

The following listing summarizes the substantive changes proposed to Parking and Traffic Regulations of U. T. San Antonio. They have been approved by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel and are incorporated in model regulations approved by the U. T. Board of Regents. These amended regulations supersede all prior Parking and Traffic Regulations and continue in effect until modified.

### Parking and Traffic Regulations for 2004-05

<u>Page Number(s)</u>	<u>Summary of Proposed Substantive Change</u>
1	Section I proposed addition of Student A and B classes of permits.
3	Section I(13) amended parking permit renewal rules for employees with outstanding citation balances.
6	Section III(11) designation of Student A and B parking lots.
7	Section V addition of referral of unpaid citations to a national collection agency.
11	Section VII concerning Code 2000 amended citation process received after census date.
13	Section VIII to include issuance of Court Appearance citations for fraudulent use of disabled parking placard.

## FEEES AND MISCELLANEOUS CHARGES

### STUDENT SERVICES FEES

Approval is recommended for the following student services fee revision to be effective beginning with the Fall Semester 2004. The statutory requirements for involvement of a student services fees committee have been met and an affirmative vote of the student government has been secured for increases of more than 10%. The fees have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect these new fees.

### COMPULSORY STUDENT SERVICES FEES

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>For each regular or summer semester</u>			
Per Semester Credit Hour	20.50	13.50	*
Maximum	217.80	162.00	

\* Student Services Fee to be split into two fees (Student Services Fee and separate Athletics Fee as proposed on Page Docket - 28); although there is no increase in the combined amount of the fees per credit hour, the cap will be set at 12 semester credit hours for both fees rather than the current 10.6 for Student Services Fee. This results in a 12.8% increase for the Student Services Fee and Athletics Fee over the current approved Fall 2004 Student Services Fee.

## FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

### ATHLETICS FEE

Approval is recommended for the following new athletics fee to be effective beginning with the Fall Semester 2004. The statutory requirements for a student referendum have been met. The fee has been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect this new fee.

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>For each regular or summer semester</u>			
Per Semester Credit Hour	n/a	7	*
Maximum	n/a	84	

\* Student Services Fee to be split into two fees (Student Services Fee and Athletics Fee); although there is no increase in the combined amount of the fees per credit hour, the cap will be set at 12 semester credit hours for both fees rather than the current 10.6 for Student Services Fee. This results in a total 12.8% increase for the Student Services Fee and Athletics Fee over the current approved Fall 2004 Student Services Fee.

## FEEES AND MISCELLANEOUS CHARGES (CONTINUED)

### RECREATION CENTER FEE

Approval is recommended for the following recreation center fee to be effective beginning with the Fall Semester 2004. The fee increase has been administratively approved by the Executive Vice Chancellor for Academic Affairs. The proposed rates are consistent with applicable statutory requirements under Texas Education Code Section 54.543.

Following Regental approval, the appropriate component catalog will be amended to reflect these new fees.

	<u>Current</u> <u>Rates \$</u>	<u>Proposed</u> <u>Rates \$</u>	<u>Percent</u> <u>Increase</u>
<u>For each regular or summer semester</u>			
Per Semester Credit Hour	9	0	
Maximum	54	60 (flat fee)	11.1%

## 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, Part One, Chapter III, Section 13 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 Dr. Steve Murdock with The University of Texas at San Antonio. By approval of this item, the Board is also asked to find that holding this position is of benefit to the State of Texas and The University of Texas and there is no conflict between the position and the University appointment.

- |               |   |
|---------------|---|
| Name:         | Dr. Steve H. Murdock  |
| Title:        | Professor, Holder of the Lutcher Brown Distinguished Chair, Director of the Institute for Demographic and Socioeconomic Research  |
| Position:     | Appointed State Demographer for Texas   |
| Period:       | January 2004  |
| Compensation: | None  |
| Description:  | In October 2001 Governor Rick Perry appointed Professor Murdock as State Demographer for Texas. This position was created during the 2001 Legislative Session through Senate Bill 656, codified as <u>Texas Government Code</u> , Section 468.001. Section 468.001 requires the Governor to appoint an employee or officer of a state agency from a list submitted by the Speaker and the Lieutenant Governor. The State Demographer is responsible for population estimates and projections for the State of Texas and advises government officials on demographic changes and implications of such changes. |

**U. T. TYLER**

**FEES AND MISCELLANEOUS CHARGES**

**HOUSING RATES  
(INCLUDING APARTMENTS, DORMITORY ROOMS, RESIDENCE HALLS)**

Approval is recommended for the following housing, board, and rental rates to be effective beginning with the Fall Semester 2004. The proposed rates are consistent with applicable statutory requirements under Section 55.16 of the Texas Education Code and have been administratively approved by the Executive Vice Chancellor for Academic Affairs.

