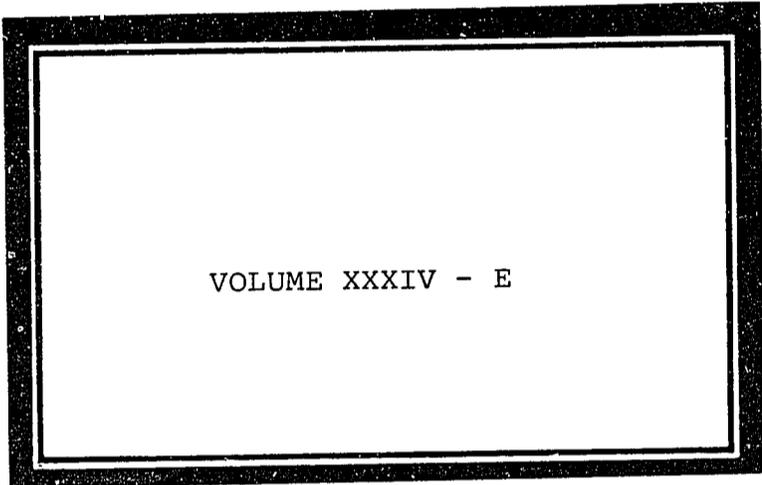


Meeting No. 827

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



VOLUME XXXIV - E

Pages 1 - 78

June 11, 1987

Tyler, Texas

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 OF  
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MEETING NO. 827

THURSDAY, JUNE 11, 1987.--The members of the Board of Regents of The University of Texas System convened in regular session at 1:30 p.m. on Thursday, June 11, 1987, in the Lobby of the University Center at The University of Texas at Tyler, Tyler, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Hay, presiding	
Vice-Chairman Baldwin	
Vice-Chairman Ratliff	
Regent Barshop	
Regent Beecherl	
Regent Blanton	
Regent Moncrief	
Regent Roden	
Regent Yzaguirre	

Executive Secretary Dilly

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

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

WELCOME BY DR. GEORGE F. HAMM, PRESIDENT OF THE UNIVERSITY OF TEXAS AT TYLER.--Chairman Hay expressed appreciation to President Hamm for the very informative briefing that the Board had received earlier in the day and the magnificent hospitality extended to the Board. He then called on Dr. George F. Hamm, President of The University of Texas at Tyler (the host institution).

On behalf of the faculty, staff and students of U. T. Tyler, President Hamm welcomed the members of the Board and other guests to Tyler. In view of the Regents' full agenda, President Hamm elected to forego the usual institutional presentation.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON APRIL 9, 1987.--Upon motion of Vice-Chairman Baldwin, seconded by Regent Yzaguirre, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on April 9, 1987, in Smithville, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXXIV, Pages 2305 - 2961.

INTRODUCTION OF FACULTY AND STUDENT REPRESENTATIVES.--Chairman Hay called on the chief administrative officers of the component institutions to introduce their respective faculty and student representatives:

U. T. Arlington

President Nedderman introduced:

Faculty Representative:	Dr. Charles Kneupper Vice Chairman Faculty Senate
Student Representatives:	Mr. Trey Yelverton President, Student Congress Mr. Steve McKeever Vice President Student Congress Mr. Mike Coffey Reporter, Student Publications

U. T. Austin

President Cunningham introduced:

Faculty Representative:	Dr. Reuben McDaniel Chairman, Faculty Senate
Student Representatives:	Ms. Randi Shade, President, Students' Association Mr. Matthew Matejowsky General Reporter <u>The Daily Texan</u>

U. T. Dallas

President Rutford introduced:

Student Representatives:	Mr. Mychael Price, President, Student Government Ms. Susan Byrd, Vice President, Student Government
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U. T. Tyler

President Hamm introduced:

Faculty Representative:	Dr. Gerald Morris, President, Faculty Senate
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U. T. Medical Branch - Galveston

In the excused absence of President Levin, Dean of Medicine  
George Bryan introduced:

Faculty Representative: Ms. Amie Thompson, M.S.  
Office of Student  
Affairs, U. T.  
Allied Health  
Sciences School -  
Galveston

Student Representative: Ms. Debbie Contreras  
Physical Therapy  
Department, Junior,  
U. T. Allied Health  
Sciences School -  
Galveston

U. T. Cancer Center

President LeMaistre introduced:

Faculty Representative: Dr. Joseph T. Painter  
Vice President for  
Extramural Programs

U. T. Health Center - Tyler

Director Hurst introduced:

Faculty Representative: Dr. Richard G. Painter  
Professor of Bio-  
chemistry

SPECIAL ITEMS

1. U. T. Board of Regents: Recommendation to Adopt a Resolution Authorizing the Issuance of Up to \$20,000,000 of General Revenue Subordinate Lien Notes (Withdrawn).--Chairman Hay reported that the item related to the adoption of a resolution authorizing the issuance of up to \$20,000,000 of General Revenue Subordinate Lien Notes (the "Notes") to provide interim financing for non-PUF eligible capital projects approved by the Board was withdrawn for consideration at a later date.
  
2. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter IX, Section 4 (Amendment of Rules and Regulations).--In order to clarify the vote required to waive or suspend a rule, approval was given to amend Section 4, Chapter IX of Part One of the Regents' Rules and Regulations to read as set forth below:
  - Sec. 4. Amendment of Rules and Regulations.--  
The Regents' Rules and Regulations may be added to, amended, waived, or suspended by a majority of all of the members of the Board at any regular meeting or at any special meeting called for that purpose.
  
3. U. T. System: Permission for Dr. Hans Mark to Serve as a Member of the Space Science Industry Commission [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Dr. Hans Mark, Chancellor of The University of Texas System, to serve as a member of the Space Science Industry Commission.

Dr. Mark's appointment to this Commission by Lt. Governor Hobby is of benefit to the State of Texas, creates no conflict with his regular duties in U. T. System Administration, and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 1:40 p.m., the Board recessed for the meetings of the Standing Committees and Chairman Hay 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 (Pages 5 - 15).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Hay reported to the Board for ratification and approval all actions taken by the Executive Committee since the last meeting. Unless otherwise indicated, the recommendations of the Executive Committee were in all things approved as set forth below:

1. U. T. Arlington - E. H. Hereford University Center - Addition and Remodeling (Sequence 1) (Project No. 301-552): Award of Contracts for Furniture and Furnishings to Business Interiors, A Division of Miller Business Systems, Inc., Arlington, Texas; The Monroe Company, Colfax, Iowa; and Sico, Incorporated, Minneapolis, Minnesota; and Authorization for the Chancellor to Sign the Contracts (Exec. Com. Letter 87-14).--The Board, upon recommendation of the Executive Committee, awarded contracts for furniture and furnishings for E. H. Hereford University Center - Addition and Remodeling (Sequence 1) at The University of Texas at Arlington to the following lowest responsible bidders:

Business Interiors, A Division  
of Miller Business Systems, Inc.  
Arlington, Texas

Base Proposal "A" (Wood Dining Chairs and Lounge Seating)	\$67,909.28
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Base Proposal "B" (Dining Tables and Booths)	35,994.11
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Base Proposal "C" (Steel Office Furniture)	5,525.28
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Base Proposal "D" (Office Chairs)	<u>5,854.42</u>
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Total Contract Award to Business Interiors	\$115,283.09
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The Monroe Company  
Colfax, Iowa

Base Proposal "E-1" (Conference Tables)	\$16,713.15
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Base Proposal "E-2" (Conference Tables)	<u>9,670.00</u>
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Total Contract Award to The Monroe Company	26,383.15
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Sico, Incorporated  
Minneapolis, Minnesota

Base Proposal "H-1" (Portable Stages)	\$40,290.01
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Base Proposal "H-2" (Additional Portable Stages)	23,334.51
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**GRANT AGREEMENT**

This Grant Agreement (this "Agreement") is entered into as of the \_\_\_ day of \_\_\_\_\_, 1987 (the "Effective Date") by and between The Perot Foundation, a Texas non-profit corporation (the "Foundation"), and the Board of Regents of The University of Texas System ("UT").

