

Meeting No. 903

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

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May 7-8, 1997

San Antonio, Texas

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MEETING NO. 903

WEDNESDAY, MAY 7, 1997.--The members of the Board of Regents of The University of Texas System convened at 4:03 p.m. on Wednesday, May 7, 1997, in Ballroom C of the Omni San Antonio Hotel in San Antonio, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Evans, presiding
Vice-Chairman Loeffler
Vice-Chairman Clements
Regent Hicks
Regent Lebermann
Regent Riter
Regent Sanchez
Regent Smiley

Absent

*Regent Oxford

Executive Secretary Dilly

Chancellor Cunningham
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins
Executive Vice Chancellor Burck

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

RECESS TO EXECUTIVE SESSION.--At 4:05 p.m., Chairman Evans announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code, Chapter 551, Sections 551.072 and 551.073 to consider those matters listed on the Executive Session agenda.

*Regent Oxford was excused due to the death of his father.

RECONVENE.--At 5:20 p.m., the Board reconvened in open session to consider action on the items that were discussed in Executive Session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Evans reported that the Board had met in Executive Session to discuss matters in accordance with Texas Government Code, Chapter 551, Sections 551.072 and 551.073. In response to Chairman Evans' inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Board of Regents: Recommendation to Sell 3.84 Acres of Land and Improvements Located at 6 Niles Road, Austin, Travis County, Texas (Known as "Woodlawn"), and Authorization to Execute All Documents Related Thereto (Deferred).--Chairman Evans reported that following discussion by the Board the item related to the proposed sale of 3.84 acres of land and improvements located at 6 Niles Road in Austin, Travis County, Texas (known as "Woodlawn"), for the use and benefit of The University of Texas at Austin and The University of Texas - Pan American was deferred until a later date.

2. U. T. Austin: Approval from the Board of Regents, as Trustee for The Lundell Endowment, to Sell a 4.3165 Acre Tract of Land on East Side of U. S. Highway 75 Frontage Road, North of Plano Parkway in Plano, Collin County, Texas, to Cencor Acquisition Company, Inc., Dallas, Texas; Approval to Sell a 19.9357 Acre Tract of Land Northwest of the Intersection of Teri Road and Friedrich Lane in Austin, Travis County, Texas, to Rox, Duke, and Danay Covert, Austin, Texas, for the Benefit of the C. B. Smith, Sr. Centennial Chairs in United States - Mexico Relations; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto.--Regent Smiley moved that The University of Texas System Real Estate Office be authorized to complete negotiations to sell for the U. T. Board of Regents in its capacity as Trustee for The Lundell Endowment a 4.3165 acre tract of land on the east side of the frontage road to U. S. Highway 75, north of

Plano Parkway, in Plano, Collin County, Texas, to Cencor Acquisition Company, Inc., Dallas, Texas, according to the parameters outlined in Executive Session for the use and benefit of The Lundell Endowment at The University of Texas at Austin.

Regent Smiley also moved that, in the event the proposed transaction (above) does not close, the U. T. System Real Estate Office be authorized to sell the subject property at, or above, its appraised fair market value to another responsible purchaser within the next six months.

Regent Smiley further moved that the U. T. System Real Estate Office be authorized to complete negotiations to sell a 19.9357 acre tract of land northwest of the intersection of Teri Road and Friedrich Lane in Austin, Travis County, Texas, to Rox, Duke, and Danay Covert, Austin, Texas, according to the parameters outlined in Executive Session for the use and benefit of the C. B. Smith, Sr. Centennial Chairs in United States - Mexico Relations at U. T. Austin.

Regent Smiley also moved that for both of these transactions the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to take all steps, including execution of all documents, required to complete these transactions following approval by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel.

Vice-Chairman Loeffler seconded the motions which prevailed without objection.

3. U. T. Dallas: Authorization to Sell 12 Acres of Land Out of Tract 7, Synergy Park in Richardson, Collin County, Texas, to STB Systems, Inc. (STB), Richardson, Texas; Authorization to Grant STB an Option to Purchase an Adjacent 23.9 Acre Tract of Land Out of Tract 7, Synergy Park; Approval to Sell a 44 Acre Tract of Land, Tract 9, Synergy Park, in Richardson, Collin County, Texas, to InterVoice, Inc., Dallas, Texas, and to Receive a 5 Acre Tract of Land in Synergy Park in Dallas, Collin County, Texas, as Partial Consideration; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto.--Regent Hicks moved that The University of Texas System Real Estate Office be authorized to complete negotiations to sell, for the use and benefit of The University of Texas at Dallas, approximately 12 acres of land out of Tract 7, Synergy

Park in Richardson, Collin County, Texas, to STB Systems, Inc. (STB), Richardson, Texas, and to grant STB an option to purchase an adjacent parcel of approximately 23.9 acres of land out of Tract 7, Synergy Park, according to the parameters outlined in Executive Session.

Regent Hicks further moved that the U. T. System Real Estate Office be authorized, on behalf of U. T. Dallas, to complete negotiations to sell an approximately 44 acre tract of land, Tract 9, Synergy Park, in Richardson, Collin County, Texas, to InterVoice, Inc., Dallas, Texas, and to receive an approximately 5 acre tract of land in Synergy Park in Dallas, Collin County, Texas, as partial consideration, according to the parameters outlined in Executive Session.

Regent Hicks also moved that the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to take all steps, including execution of all documents, required to complete these transactions following approval by the Executive Vice Chancellor for Academic Affairs and the Office of General Counsel.

Regent Lebermann seconded the motions which carried by unanimous vote.

4. U. T. San Antonio: Proposed Acceptance of a Prospective Gift or Donation and Authorization for President Kirkpatrick to Execute All Documents Related Thereto (Withdrawn).--Chairman Evans reported that the item related to a prospective donation to The University of Texas at San Antonio was withdrawn and will be considered at a later date.

RECESS.--At 5:30 p.m., the Board recessed to reconvene in open session at 9:00 a.m. on Thursday, May 8, 1997, in Room 1.463 of the School of Nursing Expansion Building at The University of Texas Health Science Center at San Antonio.

THURSDAY, MAY 8, 1997.--The members of the Board of Regents of The University of Texas System reconvened in regular session at 9:00 a.m. on Thursday, May 8, 1997, in Room 1.463 of the School of Nursing Expansion Building at The University of Texas Health Science Center at San Antonio, San Antonio, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Evans, presiding	*Regent Oxford
Vice-Chairman Loeffler	
Vice-Chairman Clements	
Regent Hicks	
Regent Lebermann	
Regent Riter	
Regent Sanchez	
Regent Smiley	

Executive Secretary Dilly

Chancellor Cunningham
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins
Executive Vice Chancellor Burck

Chairman Evans announced a quorum present and reconvened the meeting of the Board.

WELCOME BY JOHN P. HOWE, III, M.D., PRESIDENT OF THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO.--Chairman Evans stated that the Board was pleased to be meeting at The University of Texas Health Science Center at San Antonio and was especially delighted to have had the opportunity to meet with many of this component's friends and supporters at last evening's (May 7) very nice social event. He expressed the Board's appreciation to the San Antonio community for its ongoing and generous support of this institution. Mr. Evans then called on John P. Howe, III, M.D., President of the U. T. Health Science Center - San Antonio, for any welcoming remarks on behalf of the host institution.

*Regent Oxford was excused due to the death of his father.

On behalf of the faculty, staff, and students of the institution, President Howe welcomed the members of the Board and other guests to San Antonio.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON FEBRUARY 5-6, 1997, AND SPECIAL MEETINGS HELD ON FEBRUARY 24, APRIL 9, AND APRIL 29, 1997.--Upon motion of Regent Hicks, seconded by Regent Lebermann, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on February 5-6, 1997, in Austin, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XLIV, Pages 616 - 1077.

Upon motion of Vice-Chairman Loeffler, seconded by Vice-Chairman Clements, the Minutes of the special meetings of the Board of Regents of The University of Texas System held on February 24, April 9, and April 29, 1997, in Austin, Texas, were approved as distributed by the Executive Secretary. The official copies of these Minutes are recorded in the Permanent Minutes, Volume XLIV, Pages 1078 - 1090.

SPECIAL ITEMS

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter I (Board of Regents) to Add Section 11 to Recognize the Importance of Attendance at Board and Committee Meetings.--In recent audits at other colleges and universities, the State Auditor has recommended that an institution's bylaws or rules and regulations include a statement recognizing the importance of and commitment by the members of the governing board to attendance at official meetings.

In an effort to be responsive to what will be a continuing recommendation by the State Auditor, the Board amended the Regents' Rules and Regulations, Part One, Chapter I (Board of Regents) by adding Section 11 as set forth on Page 7 to recognize and emphasize the importance of attendance at Board and committee meetings.

Sec. 11. Importance of Attendance at Board and Committee Meetings.

Recognizing the broad authority and responsibility vested in the Board of Regents for the governance and operation of The University of Texas System, there is a specific expectation that members of the Board understand and recognize the importance of their attendance at Board and committee meetings and will make a sincere commitment to attend as many of these as possible.

2. U. T. System: Report of Summary of Gift Acceptance and Related Administrative Actions Conforming to Board Policy for December 1, 1996 Through February 28, 1997.--Vice Chancellor for Development and External Relations Perry reviewed the Summary of Gift Acceptance and Related Administrative Actions Conforming to Board Policy for The University of Texas System for the period December 1, 1996 through February 28, 1997, as set forth on Pages 8 - 12.

Vice Chancellor Perry reported that during this period 84 items conforming to Board policy were approved including the acceptance of \$13,275,890 in gifts. Other matching contributions from previously accepted Board-held matching funds totaled \$1,000,000 and the transfer of funds from one endowment to others totaled \$79,275.

Mrs. Perry noted that this report includes only those funds which relate to endowments, estates, and other such funds which are managed by the U. T. System Office of Development and External Relations.

ACCEPTANCE OF GIFTS HELD BY BOARD

# ALL ITEMS	COMPONENT INSTITUTION	ASSET TYPES						MATCHING FUNDS	TOTAL VALUE
		CASH	SECURITIES	REAL ESTATE	PLEDGES	OTHER	TRANSFERS		
1	U. T. Arlington	\$	\$	\$	\$	\$	\$	\$	\$
42	U. T. Austin	\$ 575,118	\$ 484,004	\$	\$ 89,825	\$	\$ 127,475	\$	\$ 1,197,147 •
2	U. T. Dallas	\$ 15,000	\$ 52,313	\$	\$	\$	\$	\$	\$ 67,313
5	U. T. El Paso	\$ 143,080	\$	\$ -	\$ 200,000	\$	\$	\$	\$ 343,080
2	U. T. Pan American	\$ 469,025	\$	\$	\$	\$ -	\$ -	\$ -	\$ 449,025
4	U. T. San Antonio	\$ 30,000	\$ 25,500	\$	\$	\$	\$	\$	\$ 55,500
6	U. T. SWMC-Dallas	\$ 544,515	\$ 5,175,638	\$	\$ 52,000	\$	\$ -	\$ 1,000,000	\$ 5,772,153 •
14	U. T. M.B.-Galveston	\$ 554,572	\$ 1,872,098	\$	\$	\$	\$ 831,500	\$	\$ 3,258,170
4	UTHSC-Houston	\$ 370,000	\$	\$ -	\$ 250,000	\$	\$ -	\$ -	\$ 620,000
3	UTHSC-San Antonio	\$ 42,928	\$ 152,526	\$ 1,270,000	\$	\$	\$ -	\$ -	\$ 1,465,454
1	U. T. Austin/UTMDACC	\$ 26,000	\$ 2,048	\$	\$	\$	\$ -	\$ -	\$ 28,048
84	TOTAL	\$ 2,770,238	\$ 7,764,127	\$ 1,270,000	\$ 591,825	\$	\$ 958,975	\$ 1,000,000	\$ 13,275,890 •

* Not included in total: U. T. Austin - \$79,275 of transfers of funds from one endowment to others;
 U. T. SWMC-Dallas - \$1,000,000 of board-held matching funds

NOTE: Compiled by Office of Development and External Relations

CLASSIFICATION OF GIFTS AND OTHER ACTIONS

<u>COMPONENT INSTITUTION</u>	<u>ENDOWMENTS</u>	<u>CHARITABLE REMAINDER TRUSTS</u>	<u>POOLED INCOME FUND</u>	<u>REMAINDER INTERESTS</u>	<u>HELD IN TRUST BY OTHERS</u>	<u>CURRENT PURPOSE</u>	<u>OTHER</u>
U. T. Arlington	1	---	---	---	---	---	---
U. T. Austin	33	---	2	---	7	---	---
U. T. Dallas	2	---	---	---	---	---	---
U. T. El Paso	5	---	---	---	---	---	---
U. T. Pan American	2	---	---	---	---	---	---
U. T. San Antonio	4	---	---	---	---	---	---
U. T. SWMC-Dallas	6	---	---	---	---	---	---
U. T. M. R. Galveston	11	2	---	---	1	---	---
UTHSC-Houston	4	---	---	---	---	---	---
UTHSC-San Antonio	3	---	---	---	---	---	---
U. T. Austin/UTMDACC	---	---	1	---	---	---	---
TOTAL	71	2	3	---	8	---	---

PURPOSES OF GIFTS HELD BY BOARD AND OTHERS

COMPONENT INSTITUTION	ENDOWMENT								CURRENT PURPOSE	OTHER PURPOSE
	DIST. CHAIR	CHAIR	DIST. PROF'SHIP	PROF'SHIP	FACULTY FELLOWSHIP	GRADUATE FELLOWSHIP	SCHOLARSHIP	OTHER		
U. T. Arlington	---	---	---	---	---	---	---	1	---	---
U. T. Austin	---	---	---	---	---	1	29	3	---	3
U. T. Dallas	---	---	---	---	---	---	1	1	---	---
U. T. El Paso	---	---	---	---	---	---	2	3	---	---
U. T. Pan American	---	---	---	---	---	---	1	1	---	---
U. T. San Antonio	---	---	---	---	---	---	4	---	---	---
U. T. SWMC-Dallas	2	---	---	1	---	---	---	2	---	---
U. T. M.B.-Galveston	---	---	---	---	---	1	4	6	---	3
UTHSC-Houston	---	1	---	1	---	---	7	---	---	---
UTHSC-San Antonio	---	---	---	---	---	---	---	2	---	---
U. T. Austin/UTMDACC	---	---	---	---	---	---	---	---	---	1
TOTAL	2	1	---	2	---	2	43	19	---	7

Total purposes may not equal the total number of items because some items pertain to multiple purposes.

OTHER ADMINISTRATIVE ACTIONS

<u>COMPONENT</u> <u>INSTITUTION</u>	<u>ESTABLISH</u> <u>ENDOWMENT</u>	<u>REDESIGNATE</u> <u>ENDOWMENT LEVEL</u>	<u>OTHER</u> <u>REDESIGNATION</u>	<u>DISSOLVE</u> <u>ENDOWMENT</u>	<u>APPROVE/ALLOCATE</u> <u>MATCHING</u>	<u>ACCEPT</u> <u>TRUSTEESHIP</u>	<u>OTHER</u>
U. T. Arlington	---	---	---	---		---	1
U. T. Austin	33	---	6	---	---	---	---
U. T. Dallas	2	---	---	---	---	---	---
U. T. El Paso	5	---	---	---	---	---	---
U. T. Pan American	2	---		---	---	---	---
U. T. San Antonio	4	---	---		---	---	---
U. T. SWMC-Dallas	5	---	1	---	2		---
U. T. M.B.-Galveston	11	---	---	---	---	2	---
UTHSC-Houston	4	---		---	1	---	---
UTHSC-San Antonio	2	,	---	---	1	---	
U. T. Austin/UTMDACC	---	---		---	---		---
TOTAL	68	1	7	---	4	2	1

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COMPARATIVE SUMMARY OF GIFTS ACCEPTED VIA THE OFFICIAL ADMINISTRATIVE PROCESS

COMPONENT INSTITUTION	FY ,996 FULL YEAR	FISCAL YEAR 1997		
		9/1/96 - 11/30/96	12/1/96 - 2/28/97	3/1/97 - 5/31/97
				FULL YEAR
U. T. System	\$ 40,000	s ---	\$ ---	
U. T. Arlington	\$ 157,630	s ---	s ---	
U. T. Austin	\$ 11,922,027	\$ 3,220,599	\$ 1,197,147	
U. T. Brownsville	\$ ---	s ---	s ---	
U. T. Dallas	\$ 770,000	s ---	\$ 67,313	
U. T. El Paso	\$ 627,444	\$ 2,115,682	\$ 343,080	
U. T. Pan American	s ---	\$ 150,000	\$ 469,025	
U. T. Permian Basin	\$ 362,077	s ---	s ---	
U. T. San Antonio	\$ 645,959	\$ 25,000	\$ 55,500	
U. T. Tyler	\$ 886,046	\$ 25,000	s ---	
U. T. SWMC-Dallas	\$ 13,409,431	\$ 4,107,068	\$ 5,772,153	
U. T. M.B.-Galveston	\$ 7,392,043	\$ 1,933,594	\$ 3,258,170	
UTHSC-Houston	\$ 2,872,941	\$ 465,914	\$ 620,000	
UTHSC-San Antonio	\$ 1,525,008	\$ 631,753	\$ 1,465,454	
UTMDACC	\$ 3,267,099	\$ 741,404	s ---	
U. T. HC-Tyler	\$ 1,064,117	s ---	s ---	
UTEP/UTMB	\$ 1,028,125	s ---	s ---	
U. T. Austin/UTMDACC	s ---	s ---	\$ 28,048	
TOTAL	\$ 45,969,947	\$ 13,416,014	\$ 13,275,890	

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

1. U. T. System: Report on Investments for the Fiscal Quarter Ended February 28, 1997.--On behalf of The University of Texas Investment Management Company (UTIMCO), Regent Hicks, Chairman of the UTIMCO Board, summarized the Report on Investments for The University of Texas System for the fiscal quarter ending February 28, 1997, for the Permanent University Fund, Long Term Fund, Short/Intermediate Term Fund, and Separately Invested Assets.