Following Regental approval, the appropriate component catalog will be amended to reflect these new rates.

	<u>Current Rates \$</u>	<u>Proposed Rates \$</u>	<u>Percent Increase</u>
Student Apartments (New) <u>Per month</u>			
4 bedroom	n/a	550*	n/a
2 bedroom	n/a	650*	n/a

\*The recommended rates are up to but not exceeding \$550 per month for a 4 bedroom apartment unit and up to but not exceeding \$650 per month for a 2 bedroom apartment unit.

## 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: Aventis Pharmaceuticals, Inc.  
College/School/  
Department: Pharmacology  
Purpose: To support The Alliance for Cellular Signaling  
Asset Type: Cash  
Value: \$625,000
2. Donor Name: Biovail Pharmaceuticals, Inc.  
College/School/  
Department: Continuing Education  
Purpose: To support Continuing Education activities  
Asset Type: Cash  
Value: \$587,187
3. Donor Name: Eli Lilly and Company  
College/School/  
Department: Pharmacology  
Purpose: To support The Alliance for Cellular Signaling  
Asset Type: Cash  
Value: \$625,000
4. Donor Name: Merck Genome Research Institute, Inc.  
College/School/  
Department: Pharmacology  
Purpose: To support The Alliance for Cellular Signaling  
Asset Type: Cash  
Value: \$625,000
5. Donor Name: Ortho-McNeil Pharmaceuticals, Inc.  
College/School/  
Department: Pharmacology  
Purpose: To support The Alliance for Cellular Signaling  
Asset Type: Cash  
Value: \$500,000

## GIFTS (CONTINUED)

6. Donor Name: Bernard and Audre Rapoport  
College/School/ Department: Cardiovascular Surgery  
Purpose: To support the Audre and Bernard Rapoport Center for Cardiovascular Research  
Asset Type: Cash  
Value: \$500,000 (represents the final payment on a \$2,000,000 commitment)
7. Donor Name: Southwestern Medical Foundation  
College/School/ Department: Institution  
Purpose: The Foundation's grant to The University of Texas Southwestern Medical Center at Dallas for the 2003-2004 academic year  
Asset Type: Cash  
Value: \$805,000 (represents the first payment on a \$1,610,000 commitment)

**AMENDMENTS TO THE 2003-04 BUDGET**

**APPOINTMENTS AND PROMOTIONS**

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

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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					
Pediatrics					
1. Brett P. Giroir (T)					13
From: Associate Professor, Thomas Fariss Marsh, Jr. Professorship in Pediatrics, Associates First Capital Corporation Distinguished Chair in Pediatrics, Kathryne and Gene Bishop Distinguished Chair in Pediatrics		100	12	230,000	
To: Professor, Associates First Capital Corporation Distinguished Chair in Pediatrics	12/1-8/31	100	12	230,000	

## U. T. MEDICAL BRANCH - GALVESTON

### GIFTS

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

1. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: John Sealy Hospital  
Purpose: Payment in full of the \$2,131,000 grant for the acquisition of an electronic medical record information system  
Asset Type: Cash  
Value: \$2,131,000
  
2. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: John Sealy Hospital  
Purpose: Payment on \$6,101,452 grant for the purchase of hospital equipment  
Asset Type: Cash  
Value: \$1,000,000

## CONTRACTS

The following contract or agreement has been awarded, 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 COMING IN

- Agency: Correctional Managed Health Care Committee  
Funds: \$532,781,962  
Period: September 1, 2003 through August 31, 2005  
Description: The University of Texas Medical Branch at Galveston (UTMB) will provide health care services to Texas Department of Criminal Justice (TDCJ) offenders in units located in their designated geographical service areas 3, 4, 5, 6, 7, and 8 operated by TDCJ. UTMB will also provide centralized services via Hospital Galveston for the TDCJ offenders in service areas 1 through 10 operated by TDCJ. This is the 6<sup>th</sup> interagency contract for comprehensive medical care provided to TDCJ offenders and includes medical record services, primary care, specialty care, hospitalization, pharmacy, autopsy, emergency medical services, and burials. Reimbursement rates are set on a capitated basis. As in the past, should the cost of health care services provided by UTMB exceed the contract amount, the Correctional Managed Health Care Committee and TDCJ are permitted to cover any excess costs. Should adequate funds not become available, UTMB may cancel the agreement with 90 days notice.