**WITNESSETH**

**WHEREAS**, the Foundation owns that certain literary collection known as the Carl H. Pforzheimer Library of English Literature (1475-1700) and more specifically described in that certain three-volume catalog entitled The Carl H. Pforzheimer Library, English Literature 1475-1700 (New York Privately Printed 1940) (including the Appendix of Recent Acquisitions) (the "Catalog") and Schedules I and II to this Agreement (the "Pforzheimer Collection");

**WHEREAS**, the Pforzheimer Collection is in the possession of The University of Texas at Austin ("UT Austin") pursuant to that certain Loan Agreement between the Foundation and UT for and on behalf of UT Austin dated as of December 31, 1986 (the "Loan Agreement"), wherein UT has, among other things, an option to acquire the Pforzheimer Collection for Fifteen Million Dollars (\$15,000,000);

**WHEREAS**, UT wishes to become the permanent owner of the Pforzheimer Collection for the use and benefit of UT Austin;

**WHEREAS**, representatives of the private sector in the City of San Antonio, Texas, pursuant to a Letter of Understanding (the "Letter") with the Board of Regents of The University of Texas System, as amended, have agreed to raise, for the mutual benefit of the University of Texas Health Science Center at San Antonio and the greater San Antonio community, private sector funds to be used for the purpose of advancing the development of the biosciences at The University of Texas Health Science Center at San Antonio (this arrangement is hereinafter referred to as "The University of Texas Health Science Center at San Antonio Private Sector Biosciences Effort");

**WHEREAS**, the funds to be raised by The University of Texas Health Science Center at San Antonio Private Sector Biosciences Effort are to be used to assist in the construction and equipping of two buildings to be devoted primarily to basic and clinical

research — one building to be located in the South Texas Medical Center, and to be built on land donated to The University of Texas Health Science Center at San Antonio by the Board of Trustees of the San Antonio Medical Foundation, and one building to be located in the Texas Research Park, and to be built on land donated to The University of Texas Health Science Center at San Antonio by the Board of Trustees of the Texas Research and Technology Foundation — and for the endowment of academic chairs in the basic and clinical sciences;

**WHEREAS**, the Foundation desires to assist The University of Texas Health Science Center at San Antonio Private Sector Biosciences Effort; and

**WHEREAS**, the Foundation has agreed to convey the Pforzheimer Collection to UT and to release UT from its obligations under the Loan Agreement in consideration for UT's agreement to pay Fifteen Million Dollars (\$15,000,000) to assist in The University of Texas Health Science Center at San Antonio Private Sector Biosciences Effort;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements contained herein, the Foundation and UT hereby agree as follows:

1. Simultaneously with the execution of this Agreement, the Foundation agrees to execute a Deed of Transfer conveying the Pforzheimer Collection to UT for the use and benefit of UT Austin, and the Foundation further agrees to transfer its rights in and to the Catalog to UT for the use and benefit of UT Austin.
2. The parties hereby agree that all rights and obligations under the Loan Agreement are hereby terminated and the Loan Agreement shall be of no further force or effect.
3. UT shall, and hereby does, accept the grant and conveyance of the Pforzheimer Collection from the Foundation.
4. UT agrees that the value of the Pforzheimer Collection is Fifteen Million Dollars (\$15,000,000).
5. UT agrees to pay to The University of Texas Health Science Center at San Antonio Private Sector Biosciences Effort, in accordance with the terms and conditions of the Letter, the following amounts on or before the indicated dates:
  - (a) Three Million Eight Hundred Thousand Dollars (\$3,800,000) on or before December 31, 1987;
  - (b) Three Million Eight Hundred Thousand Dollars (\$3,800,000) on or before December 31, 1988;

(c) Two Million Five Hundred Thousand Dollars (\$2,500,000) on or before December 31, 1989;

(d) Two Million Five Hundred Thousand Dollars (\$2,500,000) on or before December 31, 1990; and

(e) Two Million Four Hundred Thousand Dollars (\$2,400,000) on or before December 31, 1991.

UT shall furnish to the Foundation written evidence of such payments at the time such payments are made.

6. Simultaneously with the execution hereof, and in consideration of the grant of the Foundation hereunder, UT shall deliver its written agreement to the effect that the obligations of the private sector in the City of San Antonio to raise certain funds pursuant to the Letter shall be reduced by Fifteen Million Dollars (\$15,000,000). UT covenants that it will fulfill its duties and obligations under the Letter and that its duties and obligations under the Letter will not be materially altered or amended materially without prior written approval of the Foundation.

7. All media releases, public announcements and disclosures by UT or its constituents, employees or agents relating to this Grant Agreement, its subject matter, or the name of the Foundation or its benefactors shall be coordinated with and approved by the Foundation in writing prior to the release thereof.

8. This Agreement shall be construed in accordance with and governed by the laws, under the rules governing choice of law, of the State of Texas.

IN WITNESS WHEREOF, the Foundation and UT have each caused this Agreement to be signed and delivered by its duly authorized officer, agent or representative as of the Effective Date.

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By: \_\_\_\_\_  
Arthur H. Dilly  
Executive Secretary

By: \_\_\_\_\_  
Jess Hay, Chairman

APPROVED AS TO CONTENT:

By: \_\_\_\_\_  
Charles F. Franklin  
Vice President for  
Business Affairs  
The University of Texas  
at Austin

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James L. Crowson  
Vice Chancellor and  
General Counselor

ATTEST:

THE PEROT FOUNDATION

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Bette Perot, Vice President

SCHEDULE I TO GRANT AGREEMENT

The Collection consists of those items which are enumerated by catalog number and described in the body of the Catalog.\* The Collection does not include any works in the library of the late Carl H. Pforzheimer that are referred to in his Introduction to the Catalog but are not enumerated by catalog number in the body of the Catalog. The Collection does include certain items owned by the Foundation which, although not included in the Catalog, have been determined to be so closely related to the Collection that they should be included in the transfer hereunder, without additional consideration, which have been included in the delivery of the Collection made herewith, and which are enumerated in Schedule II to this Deed of Transfer.

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\*Items 64 and 66 (bound in a single small volume) have been missing from the Collection since before acquisition of the Collection by The Foundation. If Items 64 and 66 are subsequently delivered to the Foundation, they will be delivered to UT forthwith, but the Foundation assumes no other responsibility for the same.

SCHEDULE II TO GRANT AGREEMENT

(Additional items not listed in Catalog but shelved with slips in their respective numerical positions; an \*asterisk signifies intention to include such items in Appendix.)

- |      |                     |  |
|------|---------------------|--|
| 17A  | Ascham, Roger.      | Toxophilus,. . . London, 1571. 2d ed. (STC 838)  |
| 25A  | Bacon, Francis.     | Cases of treason. London, 1702. 1st ed. (*App. 41)   |
| 25B  | _____.              | Certain miscellany works. London, 1629, 1st ed. L. H. Silver copy (*App. 40)   |
| 25C  | _____.              | The charge. . . touching duells. London, 1614. 1st ed. (*App. 39)  |
| 31A  | _____.              | The essays. . . London, 1629. (*App. 30)   |
|      | _____.              | a. The essays. . . London, John Martyn, 1673.  |
|      | _____.              | b. The essays. . . London, Humphrey Robinson, 1668.  |
|      | _____.              | c. The essays. . . London, John Beale, 1639.   |
|      | _____.              | d. The essays. . . (same as above).  |
|      | _____.              | e. The essays. . . London, James Knapton, 1691.  |
|      | _____.              | f. The essays. . . London, Sam. Smith, and Benj. Walford, 1701.  |
|      | _____.              | g. Sylva Sylvarum. . . London, William Lee, 1635. 4th ed.  |
|      | _____.              | h. Essays moral, economicall, and political. Boston, Joseph Greenleaf, 1807. (1st Amer.)   |
|      | _____.              | i. Essays. . . (same as above).  |
| 34A  | _____.              | Resuscitatio. . . Together with his Lordships life by William Rawley. . . London, Printed by Sarah Griffin for William Lee, 1657. 1st ed. (*App. 33) |
| 36.1 | _____.              | Three speeches. . . London, Richard Badger,. . . 1641. 1st ed. (2nd state) (*App. 37)  |
| 119D | Burton, Robert.     | The anatomy of melancholy. . . Oxford, 1638. 5th ed. (*App. 38)  |
| 142A | Chapman, George.    | Al Fooles a comody. . . 1605. (bound last in a volume with 667A and 426A, q. v.) (*App. 12)  |
| 222A | Cotton, Sir Robert. | Diverse choice pieces. . . 1679 (ed. by James Howel)   |
| 351A | [Edwards, Henry].   | A preparative to studie: or, The vertue of sack. London, 1641 (Britwell) (*App. 22)  |

- 426A Greene, Robert  
[or, Henry  
Chettle]. Greenes groatsworth of witt. London, 1607. (bound  
second in a volume with 142A and 667A, q. v.)
- 442A [Guicciardiniana]. A briefe inference upon Gvicciardines digression, . . . of  
his Historie. . . London, Edward Blovnt, 1613.
- 451.1 [Harvey, Gabriel]. Ciceronianus. . . 1577. (\*App. 27) (STC 12899)
- 451.2 \_\_\_\_\_ . Smithus, vel musarum lachrymae. . . 1578. (\*App. 28)
- 469A Heywood, John. A dialogue. . . of all the proverbes in the English tongue.  
London [1550] 2nd ed., (\*App. 14)
- 506B Howard, Henry,  
earl of Surrey. Songes and sonnettes [London] R. Tottell, 1559.
- 574A Alcoran. First complete English version. London, 1649. First  
American edition. Worcester, 1806 (the two items in  
one slipcase)
- 574B Lacy, John Sr. Hercules buffoon. . . London, J. Hindmarsh, 1684.
- 595.1 Linschoten,  
J. H. van. His discours of voyages. . . London, John Wolfe [1691]  
(\*App. 25)
- 604A Locke, J. A letter concerning toleration. London [1740]  
(\*App. 23)
- 627.1 Lowndes, W. A report containing an essay for the amendment of the  
silver coins. London, 1695. (\*App. 26)
- CHP/STC  
17068 Lyly, John. Euphues and his England. London, 1580.
- 647A [Marprelate]. Oh read over Dr. John Bridges. . . [1588] (\*App. 36)
- 647B \_\_\_\_\_ . These martiniane. . . [Wolston, J. Hodgkins. . .] 1589.  
(\*App. 31)
- 647C \_\_\_\_\_ . A dialogue wherin is plainly layd open the tyranicall  
dealing of Lord Bishops against Gods  
children. . . [London] 1640 (\*App. 32)
- 647D \_\_\_\_\_ . The protestatyon of Martin Marprelate. . . [1589]  
(\*App. 34)
- 667A Martin, Saint. Seneca moralizismus. . . [London, de Worde, 1516] (bound  
in with 426A and 142A, q. v.) (\*App. 15)
- 736A \_\_\_\_\_ . Mirror for Magistrates. 1578 (\*App. 16) (bound in with  
749A, q. v.)