Report by Regent Hicks on Behalf of UTIMCO

Mr. Chairman and members of the Board, I am pleased to summarize on behalf of UTIMCO the investments for The University of Texas System for the fiscal quarter ending February 28, 1997.

Item a on Page 16 presents the summary report for Permanent University Fund (PUF) investments. The PUF began the quarter with a market value of \$5.757 billion. During the quarter, income from the production of minerals on PUF Lands added \$20.2 million of new contributions to the Fund versus \$23.9 million for the first quarter of this fiscal year. In addition, total investment return was \$110.4 million of which \$63.8 million was income return and \$46.6 million was price return. Cash income of \$61.1 million was distributed to the Available University Fund (AUF) resulting in a quarter-end market value of \$5.823 billion.

During the period, \$20.0 million of new contributions were allocated to international equities. In addition, \$22.8 million of bond runoff was reallocated to small cap value equities. The allocation to bonds continues to be reduced gradually. At period-end, the allocation to fixed income securities was 40% versus 44% at year-end and the Fund's policy neutral allocation of 30%. Period-end allocation to equities was 60% with 42% in U. S. large and mid cap stocks, 5% in U. S. small cap stocks and 7% in non-U. S. equities. The balance or 6% was allocated to private market assets such as venture capital and other equities.

Income distributions to the AUF of \$61.1 million for the quarter increased by a nominal rate of 1.7% over the February 1996 fiscal quarter and by an inflation adjusted rate of -1.3%. Interest income from fixed income securities, which represents approximately 75% of total income generated, declined by 2.5% to \$43.5 million from \$44.6 million. Dividend income continued to grow increasing by 2.8% to \$14.5 million from \$14.1 million; the result of both asset additions and dividend increases. Finally, income from private market investments increased by 154.5% to \$2.8 million from \$1.1 million for the prior February fiscal quarter.

Total investment return (unannualized) for the quarter was 1.9% versus the exceptionally strong 9.5% for the previous quarter. Fixed income as an asset class continued to perform poorly versus equities with the Salomon Broad Bond Index generating a total return of -0.4%. The Fund's fixed income portfolio at -1.1% under performed the index due to the longer average maturity of the portfolio versus the index. Equities, as an asset class, continued to generate higher relative returns with the S&P 500 Index posting a 5.0% return. The PUF's equity (including international) portfolios under performed this index generating a 4.0% return due to diversification into lower returning non-U. S. and small cap growth equities. Finally, private investments produced a -1.4% return for the quarter, below its benchmark return of 6.2%.

Item b on Page 17 reports summary activity for the Long Term Fund (LTF). During the quarter, net contributions totaled \$21.4 million. Net investment return was \$45.5 million of which \$19.7 million was paid to the 4,316 endowment and other accounts underlying the LTF. The Fund's market value closed the quarter at \$1.924 billion versus \$1.876 billion for the preceding quarter-end. On a per unit basis, each endowment's ownership in the LTF increased from an average of \$4.21 per share to \$4.27 a share.

Asset allocation at quarter-end was 27% fixed income and 73% broadly defined equities (of which 53% was U. S. equities, 15% was non-U. S. equities and 5% was private market assets). For the six months to date, total unannualized investment return for the Fund was 12.0% and net 8.3% after expenses of 0.1%, inflation of 1.5% and spending of 2.1%.

Item c on Page 18 presents quarterly activity for the Short/Intermediate Term Fund. During the quarter, the Fund received net contributions of \$111.8 million. It earned \$4.2 million in total return, incurred expenses of \$0.1 million and paid \$21.6 million to U. T. System component institutions. Total return on the Fund was 0.3% for the quarter versus the Fund's performance benchmark of 0.7%.

Item d on Page 19 presents book and market value of cash, fixed income, equity and other securities held in funds outside of internally managed investment pools. Total cash and equivalents consisting primarily of component operating funds held in the money market fund increased by \$42.3 million to \$567 million at quarter-end. Asset values for the remaining asset types were fixed income securities: \$67 million; equities: \$25 million; and other investments of \$5.5 million.

a. PERMANENT UNIVERSITY FUND

Summary Investment Report at February 28, 1997.--

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

	FY95-96		FY96-97	
	Full Year	1st Qtr	2nd Qtr	Year-To-Date
Besinnins Market Value	4,958.5	5.292.1	5.757.0	5.292.1
PUF Lands Receipts(2)	65.7	23.9	20.2	44.1
Investment Income(3)	254.2	65.1	63.8	128.9
Change in Undistributed Income Payable to the Available University Fund(3)	(0.6)	3.8	(2.7)	1.1
Investment Income Distributed on Cash Basis(3)	(253.6)	(68.9)	(61.1)	(130.0)
Realized Gains (Losses)	196.8	45.4	55.2	100.6
Change in Unrealized Gains (Losses)	71.1	395.6	(8.6)	387.0
Ending Market Value	5,292.1	5,757.0	5,823.8	5,823.8
Distributed to the AUF:				
Investment Income	253.6	68.9	61.1	130.0
Surface Income	4.8	1.1	1.5	2.6
Total	258.4	70.0	62.6	132.6

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

(1) Excludes PUF Lands mineral and surface interests with estimated June 30, 1996 values of \$410.1 million and \$158.7 million, respectively.

(2) As of February 28, 1997: 860,133 acres under lease; 518,007 producing acres; 2,818 active leases; and 2,047 producing leases.

(3) Change in presentation to reflect investment income earned as well as cash income distributed to the AUF.

b . L O N G

Summary Investment Report at February 28, 1997 --

LONG TERM FUND
SUMMARY REPORT
(\$ millions)

	FY95-96		FY96-97	
	Full Year	1st Qtr	2nd Qtr	Year-To-Date
Beginning Net Assets	1,558.8	1,712.1	1,876.9	1,712.1
Net Contributions	54.1	24.7	21.4	46.1
Investment Return	182.3	160.0	46.6	207.4
Expenses	(3.7)	(1.1)	(1.1)	(2.2)
Distributions (Payout)	(76.4)	(19.5)	(19.7)	(39.2)
Distribution of Gain on Participant Withdrawals	(3.0)	(0.1)	(0.1)	(0.2)
Ending Net Assets	1,712.1	1,876.9	1,924.0	1,924.0
Net Asset Value per Unit	3.897	4.211	4.269	
No. of Units (End of Period)	439,352,911	445,668,754	450,718,468	
Distribution Rate per Unit	0.175	0.04375	0.04375	

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

c. SHORT/INTERMEDIATE TERM FUND

Summary Investment Report at February 28, 1997, —

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

	<u>FY95-96</u>	<u>FY96-97</u>		
	<u>Full Year</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>Year-To-Date</u>
Beginning Net Assets	1,129.5	1,332.1	1,405.6	1,332.1
Net Contributions	216.7	40.9	111.8	152.7
Investment Return	58.2	52.9	4.2	57.1
Expenses	(0.2)	(0.1)	(0.1)	(0.2)
Distributions of Income	(72.1)	(20.2)	(21.6)	(41.8)
Ending Net Assets	<u>1,332.1</u>	<u>1,405.6</u>	<u>1,499.9</u>	<u>1,499.9</u>

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

d. SEPARATELY INVESTED ASSETS

Summary Investment Report at February 28, 1997.--

**SEPARATELY INVESTED ASSETS
SUMMARY REPORT
(\$ thousands)**

ASSET TYPES	FUND TYPE													
	CURRENT DESIGNATED		PURPOSE RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE FUNDS		AGENCY FUNDS		OPERATING FUNDS		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
Cash & Equivalents:														
Beginning value 12/1/96	1,932	1,932	1,260	1,260	29,318	29,318	348	348	3	3	491,715	491,715	524,576	524,576
Increase/(Decrease)	1,491	1,491	918	918	(403)	(403)	1,018	1,018	-	-	39,284	39,284	42,308	42,308
Ending value 2/28/97	3,423	3,423	2,178	2,178	28,915	28,915	1,366	1,366	3	3	530,999	530,999	566,884	566,884
Debt Securities:														
Beginning value 12/1/96	10,584	10,593	7	4	41,919	42,636	7,829	8,158	.	.	7,381	1,481	67,720	68,872
Increase/(Decrease)	(1,008)	(1,011)	-	-	802	534	218	124	-	-	(908)	(959)	(896)	(1,312)
Ending value 2/28/97	9,576	9,582	7	4	42,721	43,170	8,047	8,282	-	-	6,473	6,522	66,824	67,560
Equity:														
Beginning value 12/1/96	52	1,113	212	208	14,450	19,696	1,142	1,435	.	.			15,856	22,452
Increase/(Decrease)		379	(46)	(42)	72	373	1,447	1,452	.	.			1,473	2,162
Ending value 2/28/97	52	1,492	166	166	14,522	20,069	2,589	2,887	.	.			17,329	24,614
Other:														
Beginning value 12/1/96			624	624	(624)	(624)	4,976	4,976	.	.			4,976	4,976
Increase/(Decrease)			34	34	(34)	(34)	389	559	.	.			389	559
Ending value 2/28/97			658	658	(658)	(658)	5,365	5,535	.	.			5,365	5,535

Report prepared in accordance with Sec. 5 1.0032 of the Texas Education Code.
Details of individual assets by account furnished upon request.

2. U. T. Board of Regents: Appointment of Mr. A. W. "Dub" Riter, Jr., Tyler, Texas, and Mr. J. Luther King, Jr., Fort Worth, Texas, to the Board of Directors of The University of Texas Investment Management Company (UTIMCO).--In accordance with Section 66.08 of the Texas Education Code, which requires that the U. T. Board of Regents appoint all members of the Board of Directors of The University of Texas Investment Management Company (UTIMCO), the Board appointed the following to the UTIMCO Board of Directors to serve until February 1, 1999, or until their successors are chosen and qualify, or until their earlier resignation or removal:

a. Mr. A. W. "Dub" Riter, Jr., Tyler, Texas
(to replace Mr. Donald L. Evans)

b. Mr. J. Luther King, Jr., Fort Worth, Texas
(reappointed)

Mr. Riter is a member of the U. T. Board of Regents, the Governor's Business Council, and serves on the Governor's Select Task Force on Public Education. He retired as Senior Chairman of the Board of NCNB Texas-Tyler and is a life board member of the Texas Research League. Mr. Riter is Chairman of The University of Texas Health Center at Tyler Development Board and The University of Texas at Tyler Development Board.

Mr. King is President of Luther King Capital Management, a registered investment advisor, which manages approximately \$4.5 billion for about 340 clients. He is a Chartered Financial Analyst, a former director of the Dallas Association of Investment Analysts, and a current member of the Board of Governors of the Investment Counsel Association of America.

Secretary's Note: See Page 4 of the Minutes of the special meeting of the Board of Regents on April 9, 1997, for the reappointment of Regents Thomas O. Hicks and Tom Loeffler to the Board of Directors of UTIMCO.

3. U. T. Board of Regents: Approval of Appointment of Mr. Robert H. Allen, Ms. Susan M. Byrne, and Mr. A. W. "Dub" Riter, Jr., to The University of Texas Investment Management Company (UTIMCO) Audit and Ethics Committee.--
Section 66.08 of the Texas Education Code requires that the U. T. Board of Regents approve the appointment of members of the Audit and Ethics Committee of the Board of Directors of The University of Texas Investment Management Company (UTIMCO).

In accordance therewith, the Board approved the appointment of Mr. Robert H. Allen, Ms. Susan M. Byrne, and Mr. A. W. "Dub" Riter, Jr., to the Audit and Ethics Committee of the UTIMCO Board of Directors to serve until February 1, 1999, or until their successors are chosen and qualify, or until their earlier resignation or removal.

It was noted that Mr. Robert H. Allen will serve as Chairman of the Audit and Ethics Committee.

4. U. T. Board of Regents: Amendments to Article I (Structure and Purposes) and Article III (Board of Directors) of the Bylaws of The University of Texas Investment Management Company (UTIMCO).--In compliance with Section 66.08 of the Texas Education Code, which requires that the U. T. Board of Regents approve the Bylaws of The University of Texas Investment Management Company (UTIMCO) and all amendments to those Bylaws, approval was given to amend the Bylaws of UTIMCO by adding Sections 5 and 6 to Article I (Structure and Purposes) and amending Section 3 of Article III (Board of Directors) to read as set forth on Pages 22 - 23.

It was noted that the addition of Sections 5 and 6 to Article I will formally incorporate into the Bylaws certain provisions requested by the Governor's Office in signing S.B. 616 into law. On March 13, 1997, the UTIMCO Board of Directors adopted a resolution endorsing the amendment to Section 3 of Article III of the Bylaws to allow for a director evaluation process that would occur simultaneously with the expiration of Board terms.

ARTICLE I
STRUCTURE AND PURPOSES

Section 5. Prohibited Transactions. In addition to the prohibitions of the laws of the State of Texas, the Corporation may not enter into an agreement or transaction with a former director, officer, or employee of the Corporation, or a business entity in which a former director, officer, or employee of the Corporation has an interest, on or before the first anniversary of the date the person ceased to be a director, officer, or employee of the Corporation. For purposes of this Section, (i) a former director, officer, or employee of the Corporation has an interest in a business entity if such person owns (a) five percent or more of the voting stock or shares of the business entity or (b) five percent or more of the fair market value of the business entity, and (ii) a former director of the Corporation has an interest in a business entity if money received by such person from the business entity exceeds five percent of the person's gross income for the preceding calendar year. A two-thirds majority of the Board of Directors of the Corporation shall be required to forward to the Board of Regents a change to this Section.

Section 6. Revolving Door. A former officer or employee of the Corporation may not make any communication to or appearance before a director, officer, or employee of the Corporation before the first anniversary of the date an individual ceased to be an officer or employee of the Corporation if the communication or appearance is made (a) with the intent to influence, and (b) on behalf of any person in connection with any matter on which the person seeks action by the Corporation. If a director of the Corporation knowingly communicates with a former officer or employee of the Corporation, whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such director shall be subject to removal from serving as a director of the Corporation. If an officer or employee of the Corporation knowingly communicates with a former officer or employee of the Corporation whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such officer or employee shall be subject to disciplinary action. A two-thirds majority of the Board of Directors of the Corporation shall be required to forward to the Board of Regents a change to this Section.

ARTICLE III
BOARD OF DIRECTORS

Section 3. Appointment and Term. Except for those Directors named in the Articles of Incorporation, Directors shall be appointed by the Board of Regents, except that the Chancellor of the System shall serve as a Director so long as he remains Chancellor of the System. Until otherwise changed by the Board of Regents in compliance with applicable law, the members of the Board of Directors shall include (i) the Chancellor of the System, (ii) at least three (3) persons then serving as members of the Board of Regents ("Regental Directors"), and (iii) one or more persons selected by the Board of Regents from a list of candidates with substantial background and expertise in investments that is submitted by the Board of Regents of The Texas A&M University System. The three (3) Regental Directors shall serve for two-year terms that expire on the first day of February of each odd-numbered year, except that the initially-appointed Regental Directors shall serve until February 1, 1997. The remaining Directors (other than the Chancellor of the System and the Regental Directors) shall serve three-year terms that expire on the first day of February of the appropriate year, except that the term of all Directors serving on May 8, 1997, shall end on February 1, 1999. Notwithstanding the foregoing, the Board of Regents may from time to time alter the terms of the Directors. Each person serving as a Director shall serve until the earlier to occur of (i) the expiration of such Director's term or (ii) such Director's death, resignation, or removal as provided in these Bylaws.

5. U. T. Board of Regents: Approval of Amendments to the Investment Management Services Agreement with The University of Texas Investment Management Company (UTIMCO).--
Without objection, the Board approved amendments to Sections 7 d) and 7 e) of the Investment Management Services Agreement dated March 1, 1996, between the U. T. Board of Regents and The University of Texas Investment Management Company (UTIMCO) as set forth below:

a. Section 7 d) was amended to read as follows:

d) **Annual Budget and Management Fee:**

UTIMCO shall submit to the U. T. Board its proposed annual budget for the following fiscal year (an "Annual Budget") within the time frame specified by the Board. The Annual Budget shall include all estimated expenses associated with the management of the Accounts. The Annual Budget shall also include an annual UTIMCO management fee (an "Annual UTIMCO Management Fee") which shall include all operating expenses associated with the general management of the Accounts, including, without limitation, salaries, benefits and performance compensation of portfolio management and support personnel, expenses for consulting services, office space lease expenses, office furniture and equipment expenses, professional, legal, payroll and other general services expenses, travel, insurance, capital expenditures, and other miscellaneous expenses incurred by UTIMCO in connection with the performance of its obligations hereunder.