## AMENDMENTS TO THE 2003-04 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.

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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>	
<b>SCHOOL OF MEDICINE</b>					
Anesthesiology					
1. Edward R. Sherwood (T)					12
From: Associate Professor		100	12	253,000	
To: James F. Arens Chair in Anesthesiology and Associate Professor	11/1-8/31	100	12	253,000	
Family Medicine					
2. Victor S. Sierpina (T)					11
From: Associate Professor		100	12	160,000	
To: W. D. and Laura Nell Nicholson Family Professorship in Integrative Medicine and Associate Professor	11/1-8/31	100	12	160,000	

**AMENDMENTS TO THE 2003-04 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)					
Anatomy and Neurosciences					
3. Henry F. Epstein (T)					14
From: Professor and Chair		100	12	275,000	
To: Professor, Chair and Chair ad interim Physiology and Biophysics	1/1-8/31	100	12	275,000	
Human Biological Chemistry and Genetics; Neurology					
4. Claudio Soto (T)					18
From: Professor		100	12	150,000	
To: Charlotte Warmoth Professorship in Neurology and Professor	1/1-8/31	100	12	150,000	

**AMENDMENTS TO THE 2003-04 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; GRADUATE SCHOOL OF BIOMEDICAL SCIENCES Microbiology and Immunology; Office of the Dean of Graduate School 5. David W. Niesel (T)					13
From: J. Palmer Saunders Professor, Chair ad interim and Vice Dean		100	12	171,358	
To: J. Palmer Saunders Professor, Chair and Vice Dean	1/1-8/31	100	12	171,358	

## 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, Part One, Chapter III, Section 13 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 Medical Branch at Galveston and there is no conflict between holding the position and the appointment of Dr. Raimer 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.

1. Name: Ben G. Raimer, M.D.  
Title: Vice President for Community Outreach  
Position: Chairman of the Statewide Health Coordinating Council  
Period: January 30, 2004 through August 1, 2009  
Compensation: None  
Description: Governor Rick Perry has reappointed Dr. Raimer to the Statewide Health Coordinating Council as chairman. The Council developed the Texas State Health Plan and works to integrate planning, education and regulation of the health care work force to ensure quality health care for all Texans.
  
2. Name: Clifford W. Houston, Ph.D.  
Title: Associate Vice President for Educational Outreach  
Position: Appointment to the National Aeronautics and Space Administration Office of Education, Code N as the Deputy Associate Administrator for Education Programs, through contract with The University of Texas Medical Branch at Galveston  
  
Period: February 18, 2003 through February 17, 2005  
Compensation: \$291,104  
Description: The Deputy Associate Administrator for Education Programs (DAA/EP) provides oversight, guidance, and program integration, and day-to-day management for the three primary divisions: Elementary and secondary education, higher education, and Educational Support (Informal Education) Division. Additionally, the DAA/EP is responsible for the Enterprise Education Leads, initiative programs (the Educator Astronaut and Explorer Academies Programs), crosscutting programs (Technology and Products Development), and external partnerships and collaborations.

## U. T. HEALTH SCIENCE CENTER - HOUSTON

### 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: The Cullen Foundation  
College/School/ Department: Institution  
Purpose: Support the New Frontiers Campaign for the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases  
Asset Type: Cash  
Value: \$2,000,000
2. Donor Name: Houston Endowment Inc.  
College/School/ Department: Institution  
Purpose: Support the New Frontiers Campaign for the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases  
Asset Type: Cash  
Value: \$3,600,000
3. Donor Name: Memorial Hermann Healthcare System  
College/School/ Department: Institution  
Purpose: Support the New Frontiers Campaign for the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases (first payment of a \$10 million commitment)  
Asset Type: Cash  
Value: \$1,000,000
4. Donor Name: Anonymous  
College/School/ Department: Institution  
Purpose: Support the New Frontiers Campaign for the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases (first payment of a \$25 million commitment)  
Asset Type: Cash  
Value: \$2,500,000

**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.

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate with the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment.

<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					
Anesthesiology					
1. Bruce Butler (T)					25
From: Director, Office of Technology Management and Professor in Anesthesiology		100 SUPLT	12 12	140,000 11,000	
To: Assistant Vice President of Research, Office of Technology Management and Professor in Anesthesiology	1/1/04	100 SUPLT	12 12	154,000 11,000	

## 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.

1. Donor Name: The USAA Foundation, A Charitable Trust  
College/School/ Department: President's Office  
Purpose: Invest in the Best – Health Science Center Campaign  
Asset Type: Cash  
Value: \$1,000,000