- 748A Munday, Anthony. A discoverie of Edmund Campion. . . London [John Charlewood] for Edward White, 1582. (\*App. 17)
- 749A \_\_\_\_\_ . Mirrour of mutabilitie. 1579 (bound in with 736A) (\*App. 18)
- 856A Seignior, Geroge. Moses and Aaron: a sermon. . . Cambridge, 1670. (bound in is Misc. Ms. 738, a letter by unidentified writer, from Newmarket, addressed "MyLord," after 1700)
- 859A Seiden, John. Table-talk. . . Second edition. . . 1696.
- 940A Skelton, John. . . Certaine bookes. . . London, by John Kynge and Thomas Marche [circa 1560?] (\*App. 24)
- 943A \_\_\_\_\_ . Phyllyp Sparrowe. [London] Rychard Kele [c. 1545] (\*App. 19)
- 1014A Tyrwhitt, W. Essayes. . . London, Printed [by Thomas Harper] for William Sheares. . . 1636. (\*App. 20)
- Misc. Ms. 814 (bound in with Bulstrode MSs, containing Will of Sophia Bulstrode, 1803, and six other pieces, all post-1700)
- Misc. Ms. 735 (bound in copy of CHP 819, A declaration of the demeanor and cariage of Sir Walter Raleigh, London, 1618)

Additional ms. and pictorial material, contained in the extra-illustrated three volumes of P. F. Tytler's Life of Sir Walter Raleigh, Edinburgh [1833].

3. U. T. Medical Branch - Galveston: Transfer of Funds  
Requiring Advance Regental Approval Under Budget Rules and  
Procedures No. 2 (Exec. Com. Letter 87-13).--The Executive  
 Committee recommended and the Board approved the following  
 transfer of funds at The University of Texas Medical Branch  
 at Galveston:

Educational and General Funds

Amount of Transfer - \$7,500,000

From: Unappropriated Balance (via Estimated Income) -  
 1986-87

To:	Hospital Equipment	\$3,500,000
	Hospital Renovations (Minor)	500,000
	Strand Street Building Remodeling	50,000
	Replace Air Conditioning Equipment	300,000
	Building Renovation (Minor) and Equipment	1,950,000
	Unit D Remodeling, First Floor	300,000
	Clay Hall Building Renovation	300,000
	Remodel Sealy Conference Center	100,000
	Various Institutional Projects	500,000
		<u>\$7,500,000</u>

(RBC #238)

4. U. T. Cancer Center - Additional Outpatient Clinic Facili-  
ties - Phase II (Project No. 703-459): Award of Sequence 2  
Contract for Lobby Furniture and Furnishings to Finger  
Office Furniture, Houston, Texas; and Authorization for the  
Chancellor to Sign the Contract (Exec. Com. Letter 87-14).--  
 Upon recommendation of the Executive Committee, the Board  
 awarded a contract for Sequence 2 Lobby furniture and fur-  
 nishings for the Additional Outpatient Clinic Facilities -  
 Phase II at The University of Texas System Cancer Center to  
 the following lowest responsible bidder:

Finger Office Furniture  
 Houston, Texas

Base Proposal "A"	
(Upholstered Lobby Furniture)	<u>\$36,327.12</u>

GRAND TOTAL CONTRACT AWARD	\$36,327.12
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Further, the Chancellor was authorized to sign the contract  
 awarding this bid based on the results of the Executive Com-  
 mittee circularization.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND AUDIT COMMITTEE (Pages 16 - 18).--Committee Chairman Yzaguirre reported that the Finance 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 Finance and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Docket No. 34 of the Office of the Chancellor (Catalog Change).--Upon recommendation of the Finance and Audit Committee, the Board approved Docket No. 34 of the Office of the Chancellor in the form distributed by the Executive Secretary. It is attached following Page 78 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.

Regents Hay and Ratliff abstained from voting on items within the Docket related to Exxon Corporation due to a possible conflict of interest. Regent Ratliff also abstained from matters related to Southwest Texas Electric Cooperative for the same reason.

2. U. T. System Administration and U. T. Austin: Approval of Resolution Amending the List of Individuals Authorized to Negotiate, Execute and Administer Classified Government Contracts (Managerial Group).--In order to update the list of administrative officials cleared for access to classified government contracts pursuant to the Security Agreement of The University of Texas System with the United States Department of Defense, the Board adopted the following resolution:

BE IT RESOLVED:

- a. That those persons occupying the following positions among the officers of The University of Texas System shall be known as the Managerial Group as described in the Department of Defense Industrial Security Manual for Safeguarding Classified Information:

Hans Mark, Chancellor, Chief Executive Officer  
Thomas M. Grady, Comptroller  
Arthur H. Dilly, Executive Secretary to the Board of Regents  
Wayne K. Kuenstler, Associate Director, Office of Sponsored Projects, U. T. Austin; U. T. System Security Supervisor  
William H. Cunningham, President, U. T. Austin  
Gerhard J. Fonken, Executive Vice-President and Provost, U. T. Austin  
G. Charles Franklin, Vice-President for Business Affairs, U. T. Austin

- b. That the Chief Executive Officer and the members of the Managerial Group have been processed or will be processed for a personnel clearance for access to classified information, to the level of the facility clearance granted to the institution, as provided for in the aforementioned Industrial Security Manual, and all replacements for such positions will be similarly processed for security clearance.
- c. That the said Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified contracts of the Department of Defense, or User Agencies of its Industrial Security Program, awarded to the institutions of The University of Texas System.
- d. That the following named members of the U. T. Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of The University of Texas System and do not occupy positions that would enable them to affect adversely the policies and practices of the institutions of The University of Texas System in the performance of classified contracts for the Department of Defense, or User Agencies of its Industrial Security Program, and need not be processed for a personnel clearance.

Members of the U. T. Board of Regents:

Robert B. Baldwin III  
Sam Barshop  
Louis A. Beecherl, Jr.  
Jack S. Blanton  
Jess Hay  
W. A. "Tex" Moncrief, Jr.  
Shannon H. Ratliff  
Bill Roden  
Mario Yzaguirre

- 3. U. T. System: Acceptance of Aetna Life Insurance Company, Hartford, Connecticut, Renewal Rates for Employee Group Medical, Dental and Basic Term Life and Accident Insurance Contracts for 1987-88 with Plan Design Changes and Rate Increases for Group Medical Coverage.--The Board, upon recommendation of the Finance and Audit Committee, approved the 1987-88 rates for The University of Texas System employee group medical, dental and basic term life and accident insurance contracts with Aetna Life Insurance Company, Hartford, Connecticut. The premium rates for 1987-88, as compared with 1986-87, entailed no rate increase except for the group medical contract which reflected a 20 percent rate increase plus three (3) plan design changes. Coverage rates and plan design changes for 1987-88 are set forth on Page 18.

a. Group Medical Insurance

	<u>Monthly Rates</u>	
	<u>Plan A</u>	<u>Plan B</u>
Employee	\$ 65.10	\$ 35.78
Employee/Spouse	157.01	112.02
Employee/Child(ren)	117.97	84.41
Employee/Family	195.11	118.81

b. Group Dental Insurance

	<u>Monthly Rate</u>
Employee	\$ 9.28
Employee/Spouse	16.98
Employee/Child(ren)	22.70
Employee/Family	28.36

c. The plan design changes included in the rates for the employee group medical contract as cost containment measures are as follows:

(1) Add a voluntary mail-order drug program

This plan design change offers employees the option of purchasing maintenance-type prescriptions through the mail at considerable out-of-pocket savings and resultant savings to the group plan. In addition to volume discounts, deductibles would be waived as an incentive to encourage use of the program. For illness or injury requiring immediate availability of prescription drugs, the employee would use existing provisions of the plan for local purchase.

(2) Apply deductible (\$200 for Plan A and \$500 for Plan B) to all covered expenses except for pre-admission testing, second opinions, and voluntary mail-order drug purchases

The existing plan waives the deductible for hospital expenses and for charges for surgical facilities associated with an outpatient surgical procedure. The deductible exceptions are included to encourage consideration of options designed to further contain plan costs.