At the same time that UTIMCO submits its Annual Budget, it shall also submit to the U. T. Board an allocation formula for charging the Annual Budget to the Accounts. The Annual Budget and the allocation formula shall be approved or disapproved by the U. T. Board at its next regular meeting. The U. T. Board will not unreasonably withhold approval of the Annual Budget or the allocation formula. Any such Budget or formula which is disapproved shall be promptly revised by UTIMCO and resubmitted to the U. T. Board for approval.

On or before the first day of each fiscal quarter, UTIMCO shall be entitled to charge each Account with its allocable share (determined in accordance with the allocation formula then in effect) of one-fourth

of the amount of the Annual UTIMCO Management Fee to pay UTIMCO's operating expenses for the succeeding fiscal quarter. UTIMCO shall be entitled, with the approval of the U. T. Board, to revise the Annual UTIMCO Management Fee and allocation formula at any time during a fiscal year. Any statements for partial quarters at the beginning or end of this Agreement shall be prorated to reflect the actual time services were rendered during such partial quarters.

UTIMCO is hereby authorized to pay from each Account direct expenses incurred for portfolio management, custodian, auditing, and other services which are performed by external vendors specifically for each Account. UTIMCO is authorized to pay expenses incurred on behalf of the Permanent University Fund by submitting a purchase voucher to the State Comptroller for payment of said expenses from the Available University Fund. Notwithstanding the above, vouchers submitted for quarterly payment of the UTIMCO annual management fee from the AUF shall require the approval of the Office of Investment Accounting of the U. T. System (or any successor to the functions of that office).

- b. Section 7 e) related to performance compensation was deleted in its entirety.

The amendments to Section 7 d) provide for a consolidated budget for expenses associated with the investment of all assets managed by UTIMCO and delete the rebate of unspent fees because calculation of the annual budget on a net basis is simpler and more efficient than calculating a gross budget with an annual cash rebate.

Section 7 e) was deleted because expenses for performance compensation will be incorporated into the consolidated budget. Consequently, performance compensation will not be paid exclusively from the Long Term Fund (LTF) funded Quasi-Endowment for Investment Excellence but will be allocated and paid from all investment funds under management.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 9:15 a.m., the Board recessed for the meetings of the Standing Committees, and Chairman Evans announced that at the conclusion of each committee meeting the Board would reconvene to approve the report and recommendations of that committee.

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

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Page 27).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Evans reported that there were no items referred from the Executive Committee to the Board.

REPORT AND RECOMMENDATIONS OF THE BUSINESS AFFAIRS AND AUDIT COMMITTEE (Pages 28 - 33).--Committee Chairman Riter reported that the Business Affairs and Audit Committee had 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 Business Affairs and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 89 (Catalog Change).--Upon recommendation of the Business Affairs and Audit Committee, the Board approved Chancellor's Docket No. 89 in the form distributed by the Executive Secretary. It is attached following Page 106 in the official copies 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 had been or shall be executed by the appropriate officials of the respective institution involved.

It was ordered that any item included in the Docket that normally is published in the institutional catalog be reflected in the next appropriate catalog published by the respective institution.

2. U. T. System: Adoption of 1998 Budget Preparation Policies and Limitations for General Operating Budgets, Auxiliary Enterprises, Contracts and Grants, Restricted Current Funds, Designated Funds, and Service and Revolving Funds Activities and Calendar for Budget Operations.--The Business Affairs and Audit Committee recommended and the Board adopted the Budget Preparation Policies and Limitations and Calendar for preparation of the 1998 Operating Budgets for The University of Texas System as set forth on Pages 29 - 31.

U. T. System 1998 Budget Preparation Policies

General Guidelines - The regulations and directives which will be included in the General Appropriations Act enacted by the 75th Texas Legislature serve as the basis for these guidelines and policies. In preparing the draft of the 1998 Operating Budget, the Chief Administrative Officer of each component institution should adhere to guidelines and policies as detailed below and as included in the General Appropriations Act. Following legislative approval of the General Appropriations Act, the Chancellor will issue detailed instructions regarding the implementation of those regulations and directives into the component budget process.

Overall budget totals, including reasonable reserves, must be limited to the funds available for the year from General Revenue Appropriations, Estimates of Educational and General Income, and limited use of institutional unappropriated balances.

Salary Guidelines - Recommendations regarding salary policy are subject to the following directives.

1. Salaries Proportional by Fund - Unless otherwise restricted, payment for salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in V.T.C.A., Education Code, Sec. 51.009 (a) and (c), shall be proportional to the source of funds.
2. Merit Increases - Subject to available resources and resolution of any major salary inequities, institutions should give priority to implementing merit salary increases for faculty and staff.

Merit increases or advances in rank for faculty are to be on the basis of teaching effectiveness, research, and public service.

Merit increases or promotions for administrative and professional staff and classified staff are to be based on evaluation of performance in areas appropriate to work assignments.

To be eligible for a merit increase, classified staff must have been employed by the institution for at least six months as of August 31, 1997.

3. Other Increases - Equity adjustments, competitive offers, and increases to accomplish contractual commitments may also be granted in this budget and should also consider merit where appropriate, subject to available resources. Such increases should be noted and explained in the supplemental data accompanying the budget.
4. New Positions - New administrative and professional, classified staff and faculty positions are to be requested only when justified by work loads or to meet needs for developing new programs.
5. It is the expectation that Fiscal Year 1998 increases for merit, equity, or other reasons be included in the Operating Budgets.

Staff Benefits Guidelines - Recommendations regarding the state contribution for employees staff benefits such as group insurance premiums, teacher retirement, and optional retirement are subject to legislative determination via the General Appropriations Act. Upon approval of this legislation, the Chancellor will issue appropriate instructions regarding the implementation of the benefits into the budget process.

Other Employee Benefits - Employer contributions to the self-insured Unemployment Compensation Fund is \$.68 per \$100 of the first \$9,000 of salary paid per employee. Workers' Compensation Insurance rates have been experience rated for each component.

Other Operating Expenses Guidelines - Increases in Maintenance, Operation, Equipment, and Travel are to be justified by expanded work loads, for developing new programs, or for correcting past deferrals or deficiencies.

Budget Reductions and Limitations - The General Appropriations Act may contain provisions requiring budget reductions and budget restrictions which may impact the 1998 Operating Budget. Upon approval of this legislation, the Chancellor or other appropriate authority will issue instructions regarding the implementation of any of these reductions and limitations into the budgeting process.

1998 Operating Budget Calendar

May 8, 1997	U. T. Board of Regents approve budget policies
June 2-10, 1997	Budget policy/resource allocation hearings with System Administration
June 25, 1997	Draft copies of budgets, salary rosters, and supplemental data due to System Administration
July 1-11, 1997	Technical budget hearings with System Administration
July 15, 1997	Final copies of budgets, salary rosters, and supplemental data due to System Administration
July 1997	U. T. Board of Regents' Committee Briefings
August 14, 1997	U. T. Board of Regents approve budget
August 21, 1997	Budgets due to System Administration for copying and binding

The U. T. System 1998 Budget Preparation Policies will track the regulations and directives which will be included in the General Appropriations Act to be enacted by the 75th Texas Legislature.

3. U. T. Medical Branch - Galveston: Acceptance of Gift from The Sealy & Smith Foundation, Galveston, Texas, to Purchase Real Property Located at 1802 Water Street, Described as Lots 8-11, Block 738, City and County of Galveston, Texas, and Authorization for the Executive Vice Chancellor for Business Affairs to Execute All Documents Related Thereto.--The Board, upon recommendation of the Business Affairs and Audit Committee:

- a. Authorized The University of Texas Medical Branch at Galveston to accept \$100,000 in gift funds from The Sealy & Smith Foundation, Galveston, Texas, to purchase unimproved property located at 1802 Water Street, described as Lots 8-11, Block 738, in the City and County of Galveston, Texas
- b. Authorized the Executive Vice Chancellor for Business Affairs or his delegate to take all steps necessary to acquire the property at 1802 Water Street, to execute all documents, instruments, and other agreements, and take all actions deemed necessary to carry out the purpose and intent of this purchase.

The property is located to the east of the U. T. Medical Branch - Galveston's Support Services Building at 1902 Harborside and will provide surface parking for University employees.

Chevron U.S.A., as owner of the former bulk oil facility which was located on the property, complied with the Leaking Petroleum Storage Tank regulations as promulgated by the Texas Natural Resource Conservation Commission (TNRCC) and received a closure letter from the agency in October 1996. Chevron has agreed to participate in the TNRCC's Voluntary Cleanup Program so that a Certificate of Completion may be issued by TNRCC. With the Certificate of Completion, the U. T. Medical Branch - Galveston will be released from liability to the State of Texas for any future remedial actions as a result of the previously identified environmental condition.

Title to the property will revert to The Sealy & Smith Foundation if the property ever ceases to be used by the U. T. Board of Regents for purposes relating to the U. T. Medical Branch - Galveston or if the Board seeks to sell or convey its interest in the property.

INFORMATIONAL REPORT

U. T. System: Presentation of the March 1997 Monthly Financial Report.--Mr. R. D. Burck, Executive Vice Chancellor for Business Affairs, reviewed the March 1997 Monthly Financial Report for The University of Texas System and emphasized that in this seven-month period there were no variances from budget which did not have reasonable explanations.

A copy of [The University of Texas System Monthly Financial Report](#) as of March 1997 is on file in the Office of the Board of Regents.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 34 - 74).--Committee Chairman Lebermann reported that the Academic Affairs Committee had 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 and without objection by the U. T. Board of Regents:

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter VI, Sections 1 Through 3 (Student Services and Activities Including Facilities Use).--Upon recommendation of the Academic Affairs and Health Affairs Committees, the Board amended the Regents' Rules and Regulations, Part One, Chapter VI, Sections 1 through 3, relating to student services and activities including facilities use, to read as set forth below:

CHAPTER VI

STUDENT SERVICES AND ACTIVITIES INCLUDING FACILITIES USE

Sec. 1. General Provisions.

- 1.1 These policies and regulations apply to all component institutions of the System and shall be implemented appropriately in the Handbook of Operating Procedures for each institution.
- 1.2 When the designation "chief student affairs officer" appears in this Chapter, reference is made to the administrative officer or officers directly responsible for student affairs at each component institution. The designation "Dean of Students" or "Dean" in the context of this Chapter shall refer to the administrative officer or officers responsible for the administration of the disciplinary process at each component institution.

- 1.3 All authority held and exercised by a chief student affairs officer is delegated to that officer by the chief administrative officer. Any action taken by the chief student affairs officer is subject to review by the chief administrative officer.
- 1.4 The chief student affairs officer shall be the administrative officer primarily responsible for the development and administration of policies relating to students, for the development and implementation of services to students, and for the initial preparation of institutional regulations that will implement the policies and regulations set forth in this Chapter.
- 1.5 Any individual student, group of students, or student organization may petition the Board on any matter relating to these policies and regulations (other than a disciplinary action) through the chief student affairs officer, the chief administrative officer, the appropriate Executive Vice Chancellor, and the Chancellor.
- 1.6 Student Advisory Group.--At the discretion of the Chairman of the Board of Regents and the Chancellor, a student advisory group representing component institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the U. T. Board of Regents, the U. T. System Administration, and the component institutions. The Chairman and Chancellor will promulgate guidelines for the selection of student advisory group representatives. Representatives of the student advisory group may from time to time address the Board at meetings of the Board and may recommend action to the Board through the Chancellor. The student advisory group shall provide an annual report of activities, recommendations, and actions to the Board.

Sec. 2. Definitions.

- 2.1 Student.--The following persons shall be considered students for purposes of these policies and regulations:
 - 2.11 A person currently enrolled at a component institution of the System.
 - 2.12 A person accepted for admission or readmission to a component institution of the System.
 - 2.13 A person who has been enrolled at a component institution of the System in a prior semester or summer session and is eligible to continue enrollment in the semester or summer session that immediately follows.
 - 2.14 A person who engaged in prohibited conduct at a time when he or she met the criteria of Subdivisions 2.11, 2.12, or 2.13.
- 2.2 Campus.--The campus consists of all real property, buildings or facilities owned or controlled by the component institution.
- 2.3 Hearing Officer.--An individual selected in accordance with procedures adopted by the component institution to hear disciplinary charges, make findings of fact and, upon a finding of guilt, impose an appropriate sanction(s).
- 2.4 Weekday.--Monday through Friday, excluding any day that is an official holiday of the component institution.
- 2.5 Day.--A calendar day.

Sec. 3. Student Conduct and Discipline.

- 3.1 The component institutions shall adopt rules and regulations concerning student conduct and discipline. Such rules shall be in compliance with the Regents' Rules and Regulations and shall become effective upon review and approval by the appropriate Executive Vice Chancellor. Each student is responsible for notice of and compliance with the provisions of the Regents' Rules and Regulations and the rules of the component institution.
- 3.2 All students are expected and required to obey federal, state, and local laws, to comply with

the Regents' Rules and Regulations, with System and institutional rules and regulations, with directives issued by an administrative official of the System or component institution in the course of his or her authorized duties, and to observe standards of conduct appropriate for an academic institution.

- 3.21 Any student who engages in conduct that violates the Regents' Rules and Regulations, the System or institutional rules and regulations, specific instructions issued by an administrative official of the institution or the System acting in the course of his or her authorized duties, or federal, state, or local laws is subject to discipline whether such conduct takes place on or off campus or whether civil or criminal penalties are also imposed for such conduct.
- 3.22 Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.
- 3.23 Any student who is guilty of the illegal use, possession and/or sale of a drug or narcotic on the campus of a component institution is subject to discipline. If a student is found guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the minimum penalty shall be suspension from the institution for a specified period of time and/or suspension of rights and privileges.

- 3.24 Any student who engages in conduct that endangers the health or safety of any person on the campus of a component institution or on any property, or in any building, or facility owned or controlled by the System or component institution is subject to discipline.
- 3.25 Any student who, acting singly or in concert with others, obstructs, disrupts or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity or public performance authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by the System or component institution is subject to discipline. Obstruction or disruption includes but is not limited to any act that interrupts, modifies or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records or computer networks accessible through the university's computer resources.
- 3.26 Any student who engages in speech, either orally or in writing, that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action is subject to discipline.
- 3.27 Any student who engages in the unauthorized use of property, equipment, supplies, buildings, or facilities owned or controlled by the System or component institution is subject to discipline.
- 3.28 Any student who, acting singly or in concert with others, engages in hazing is subject to discipline. Hazing in state educational institutions is prohibited by state law (Section 51.936, Texas Education Code). Hazing with or without the consent of a student whether on or off campus is prohibited, and a violation of that prohibition renders both the person inflicting the hazing and the person submitting to the hazing subject to discipline. Initiations or activities of organizations may include no feature which is dangerous, harmful,

- or degrading to the student, and a violation of this prohibition renders both the organization and participating individuals subject to discipline.
- 3.29 A student who alters or assists in the altering of any official record of the System or component institution or who submits false information or omits requested information that is required for or related to an application for admission, the award of a degree, or any official record of the System or institution is subject to discipline. A former student who engages in such conduct is subject to bar against readmission, revocation of degree and withdrawal of diploma.
- 3.2(10) Any student who defaces, mutilates, destroys or takes unauthorized possession of any property, equipment, supplies, buildings, or facilities owned or controlled by a component institution or the System is subject to discipline.
- 3.2(11) A student is subject to discipline for prohibited conduct that occurs while participating in off-campus activities sponsored by a component institution or the System including field trips, internships, rotations or clinical assignments.
- 3.2(12) Unless authorized by federal, state, or local laws, a student who possesses or uses any type of explosive, firearm, imitation firearm, ammunition, hazardous chemical, or weapon as defined by state or federal law, while on campus or on any property or in any building or facility owned or controlled by the System or component institution, is subject to discipline.
- 3.2(13) A student who receives a period of suspension as a disciplinary penalty is subject to further disciplinary action for prohibited conduct that takes place on campus during the period of suspension.
- 3.3 A former student who has been suspended or expelled for disciplinary reasons is prohibited from being on the campus of any component institution during the period of such suspension or expulsion without prior written approval of the chief student affairs

officer of the institution at which the suspended or expelled student wishes to be present.

3.4 The Dean of Students shall have primary authority and responsibility for the administration of student discipline at each component institution. It shall be the Dean's duty to investigate allegations that a student has engaged in conduct that violates the Regents' Rules and Regulations, the rules and regulations of the institution or the System, specific instructions issued by an administrative official of the institution or the System in the course of his or her authorized duties, or any provisions of federal, state, and/or local laws. The Dean may proceed with the investigation and with the disciplinary process, notwithstanding any action taken by other authorities.