## U. T. M. D. ANDERSON CANCER CENTER

### GIFTS

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

1. Donor Name: Timken Foundation of Canton  
College/School/ Department: Development Office  
Purpose: The George and Barbara Bush Endowment for Innovative Cancer Research.  
Asset Type: Cash  
Value: \$800,000
  
2. Donor Name: Commonwealth Foundation for Research on behalf of Mr. William H. Goodwin, Jr.  
College/School/ Department: Translational Research  
Purpose: Cancer Research  
Asset Type: Cash  
Value: \$1,250,000
  
3. Donor Name: Commonwealth Foundation for Research on behalf of Mr. William H. Goodwin, Jr.  
College/School/ Department: Translational Research  
Purpose: Targeted Molecular Diagnosis & Therapeutics  
Asset Type: Cash  
Value: \$1,250,000
  
4. Donor Name: Samsung Electronics America, Inc.  
College/School/ Department: Department of Cancer Medicine  
Purpose: Samsung Distinguished University Chair  
Asset Type: Cash  
Value: \$1,000,000

## GIFTS (CONTINUED)

5. Donor Name: The Cockrell Foundation  
College/School/ Department: Institution  
Purpose: Capital Improvement Program – Basic Science Research Building  
Asset Type: Cash  
Value: \$1,000,000
6. Donor Name: T. L. L. Temple Foundation  
College/School/ Department: Institution  
Purpose: Capital Improvement Program – Basic Science Research Building  
Asset Type: Cash  
Value: \$750,000
7. Donor Name: Cynthia & George Mitchell Charitable Remainder UniTrust  
College/School/ Department: Institution  
Purpose: Capital Improvement Program – Basic Science Research Building  
Asset Type: Cash  
Value: \$3,000,000
8. Donor Name: The Cynthia & George Mitchell Foundation  
College/School/ Department: Institution  
Purpose: Capital Improvement Program – Basic Science Research Building  
Asset Type: Cash  
Value: \$1,000,000

## CONTRACTS

The following contracts or agreements have been awarded, 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 GOING OUT

1. Agency: The Texas A&M University System Health Science Center  
Funds: \$1,379,997 in base rent  
Period: April 1, 2004 through March 31, 2007  
Description: Leasing 17,037 feet of office and laboratory space from Texas A&M University in the building known as the Institute of Biosciences and Technology at 2121 West Holcombe Boulevard.
  
2. Agency: The University of Texas Health Science Center at Houston  
Funds: Approximately \$1,218,294 in base rent  
Period: 9 years  
Description: Subleasing of space for the Mohs Clinic from The University of Texas Health Science Center at Houston in the building known as the Houston Medical Center Building at 6655 Travis Street, Suite 650.

## AMENDMENTS TO THE 2003-04 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.

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<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>	
THE TUMOR INSTITUTE – MEDICAL STAFF					
Gynecologic Medical Oncology Vice President, Clinical Research, and Professor					
1. Maurie Markman (T)	1/1-12/31	100	12	325,000	20
Lymphoma/Myeloma Chair, Professor					
2. Larry Kwak (T)	3/1-2/28	100	12	280,000	21
Radiation Oncology Professor					
3. Shiao You Woo (T)	3/1-2/28	100	12	325,000	30

**AMENDMENTS TO THE 2003-04 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>	
<b>THE TUMOR INSTITUTE – MEDICAL STAFF</b>					
Experimental Therapeutics Office					
4. Zahid Siddik (T)					24
From: Chair ad interim, Professor		100	12	184,960	
	1/1-12/31	SUPLT	12	10,000	
To: Professor	1/1-12/31	100	12	184,960	
	1/1-12/31	SUPLT	12	10,000	
Bioimmunotherapy					
5. Moshé Talpaz (T)					26
From: Chair, Professor, and David Burton, Jr. Endowed Chair		100	12	282,932	
To: Professor, and David Burton, Jr. Endowed Chair	1/1-12/31	100	12	282,932	
Thoracic Head & Neck Medical Oncology					
6. Reuben Lotan (T)					27
From: Professor and Irving & Nadine Mansfield and Robert David Levitt Cancer Research Chair		100	12	231,720	
To: Chair ad interim, Professor and Irving & Nadine Mansfield and Robert David Levitt Cancer Research Chair	1/1-12/31	100	12	231,720	
	1/1-12/31	SUPLT	12	10,000	

**AMENDMENTS TO THE 2003-04 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>	
THE TUMOR INSTITUTE – RESEARCH Science Park Veterinary Sciences 7. William C. Satterfield (T)					28
From: Associate Professor		100	12	115,040	
To: Chair ad interim and Associate Professor	1/1-12/31 1/1-12/31	100 SUPLT	12 12	115,040 20,000	