(3) Increase the co-insurance limits by \$300 (Plan A from \$500 to \$800 and Plan B from \$1,000 to \$1,300)

Once an employee satisfies the deductible and has paid out-of-pocket expenses equal to the co-insurance limit, the plan pays 100%, as opposed to 80% after deductible, of all covered expenses. Co-insurance limits have not been adjusted for seven years and have, therefore, been eroded by inflation.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 19 - 29).--Committee Chairman Baldwin 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. Arlington - Advanced Robotics Research Institute: Approval to Redesignate as the Automation and Robotics Research Institute (ARRI).--The Board, upon recommendation of the Academic Affairs Committee, redesignated the Advanced Robotics Research Institute at The University of Texas at Arlington as the Automation and Robotics Research Institute (ARRI) to more accurately describe the activity in which the Institute is engaged.  
  
This name change is supported by the donors and representatives of the Fort Worth Chamber Foundation, Inc.
2. U. T. Arlington: Appointment of Dr. W. Marcus Dunn as Initial Holder of the Accounting Alumni Professorship Effective Immediately.--The Academic Affairs Committee recommended and the Board approved the appointment of Dr. W. Marcus Dunn, Professor of Accounting and Chairman of the Department of Accounting, as initial holder of the Accounting Alumni Professorship at The University of Texas at Arlington effective immediately.
3. U. T. Arlington: Appointment of Dr. V. Lakshmikantham as Ashbel Smith Professor Effective September 1, 1987.--Approval was given to appoint Dr. V. Lakshmikantham, Professor of Mathematics, as an Ashbel Smith Professor at The University of Texas at Arlington effective September 1, 1987.
4. U. T. Austin: Permission for Dr. Philip C. Bobbitt to Serve as Legal Counsel to the U. S. Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Dr. Philip C. Bobbitt, Professor of Law at The University of Texas at Austin, to serve as Legal Counsel to the U. S. Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

Dr. Bobbitt's appointment by the Committee's Chief Counsel, Arthur Liman, is of benefit to the State of Texas, creates no conflict with his position at U. T. Austin and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

5. U. T. Austin: Appointments to Endowed Academic Positions in the (a) College of Business Administration and the Graduate School of Business, (b) College of Communication, (c) College of Education, (d) College of Engineering, (e) College of Fine Arts, (f) College of Liberal Arts, (g) College of Natural Sciences, (h) School of Social Work and (i) Institute of Latin American Studies Effective September 1, 1987.--The Board approved the following appointments to endowed academic positions at The University of Texas at Austin effective September 1, 1987, with the understanding that the professors would vacate any currently held endowed positions on the effective date of the new appointments unless otherwise indicated:

a. College of Business Administration and the Graduate School of Business

Dr. Mark I. Alpert, Professor of Marketing Administration and La Quinta Motor Inns, Inc. Centennial Professor in Business, to the Foley's-Federated Professorship in Retailing

See related item on Page 60 .

b. College of Communication

- (1) Dr. Edward W. Cundiff, Charles H. Kellstadt Professor of Marketing, Emory University, as initial holder of the John A. Beck Centennial Professorship in Communication

Dr. Cundiff's appointment as Professor and Chairman of the Department of Advertising will be effective July 1, 1987.

- (2) Dr. Emile G. McAnany, Professor and Joe W. Neal Centennial Fellow in International Communication, as initial holder of the Amon G. Carter Centennial Professorship in Communication
- (3) Dr. Horace M. Newcomb, Professor, Department of Radio-Television-Film, as initial holder of the Amon G. Carter, Jr. Centennial Professorship in Communication

c. College of Education

- (1) Dr. Nolan Estes, Professor of Educational Administration and Program Coordinator of the Cooperative Superintendency Program, as initial holder of the L. D. Haske Centennial Professorship in Public School Administration
- (2) Dr. John E. Roueche, Professor of Educational Administration and Director of the Community College Leadership Program, as initial holder of the Sid W. Richardson Regents Chair in Community College Leadership
- (3) Dr. Ben M. Harris, Professor, Department of Educational Administration, as initial holder of the M. K. Hage Centennial Professorship in Education

d. College of Engineering

- (1) Dr. J. Tinsley Oden, Carol and Henry Groppe Professor in Chemical Engineering, to the Ernest and Virginia Cockrell Chair in Engineering
- (2) Dr. Ernest T. Smerdon, Bess Harris Jones Centennial Professor in Natural Resource Policy Studies, to the Janet S. Cockrell Centennial Chair in Engineering
- (3) Dr. Willis A. Adcock, Senior Lecturer, Department of Electrical and Computer Engineering, as initial holder of the Third Cockrell Family Regents Chair in Engineering
- (4) Dr. Graham F. Carey, Professor, Department of Aerospace Engineering and Engineering Mechanics, as initial holder of the Engineering Foundation Endowed Professorship No. 1
- (5) Dr. Larry W. Mays, Professor, Department of Civil Engineering, as initial holder of the Engineering Foundation Endowed Professorship No. 2
- (6) Dr. C. Michael Walton, Professor, Department of Civil Engineering, as initial holder of the Josey Centennial Professorship in Energy Resources
- (7) Dr. Steven I. Marcus, Professor, Department of Electrical and Computer Engineering, to the L. B. (Preach) Meaders Professorship in Engineering
- (8) Dr. Richard W. Miksad, Hussein M. Alharthy Centennial Professor in Civil Engineering, as initial holder of the Gerard A. Rohlich Regents Professorship in Civil Engineering

e. College of Fine Arts

- (1) Dr. Terence Grieder, E. W. Doty Professor in Fine Arts, as initial holder of the David Bruton, Jr. Centennial Professorship in Art History
- (2) Dr. William C. Race, Professor, Department of Music, as initial holder of the Priscilla Pond Flawn Regents Professorship in Organ or Piano Performance
- (3) Dr. Coleman A. Jennings, Chairman and Professor, Department of Drama, as initial holder of the Jesse H. Jones Regents Professorship in Fine Arts
- (4) Dr. Oscar G. Brockett, Leslie Waggener Professor, as initial holder of the Virginia L. Murchison Regents Professorship in Fine Arts
- (5) Mr. Robert L. Levers, Jr., Professor, Department of Art, to the Leslie Waggener Professorship

f. College of Liberal Arts

- (1) Dr. Robert D. King, Dean, College of Liberal Arts and holder of the Audre and Bernard Rapoport Regents Chair of Liberal Arts, as initial holder of the David Bruton, Jr. Regents Chair in Liberal Arts

Dean King will retain his appointment to the Audre and Bernard Rapoport Regents Chair of Liberal Arts, a chair related to his academic discipline, simultaneous with holding the David Bruton, Jr. Regents Chair in Liberal Arts, a chair intended to be held by the Dean of the College of Liberal Arts.

- (2) Dr. Charles F. Cnudde, Professor and Chairman, Department of Government, to the Frank C. Erwin, Jr. Centennial Professorship in Government

Secretary's Note: Subsequent to this action, Dr. Cnudde announced his resignation from U. T. Austin to accept a deanship at Florida State University. He will not assume this endowed academic position.

- (3) Dr. Thomas K. Seung, Professor, Department of Philosophy, as initial holder of the Jesse H. Jones Regents Professorship in Liberal Arts

g. College of Natural Sciences

- (1) Dr. R. Edward Nather, Professor, Department of Astronomy, as initial holder of the Rex G. Baker, Jr. and McDonald Observatory Centennial Research Professorship in Astronomy

- (2) Dr. John McCarthy, Professor of Computer Science and Charles M. Pigott Professor at Stanford University, to the Admiral B. R. Inman Centennial Chair in Computing Theory for the Fall Semester 1987 only

Dr. McCarthy will become a Visiting Professor in the Department of Computer Sciences effective September 1, 1987, for the Fall Semester 1987 only.

- (3) Dr. Woodrow W. Bledsoe, Ashbel Smith Professor, Department of Computer Sciences and Mathematics, to the Peter O'Donnell, Jr. Centennial Chair in Computing Systems
- (4) Dr. Marye Anne Fox, Professor, Department of Chemistry, as initial holder of the Rowland Pettit Centennial Professorship in Chemistry

- (5) Dr. Karen K. Uhlenbeck, Professor of Mathematics, University of Chicago, to the Fourth Sid W. Richardson Foundation Regents Chair in Mathematics for the 1987-88 academic year only

Dr. Uhlenbeck's appointment as a Visiting Professor in the Department of Mathematics will be effective September 1, 1987 for the 1987-88 academic year only.

h. School of Social Work

- (1) Dr. Clayton T. Shorkey, Professor, School of Social Work, as initial holder of the Cullen Trust Centennial Professorship in Alcohol Studies and Education
- (2) Dr. Guy Eugene Shuttlesworth, Professor, School of Social Work, as initial holder of the Meadows Foundation Centennial Professorship in the Quality of Life in the Rural Environment
- (3) Dr. Laura B. Wilson, Professor and Chairman, Department of Gerontology and Geriatric Services at the U. T. Health Science Center - Dallas, reappointed to the Louis and Ann Wolens Centennial Chair in Gerontology for the 1987-88 academic year only

i. Institute of Latin American Studies for the Fall Semester 1987 only

- (1) Professor Alfredo Bryce Echenique to the Edward Larocque Tinker Chair in Latin American Studies

It was noted that Professor Echenique will be a Visiting Professor in the Department of Spanish and Portuguese at U. T. Austin during this period.