3.41 A student may be summoned by written request of the Dean for a meeting to discuss the allegations. The written request shall specify a place for the meeting and a time at least three (3) weekdays after the date of the written request. The written request may be mailed to the address appearing in the records of the registrar or may be hand delivered to the student. If a student fails to appear without good cause, as determined by the Dean, the Dean may bar or cancel the student's enrollment or otherwise alter the status of the student until the student complies with the summons, or the Dean may proceed to implement the disciplinary procedures provided for in Subsection 3.5. The refusal of a student to accept delivery of the notice or the failure to maintain a current address with the registrar shall not be good cause for the failure to respond to a summons.

3.42 Pending a hearing or other disposition of the allegations against a student, the Dean may take such immediate interim disciplinary action as is appropriate to the circumstances, including: (a) suspension and bar from the campus when it reasonably appears to the Dean from the circumstances that the continuing presence of the student poses a potential danger to persons or property or a potential threat for disrupting any activity authorized by the institution; or (b) the withholding of grades, degree or official transcript when such action is in the best interest of the institution.

- 3.43 When interim disciplinary action has been taken by the Dean under Subdivision 3.42, a hearing of the charges against the student will be held under the procedures specified in Subsection 3.5, but will be held within ten (10) days after the interim disciplinary action was taken unless the student agrees in writing to a hearing at a later time or unless the student waives a hearing and accepts the decision of the Dean in accordance with Subdivision 3.44.
- 3.44 In any case where the accused student does not dispute the facts upon which the charges are based and executes a written waiver of the hearing procedures specified in Subsection 3.5, the Dean shall assess one or more of the penalties specified in Subsection 3.6 that is appropriate to the charges and inform the student of such action in writing. The minimum penalty that the Dean may assess when a student admits illegal use, possession, and/or sale of a drug or narcotic on campus is the penalty prescribed in Subdivision 3.23 of this Section. The decision of the Dean on penalty only may be appealed to the chief administrative officer.
- 3.5 In those cases in which the accused student disputes the facts upon which the charges are based, such charges shall be heard and determined by a fair and impartial Hearing Officer.
- 3.51 Except in those cases where immediate interim disciplinary action has been taken, the accused student shall be given at least ten (10) days written notice of the date, time, and place for such hearing and the name of the Hearing Officer. The notice shall include a statement of the charge(s) and a summary statement of the evidence supporting such charge(s). The notice shall be delivered in person to the student or mailed to the student at the address appearing in the registrar's records. A notice sent by mail will be considered to have been received on the third day after the date of mailing, excluding any intervening Sunday. The date for a hearing may be postponed by the Hearing Officer for good cause or by agreement of the student and Dean.
- 3.52 The accused student may challenge the impartiality of the Hearing Officer. The challenge must be in writing, state the reasons for the challenge, and be submitted to the

Hearing Officer through the Office of the Dean at least three (3) days prior to the hearing. The Hearing Officer shall be the sole judge of whether he or she can serve with fairness and objectivity. In the event the Hearing Officer disqualifies himself or herself, a substitute will be chosen in accordance with procedures of the institution.

- 3.53 Upon a hearing of the charges, the Dean or other institutional representative has the burden of going forward with the evidence and has the burden of proving the charges by the greater weight of the credible evidence.
- 3.54 The Hearing Officer is responsible for conducting the hearing in an orderly manner and controlling the conduct of the witnesses and participants in the hearing. The Hearing Officer shall rule on all procedural matters and on objections regarding exhibits and testimony of witnesses, may question witnesses, and is entitled to have the advice and assistance of legal counsel from the Office of General Counsel of the System. The Hearing Officer shall render and send to the Dean and the accused student a written decision that contains findings of fact and a conclusion as to the guilt or innocence of the accused student. Upon a conclusion of guilt the Hearing Officer shall assess a penalty or penalties specified in Subsection 3.6. Guilt of the illegal use, possession, or sale of a drug or narcotic on campus requires the assessment of a minimum penalty provided in Subdivision 3.23.
- 3.55 The hearing shall be conducted in accordance with procedures adopted by the component institution that assure the institutional representative and the accused student the following minimal rights:
- (1) Each party shall provide the other party a list of witnesses, a brief summary of the testimony to be given by each, and a copy of documents to be introduced at the hearing at least five (5) days prior to the hearing.
 - (2) Each party shall have the right to appear, present testimony of witnesses and documentary evidence, cross-examine witnesses and be assisted by an advisor of choice. The advisor may be an attorney. If the accused student's advisor is an

attorney, the Dean's advisor may be an attorney from the Office of General Counsel of the System. An advisor may confer with and advise the Dean or accused student, but shall not be permitted to question witnesses, introduce evidence, make objections, or present argument to the Hearing Officer.

- (3) The Dean may recommend a penalty to be assessed by the Hearing Officer. The recommendation may be based upon past practice of the component institution for violations of a similar nature, the past disciplinary record of the student, or other factors deemed relevant by the Dean. The accused student shall be entitled to respond to the recommendation of the Dean.
- (4) The hearing will be recorded. If either party desires to appeal the decision of the Hearing Officer, the official record will consist of the recording of the hearing, the documents received in evidence, and the decision of the Hearing Officer. At the request of the chief administrative officer the recording of the hearing will be transcribed and both parties will be furnished a copy of the transcript.

- 3.6 The following penalties may be assessed by the Dean pursuant to Subdivision 3.44 or by the Hearing Officer after a hearing in accordance with the procedures specified in Subdivision 3.55:
- 3.61 Disciplinary probation.
 - 3.62 Withholding of grades, official transcript and/or degree.
 - 3.63 Bar against readmission.
 - 3.64 Restitution or reimbursement for damage to or misappropriation of institutional or System property.
 - 3.65 Suspension of rights and privileges, including participation in athletic or extracurricular activities.
 - 3.66 Failing grade for an examination or assignment or for a course and/or cancellation of all or any portion of prior course credit.
 - 3.67 Denial of degree.
 - 3.68 Suspension from the institution for a specified period of time.
 - 3.69 Expulsion (permanent separation from the institution).

- 3.6(10) Revocation of degree and withdrawal of diploma.
- 3.6(11) Other penalty as deemed appropriate under the circumstances.
- 3.7 Appeal Procedures.--A student may appeal a disciplinary penalty assessed by the Dean in accordance with Subdivision 3.44. Either the Dean or the student may appeal the decision of the Hearing Officer. An appeal shall be in accordance with the following procedures:
- 3.71 Written notice of appeal must be delivered to the chief administrative officer of the component institution within fourteen (14) days after the appealing party has been notified of the penalty assessed by the Dean or the decision of the Hearing Officer. If the notice of penalty assessed by the Dean or the decision of the Hearing Officer is sent by mail, the date the notice or decision is mailed initiates the fourteen (14) day period for giving notice of appeal. An appeal of the penalty assessed by the Dean in accordance with Subdivision 3.44 will be reviewed solely on the basis of the written argument of the student and the Dean. The appeal of the decision of the Hearing Officer will be reviewed solely on the basis of the record from the hearing. In order for the appeal to be considered, all the necessary documentation to be filed by the appealing party, including written argument, must be filed with the chief administrative officer within fourteen (14) days after notice of appeal is given. At the discretion of the chief administrative officer, both parties may present oral argument in an appeal from the decision of the Hearing Officer.
- 3.72 The chief administrative officer may approve, reject, or modify the decision in question or may require that the original hearing be reopened for the presentation of additional evidence and reconsideration of the decision. It is provided, however, that if the finding as to guilt is upheld in a case involving the illegal use, possession, and/or sale of a drug or narcotic on campus, the penalty may not be reduced below the minimum penalty prescribed by Subdivision 3.23 of this Section.

- 3.73 The action of the chief administrative officer shall be communicated in writing to the student and the Dean within thirty (30) days after the appeal and related documents have been received. The decision of the chief administrative officer is the final appellate review.
- 3.8 Each component institution shall maintain a permanent written disciplinary record for every student assessed a penalty of suspension, expulsion, denial or revocation of degree and/or withdrawal of diploma. A record of scholastic dishonesty shall be maintained for at least five years unless the record is permanent in conjunction with the above stated penalties. A disciplinary record shall reflect the nature of the charge, the disposition of the charge, the penalty assessed and any other pertinent information. This disciplinary record shall be maintained separately from the student's academic record, shall be treated as confidential, and shall not be accessible to or used by anyone other than the Dean, except upon written authorization of the student or in accordance with applicable state or federal laws or court order or subpoena.

. . . .

These amendments to the Regents' Rules and Regulations, Part One, Chapter VI, Sections 1 through 3 will provide more definitive notice to students concerning standards of conduct and will provide administrative officers of The University of Texas System component institutions more concise guidelines for implementing disciplinary procedures. The revisions, which are consistent with current court decisions relating to student discipline, include rearrangement of a number of sections and subdivisions into a more logical flow and clarify current provisions.

2. U. T. System: Request to Adopt Guidelines for a Student Exchange Program Among Component Institutions (Catalog Change) (Deferred).--The item related to the proposed adoption of Guidelines for a Student Exchange Program Among Component Institutions of The University of Texas System was deferred until the August 1997 meeting.
3. U. T. Arlington: Approval of Policy for Undergraduate Admissions to be Effective with the Fall Semester 1998 (Catalog Change).--The Academic Affairs Committee recommended and the Board approved the Policy for Undergraduate Admissions at The University of Texas at Arlington as set forth below to be effective after September 1, 1997, for applicants seeking admission for the Fall Semester 1998 or a subsequent enrollment period:

The University of Texas at Arlington
Policy for Undergraduate Admissions

I. Entering Freshman

- A. Applicants will be eligible for automatic admission if they have:
 1. graduated from high school with at least 20 acceptable high school units, including the subjects prescribed under "High School Units" described in this policy,
 2. achieved a satisfactory level of performance on the Scholastic Assessment Test (SAT) or American College Test (ACT) as described in this policy, and

3. submitted a completed application by the priority deadlines published in the undergraduate catalog.

B. Admissions Examinations

Performance levels on the standardized SAT or ACT admissions examinations are based on the applicant's standing in his/her high school graduating class, as indicated below:

Rank in High School Graduating Class	Minimum Acceptable SAT Scores	Minimum Acceptable ACT Scores
Top 10%	No score required	No score required
Top quarter (below 10%)	900	19
Second quarter	950	20
Third quarter	1000	21
Fourth quarter	1150	25

The minimum scores on the SAT or ACT may be higher for students who apply for admission to certain programs, including architecture, engineering, and mathematics, as indicated in the undergraduate catalog.

C. High School Unit Requirements

The minimum high school units required for admission are:

1. Language Arts
Required: Four units of English, one of which may be writing, world literature, speech or journalism. (For speakers of other languages, English may not be used to fulfill the language arts requirement, but may be counted as an elective.)
2. Science
Required: Three units of science, physical science, biology I and II, chemistry I and II, or physics I and II.

Strongly recommended: Students planning to enter scientific, engineering, and other technical fields are advised to take at least three units of laboratory science, including chemistry and physics. The additional unit may be counted as an elective. (See note below.)

3. Foreign Language

Required: Two units of a single language. American Sign Language may be used to fulfill the foreign language requirement.

Strongly recommended: Three units in a single language.

4. Mathematics

Required: Three units at the level of algebra I or higher: algebra, plane geometry, analytic geometry, elementary analysis, probability and statistics, solid geometry, calculus with analytic geometry, number theory. (Informal geometry and prealgebra are below achievement level courses and will not fulfill the mathematics requirement, but may be counted as electives.)

Strongly recommended: Students planning to enter scientific, engineering or other technical fields are advised to take at least four units of mathematics. The additional unit may be counted as an elective. (See note below.)

5. Social Studies

Required: Three units of anthropology, area studies, ethnic studies, economics, geography, government (civics), philosophy, social science, psychology, sociology, Texas history (advanced), United States history, world history.

Strongly recommended: Four units of social studies to include world history, world geography, U. S. history, U. S. government, or economics.

6. Electives

Strongly recommended: physical education, 1 1/2 units; health, 1/2 unit; computing proficiency, 1 unit; fine arts, 1 unit; and music, theater, art or other, 1 unit.

Note: Students may substitute specialization electives for the fourth year of mathematics

and/or the fourth year of science.
Specialization electives include courses in two areas:

- (1) Language arts, science, social studies, fine arts, foreign language or computer science, or
- (2) Technical preparation, applied technology, or vocational education

A variety of other courses not listed here, including developmental and remediation courses, are not acceptable for college preparation. Admission will not be granted to applicants who have not completed the required units listed above. Students whose high school curriculum does not include the courses necessary to complete the unit requirements may apply to the Director of Admissions for an exception. Students who are admitted by exception must remove deficiencies to graduate. Courses taken to remove a deficiency do not count toward the student's degree.

D. Early Admission Program

High school seniors who wish to gain college credit at U. T. Arlington while still attending high school may be considered for early admission. An applicant must submit:

1. Applications for both general freshman admissions and the Early Admission Program,
2. High school transcript showing work through the junior year and a standing in the top quarter of the class,
3. Admission test scores with SAT (or PSAT) of 900 or above or ACT of 19 or above, and
4. A final high school transcript showing graduation and final rank-in-class.

E. Applicants who do not qualify for automatic admission because of performance below the stated standards will be considered for admission on an individual basis and may be asked to submit additional information such as recommendations from teachers and counselors or a writing sample and may be asked to interview with an admissions counselor. Prospective freshmen who have graduated from a Texas

high school and have completed the high school unit requirements but who are not otherwise admissible will be eligible for admission in the Provisional Admission Program.

F. Provisional Admission Program

Applicants for admission who: (1) have never attended college but have graduated from high school, (2) meet all requirements for admission except for an acceptable SAT or ACT score, (3) have not been admitted after individual review, and (4) have submitted completed applications by the deadlines published in the undergraduate catalog, are eligible to enroll for the Summer Session or the Spring Semester under the Provisional Admission Program (PAP). Students may not be admitted under this program during the Fall Semester.

A student who enrolls under the PAP may be admitted as a regular student for the next academic session by completing the following requirements:

1. Attending an orientation program on campus prior to registration for the purpose of being advised regarding general University courses, course load, course scheduling, and pre-registration. In addition, each PAP student will be required to attend prescribed study sessions based on academic load.
2. Enrolling in a minimum of 10 semester credit hours to include three hours in English, three in mathematics, and three from natural science or the social sciences and humanities, or foreign languages, and EDUC 1131, College Adjustment. A PAP student may not enroll for more than 14 semester credit hours.

3. Completing all courses enrolled in with a minimum 2.0 grade point average at the end of the Summer Session or Spring Semester in which the student enrolled. Students with less than a 2.0 grade point average will be dismissed and will be eligible to return on completion of at least 30 semester credit hours and a 2.0 grade point average at another college or university.
4. Enrolling as an undeclared major until the above requirements have been met.

G. Exceptional Admissions

Individual consideration and approval may be given to individuals whose qualifications do not meet the criteria for admission under any of the preceding options and who comply with the procedures and requirements published in the undergraduate catalog.

II. Undergraduate Transfer Students

A. Freshman Transfers

An applicant who has attended another college and has attempted fewer than 30 semester credit hours (excluding courses with a grade of W) must meet freshman admissions criteria and have earned a minimum of 2.0 grade point average for all college courses attempted. A transfer applicant with less than 30 hours who meets freshman admissions criteria but whose grade average falls below 2.0 may be considered for admission on probation.

B. Transfers with 31 or More Hours

An applicant who has attended another college or colleges and has attempted more than 30 semester credit hours (excluding courses with a grade of W) must have a 2.0 grade point average as computed by the U. T. Arlington Office of Admissions. Certain programs require a higher grade point average, as indicated in the undergraduate catalog.

C. Transfer of Credit

Junior/community college courses transfer as lower division (freshman or sophomore) credit. Undergraduate courses from senior colleges transfer at the same level (lower- or upper-division) as they were taken. Graduate-level courses are not transferable as undergraduate credit. No limit is placed on the total amount of course credit accepted in transfer from either junior or senior institutions, although use of transfer credits toward particular degree programs may be limited by the respective academic dean.

III. International Admission

All prospective students from countries other than the United States who are not immigrants and have not been granted permanent residency must submit:

- (1) an International Student Application,
- (2) official transcripts of previous academic work,
- (3) standardized test scores when required,
- (4) the Test of English as a Foreign Language (TOEFL),
- (5) evidence of sufficient financial support while studying in this country, and
- (6) the application processing fee as published in the undergraduate catalog.

The applications of prospective students from countries other than the United States are reviewed on an individual basis and admissions decisions are based on the strength of the previous academic work, scores on the SAT if required, and the TOEFL score. Academic background and curriculum are important considerations in decisions on admissibility. The minimum acceptable TOEFL score is 550. The minimum acceptable score on the SAT for freshman applicants and transfer applicants with fewer than 30 hours is 900.

U. T. Arlington last adopted revised admissions policies in 1965, the year that the institution was transferred from The Texas A&M University System to the U. T. System. Thus, other than an action relating to provisional admissions adopted by the U. T. Board of Regents in April 1968, and periodic updates adopted in catalog provisions via the institutional dockets, the U. T. Board of Regents has not previously approved a formal undergraduate admissions policy for U. T. Arlington. The changes reflected in the policy were initiated by the U. T. Arlington University Academic Standards Committee and approved by the Undergraduate Assembly in March 1997.

Highlights of the policy that represent changes from the existing admissions requirements include the following:

- a. Admitting students who graduate from high school in the top 10% of their class without regard to test scores
- b. Updating high school unit requirements and adding an exception provision to students who attend a high school that does not offer the necessary courses
- c. Changing requirements for admission to the Early Admission Program
- d. Increasing the minimum grade point average from 1.5 to 2.0 for students in the Provisional Admission Program to qualify for continued enrollment
- e. Consideration of admission of transfer students with grade point averages below 2.0 on a probationary status
- f. Removing the limit on the number of hours that may be transferred, with notice that not all hours may apply to a particular major.

U. T. Arlington expects the new requirements to provide an increase in the quality of entering freshmen, reduce the increasing burden in remediation courses, and improve retention and graduation rates for students applying for the Fall Semester 1998 or a subsequent enrollment period. As retention rates improve, overall enrollment may be expected to increase accordingly.

It was ordered that the next appropriate catalog published at U. T. Arlington be amended to reflect this action.

4. U. T. Austin: Approval of a Patent and Technology License Agreement with Mesotronix Corporation, Austin, Texas, and Authorization for Dr. Paul Ho to Acquire Equity in and Serve as a Director of Mesotronix Corporation.--The Board, upon recommendation of the Academic Affairs Committee:
 - a. Approved the Patent and Technology License Agreement set out on Pages 55 - 63 between the U. T. Board of Regents, for and on behalf of The University of Texas at Austin, and Mesotronix Corporation, Austin, Texas
 - b. Approved the acquisition of equity in and service as a director of Mesotronix Corporation by Dr. Paul Ho, holder of the Fifth Cockrell Family Regents Chair in Engineering at U. T. Austin.

Dr. Paul Ho of U. T. Austin has created inventions including (1) Micro-Tensile tester as described in University Invention Disclosure #95-046, and (2) Environmental Chamber and Support Carriage for Moiré Interferometer as described in University Invention Disclosure #95-055 (collectively the "inventions").

Under the Patent and Technology License Agreement, Mesotronix Corporation is granted a royalty-bearing, exclusive, worldwide license to manufacture, have manufactured, use, and sell scientific instruments, namely, the inventions. Mesotronix Corporation will pay the U. T. Board of Regents (1) a license documentation fee of \$5,000, (2) a running royalty of five percent of net sales, and (3) one-half of gross revenues received from any sublicensee. Mesotronix Corporation also will reimburse U. T. Austin for all of its out-of-pocket expenses incurred in seeking patent prosecution for the inventions.

Dr. Ho is a shareholder in and a director of Mesotronix Corporation. A license to a faculty-owned company is appropriate inasmuch as the activities by Mesotronix Corporation will not involve basic research.

PATENT AND TECHNOLOGY LICENSE AGREEMENT

THIS AGREEMENT is made by and between the BOARD OF REGENTS (BOARD) OF THE **UNIVERSITY** OF TEXAS SYSTEM (SYSTEM), an agency of the **State** of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN, and **MESOTRONIX** (LICENSEE), a Texas corporation having a principal place of **business** located at 8 **Coleridge** Lane, Austin, TX 78746.

WITNESSETH:

Whereas BOARD owns certain PATENT RIGHTS and TECHNOLOGY RIGHTS related to LICENSED SUBJECT MATTER, which were developed at The University of Texas at **Austin**, a component **institution** of The **University** of Texas System:

Whereas BOARD desires to have the LICENSED SUBJECT MATTER developed and used for the benefit of LICENSEE, the inventor, BOARD, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD: and

Whereas LICENSEE wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER;

NOW, THEREFORE, In consideration of the mutual covenants and premises herein contained, the **parties** hereto agree as follows:

I. EFFECTIVE DATE

This agreement shall be effective as of September **30, 1996**, subject to approval by BOARD.

II. DEFINITIONS

As used in this Agreement, the **following** terms shall have the meanings indicated:

2.1 LICENSED SUBJECT MATTER shall mean inventions and discoveries covered by PATENT RIGHTS or TECHNOLOGY RIGHTS within LICENSED FIELD.

2.2 PATENT RIGHTS shall mean BOARDS rights in presently existing information or discoveries covered by patents and/or patent applications which may be filed whether domestic or **foreign**, and all divisions, continuations, **continuations-in-patent**, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon, **which** name Dr. Paul Ho as **either** sole or **joint** inventor and **which** relate to the manufacture, use or sale of either the Micro-Tensile Tester as described in UNIVERSITY invention disclosure **#95-046** or the Environmental Chamber and Support Carriage for **Moiré** Interferometer as described in UNIVERSITY invention disclosure **#95-055**.

2.3 TECHNOLOGY RIGHTS shall mean **BOARD'S** rights in any **presently existing** technical information, know-how, process, procedure, **composition**, device, method, formula, protocol, technique, software, design, **drawing** or data relating to either the Micro-Tensile Tester, #95-046 or the Environmental Chamber and Support Carriage for **Moiré Interferometer**, 1195.055, which is not covered by **PATENT RIGHTS** but which is necessary for **practicing** the invention at any time covered by **PATENT RIGHTS**.

2.4 LICENSED FIELD shall mean all commercial applications of the technology **described** in 2.2.

2.5 LICENSED TERRITORY shall mean **worldwide**.

2.6 LICENSED PRODUCT shall mean any product **SOLD** by LICENSEE **comprising** LICENSED SUBJECT MATTER pursuant to this Agreement.

2.7 SALE or SOLD shall mean the transfer or **disposition** of a LICENSED PRODUCT for value to a party other than LICENSEE or a SUBSIDIARY.

2.8 SUBSIDIARY shall mean any business entity more than 50% owned by LICENSEE, any **business entity** which owns more than 50% of LICENSEE, or any business entity that is more than 50% owned by a business entity that owns more than 50% of LICENSEE.

2.9 NET SALES shall mean the gross **revenues** received by LICENSEE from the SALE of LICENSED PRODUCTS less sales **and/or** use taxes actually paid, import and/or export **duties** actually **paid**, outbound **transportation** prepaid or allowed, and amounts allowed or credited due to returns (not to exceed the **original billing** or **invoice** amount).

III. REPRESENTATION: SUPERIOR RIGHTS

3.1 Except for the rights, if any, of the **Government** of the United States (as described hereinbelow) and of **Shih-Liang** Chlu, an independent engineer, who may have joint ownership rights in the **Micro-Tensile** Tester, BOARD represents to the best of its knowledge that **it** is the owner of the **right**, title, and interest in and to LICENSED SUBJECT MATTER, and that **it** has the right to grant licenses thereunder, and that it has not **knowingly** granted **licenses** thereunder to any other entity that would **restrict** rights granted hereunder except as stated herein.

3.2 The LICENSED SUBJECT MATTER IS PROVIDED BY BOARD WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. THE BOARD MAKES NO REPRESENTATION OR WARRANTY THAT THE LICENSED PRODUCTS OR LICENSED SUBJECT MATTER WILL NOT **INFRINGE** ANY PATENT OR OTHER PROPRIETARY **RIGHT**.

3.3 LICENSEE understands that the LICENSED SUBJECT MATTER may have **been** developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have **certain** rights relative thereto. This Agreement is explicitly made subject to the Government's rights under any such agreement and any applicable law or **regulation**. To the extent that there is a **conflict** between any such agreement, applicable law or regulation, and this Agreement, the terms of such Government agreement, applicable law or **regulation** shall prevail.

IV. LICENSE

4.1 BOARD hereby **grants** to LICENSEE a royalty-bearing, **exclusive** license under LICENSED SUBJECT MATTER to manufacture, have manufactured, use, sell, **import** and offer for sale LICENSED PRODUCTS within LICENSED TERRITORY for use within LICENSED FIELD. This grant shall be subject to the payment by LICENSEE to BOARD of all **consideration** as provided in this Agreement, and shall be further subject to **rights** retained by BOARD to:

(a) **Publish** the general scientific findings from research related to LICENSED SUBJECT MATTER; and

(b) Use any information contained in LICENSED SUBJECT MATTER for research, teaching and other **educationally-related** purposes.

4.2 LICENSEE shall have the **right** to extend the license granted herein to any SUBSIDIARY provided that such SUBSIDIARY consents to be bound by this Agreement to the same extent as LICENSEE.

4.3 LICENSEE shall have the **right** to grant sublicenses consistent with this Agreement if LICENSEE has current exclusive rights under this Agreement. LICENSEE shall be responsible for the **operations** of its **sublicensees** relevant to this Agreement as if such operations were carried out by LICENSEE, including the payment of royalties whether or not paid to LICENSEE by a sublicensee. LICENSEE further agrees to **deliver** to BOARD a true and correct copy of each sublicense granted by LICENSEE, and any **modification** or termination thereof, within thirty (30) days after execution, **modification**, or **termination**. Upon termination of this Agreement, any and all existing **sublicenses** granted by LICENSEE shall be assigned to BOARD.

4.4 BOARD shall have the right at any time after two (2) years from the date of this Agreement, to terminate the exclusivity of the license granted herein in any national **political jurisdiction** within LICENSED TERRITORY if LICENSEE, within ninety (90) days after written **notice** from BOARD as to such intended termination of exclusivity, fails to provide **written** evidence that it has **commercialized** or is actively **attempting** to commercialize an invention hereunder within such jurisdiction. BOARD agrees to **negotiate** in good faith with LICENSEE for adjusting terms under such a non-exclusive arrangement. BOARD shall have the **right** at any time after three (3) years from the date of this Agreement to **terminate** the license completely in any national **political jurisdiction** if LICENSEE, within **ninety** days (90) after written notice from BOARD of such intended termination, fails to provide written evidence that it has

commercialized or is actively attempting to **commercialize** an invention licensed hereunder within such **jurisdiction**. Evidence provided by LICENSEE that it has an ongoing and active research, development, manufacturing, **marketing** or licensing program as appropriate, directed toward production and sale of products based on **the invention** disclosed and claimed in PATENTS or incorporating TECHNOLOGY within such jurisdiction shall be deemed satisfactory evidence.

V. PAYMENTS AND REPORTS

5.1 in **consideration** of rights granted by BOARD to LICENSEE under this Agreement, LICENSEE agrees to pay BOARD the **following**:

(a) A nonrefundable **license** documentation fee in the amount of five thousand dollars (\$5000.) which shall be due and payable when this Agreement is executed by LICENSEE;

(b) A running royalty equal to five percent (5%) of NET SALES of LICENSED PRODUCTS;

(c) One half of the **gross** revenues received by LICENSEE **from** any sublicensee or the amount payable under paragraph **5.1(b)**, whichever is greater.

5.2 During the **Term** of this Agreement and for one (1) year thereafter, LICENSEE shall keep complete and accurate records of its and its **sublicensees'** SALES and NET SALES of LICENSED PRODUCTS under the license granted in this Agreement **in sufficient** detail to enable the **royalties** payable hereunder to be determined. LICENSEE **shall** permit BOARD, at BOARD'S expense, to periodically examine its books, ledgers, and records during regular business hours for the purpose of and to the extent **necessary to verify** any report required under this Agreement. In the event that the **amounts** due to BOARD are determined to have been underpaid, LICENSEE **shall** pay the cost of such **examination**, and **accrued** interest at the highest allowable rate.

5.3 Within **thirty (30) days** after **March 31, June 30, September 30** and December 31, LICENSEE shall deliver to BOARD at the address listed in paragraph 5.5, below, a true and **accurate** report, giving such **particulars** of the business conducted by LICENSEE and **its sublicensees**, if any exist, during the preceding three (3) calendar months under **this** Agreement **as** are pertinent to an account for payments hereunder. Such **report** shall include at least (a) the **quantities** of LICENSED SUBJECT MATTER that it has **produced; including** a breakdown by instrument, (b) the **total SALES**; (c) the **calculation** of royalties thereon; and **(d) the total royalties so computed** and due BOARD. Simultaneously with the **delivery** of each such report, LICENSEE shall pay to BOARD the amount, if any, due for the **period** of such report. If no payments are due, it **shall** be **so** reported.

5.4 Upon the request of BOARD but not more often than once per calendar year, LICENSEE shall deliver to BOARD a **written report** as to LICENSEE'S efforts and accomplishments **during** the **preceding** year in **commercializing** LICENSED SUBJECT **MATTER** in **various** parts of the LICENSED **TERRITORY** and its **commercialization** plans for the upcoming year.

5.5 All amounts payable hereunder by LICENSEE shall be payable in United States funds without deductions for taxes, **assessments**, fees, or charges of any kind. Checks shall be made payable to The University of **Texas** at Austin and mailed to: Executive **Vice** President and Provost, The **University** of Texas at Austin, Main **Building** 201, Austin, Texas, **78712-1111**, Attention: **Patricia** C. Ohlendorf.

VI. TERM AND TERMINATION

6.1 The term of this Agreement shall extend from the Effective Date set forth **hereinabove** to the full end of the term or terms for which **PATENT RIGHTS** have not **expired**, and if only **TECHNOLOGY RIGHTS** are **licensed** and no **PATENT RIGHTS** are applicable, for a term of fifteen (15) years.

6.2 This agreement will **earlier terminate**:

(a) automatically if LICENSEE **shall** become **bankrupt** or insolvent and/or if the **business** of LICENSEE shall be placed in the hands of a **receiver**, assignee, or trustee, whether by voluntary act of LICENSEE or otherwise;

(b) upon ninety (**90**) days **written notice** if LICENSEE shall breach or default on any obligation under this **License** Agreement; provided, however, LICENSEE may avoid such **termination** if before the end of such period LICENSEE **notifies** BOARD that such breach has been cured and states the manner of such cure to the reasonable **satisfaction** of BOARD.

(c) Under the provisions of Paragraph 4.4 if invoked.

6.3 Upon termination of **this** Agreement for any cause, nothing herein shall be construed to release **either** party of any obligation matured **prior** to the effective date of such **termination**. LICENSEE may, after the **effective** date of **such** termination, sell all LICENSED PRODUCT and parts **therefor** that **it** may have on hand at the date of **termination**, provided that it pays earned royalty thereon as provided in this Agreement.

6.4 Upon and effective as of the date of **termination** of **this** Agreement pursuant to Paragraph 4.4 above, LICENSEE grants to BOARD a nonexclusive license with the **right** to sublicense others with respect to Improvement 8 made by LICENSEE in the LICENSED SUBJECT **MATTER**. BOARD'S right to **sublicense others** hereunder shall be solely for purposes of **permitting others** to develop and **commercialize** the **entire** technology package.

VII. INFRINGEMENT BY THIRD PARTIES

7.1 LICENSEE shall have the obligation of enforcing at its expense any patent exclusively licensed hereunder against infringement by third parties and shall be entitled to retain recovery from such enforcement. LICENSEE shall pay BOARD royalty on any monetary recovery to the extent that such monetary recovery by LICENSEE comprises damages, or a reasonable royalty in lieu thereof. In the event that LICENSEE does not file suit against a substantial infringer of such patents within six (6) months of knowledge thereof, then BOARD shall have the right to enforce any patent licensed hereunder on behalf of itself and LICENSEE (BOARD retaining all recoveries from such enforcement) and/or terminate the license granted hereunder.

7.2 In any suit or dispute involving an infringer, the parties shall cooperate fully, and upon the request and at the expense of the party bringing suit, the other party shall make available to the party bringing suit at reasonable times and under appropriate conditions all relevant personnel, records, papers, information, samples, specimens, and the like which are in its possession.

VIII. ASSIGNMENT

This Agreement may not be assigned by LICENSEE without the prior written consent of BOARD.

IX. PATENT MARKING

LICENSEE agrees to mark permanently and legibly all products and documentation manufactured or sold by it under this Agreement with such patent notice as may be permitted or required under Title 35, United States Code.

X. INDEMNIFICATION

LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, UNIVERSITY, its Regents, officers, employees and agents from and against any claims, demands, or causes of action whatsoever, including without limitation those arising on account of any injury or death of person or damage to property caused by, or arising out of, or resulting from, the exercise or practice of the license granted hereunder by LICENSEE or its officers, employees, agents or representatives.

XI. USE OF BOARD AND COMPONENT'S NAME

LICENSEE shall not use the name of The University of Texas at Austin, SYSTEM, BOARD, or Regent8 without express written consent.

XII. CONFIDENTIAL INFORMATION

12.1 BOARD and LICENSEE each agree that all information contained in documents marked "**confidential**" which are forwarded to one by the other shall be received in **strict confidence**, used only for the purposes of this Agreement, and not disclosed by the recipient party (except as required by law or court order), its agents or employees without the **prior written** consent of the other party, unless such information (a) was in the public **domain** at the **time** of disclosure, (b) later became **part** of the **public** domain through no act or **omission** of the recipient party, its employees, agents, successors or assigns, (c) was lawfully disclosed to the **recipient** party by a **third** party having the **right** to **disclose** it, (d) was already known by the recipient party at the time of **disclosure**, (e) was independently developed or (f) is required to be submitted to a government agency pursuant to any **preexisting** obligation.

12.2 Each party's obligation of **confidence** hereunder shall be fulfilled by **using** at least the same degree of care **with** the other party's confidential information as it uses to protect its own confidential information. **This** obligation shall **exist while** this Agreement is in force and for a **period** of three (3) years thereafter.