- (2) Dr. Luis Millones Santa Gadea to the Edward Larocque Tinker Chair in Latin American Studies

Dr. Millones will be a Visiting Professor in the Department of Anthropology at U. T. Austin for the Fall Semester 1987.

6. U. T. Austin: Approval to Increase the Compulsory Student Services Fees Effective with the Fall Semester 1987 (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board approved an increase in the compulsory Student Services Fee at The University of Texas at Austin for the operation of the Student Health Center from \$35.20 to \$37.00 per student per semester. Further, the compulsory credit hour Student Services Fee was increased from \$4.09 to \$4.29 per semester credit hour for a maximum charge of \$51.48 per student per semester for a student taking twelve credit hours of course work. The resulting maximum Student Services Fee for a student taking twelve semester credit hours would therefor increase from \$84.28 to \$88.48 per semester.

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

7. U. T. Austin: Approval to Name (a) Room 2.214 in the New Chemical and Petroleum Engineering Building in the College of Engineering as the Charles Raymond and Clinton Edward Burklin Classroom and (b) Room 3.124 in Townes Hall in the School of Law as the Sam Neathery Room (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).-- Approval was given to name the following rooms at The University of Texas at Austin in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings:

- a. Room 2.214 in the new Chemical and Petroleum Engineering Building in the College of Engineering as the Charles Raymond and Clinton Edward Burklin Classroom

The naming of this room is to recognize a gift from Mr. C. Raymond Burklin, Houston, Texas, and the Halliburton Foundation, Inc., for the College of Engineering endowment program for the new Chemical and Petroleum Engineering Building.

See related item on Page 59.

- b. Room 3.124 in Townes Hall in the School of Law as the Sam Neathery Room

This room name is in recognition of a bequest to The University of Texas Law School Foundation from the late Mrs. Elizabeth Neathery Smith in memory of her father, Sam Neathery.

See related item on Page 61.

8. U. T. Dallas: Report for the Record Regarding Attainment of Private Funding Goal for the School of Engineering and Computer Science.--In February 1984, the U. T. Board of Regents established Electrical Engineering and Computer Science degree programs at The University of Texas at Dallas and established a School of Engineering and Computer Science subject to approval by the Coordinating Board, Texas College and University System. In October 1985, the Coordinating Board approved establishment of the degree programs but deferred action on establishment of the proposed School with the understanding that it would be approved when the following conditions were met:

- a. Financing for the School shall have been provided as follows:

(1) Commitments from financially responsible private sources	\$24.0 million
(2) Permanent University Fund bond proceeds	17.5 million
(3) U. T. Dallas endowment funds	<u>11.0 million</u>
Total	<u>\$52.5 million</u>

- b. A contract for the construction of a building to house the proposed School shall have been let.
- c. A minimum of 700 students shall be enrolled in the degree programs to be included in the School.

It was reported that as of May 12, 1987, the U. T. Dallas campaign for private fund resourcing to support the School of Engineering and Computer Science had exceeded its 1991 goal with gifts and firm pledges now totaling \$24,542,701. Some proposals to both local and national foundations are outstanding, thus, the institution is optimistic that this amount will increase.

The School designation was formerly approved by the Coordinating Board on October 31, 1986, based on meeting all the conditions except for the private resourcing and a guarantee from the U. T. Board of Regents to use other institutional gift funds for any shortage in the fund campaign. With the meeting of this fund campaign goal, all conditions set by the Coordinating Board have been met without the need to exercise that guarantee.

On behalf of the Board, Committee Chairman Baldwin congratulated President Rutford and his staff for their efforts and expressed appreciation to all donors who made this project possible.

- 9. U. T. El Paso: Appointment of Dr. Anthony F. Herbst as Initial Holder of the Charles R. and Dorothy S. Carter Chair in Business Administration in the College of Business Administration Effective July 1, 1987.--Approval was given to appoint Dr. Anthony F. Herbst, Professor of Finance at the Roy E. Crummer Graduate School of Business at Rollins College, Winter Park, Florida, as initial holder of the Charles R. and Dorothy S. Carter Chair in Business Administration in the College of Business Administration at The University of Texas at El Paso effective July 1, 1987.
- 10. U. T. El Paso: Appointment of Dr. Juan Herrera as a Mr. and Mrs. MacIntosh Murchison Fellow in Engineering (Mr. and Mrs. MacIntosh Murchison Chairs in Engineering) in the College of Engineering Effective September 1, 1987 for the 1987-88 Academic Year Only.--The Academic Affairs Committee recommended and the Board appointed Dr. Juan Herrera, Associate Professor of Mechanical and Industrial Engineering at The University of Texas at El Paso, as a Mr. and Mrs. MacIntosh Murchison Fellow in the College of Engineering effective September 1, 1987, for the 1987-88 academic year only.

This appointment, as with four appointed at the April 1987 U. T. Board of Regents' meeting, is to be funded from the earnings from the four Mr. and Mrs. MacIntosh Murchison Chairs in Engineering. Under terms of the endowments, funds may be used to award fellowships in Engineering to qualified faculty for periods up to one year when vacancies exist in the endowed chairs. All four chairs are currently vacant.

11. U. T. El Paso: Approval of Memoranda of Agreement with (a) The Institute of Technology and Higher Education of Monterrey and (b) The Technical Institute of Chihuahua, Mexico, and Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreements.--The Board, upon recommendation of the Academic Affairs Committee, approved a memorandum of agreement set out on Pages 26 - 27 by and between The University of Texas at El Paso and the following Mexican facilities:

- a. The Institute of Technology and Higher Education of Monterrey, Mexico
- b. The Technical Institute of Chihuahua, Mexico.

Further, the Executive Vice Chancellor for Academic Affairs was authorized to execute, on behalf of the U. T. Board of Regents, this or a substantially equivalent agreement after its execution by the facility representative and by the President of U. T. El Paso with the understanding that any and all specific agreements arising from these general agreements are to be submitted for prior administrative review and subsequent approval as required by the Regents' Rules and Regulations.

#### MEMORANDUM OF AGREEMENT

The Board of Regents of The University of Texas System on behalf of The University of Texas at El Paso, a component institution of The University of Texas System, an agency of the State of Texas, United States of America, and El Instituto Tecnológico y de Estudios Superiores de Monterrey enter into the following agreement on the date of execution of this MEMORANDUM OF AGREEMENT, as indicated below:

WHEREAS the two educational institutions are culturally and geographically linked and both institutions are concerned with scientific, and technical research, and

WHEREAS the academic resources of these institutions represent opportunities for cooperative and complementary exchange in a spirit of international cooperation,

IT IS MUTUALLY AGREED AS FOLLOWS:

#### Section 1. Goals

It is to the mutual benefit of each institution that an effort toward the realization of these opportunities be initiated, and therefore that the following general goals be established:

- (a) cooperation in fields of mutual interest which include, but are not limited to the physical and biological sciences, engineering, and administration;
- (b) exchange of faculty and researchers for defined periods of time;
- (c) team teaching of seminars, professional development or teaching methods courses, and specialized technical training courses;

- (d) exchange of faculty, administrators, and students;
- (e) sharing of cultural and social experiences;
- (f) exchange of pedagogical equipment and materials;
- (g) reciprocal awarding of scholarships;
- (h) exchange of statistical, technical, and educational data;
- (i) cooperation in research related to problems common to both institutions and the border; and
- (j) other programs that would be mutually beneficial.

Section 2. Planning

Both institutions agree:

- (a) to assign to an administrative entity of each respective University the responsibility for the biennial renewal of this agreement or the negotiation of changes or additional agreements on the development of projects in specific areas of mutual interest, as appropriate and feasible; and
- (b) to plan ways to make available, to the extent possible, resources of the respective institutions for projects under the specific terms of future agreements.

Section 3. Future Agreements

- (a) Future agreements concerning any program agreed to by the two parties shall provide details concerning the specific commitments being made by each party and shall not become effective until they have been put in writing and executed by the duly authorized representatives of the two parties, and approved in writing by the Office of the Chancellor of The University of Texas System.
- (b) Such agreements may be cancelled by either party by giving written notice to the other of its intention to terminate the program.

EXECUTION

Executed on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, in duplicate originals.

ATTEST:

El Instituto Tecnológico y de Estudios Superiores de Monterrey

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

The Board of Regents of The University of Texas System on behalf of The University of Texas at El Paso

Recommend for Approval:

\_\_\_\_\_  
Haskell Monroe  
President

FORM APPROVED:

CONTENT APPROVED:

\_\_\_\_\_  
Office of General Counsel  
The University of Texas  
System

\_\_\_\_\_  
James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs

12. U. T. San Antonio: Establishment of the College of Fine Arts and Humanities Advisory Council and Approval of Initial Nominees Thereto (Regents' Rules and Regulations, Part One, Chapter VII, Section 3).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, authorization was given to establish the College of Fine Arts and Humanities Advisory Council at The University of Texas at San Antonio, and initial nominees thereto were approved.