XIII. PATENTS AND INVENTIONS

LICENSEE shall reimburse BOARD for all expenses incurred by BOARD thus far and in the future in **searching, preparing, filing, prosecuting and maintaining** patent applications and patents relating to **PATENT RIGHTS**. **If after consultation** with LICENSEE it is agreed by BOARD and LICENSEE that a patent **application** should be filed for LICENSED SUBJECT MATTER, BOARD will prepare and **file** appropriate patent **applications**, and LICENSEE will pay the **cost** of **searching, preparing, filing, prosecuting and maintaining** same. **If** LICENSEE **notifies** BOARD that it does not intend to pay the cost of an **application**, or if LICENSEE does not respond or make an effort to agree with BOARD on the disposition of rights in the subject invention, then BOARD may **file** such application at its own expense and LICENSEE shall have no rights to such **invention**. BOARD will **give** LICENSEE a copy of any applications on **which** LICENSEE has **paid** the costs of filing, as well as **copies** of any documents **received** or filed **during prosecution** thereof. **Reimbursements** due BOARD hereunder shall be paid by LICENSEE **within** thirty (30) days of its **receipt** of a **bill** from BOARD.

XIV. GENERAL

14.1 **This** Agreement **constitutes** the **entire** and **only** agreement between the **parties** for LICENSED SUBJECT MATTER and **all** other **prior** negotiations, representations, agreements, and **understandings** are superseded hereby. No agreements **altering** or supplementing the terms hereof may be made except by means of a **written** document signed by the **duty authorized** representatives of the parties.

14.2 Any notice required by this **License** Agreement shall be given by **prepaid, first** class, certified mail, **return** receipt requested, addressed in the case of **BOARD** to:

BOARD OF REGENTS
The University of Texas System
201 west 7th street
Austin, Texas 78701
ATTENTION: System Intellectual Property Office

with a copy to:

Office of the Executive Vice President and Provost
The **University** of Texas at **Austin**
Main Building 201
Austin, Texas **78712-1111**
ATTENTION: Patricia C. **Ohlendorf**

or In the case of LICENSEE to:

Mesotronix Corporation
8 Coleridge Lane
Austin. TX 78746
ATTENTION: Paul Ho, Director

or such other address as may be given from time to time under the terms of this notice **provision.**

14.3 LICENSEE shall comply with all **applicable** federal, state and local laws and regulations In connection with its **activities** pursuant to this Agreement.

14.4 This License Agreement shall be construed and enforced in accordance with the laws of the United States of **America** and of the State of Texas.

14.5 **Failure** of BOARD to enforce a right under this Agreement shall not act as a **waiver** of that **right** or the **ability** to later **assert** that **right** relative to the particular situation involved.

14.8 Headings included herein are *for* convenience only and shall not be used to construe this Agreement.

14.7 **If** any provision of this Agreement shall be found by a court to be **void, invalid** or unenforceable, the same shall be reformed to comply with applicable law or **stricken if** not so **conformable**, so as not to affect the **validity** or enforceability of the remainder of this Agreement.

IN WITNESS WHEREOF, the **parties** hereto have caused their duly authorized **representatives** to execute this AGREEMENT.

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

MESOTRONIX CORPORATION

By _____
Ray Farabee
Vice Chancellor and General Counsel

By Paul H. Ho
Paul Ho
Director

APPROVED AS TO **CONTENT**:

By Patricia C. Ohlendorf
Patricia C. Ohlendorf
Counsel to the President
Vice Provost
The **University** of Texas at Austin

APPROVED AS TO FORM:

By _____
Dudley R. **Doble**, Jr.
Office of General Counsel

5. U. T. Brownsville: Delegation of Authority to the Executive Vice Chancellor for Academic Affairs to Approve on Behalf of the U. T. Board of Regents Associate Degree Program Proposals Recommended by the Southmost Union Junior College District Board of Trustees on Behalf of the Texas Southmost College and Authorization to Submit Proposals to the Coordinating Board on Behalf of the U. T. Brownsville/Texas Southmost College Partnership.--
The Academic Affairs Committee recommended and the Board delegated authority to the Executive Vice Chancellor for Academic Affairs to review and approve on behalf of the U. T. Board of Regents associate-level degree program proposals recommended by the Southmost Union Junior College District Board of Trustees on behalf of Texas Southmost College and authorized submission of these proposals to the Texas Higher Education Coordinating Board for approval on behalf of The University of Texas at Brownsville/Texas Southmost College Partnership.

The U. T. Brownsville/Texas Southmost College Partnership is the operating entity accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. The U. T. Board of Regents is the officially designated governing body for that accredited entity. As such, the Board must now approve associate degree programs offered by the Partnership on behalf of the Southmost Union Junior College District (Texas Southmost College) and forward them to the Texas Higher Education Coordinating Board for final approval. If a proposal is approved by the Trustees and recommended to the U. T. Board of Regents as the Partnership Governing Board consistent with the Partnership Agreement, the Executive Vice Chancellor for Academic Affairs is authorized to approve the associate degree program on behalf of the U. T. Board of Regents.

6. U. T. Brownsville: Authorization to Establish a Bachelor of Science Degree in Allied Health and to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).--Authorization was granted to establish a Bachelor of Science degree in Allied Health at The University of Texas at Brownsville and to submit the proposal to the Texas Higher Education Coordinating Board for approval. The degree program is consistent with U. T. Brownsville's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs.

The Bachelor of Science in Allied Health is a 127 semester credit hour degree program to be administered by the Allied Health Department of the School of Health Sciences at U. T. Brownsville. The program is designed for allied health practitioners who hold a license or certificate and who have earned an Associate of Applied Science degree in an allied health specialty, allowing them to build upon and broaden their educational experience while completing a baccalaureate degree. The student will be responsible for completing the University's general education requirements for a Bachelor of Science degree and advanced work in an allied health specialty. Since the program is targeted for working professionals, courses will be offered during the evening and possibly on weekends to accommodate work schedules.

The University anticipates that two additional full-time faculty will be needed for this program. One current full-time clerical employee will be assigned to the program.

Minimal equipment purchases to support the program will be required, primarily for a computer, software and related office supplies. No additional facilities are required.

Funding during the first two years for the above enhancements will be provided from the South Texas/Border Initiative Special Item funding with formula funds supplanting this source in the third year. Additional funding will be provided by the Higher Education Assistance Fund for authorized expenditures.

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

7. U. T. Brownsville and U. T. Pan American: Establishment of a Shared Master of Science Degree in Criminal Justice in Lieu of a Previously Approved Master of Arts Degree in Criminal Justice at U. T. Pan American and Authorization to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board established a shared Master of Science degree in Criminal Justice at The University of Texas at Brownsville and The University of Texas - Pan American in lieu of the Master of Arts degree in Criminal Justice at U. T. Pan American, which was approved by the U. T. Board of Regents in February 1996, and authorized submission of the shared program to the Texas Higher Education Coordinating Board for approval. The degree program is consistent with the Tables of Programs for each institution and Presidents Garcia and Nevárez have agreed to share faculty and other resources to create a single program which will serve students at both institutions.

The shared Master of Science degree program combines the more theoretical aspects of the study of the criminal justice system in the U. T. Pan American program with the U. T. Brownsville emphasis on the administration of police and corrections activities. Administration of the program will be shared by the two institutions through a joint Graduate Studies Committee.

Upon approval by the Coordinating Board, the next appropriate catalogs published at U. T. Brownsville and U. T. Pan American will be amended to reflect this action.

8. U. T. Dallas: Approval to Establish a Bachelor of Arts Degree in Crime and Justice Studies and to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).--The Academic Affairs Committee recommended and the Board approved the establishment of a Bachelor of Arts degree in Crime and Justice Studies with Majors in Criminology and in Justice Studies at The University of Texas at Dallas and authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The degree is consistent with U. T. Dallas' approved Table of Programs and institutional plans for offering quality degree programs to meet student needs.

Although recognized by the Coordinating Board as two distinct programs, the two concentrations (majors) will be administered by the School of Social Sciences as a single interdisciplinary degree program with a curriculum

committee of faculty drawn from Sociology, Government and Politics, Economics, and Public Administration.

Nine current full-time faculty, five of whom hold the rank of Professor, will be responsible for this program. The University anticipates adding two new Assistant Professors and acquiring some additional library materials to support the program with funding from reallocation of existing resources until formula funding is generated.

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

9. U. T. Dallas: Authorization to Establish a Master of Science Degree in Computer Science with a Major in Software Engineering and to Submit the Degree Program to the Coordinating Board for Approval (Catalog Change).-- Authorization was granted for The University of Texas at Dallas to establish a Master of Science degree in Computer Science with a Major in Software Engineering and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The degree program complements the existing Master of Science in Computer Science and is consistent with U. T. Dallas' approved Table of Programs and institutional plans for offering quality degree programs to meet student needs.

The Master of Science degree program in Computer Science with a Major in Software Engineering will be administered by the Erik Jonsson School of Engineering and Computer Science.

Since the current engineering and computer science facility was new in 1992, no additional facilities will be needed to support the program and no additional equipment purchases are anticipated.

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

10. U. T. Pan American: Approval of Amendments to the Policy for Freshman Admissions to be Effective with the Spring Semester 1998 (Catalog Change).--In May 1995, the U. T. Board of Regents established a Policy for Freshman Admissions at The University of Texas - Pan American whereby

graduates of an accredited high school would be granted regular admission if they met one of the following three criteria:

- a. Had completed a specified high school college preparatory curriculum
- b. Had graduated in the top half of their class
or
- c. Had scored 20 or above on the American College Test or 930 or above on the Scholastic Assessment Test.

Students who did not meet one of these requirements for regular admission were enrolled in the Provisional Enrollment Program and were required to meet certain performance expectations to be changed to regular enrollment status.

Approval was given to amend the 1995 Policy for Freshman Admissions at U. T. Pan American to be effective after September 1, 1997, for applicants seeking admission for the Spring Semester 1998 or a subsequent enrollment period, by adding the "Recommended" program established by the State Board of Education to the options for college preparatory curricula and changing the provision for regular admission without regard to standardized test scores to apply to students who have graduated in the top quartile of their high school class rather than the top half of the class. Students who do not qualify for regular admission may enroll in the Provisional Enrollment Program.

The Policy for Freshman Admissions at U. T. Pan American, as amended, is set forth in its entirety on Pages 69 - 72.

It was ordered that the next appropriate catalog published at U. T. Pan American be amended to conform to this action.

The University of Texas - Pan American
Policy for Freshman Admissions

I. Regular Admission

A. Entering Freshman Admission Criteria

Applicants who have graduated from accredited United States high schools or their equivalents are eligible for regular admission if they meet one of the following criteria:

1. Completion of a high school curriculum certified as "Recommended" or "Advanced" or "with Honors," or
2. Completion of a regular high school program with a class rank in the top quartile of the graduating class, or
3. An ACT Composite of 20 or above (SAT 930 or above).

B. High School Unit Requirements

The following recommended high school curriculum will be phased-in as a requirement for regular admission (see notes below):

English	4 credits	English I-IV (College Board AP English may be substituted for English IV)
Mathematics	4 credits	Algebra I; Geometry; and Algebra II and Precalculus; or Trigonometry and Elementary Analysis or Analytic Geometry
Science	3 credits	Appropriate courses include: Physical Science Biology I and II Chemistry I and II Physics I and II Science III & IV

Social Studies	4 credits	United States History (1) United States Government (1/2) World History Studies (1) World Geography (1) Economics (1/2)
Foreign Language	3 credits	(Same language)
Health	1/2 credit	
Fine Arts	1 credit	
Physical Education	1 1/2 credits	
Computer Science	1 credit	(Or demonstrated proficiency at Level 1)
Electives	2 1/2 credits	
TOTAL	24 1/2 CREDITS	

1. By Fall Semester 2000, no deviation in English, no more than 1 credit deviation in any other subject area, and no more than a total variance of 4 credits.
2. By Fall Semester 2002, no deviation in English, no more than 1 credit deviation in any other subject area, and no more than a total variance of 2 credits.
3. By Fall Semester 2004, no deviation in any subject area.

II. Alternative Admission

A. Provisional Enrollment Program

Entering freshman applicants who have graduated from accredited U. S. high schools or their equivalents but who do not meet the criteria for regular admission may enroll through the Provisional Enrollment Program (PEP).

PEP students must attend university orientation, must be advised by the Counseling/Advisement Center, must select classes from those prescribed by University College/General Education requirements, must attend academic assessment sessions with university advisors each semester, and must participate in non-credit programs identified to develop study and academic skills.

When a PEP student has a cumulative total of nine (9) or more attempted hours,¹ the student may fulfill criteria for regular admission by meeting two requirements:

1. A grade point average (GPA) of 2.0 or higher in courses completed from at least two of the following areas: English, mathematics, natural sciences, social sciences, foreign language, or humanities; and

2. Successful completion of attempted hours:²

Enrolled:	Must Complete:
first 9 hours	6 hours
10 to 12 hours	9 hours
above 12 hours	10 hours

PEP students who do not have a 2.0 GPA (based upon 9 or more attempted hours) will be permitted an additional semester of enrollment if they have at least a 1.5 GPA and if they meet the "successful completion" criteria outlined above. During this additional PEP semester, students must earn at least the minimum GPA required by probation policies for regular admission students. PEP students may satisfy the requirements for regular admission when they complete 21 earned hours with the GPA required to avoid academic probation.

PEP students who do not satisfy these conditions for continued enrollment have two options for readmission to U. T. Pan American:

1. Apply for "provisional" readmission after 2 calendar years from the date of last attendance, or
2. Transfer nine (9) college-level hours from another accredited college or

university with 2.0 GPA or higher.

B. Special Admission

In extenuating circumstances, students who are ineligible to continue under provisional policies may petition the Admission Committee for reinstatement.

¹ Texas Academic Skills Program (TASP) criteria apply to all students. See Catalog, pp. 47-48.

² Only grades A, B, C, D, CR, and Pass are accepted as "successful" completion.

INFORMATIONAL REPORT

U. T. Austin: Status Report on Commemorative Statue of Dr. Martin Luther King, Jr.--Committee Chairman Lebermann reported that in December 1990, the U. T. Board of Regents approved in concept the design and, subject to the raising of funds, a commemorative statue of Dr. Martin Luther King, Jr., to be erected on The University of Texas at Austin campus. He noted that, in view of the fact that some time has passed since that approval was given and some changes in approach from those originally outlined have occurred, President Berdahl had asked to brief the Board on the status of this project.

President Berdahl noted that in 1990 the Board authorized an effort to collect funds to commission a statue to honor Dr. King to be erected on the U. T. Austin campus. A little over two years ago, a voluntary student fee of \$1.00 was approved by student referendum and that fee was authorized in the last legislative session. Dr. Berdahl reported that over the last couple of years U. T. Austin has collected those fees for a statue that is estimated to cost about \$400,000.

Dr. Berdahl then introduced Mr. Terry Wilson, Associate Director of the Office of Public Affairs and Chair of the Martin Luther King Statue Committee, to make a brief presentation.

With regard to the development of plans for the statue, Mr. Wilson noted that in October 1996 U. T. Austin had issued a national call for artists to come to the campus and compete for the development of the statue. He pointed out that U. T. Austin has been cooperating with the Texas Commission on the Arts since last May and that the Commission has facilitated the competition saving the University approximately \$20,000.

Mr. Wilson indicated that several artists responded to the national call and that the University juried the artists' submittals in February 1997. He reported that a group of renowned artists and art experts were invited to serve as "jurors" to review all the submittals. The jurors recommended five finalists to the University and the Martin Luther King Statue Committee confirmed those recommendations.

U. T. Austin invited all five artists to the campus to visit the proposed site for the statue on the East Mall, and each artist was awarded \$5,000 to develop a model of the statue. The artists are to present their models or vision of the statue in September 1997, and the Statue Committee will then

review those models and make a recommendation to the President. It is anticipated that the President of U. T. Austin will then make a recommendation to the Board in November 1997 regarding the selection of an artist and the award of a contract for the actual commissioning.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 75 - 78).--Committee Chairman Loeffler reported that the Health Affairs Committee had 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 Health Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Medical Branch - Galveston: Authorization for Dr. Brian R. Davis and Dr. David B. Brown to Acquire Equity in and Serve as Directors of and Consultants to GenesyStems, Inc., Clear Lake, Texas.--Upon recommendation of the Health Affairs Committee, authorization was given for Dr. Brian R. Davis and Dr. David B. Brown, Professors at The University of Texas Medical Branch at Galveston, to acquire equity in and serve as directors of and consultants to GenesyStems, Inc., Clear Lake, Texas.

Drs. Davis and Brown have created an invention entitled "Improved Methods for Incorporating Macromolecules into Cells." The U. T. Medical Branch - Galveston released the invention to Drs. Davis and Brown on the condition that they will pay the University five percent (5%) of monies received from commercialization of the invention after recovering their legal expenses. In turn, Drs. Davis and Brown have assigned their rights in the invention to Gencell, Inc. d/b/a The Rexford Group, the parent company of GenesyStems, Inc., which will commercialize the invention. GenesyStems, Inc. will have an office and laboratory in Clear Lake, Texas.