The names of the nominees will be reported for the record after they have been contacted and acceptances have been received.

13. U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio, U. T. Tyler, and U. T. Institute of Texan Cultures - San Antonio: Nominees to Development Boards and Advisory Councils Effective September 1, 1987.--Approval was given to nominees for membership on the following development boards and advisory councils of the general academic institutions of The University of Texas System to be effective September 1, 1987.

The names of those accepting membership will be reported for the record at a subsequent meeting of the U. T. Board of Regents.

a. The University of Texas at Arlington

Development Board  
Graduate School of Social Work Advisory Council  
School of Architecture and Environmental Design  
Advisory Council  
College of Business Administration Advisory Council  
College of Engineering Advisory Council  
School of Nursing Advisory Council

b. The University of Texas at Austin

Development Board  
School of Architecture Foundation Advisory Council  
College of Business Administration Foundation  
Advisory Council  
College of Communication Foundation Advisory Council  
College of Education Foundation Advisory Council  
College of Engineering Foundation Advisory Council  
College of Fine Arts Foundation Advisory Council  
Geology Foundation Advisory Council  
Graduate School Foundation Advisory Council  
Graduate School of Library and Information Science  
Foundation Advisory Council  
College of Liberal Arts Foundation Advisory Council  
College of Natural Sciences Foundation Advisory  
Council  
Pharmaceutical Foundation Advisory Council  
School of Social Work Foundation Advisory Council  
Marine Science Institute Advisory Council  
McDonald Observatory and Department of Astronomy  
Board of Visitors  
School of Nursing Advisory Council  
Texas Union Advisory Council

- c. The University of Texas at Dallas  
Development Board  
Advisory Council for the School of Management  
Advisory Council for the Callier Center for  
Communication Disorders  
Advisory Council for the School of General Studies  
Advisory Council for the School of Arts and Humanities  
Advisory Council for the School of Social Sciences
- d. The University of Texas at El Paso  
Development Board  
College of Engineering Industrial Advisory Council
- e. The University of Texas of the Permian Basin  
Development Board
- f. The University of Texas at San Antonio  
Development Board  
College of Business Advisory Council
- g. The University of Texas at Tyler  
Development Board
- h. The University of Texas Institute of Texan Cultures at  
San Antonio  
Development Board

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 30 - 45).--Committee Vice-Chairman Yzaguirre reported that the Health Affairs Committee had met in open session to consider those items 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. Health Science Center - Dallas: Appointment of Paul R. Bergstresser, M.D., to the J. B. Shel mire Professorship in Dermatology Effective Immediately.--The Board appointed Paul R. Bergstresser, M.D., Chairman of the Department of Dermatology, to the J. B. Shel mire Professorship in Dermatology at The University of Texas Health Science Center at Dallas effective immediately.
  
2. U. T. Medical Branch - Galveston: Recommendation to Approve and Authorize Execution of Letter of Understanding; Accept the Hospital House and Land; Authorize Negotiation of a Management Contract for Operation of the Facility; Accept and Acknowledge a Gift Establishing the UTMB Hospital House Endowment; and Acknowledge the Establishment of an External Endowment and Accept the Income from that External Endowment (Withdrawn).--The item related to the proposed acceptance of the Hospital House facility and land for The University of Texas Medical Branch at Galveston was withdrawn for consideration at a later date.
  
3. U. T. Medical Branch - Galveston (U. T. Nursing School - Galveston): Authorization for an Administrative Reorganization and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--Approval was given to reorganize the administrative structure of the U. T. Nursing School - Galveston at The University of Texas Medical Branch at Galveston as set forth on Page 31 and to submit the proposal to the Coordinating Board, Texas College and University System for appropriate action.

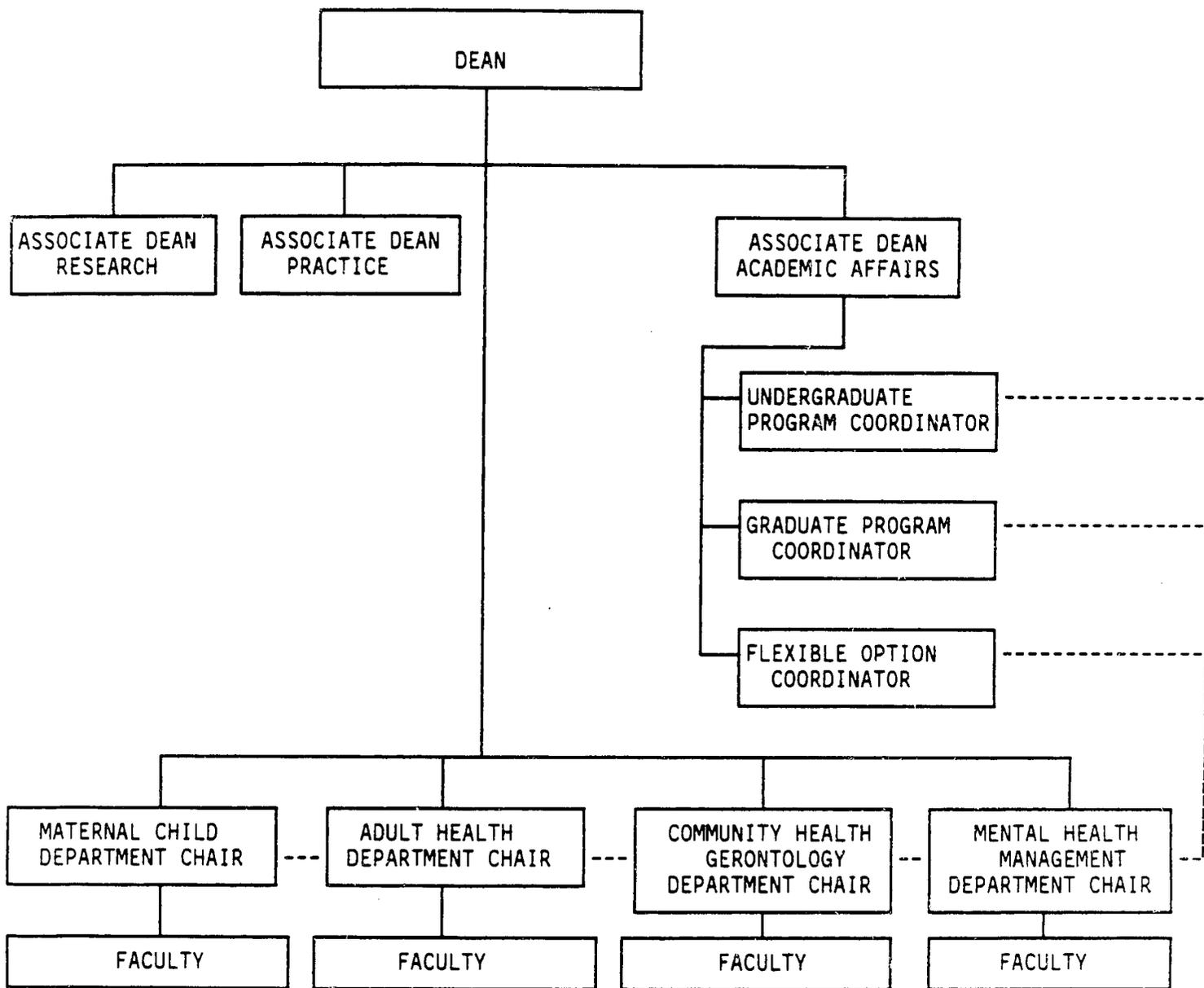
This administrative reorganization will eliminate the current divisions of undergraduate and graduate faculty as direct administrative units. Instead, all faculty including administrators will join the most appropriate department according to their interests and specialization. The departments will be maternal-child, adult health, community health/gerontology, and mental health/management. The focus of each department is in line with the emphasis of the U. T. Medical Branch - Galveston strategic plan. The average size of each department will be 10 to 13 faculty with a designated department chair. In keeping with the principle of decreasing the layers of authority between the faculty and dean, the departmental chairs will report directly to the dean.

This change will not require additional space, equipment, or personnel over the next five years.

Upon Coordinating Board approval, the next appropriate catalog published at the U. T. Nursing School - Galveston will be amended to indicate this reorganization.

THE UNIVERSITY OF TEXAS SCHOOL OF NURSING  
AT GALVESTON

STRUCTURE



----- Indicates program function coordination

4. U. T. Health Science Center - Houston: Approval of Affiliation Agreement with the Harris County Hospital District, Houston, Texas.--Approval was given to the affiliation agreement set out on Pages 32 - 37 by and between The University of Texas Health Science Center at Houston and the Harris County Hospital District, Houston, Texas.

This agreement, executed by the appropriate officials of the institution and facility to be effective upon approval by the U. T. Board of Regents, will provide educational experiences for the U. T. Nursing School - Houston undergraduate and graduate students in facilities of the Harris County Hospital District.