Dr. Davis and Dr. Brown each will receive \$50,000 and twenty-five percent (25%) of royalties and other considerations from licensing of the invention by GenesyStems, Inc. In exchange for service as directors of GenesyStems, Inc., Drs. Davis and Brown each will be granted 2,000,000 shares in the company with an option to acquire an additional 500,000 shares. For consulting services, Dr. Davis will receive between \$1,000 and \$2,500 per month and Dr. Brown will receive \$2,120 per month.

2. U. T. M.D. Anderson Cancer Center: Approval of First Amendment to License Agreement with M.D. Anderson Cancer

Center Outreach Corporation (Outreach).--Committee Chairman Loeffler reported that since the distribution of the Material Supporting the Agenda an additional item had been posted with the Secretary of State regarding a proposed amendment to the license agreement between the U. T. Board of Regents, on behalf of The University of Texas M.D. Anderson Cancer Center, and the M.D. Anderson Cancer Center Outreach Corporation.

The Board, upon recommendation of the Health Affairs Committee and on behalf of the U. T. M.D. Anderson Cancer Center, approved the First Amendment to License Agreement between the U. T. Board of Regents and M.D. Anderson Cancer Center Outreach Corporation (Outreach) in substantially the form set forth on Pages 77 - 78.

At its February 1990 meeting, the U. T. Board of Regents approved a license agreement whereby Outreach was permitted to use the name and trademark "M.D. Anderson Cancer Center Outreach Corporation" in the operation of the Orlando Cancer Center in Orlando, Florida. At its August 8, 1996 meeting, the U. T. Board of Regents approved a license agreement whereby Outreach was permitted to use that name and trademark and specific variants thereof in the entirety of the United States and its territories and possessions. Outreach now wishes to provide services in other countries under the names and trademarks "M.D. Anderson Cancer Center Outreach Corporation [name of country]," etc. The First Amendment to License Agreement will permit such usage by Outreach and, with prior approval by the U. T. Board of Regents, by sublicensees of Outreach.

The First Amendment to License Agreement with Outreach may be terminated upon the termination of any other agreement governing the provision of services by Outreach and is important to the continued effective functioning of Outreach.

FIRST AMENDMENT TO
LICENSE AGREEMENT

The Board of Regents of The University of Texas System (the "BOARD OF REGENTS") and M.D. Anderson Cancer Center Outreach Corporation, a Texas nonprofit corporation ("OUTREACH"), enter into this First Amendment to License Agreement ("AMENDMENT") effective as of the 1st day of May, 1997, for the purposes herein set forth. Except as otherwise provided herein, the defined terms used in this AMENDMENT shall have the meanings assigned to them in that certain LICENSE AGREEMENT (the "LICENSE AGREEMENT") entered into by the BOARD OF REGENTS and OUTREACH effective as of the 1st day of January, 1996. The BOARD OF REGENTS and OUTREACH are referred to collectively herein as the PARTIES.

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

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

WHEREAS, Section 3.6 of the LICENSE AGREEMENT defines the LICENSED TERRITORY; and

WHEREAS, The PARTIES desire to amend Section 3.6 to expand the LICENSED TERRITORY.

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

1. Section 3.6 shall be amended to provide as follows:

LICENSED TERRITORY means all countries of the world except for a portion of the United States, to wit, Orlando, Florida, which is and shall remain the subject of a separate License Agreement effective March 1, 1990, between the parties.

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

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

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

M.D. ANDERSON CANCER CENTER
OUTREACH CORPORATION

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

Approved as to Form:

U. T. System
Office of General Counsel

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 79 - 93).--Committee Chairman Clements reported that the Facilities Planning and Construction Committee had 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 and without objection by the U. T. Board of Regents:

1. U. T. Arlington - Ransom Hall Computing Equipment: Appropriation Therefor and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.-- Upon recommendation of the Facilities Planning and Construction Committee, the Board appropriated \$1,380,000 from Revenue Financing System Bond Proceeds - Special Program and \$620,000 from Permanent University Fund Bond Proceeds - Special Program for total project funding of \$2,000,000 for the Ransom Hall Computing Equipment project at The University of Texas at Arlington.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 81, the Board resolved that:

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

- c. U. T. 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 Parity Debt for Ransom Hall Computing Equipment in the amount of \$1,380,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Ransom Hall Computing Equipment project involves the purchase, fabrication, and installation of the furniture and equipment, including computer hardware, software, work stations, network servers, and network controllers, required to support a computing facility for approximately 300 students.

This project is included in the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 8 day of May 9 9 7

John H. Korman
Assistant Vice Chancellor for Finance

2. U. T. Austin - Animal Resources Center - Renovation of Heating, Ventilating, and Air Conditioning System (HVAC): Amendment of the FY 1996-2001 Capital Improvement Program (CIP) and the FY 1996-1997 Capital Budget to Include Project; Authorization for U. T. Austin Administration to Manage the Project by Retaining Professional Engineering Services to Prepare Plans and Specifications, Advertise for Bids, and Award Contracts; and Appropriation Therefor.--The Board, upon recommendation of the Facilities Planning and Construction Committee:
- a. Amended the FY 1996-2001 Capital Improvement Program (CIP) and the FY 1996-1997 Capital Budget to include a project at The University of Texas at Austin for Animal Resources Center - Renovation of Heating, Ventilating, and Air Conditioning System (HVAC) at a preliminary project cost of \$1,750,000
 - b. Authorized U. T. Austin Administration to manage the project by retaining professional engineering services to prepare plans and specifications, advertise for bids, and award contracts
 - c. Appropriated \$1,750,000 from Educational and General Funds for total project funding.

This project, which will increase the energy efficiency and reliability of the HVAC system, will replace air handlers serving approximately 41,000 square feet of conditioned space in the U. T. Austin Animal Resources Center. The existing system will remain active until the new system is operational at which time the old system will be removed.

Approval of this item amends the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

3. U. T. Austin - J. J. Pickle Research Campus - New Warehouse Facility (Project No. 1-5978, 102-764): Appointment of Judge James Myers as Hearing Officer in a Disputed Claim Under a Construction Contract with American Constructors, Inc. (ACI), Austin, Texas, and Authorization for Hearing Officer to Employ Personnel to Conclude Such Hearing and to Present Findings and Recommendations to the U. T. Board of Regents.--The Facilities Planning and Construction Committee recommended and the Board:
- a. Authorized the Chancellor to appoint Judge James Myers as Hearing Officer to represent the U. T. Board of Regents to hear the claim under the Disputes clause of a construction contract with American Constructors, Inc. (ACI), Austin, Texas, for a New Warehouse Facility at The University of Texas at Austin J. J. Pickle Research Campus except claims for damages for delay, or if ACI makes objection to the appointment of Judge James Myers, authorized the Chancellor, with the concurrence of the Vice Chancellor and General Counsel, to appoint the State Office of Administrative Hearings (SOAH) to act as Hearing Officer pursuant either to SOAH hearing procedures or procedures privately agreed to by SOAH and the parties
 - b. Empowered the Hearing Officer to adopt such rules of procedure for the hearing as the Hearing Officer deems necessary and authorized the Hearing Officer, with the concurrence of the Vice Chancellor and General Counsel, to employ any personnel necessary to conclude such hearing in an expeditious manner
 - c. Instructed the Hearing Officer, upon completion of testimony and receipt of all pertinent data, to present findings and recommendations to the U. T. Board of Regents for a decision regarding the validity of the claim.

The University of Texas at Austin (the Owner) awarded a construction contract to American Constructors, Inc. (ACI), Austin, Texas, dated November 14, 1991, in the amount of \$1,553,200 for a New Warehouse Facility at the J. J. Pickle Research Campus. By change order, the contract sum was increased to \$1,585,512. The original contract time for completion was 210 days or July 23, 1992. The date for completion was extended by change order to September 20, 1992. The actual date of substantial completion was March 2, 1993. The Owner charged liquidated damages of \$150 per day for 184 days of late completion for a total of \$27,600 plus a backcharge of \$1,372 for a 20-year weathertightness warranty endorsement.

ACI disputed the amount of liquidated damages assessed and claimed that it was owed \$73,546 from "unforeseen ground water," \$158,009 from a ceiling retrofit for the high density storage room, and \$63,937 in interest for a total of \$324,464.

ACI's position was denied by Mr. R. Wayne Price, Director of Physical Plant at U. T. Austin, in a decision under the Disputes clause of the contract. Mr. Price offered, as a settlement, to reduce liquidated damages by 58 days, or \$8,700, and offered an additional \$4,901 for excavation and \$1,517 for pumping, an additional \$15,118 for groundwater costs and time, and, as an accommodation, the forgiveness of an additional \$18,900 of liquidated damages. ACI refused this offer and appealed to Chancellor William H. Cunningham. After a new investigation and analysis were conducted on behalf of Chancellor Cunningham by The University of Texas System Office of Facilities Planning and Construction, Chancellor Cunningham confirmed Mr. Price's settlement offer and ruling. ACI refused Chancellor Cunningham's offer and is appealing to the U. T. Board of Regents for the appointment of a Hearing Officer pursuant to the Disputes clause of the contract. The contract explicitly prohibits claims for "damage for delay."

4. U. T. Austin - Darrell K Royal - Texas Memorial Stadium, Renovation and Expansion of West Grandstand (Project No. 102-861): Approval of Plaque Inscription.--Approval was given to the inscription set out below for a plaque to be placed on the Darrell K Royal - Texas Memorial Stadium, Renovation and Expansion of West Grandstand project at The University of Texas at Austin in keeping with the standard pattern approved by the U. T. Board of Regents in June 1979:

DARRELL K ROYAL - TEXAS MEMORIAL STADIUM
RENOVATION AND EXPANSION OF WEST GRANDSTAND
1996

BOARD OF REGENTS

Bernard Rapoport Chairman	William H. Cunningham Chancellor, The University of Texas System
Thomas O. Hicks Vice-Chairman	Robert M. Berdahl President, The University of Texas at Austin
Martha E. Smiley Vice-Chairman	
Rita Crocker Clements	
Donald L. Evans	Heery International, Inc. Project Architect
Zan W. Holmes, Jr.	Hensel Phelps Construction Company
Lowell H. Lebermann, Jr.	Contractor
Tom Loeffler	
Ellen Clarke Temple	

5. U. T. Dallas: Authorization to Amend the FY 1996-2001 Capital Improvement Program (CIP) and the FY 1996-1997 Capital Budget to Include a Project for McDermott Library Renovation - Phase II; Reallocation of Funds from the Campus Equipment and Rehabilitation Project; and Appropriation Therefor.--At the May 1996 meeting, the U. T. Board of Regents authorized the McDermott Library Renovation - Phase I project at The University of Texas at Dallas at a cost of \$1,000,000, which will be completed late this summer.

Upon recommendation of the Facilities Planning and Construction Committee, the Board:

- a. Amended the FY 1996-2001 Capital Improvement Program (CIP) and the FY 1996-1997 Capital Budget to include a project for McDermott Library Renovation - Phase II at U. T. Dallas at a preliminary project cost of \$1,000,000

- b. Reallocated \$1,000,000 from the Campus Equipment and Rehabilitation Project to the McDermott Library Renovation - Phase II project
- c. Appropriated \$1,000,000 from Permanent University Fund Bond Proceeds - Special Program for total project funding.

The McDermott Library Renovation - Phase II project at a cost of \$1,000,000 will enable U. T. Dallas to immediately move forward to address Americans with Disabilities Act (ADA) issues, lighting, and traffic flow.

Approval of this item amends the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

6. U. T. El Paso - Renovation of Nursing/Health Sciences Facilities (Project No. 201-910): Approval of Design Development Plans; Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--The Board, upon recommendation of the Facilities Planning and Construction Committee:

- a. Approved design development plans for the Renovation of Nursing/Health Sciences Facilities at The University of Texas at El Paso at an estimated total project cost of \$3,450,000
- b. Appropriated \$1,050,000 from Revenue Financing System Bond Proceeds - Special Program and \$2,400,000 from Permanent University Fund Bond Proceeds - Special Program for total project funding.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and upon delivery of the Certificate of an Authorized Representative as set out on Page 88, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt for Renovation of Nursing/Health Sciences Facilities in the amount of \$1,050,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

Within the FY 1996-2001 Capital Improvement Program (CIP) is a project for the Renovation of Nursing/Health Sciences Facilities at U. T. El Paso at an estimated preliminary project cost of \$3,450,000.

Design development plans and specifications have been prepared for this renovation project which involves substantial revision and modernization of heating, ventilating, and air-conditioning systems, including replacement of fan coil units, mechanical pumps, chiller, and boiler in the College of Nursing Building and the Stanton Medical Building with completion of the project anticipated for September 1998.

This project is included in the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

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

EXECUTED this 8 day of May 9 7
John A. Roan
Assistant Vice Chancellor for Finance

7. U. T. Tyler - Liberal Arts Complex (Project No. 802-719): Approval to Redesignate as the R. Don Cowan Fine and Performing Arts Center (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Naming of Buildings and Other Facilities) and Approval of Plaque Inscription.--Upon recommendation of the Facilities Planning and Construction Committee, the Board:
- a. Approved redesignation of the Liberal Arts Complex at The University of Texas at Tyler as the R. Don Cowan Fine and Performing Arts Center to recognize the accomplishments and contributions of Mr. R. Don Cowan and friends and family members of Mr. Cowan in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, relating to naming of buildings and other facilities
 - b. Approved the inscription set out below for a plaque to be placed on the building in keeping with the standard pattern approved by the U. T. Board of Regents in June 1979:

R. DON COWAN
FINE AND PERFORMING ARTS CENTER
1995

BOARD OF REGENTS

Bernard Rapoport Chairman	William H. Cunningham Chancellor, The University of Texas System
Thomas O. Hicks Vice-Chairman	George F. Hamm President, The University of Texas at Tyler
Martha E. Smiley Vice-Chairman	
Linnet F. Deily	
Donald L. Evans	C/A Alliance - Architects Architect
Zan W. Holmes, Jr.	C Construction Co., Inc. Contractor
Lowell H. Lebermann, Jr.	
Tom Loeffler	
Ellen Clarke Temple	

The family and friends of Mr. R. Don Cowan, a successful businessman and devoted patron of the arts, have pledged a total of \$1,800,000 (or almost 30%) of the total private support of \$5,320,000 for the new Liberal

Arts Complex at U. T. Tyler. Mr. Cowan, a graduate of The University of Texas at Austin and Harvard Graduate School of Business, established a presidential scholarship at U. T. Tyler.

His widow, Frances, is one of the founders of the U. T. Tyler Friends of the Arts. She is also a member of the U. T. Tyler Educational Foundation, Inc., the President's Associates, and the U. T. Tyler Development Board. In 1994, Mrs. Cowan was named Patriot of the Year during the annual President's Dinner.

The naming of the Liberal Arts Complex as the R. Don Cowan Fine and Performing Arts Center is consistent with the Regents' Rules and Regulations on naming of buildings related to recognition of multiple gifts and other contributions made by Mr. and Mrs. Cowan to U. T. Tyler.

8. U. T. Health Science Center - San Antonio - Research Building in the Texas Research Park (Project No. 402-905): Approval of Design Development Plans and Appropriation Therefor.--Following opening remarks by President Howe, the design development plans for the Research Building in the Texas Research Park at The University of Texas Health Science Center at San Antonio were presented to the Facilities Planning and Construction Committee by Mr. John Kell, representing the Project Architect, Kell Munoz Wigodsky, Inc., Architects, San Antonio, Texas.

Based on this presentation and upon recommendation of the Facilities Planning and Construction Committee, the Board:

- a. Approved design development plans for the Research Building in the Texas Research Park at the U. T. Health Science Center - San Antonio at an estimated total project cost of \$19,000,000
- b. Appropriated \$13,000,000 from Gifts and Grants and \$6,000,000 from Permanent University Fund Bond Proceeds for total project funding.

This project is included in the FY 1996-2001 Capital Improvement Program at a preliminary project cost of \$12,000,000 in Gifts and Grants and \$6,000,000 in Permanent University Fund Bond Proceeds.

Approval of this item amends the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to include the addition of a \$1,000,000 Federal grant resulting in a total project cost of \$19,000,000.

9. U. T. M.D. Anderson Cancer Center - Combined Backfill Renovations - Phase I, Stage 2: Authorization for Project; Management by U. T. M.D. Anderson Cancer Center Administration and the Office of Facilities Planning and Construction; and Appropriation Therefor.--The Facilities Planning and Construction Committee recommended and the Board:
- a. Authorized a project for The University of Texas M.D. Anderson Cancer Center titled Combined Backfill Renovations - Phase I, Stage 2, at a preliminary project cost of \$10,000,000
 - b. Authorized management of projects below \$600,000 by the U. T. M.D. Anderson Cancer Center Administration and management of projects exceeding \$600,000, as well as the overall project budget and contracting process, by the Office of Facilities Planning and Construction
 - c. Appropriated \$10,000,000 from Educational and General Funds for total project funding.