HEALTH CARE  
EDUCATIONAL EXPERIENCE PROGRAM  
AFFILIATION AGREEMENT

THIS AGREEMENT made the 28th day of May, 1987, by and between The University of Texas Health Science Center at Houston ("University"), a component institution of The University of Texas System, ("System"), and the Harris County Hospital District ("District" or "Facility"), a duly constituted hospital district of the State of Texas having its principal office at Houston, Harris County, State of Texas.

WITNESSETH:

WHEREAS, Facility now operates health care facilities located in the City of Houston and in Harris County, State of Texas, and therein provides health care services for persons in need of such services; and University provides an academic program with respect to nursing; and,

WHEREAS, University periodically desires to provide nursing related educational experiences for its students, which are not otherwise available to them under the existing program of University, by utilization of appropriate facilities and personnel of Facility; and,

WHEREAS, Facility is committed to a goal of providing the best obtainable supply of personnel educated in the field of nursing as being in the best interest of Facility, and believes that achievement of such goal can best be accomplished by affording nursing students the opportunity to participate in meaningful educational experiences as part of an academic nursing program, through utilization of appropriate facilities and personnel of Facility; and,

WHEREAS, in order to accomplish such objectives, University and Facility intend to establish and implement from time to time, one or more educational experience programs which will involve the students and personnel of University, and the facilities and personnel of Facility;

NOW, THEREFORE, in consideration of the premises and of the benefits derived and to be derived therefrom and from the program or programs established and implemented by said parties, University and Facility agree that any program agreed to by and between Facility and University, during the term of this Agreement, for purposes of achieving the above described objectives of said parties (hereinafter called "Educational Experience Program," or "Program"), shall be covered by and subject to the following terms and conditions:

1. The Program shall not become effective until all agreements between the parties with respect to Program have been reduced to writing ("Program Agreement"), executed by the duly authorized representatives of Facility and University, and approved in writing by the Office of the Chancellor of The University of Texas System.

2. The Program may be cancelled by either party by giving such written notice to the other of its intention to terminate the Program as provided in the Program Agreement; provided, however, that the Program shall automatically terminate upon termination of this Agreement.

3. In the event of conflict between the text of Program Agreement and the text of this Agreement, this Agreement shall govern.

4. After Program Agreement becomes effective, no amendments thereto shall be valid unless in writing and executed by the duly authorized representatives of Facility and University, and approved by the Office of the Chancellor of The University of Texas System.

5. Except for certain acts to be performed by University pursuant to express provisions of this Agreement, Facility hereby agrees to furnish the premises, personnel, services, and all other things necessary for the Educational Experience Program, as specified in the Program Agreement, and, in connection with such Program, further agrees:

- (a) To comply with all Federal, State and Municipal laws, ordinances, rules and regulations applicable to performance by Facility of its obligations under this Agreement, and all applicable accreditation requirements, and to certify by letter such compliance to University or other entity when reasonably requested to do so by University.
  - (b) To permit the authority responsible for accreditation of University's curriculum to inspect such facilities, services and other things provided by Facility pursuant to this Agreement as are necessary for accreditation evaluation. Inspections stated in this provision are limited to the program itself and to conferring with the students involved in the specific program. Any inspection of District facilities, services, or other things provided pursuant to this Agreement shall be permitted only during regular business hours of the District and only if the District shall receive reasonable advance notice of such inspection. The University may make no use of the District's facilities provided in compliance with this Agreement for any purpose other than the training of University students.
  - (c) To appoint a person to serve for Facility as liaison (Liaison) to the faculty and students engaged in the Program; provided, however, that no person not having the prior written approval of University shall be appointed Liaison; and, in such connection, Facility shall furnish in writing to University (not later than thirty (30) days prior to the date the Liaison appointment is to become effective) the name and professional and academic credentials of the person proposed by Facility to be Liaison, and within ten days after receipt of same, University shall notify Facility of University's approval or disapproval of such person. In the event the Liaison becomes unacceptable to University after appointment, and University so notifies Facility in writing, Facility will appoint another person to serve as Liaison in accordance with the procedure stated in the first sentence of this sub-paragraph (c).
6. University hereby agrees:
- (a) To furnish Facility with names of the students assigned by University to participate in the program.

- (b) To assign for participation in the Program only those students (1) who have satisfactorily completed those portions of its curriculum which, according to Program Agreement, are prerequisite to such participation, all as determined by University in its sole discretion, and (2) who have entered into a written agreement with University and Facility that they will not publish any material relating to the Program, or their experience in participating therein, without the prior written approval of University and Facility.
- (c) To designate a member of the University faculty to coordinate with Facility through its Liaison the learning assignment to be assumed by each student participating in the Program, and to furnish to Facility in writing the name of such faculty member. Should the faculty member become unacceptable to Facility, University agrees to remove such person and appoint a new faculty member.
- (d) University agrees to provide the necessary personnel and the necessary clinical supervision of its students participating in the Program. University will appoint one or more qualified professionals who shall be responsible for the instruction and supervision of the Program students based in the District's facilities. The person(s) selected to function in this capacity shall be a member of University's faculty. No compensation will be paid by the District for services rendered by any Program student or University staff or faculty for work done in the Program nor shall any such student, staff or faculty member be considered an employee or agent of the District, or to be acting in any capacity on behalf of the District, during the times of the Program.
- (e) University shall submit to the District any and all proposals for research or demonstration projects in which the University will utilize District facilities. The University recognizes that it is the policy of the District that the District shall not be committed to participate in any grants, research or demonstration projects or similar activities, without having first had the plans for any such program approved by the District. In accordance with this policy, should the University desire to initiate any program which involves the District or any of its facilities or personnel, the University shall submit the plan and completed application to the District for approval. If the District does not approve same, the University shall not proceed with any such program involving the District.
- (f) All Program students furnished by the University shall comply with the District's administrative policies established for the operation of the District's facilities. The Director of the District's Nursing Program or her designate and the Chief Administrator of the District or his designate shall be responsible for the overall review of this Program in order to determine that any services provided by the Program students are properly performed.

7. All notices under this Agreement shall be provided to the party to be notified in writing, either by personal delivery or by United States mail. All notices under this Agreement shall be deemed given to a party when received by such party's designated representative. For the purpose of notice, the addresses of the parties shall be as follows until changed as herein provided:

DISTRICT: Harris County Hospital District  
Attention: Chief Administrator  
726 Gillette  
Houston, Texas 77019

With copies to:

Director of Nursing

UNIVERSITY: The Board of Regents of  
The University of Texas System  
201 West Seventh Street  
Austin, Texas 78701

With copies to:

The University of Texas  
Health Science Center at Houston  
Office of the President  
P. O. Box 20036  
Houston, Texas 77225

Office of General Counsel  
The University of Texas System  
201 West Seventh Street  
Austin, Texas 78701  
Attention: John L. Darrouzet, Attorney

The parties shall have the right to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other party.

8. All the agreements between the parties on the subject matter hereof have been reduced to writing herein. No amendments to this Agreement shall be valid unless in writing and signed by the duly authorized representatives of the parties, and approved by the Board of Regents of The University of Texas System.

9. No oral representations of any officer, agent, or employee of Facility or The University of Texas System, or any of its component institutions, (including, but not limited to University), either before or after the effective date of this Agreement, shall affect or modify any obligations of either party hereunder or under any Program Agreement. The University may establish such administrative policies as are necessary for the operation of the Program, provided such policies are not inconsistent with the administrative policies of the District.

10. University will continue as it has in the past to operate its programs of the highest quality in health care education and in other areas and all jurisdictional powers incident to separate ownership and operation, including the power to determine the general and fiscal policies of its educational programs and to appoint its administration, faculty and other personnel. The District shall retain over its facilities all jurisdictional powers incident to separate ownership and operation, including the powers to determine general and fiscal

policies relating to the operations of its facilities. The Board of Managers of the District shall retain final jurisdiction over the administration and supervision of its facilities, including all patient services and the types of activities occurring within any or all facilities of the District.

11. To the extent permitted by the Constitution and laws of the State of Texas, the University agrees to indemnify and hold harmless the District from and against any and all claims, demands, causes of action, liabilities, costs, damages, and expenses asserted or adjudged against or incurred by the District resulting from the breach by the University of any provision of this Agreement. By entering into this Agreement, it is recognized that the University is not waiving the sovereign or governmental immunity the Board of Regents of The University of Texas System, its agents or employees, have under state law.

12. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assignees; provided, however, that no assignment by either party shall be effective without prior written approval of the other party. A delay in or failure of performance of either party shall not constitute default hereunder, or give rise to any claim for damages, if and to the extent such delay or failure is caused by occurrences beyond the control of either party.

13. The University shall be required to have and maintain or make application for accreditation with the appropriate and applicable local, state and/or national accreditation organization or organizations and shall keep the District informed of all actions taken with respect to its accreditation standing. If the University is not accredited at the time of execution of this Agreement, and does not receive accreditation within two (2) years of implementation of this Agreement, or should the University for any reason lose any or all of its local, state or national accreditation(s), this Agreement will immediately become null and void and all personnel participating in this Program will be immediately removed by the University from the District's facilities.