The FY 1996-2001 Capital Improvement Program (CIP) contains two projects, Combined Backfill Renovations - Phase I, and Combined Backfill Renovations - Phase II, at the U. T. M.D. Anderson Cancer Center. The Phase I, Stage 1 project was authorized by the U. T. Board of Regents in November 1996. The Stage 2 project will consist of approximately twenty projects to renovate approximately 124,000 assignable square feet of space in existing buildings that have been, or will be, vacated as the result of previous occupants moving into the Charles A. LeMaistre Clinic or the Albert B. and Margaret M. Alkek Hospital. The renovations included in Phase I, Stage 2 are those that will have a high impact on patient-care quality and capacity or are designed to directly support the new construction and/or are planned to improve support services efficiencies. The project will be completed in phases beginning June 1997 and ending in December 2000.

10. U. T. M.D. Anderson Cancer Center - Combined Backfill Renovations - Phase II: Approval to Amend the FY 1996-1997 Capital Budget to Include Project; Management by U. T. M.D. Anderson Cancer Center Administration and the Office of Facilities Planning and Construction; and Appropriation Therefor.--The FY 1996-2001 Capital Improvement Program (CIP) contains two projects, Combined Backfill Renovations - Phase I and Combined Backfill Renovations - Phase II, at The University of Texas M.D. Anderson Cancer Center. The Phase II project is currently included in the FY 1996-2001 Capital Improvement Program at \$53,100,000, but the scope of the project has now been reduced to include approximately fifty projects at a combined project cost of \$32,000,000.

In compliance therewith and upon recommendation of the Facilities Planning and Construction Committee, the Board:

- a. Amended the FY 1996-1997 Capital Budget to include a project for Combined Backfill Renovations - Phase II at the U. T. M.D. Anderson Cancer Center at a preliminary project cost of \$32,000,000
- b. Authorized management of projects below \$600,000 by the U. T. M.D. Anderson Cancer Center Administration and management of projects exceeding \$600,000, as well as the overall project budget and contracting process, by the Office of Facilities Planning and Construction
- c. Appropriated \$32,000,000 from Educational and General Funds for total project funding.

The Phase II project will be completed in approximately nine concurrent packages beginning June 1997 and ending January 2000, and includes the continued renovation of approximately 260,000 assignable square feet of space in six existing buildings that have been, or will be, vacated as the result of previous occupants moving into the Charles A. LeMaistre Clinic, the Bertner Project, or as a result of the subsequent space changes from Phase I. The services included in Phase II are those that will have a high impact on general Medical Center patient care and research or are designed to directly support the new construction and/or are planned to improve support services efficiencies.

Approval of this item amends the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget.

* * * * *

At the conclusion of the Facilities Planning and Construction Committee meeting, Committee Chairman Clements reported that since the last regular meeting the Chancellor had approved one (1) general construction contract which included a 24.5% participation by Historically Underutilized Businesses, all by minority-owned firms. In addition, five (5) architect/engineer contracts have been awarded since the last meeting and these indicate an 18.2% participation by Historically Underutilized Businesses, 13% by women-owned firms and 5.2% by minority-owned firms.

RECONVENE.--At 10:00 a.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEMS FOR THE RECORD

1. U. T. Austin: Borden-Superior Dairies, Inc. Property Lease with Purchase Option on Two Parcels of Land (a 1.75 Acre Tract and a .66 Acre Tract) in Austin, Travis County, Texas - Report to Reflect Correction of Sale Price as Provided in the August 8, 1996 Minutes.--At the August 8, 1996, U. T. Board of Regents' meeting, authorization was given to The University of Texas System Real Estate Office to negotiate, on behalf of The University of Texas at Austin, a lease with purchase option on two parcels of land (a 1.75 acre tract and a .66 acre tract) in downtown Austin, Travis County, Texas. The two parcels of land covered in the lease with purchase option agreement are remainder portions of a larger property that was donated for the benefit of U. T. Austin by Borden-Superior Dairies, Inc. in December 1985. It is reported for the record that the stipulated sales price was erroneously stated as \$3,330,000 and should be corrected to reflect \$3,300,000. All other terms remain as approved in the Minutes of the August 8, 1996 meeting.

2. U. T. Austin: Report on Houston Endowment, Inc. Gift for Jack S. Blanton Museum of Art.--In an emergency meeting on December 20, 1996, the U. T. Board of Regents approved a negotiated letter contract outlining the terms and conditions for a major contribution to The University of Texas at Austin. Subsequent to that action, negotiations with Houston Endowment, Inc. were successfully concluded with the result that the foundation will make a gift of \$12,000,000 toward the Jack S. Blanton Museum of Art to be constructed on the U. T. Austin campus. Mr. Blanton is Chairman of the Houston Endowment, Inc. Board of Directors, a former member and Chairman of the U. T. Board of Regents, and a Distinguished Alumnus of U. T. Austin. This most generous gift was publicly announced on February 5, 1997.

3. U. T. Austin: Appointment of Advisory Committee for the Selection of a Chief Administrative Officer (President).--The membership of the Advisory Committee for the Selection of a Chief Administrative Officer (President) for The University of Texas at Austin is herewith reported for the record. This committee has been constituted pursuant to the Regents' Rules and Regulations, Part One, Chapter II, Section 13.

Advisory Committee for the Selection
of a Chief Administrative Officer
for
The University of Texas at Austin

System Administration Representative

Chancellor William H. Cunningham (Chairman)

Board of Regents

Regent Rita C. Clements
Regent Lowell H. Lebermann, Jr.

Chief Administrative Officers

Dr. Juliet V. Garcia, President, The University
of Texas at Brownsville
Dr. Franklyn G. Jenifer, President, The Univer-
sity of Texas at Dallas

Faculty Representatives

Dr. Allen J. Bard, Professor, Department of
Chemistry and Biochemistry
Dr. Lucia A. Gilbert, Professor, Department of
Educational Psychology
Dr. Paul B. Woodruff, Professor of History and
Director of the Plan II Honors Program

Dean

Dr. James T. Doluisio, Dean, College of Pharmacy

Student Representatives

Mr. Marlen D. Whitley, President, Student Govern-
ment

Ms. Lisa C. Henken, Chair, Cabinet of College
Councils

President of the Alumni Association

The Honorable Ricardo Hinojosa, President, The
Ex-Students' Association, The University of
Texas at Austin

Nonfaculty Employees

Ms. Wanda M. Franklin, Executive Assistant,
Department of Electrical and Computer
Engineering

Dr. Thomas F. Staley, Director, Harry Ransom
Humanities Research Center

Community/External Representatives

Mr. Peter R. Coneway
The Honorable Cyndi Taylor Krier
Mr. Corbin J. Robertson, Jr.

4. U. T. Tyler: Appointment of Advisory Committee for the Selection of a Chief Administrative Officer (President).--The membership of the Advisory Committee for the Selection of a Chief Administrative Officer (President) for The University of Texas at Tyler is herewith reported for the record. This committee has been constituted pursuant to the Regents' Rules and Regulations, Part One, Chapter II, Section 13.

Advisory Committee for the Selection
of a Chief Administrative Officer
for
The University of Texas at Tyler

System Administration Representatives

Chancellor William H. Cunningham
Executive Vice Chancellor for Academic Affairs
James P. Duncan (Chairman)

Board of Regents

Regent A. W. "Dub" Riter, Jr.
Regent Martha E. Smiley

Chief Administrative Officers

Dr. Charles A. Sorber, President, The University
of Texas of the Permian Basin
Dr. Robert E. Witt, President, The University of
Texas at Arlington

Faculty Representatives

Dr. Roger Conaway, Associate Professor of Speech
Communication, School of Liberal Arts
Dr. Thomas Fernandez, Professor of Speech
Communication, Schools of Liberal Arts and
Business Administration
Dr. Don Killebrew, Professor of Biology, School
of Sciences and Mathematics

Dean

Dr. Lynn Sherrod, Dean, School of Sciences and
Mathematics

Student Representatives

Mr. John Derrick Harris, Division of Nursing
Ms. Sarah Ann Williamson, School of Education
and Psychology

Alumni Association Representative

Ms. Beverley Shelton, Vice President, The
University of Texas at Tyler Alumni
Association

Nonfaculty Employees

Mrs. Brenda Cantley, Administrative Assistant I,
Development Office
Mrs. Martha Wheat, Director of Admissions and
Student Records

Community/External Representatives

Mr. Frank M. Burke, Jr.
Mr. Jere Ruff
Mrs. Mary John Spence

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regents Lebermann and Smiley, as members of the Board for Lease of University Lands, submitted the following report on behalf of that Board:

Report

The Board for Lease of University Lands last met on Tuesday, November 12, 1996, in the Regents' Meeting Room of Ashbel Smith Hall in Austin, Texas. A Board for Lease meeting and lease sale are scheduled for May 13, 1997, at the Center for Energy and Economic Diversification in Midland, Texas. On that date, 119,560 acres of Permanent University Fund lands will be offered for lease in the Regular Oil and Gas Lease Sale No. 91.

Regents Lowell H. Lebermann, Jr., and Martha E. Smiley have been selected by Chairman Evans to serve as members of the Board for Lease of University Lands. Formal approval of these Regent members to the Board for Lease was given by the U. T. Board of Regents at its meeting on April 9, 1997. Each Regent member will serve a term expiring February 1, 1999.

OTHER MATTERS

1. U. T. System: Annual Report on the Activities of the Faculty Advisory Council.--Chairman Evans introduced Dr. Alan Cline, Chair of The University of Texas System Faculty Advisory Council and Professor in the Department of Computer Sciences and David Bruton, Jr., Centennial Professor in Computer Sciences (#2) at The University of Texas at Austin, who presented the report on the Council's activities during the past year as set out on Pages 100 - 104.

Following his presentation and on behalf of the Board, Chairman Evans thanked Dr. Cline for his very informative report.

**The University of Texas System
Faculty Advisory Council
Annual Report to the U. T. Board of Regents**

Introduction

My name is Alan Kaylor Cline. I hold the David Bruton, Jr. Professorship in Computer Sciences at the University of Texas at Austin.

I am chair of the UT System Faculty Advisory Council and I am pleased to be here and present an annual report of the Faculty Advisory Council's activities.

Recognizing that there are four recently appointed regents who have not heard a report from the council, I thought I would begin by saying a few words about the group.

The council has **30** voting members • two from each of the **15 system** components • plus four officers. Together we represent over a half millennium of faculty service.

The group has four meetings per year • each lasting two days.

Our guidelines call for four broad responsibilities:

- To identify System-wide issues that are of concern to the faculty, to the U. T. Board of Regents, and to the U. T. System
- To respond to issues at the request of the Chancellor, the U. T. System Administration and the U. T. Board of Regents.
- To conduct fact-finding, background exploration, exposition, analysis and deliberation on identified issues and to develop recommendations and/or action plans for review by the UT System Faculty Advisory Council.
- To function as a vehicle of information dissemination to the UT System Faculty Advisory Council, the U.T. Board of Regents, and to faculty and administrators of U.T. System components.

Activities:

Consistent with those responsibilities, the council has dealt with a large number of issues. Today I would like to discuss eight of those with you briefly.

Intellectual Property: The Electronic Age has presented a whole new array of options for the dissemination of creative work and at the same time raised many new questions regarding copyright protection, availability, and financial rewards for those works. On a continuing basis, the council (often jointly with a representative of the System Office of General Counsel) has explored the opportunities as well as the dangers that these new technologies present.

Distance Learning: As with Intellectual Property, new technologies of offering courses at remote campuses or workplaces present questions. Again, working jointly with a representative of the System Office of General Counsel, the advisory council has prepared and approved a recommended “Policy Framework for Rights, Support, and Training of Faculty involved in Distance Learning”.

Exit Surveys: Three years ago, the council organized a system-wide survey of Faculty Satisfaction and a report on the conclusions of that research was presented to the regents. Arising from that work was the idea that there were benefits to be gained by surveying departing faculty - be they departing at retirement, after failure to be tenured, after accepting new positions, or whatever the reason for leaving. The Council has prepared a Faculty Exit Survey document and submitted it to the system administration for their approval.

Post Tenure Review: Soon after the Senate Education Committee made its recommendations last spring for a comprehensive review of tenured faculty, the Faculty Advisory Committee met with Senator Bill Ratliff in a special meeting organized by Chancellor Cunningham. Shortly thereafter the council named a special *ad hoc* committee to develop a proposed policy for periodic review of tenure faculty. Our proposal was presented to you at your Nov 14th meeting and, although it was not adopted by you, the ad

hoc committee appreciated the opportunity to present it and to share the faculty concerns regarding this critical issue.

Tribunal Composition: Also at the November 14 meeting, you may recall that I presented to you a proposal for an alteration in the Regent's Rules covering the appointment of tribunals of review after a decision has been made by a campus president to terminate a faculty member. The Council recommended that each tribunal be chosen by the campus president from a panel and that the panel be selected by a procedure that assures that each member has the approval of both the campus president and the faculty governance organization. Although you did not approve our language, you did approve an alteration that guarantees that at least one tribunal member be selected from a faculty nominated panel.

Faculty Evaluation of Administrators: Several years ago, the Council proposed and Chancellor Cunningham approved of a policy whereby there would be periodic faculty review of administrators below the level of president on the various campuses. Each campus was to create its own procedures for performing these evaluations. The advisory council is now monitoring the progress of construction and implementation of those procedures. We would like to report that all campuses have now implemented the evaluations - but we cannot. I hope that when my successor makes this report to you a year from now, he can say that all campuses are implementing these policies.

Health Benefits: The council is blessed not only with 34 users of the system's health benefits package but 15 of the 34 who are employed at health components. This level of expertise is invaluable when examining the level of health care offered to the faculty and staff and their families. Through the efforts of the advisory council all employees have gotten a greater degree of accountability and openness from the system's insurance providers.

Teaching Effectiveness: Earlier I mentioned the Faculty Satisfaction survey done three years ago by the Faculty Advisory Council. Following that, we began a study of the evaluation of teaching effectiveness. Let me be clear, this was not a study on “How to be an Effective Teacher” - there are many of those. Instead, this project explored “How do We Measure Teachers for their Effectiveness”. The survey involved faculty, students, and administrators across the system campuses as well as a review of relevant literature. Our report is in its final stages of preparation, and when approved by the council, will be presented to you.

Future Possibilities

Now I would like to turn to the future of the Faculty Advisory Council and possibilities for improving communication.

Following the November 14th meeting with you, and perhaps motivated by the enjoyment of our discussion with you, the council began to consider new ideas to fulfill our charge

“To function as a vehicle of information dissemination to . . . the U.T. Board of Regents, and to faculty and administrators of U.T. System components.”

We would like to establish mechanisms through which we can deliver to you our reading of the voice of the more than 8200 faculty members of the University of Texas System. Although the November 14th meeting was enjoyable for us because we had the opportunity to share a dialogue with you, it was also a very tense time for us. Not only were the issues critical to us but we realized that we were at odds with the positions presented by the Chancellor. The level of the debate had been ratcheted up close to the point where your decision on the issue could also be interpreted as a vote of confidence or no-confidence in the chancellor. That is not what we sought and it is not what we desire in the future. We seek a venue for the open exchange of opinions without such criticality and confrontation.

As a result, we are offering two suggestions:

First that the Regents and the Faculty Advisory Council meet together annually.

We understand that the regents already have meetings with the Student Advisory Group. Such Regents/Faculty joint meetings could be formal or informal. The important characteristic is that there would be an exchange of ideas and opinions.

Second we suggest that the Regents invite a member of the Faculty Advisory Council to meetings of its Academic Affairs Committee and to its Health Affairs Committee.

The presence of the Faculty Advisory Council members on the Academic and Health Affairs Committees would be as sources of expertise. We are, as you, devoted to the University of Texas and believe that when critical decisions affecting faculty are made, you would like the voices of the faculty to be present.

On behalf of the Faculty Advisory Council, I appreciate this opportunity to address you.

2. U. T. Board of Regents: Certificate of Appreciation to Dr. Robert M. Berdahl, President of The University of Texas at Austin, and Introduction of Dr. Peter T. Flawn, Interim President.--Chairman Evans noted that this would be the last time that Dr. Robert M. Berdahl, President of The University of Texas at Austin, would be representing that institution before the Board of Regents and called on Regent Lebermann, Chairman of the Academic Affairs Committee, to present a certificate of appreciation to Dr. Berdahl.

In recognition of President Berdahl's distinguished service to The University of Texas System, Regent Lebermann presented the following certificate of appreciation:

CERTIFICATE OF APPRECIATION

The Board of Regents

Expresses to

ROBERT M. BERDAHL, Ph.D.

Its Sincere Appreciation for His

Distinguished Service and Outstanding Contributions

to

The University of Texas System

as

President

Professor of History

and

Professor of Public Affairs

at

The University of Texas at Austin

1993 - 1997

Adopted by unanimous vote this 8th day of May 1997

(signed by all members of the Board)

President Berdahl received a standing ovation and graciously accepted this accolade and expressed his sincere appreciation to the Board for the opportunity to serve the U. T. System.

Following this presentation, Chairman Evans introduced Dr. Peter T. Flawn, who will become Interim President of U. T. Austin effective July 1, 1997, and expressed the Board's appreciation for his willingness to accept this important assignment until a new president is appointed.

SCHEDULED MEETING.--Chairman Evans announced that the next scheduled meeting of the U. T. Board of Regents would be held on August 14, 1997, at The University of Texas at Dallas.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 10:20 a.m.

/s/ Arthur H. Dilly
Executive Secretary

May 16, 1997