14. This Agreement shall not become effective unless and until approved by the Board of Regents of The University of Texas System. If so approved, this Agreement shall become effective on the date of such approval, and shall continue in effect for an initial term ending one (1) year after the date and year of execution by Facility and University, and after such initial term, from year to year unless one party shall have given one hundred eighty (180) days' prior written notice to the other party of intention to terminate this Agreement. If such notice is given, this Agreement shall terminate: (a) at the end of the term of this Agreement during which the last day of such one hundred eighty (180) day notice period falls; or (b) when all students enrolled in the Program at the end of the term of this Agreement have completed their respective courses of study under the Program; whichever event last occurs.

Executed by University and Facility on the day and year first above written, in four originals, each of which shall be deemed as original.

IN WITNESS THEREOF this Agreement, in duplicate originals of equal force, has been executed on behalf of the parties hereto as follows, to-wit:

(a) It has on the 28th day of May, 1987, been executed on behalf of the Harris County Hospital District by the Chairman of the Board of Managers, pursuant to the order of the Board of Managers so authorizing; and

(b) It has on the 11th day of June, 1987, been executed on behalf of the Board of Regents of The University of Texas System by the Executive Vice Chancellor for Health Affairs pursuant to the order of the Board of Regents so authorizing.

HARRIS COUNTY HOSPITAL DISTRICT

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM ON  
BEHALF OF THE UNIVERSITY OF  
TEXAS HEALTH SCIENCE CENTER AT  
HOUSTON

By [Signature]  
Chairman, Board of Managers

By [Signature]  
Charles B. Mullins, M.D.  
Executive Vice Chancellor  
for Health Affairs

ATTEST:

[Signature]  
Assistant Secretary, Board of Managers

ATTEST:

[Signature]  
Arthur H. Dilly  
Executive Secretary  
Board of Regents

APPROVED AS TO CONTENT:

[Signature]  
~~District Director of Nursing~~  
Richard L. Bugsin  
Chief Administrator  
Harris County Hospital District

APPROVED AS TO CONTENT:

[Signature]  
Roger J. Bulger, M.D.  
President, The University of  
Texas Health Science Center  
at Houston

APPROVED AS TO FORM:

[Signature]  
Assistant County Attorney

APPROVED AS TO FORM:

[Signature]  
John L. Darrouzet, Attorney  
Office of General Counsel  
The University of Texas System

5. U. T. Health Science Center - Houston and U. T. Cancer Center: Approval of Amendments to Articles 2 and 15 of the Operating Agreement Among the Houston Academy of Medicine, Baylor College of Medicine, Texas Woman's University, and Texas Medical Center for Library Services of the Houston Academy of Medicine - Texas Medical Center Library.--Upon recommendation of the Health Affairs Committee, the Board approved amendments to Articles 2 and 15 of the Operating Agreement set out on Pages 38 - 42 by and among The University of Texas Health Science Center at Houston, The University of Texas System Cancer Center, the Houston Academy of Medicine, Baylor College of Medicine, Texas Woman's University, and Texas Medical Center for library services of the Houston Academy of Medicine - Texas Medical Center Library wherein (a) the Library's mission will be restated and (b) the fiscal year (used for rent calculation purposes) will change from April - March to January - December.

#### OPERATING AGREEMENT

THIS OPERATING AGREEMENT is executed by and among the Houston Academy of Medicine (hereinafter called "the Academy"), Baylor College of Medicine (hereinafter called "Baylor"), Texas Woman's University (hereinafter called "TWU"), The University of Texas institutions at Houston (hereinafter called "The University"), and Texas Medical Center (hereinafter called "the Center"), all of which entities are referred to collectively herein as the "Participating Institutions."

#### WITNESSETH:

WHEREAS, the Operations of a library in the Texas Medical Center (hereinafter called "the Library"), have been governed by the provisions of an Operating Agreement\* dated April 15, 1981 and an amendment thereto dated March 1, 1982 to which the Participating Institutions are parties;

WHEREAS, it has been determined that the Library should remain a joint endeavor and that the Participating Institutions should continue to have an interest and responsibility in the development and operation of the Library:

THEREFORE, in consideration of the premises hereinafter set forth, it is agreed that the governance of the Library shall be pursuant to the terms of this Operating Agreement, and the Operating Agreement dated April 15, 1981 and the amendment thereto dated March 1, 1982, are hereby completely revoked and superseded.

ARTICLE 1. The name of the Library shall be "The Houston Academy of Medicine - Texas Medical Center Library" (hereinafter referred to as "the Library.")

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\* Previous Operating Agreements: 1) October 18, 1949; 2) March 15, 1955; 3) February 24, 1958; 4) December 6, 1967; 5) December 2, 1970.

ARTICLE 2. The Library's mission is to support the activities and programs of its Participating Institutions as they relate to patient care, education, and research. The Library accomplishes its mission first, by collecting journals, books, and other library materials in clinical medicine and the health sciences; second, by organizing and disseminating information in all formats; and third, by providing instruction in the management of information using state-of-the-art technology. Through its cooperative programs the Library is an important resource for the state of Texas and for the entire nation.

ARTICLE 3. It being agreed by the parties hereto that the joint governance of the Library by the Participating Institutions will best serve the furtherance of the purpose for which it is organized, it is hereby agreed that the responsibility for the continued development of the Library shall be in accordance with the following provisions.

ARTICLE 4. A Library Board shall be constituted as the Library's governing board. Recognizing that the best interests of the Library will be served by having each Participating Institution represented on the governing board that oversees the continuing development of the Library, it is agreed that the Library Board shall be composed of two representatives from the Academy, three representatives from Baylor, three representatives from The University, one representative from TWU, and one representative from the Center.

ARTICLE 5. The Library Board shall have the following authority and responsibilities:

- a. The Library Board shall be the governing body of the Library.
- b. The Library Board shall appoint the Executive Director, and shall empower the Executive Director with such rights and responsibilities with respect to the operations of the Library as the Library Board deems appropriate. The Library Board will monitor and review the performance of the Library's management and the responsiveness and quality of the Library's operations; it shall assure that adequate financial controls are maintained; and it shall determine the compensation and benefits of the Library's Executive Director.
- c. The Library Board shall approve an annual budget for the Library.

ARTICLE 6. The title to that property of the Library which was owned by one of the Participating Institutions on December 2, 1970, shall remain the property of such Institution. The title to all property of the Library acquired after December 2, 1970, and all future acquisitions, shall be vested in the Participating Institutions in a proportionate way as is determined by the Library Board.

ARTICLE 7. The level of support by each institution for the general maintenance and operation of the Library shall be determined by the Library Board.

ARTICLE 8. Each Participating Institution recognizes a continuing financial responsibility for the maintenance, operation, and upkeep of the Library commensurate with its utilization thereof and benefit derived therefrom, both potential and actual. Accordingly, each Participating Institution agrees to cooperate fully with the Library Board and with each other in using its best efforts to solicit financial participation from other user institutions both within and without the Texas Medical Center, from the lay community, charitable foundations or trusts, and other appropriate sources. All donations made for the use, benefit, and purposes of the Library shall come under the control of the Library Board.

ARTICLE 9. The needs of the Participating Institutions and other supporting institutions shall serve as the primary basis for determining the scope of the operations of the Library and its expansion and growth.

ARTICLE 10. Each Participating Institution shall be fully responsible for its members, students, faculty, and employees in their relationships with the Library.

ARTICLE 11. The Board shall require a written Annual Report from the Executive Director.

ARTICLE 12. The Library Board has the authority to designate a legal agent and representative of the Library Board for the application for grants and for the receipt of grants, contracts, or gifts from federal government sources including, but not limited to, the National Institutes of Health, the National Library of Medicine, other agencies of the federal government, for both operating and capital funds.

ARTICLE 13. In the event a Participating Institution withdraws from this agreement, it shall be entitled to any property to which it has title in accordance with Article 6 and a settlement, if any, will be determined in negotiations between the Library Board and the withdrawing institution.

ARTICLE 14. Notwithstanding anything contained in this agreement to the contrary, for so long as is required under Part B of Title VII of the Public Health Service Act for Construction of Teaching Facilities for Medical, Dental and other Health Personnel, 42 U.S.C.A. § 293 et. seq. (1971) and Title 42 C.F.R. Part 57, Subpart B, Grants for Construction of Teaching Facilities for Health Professions Personnel, with respect to securing federal funding for renovation of, and construction of a library addition to, the Jesse H. Jones Library Building, it is agreed that at all times Baylor and The University shall have together a majority in interest on the Board.

ARTICLE 15. The annual payment from the Library to the Houston Academy of Medicine for the Library's exclusive use of library space in the Jesse H. Jones Library Building, located at 1133 M.D. Anderson Boulevard, Houston, Texas 77030 will be divided into two amounts as follows:

- 1) An amount equal to the Library's total rentable square feet multiplied by \$7.26. The rate of \$7.26 per square foot shall be adjusted annually (either up or down, according to appropriate audit figures) effective September 1, 1983, by a percentage amount equal to the change in actual operating costs for the entire building over the two preceding calendar years. For example, the 1983/84 rate per square foot will be set effective September 1983 by the percent change in operating costs between the years January - December 1981 and January - December 1982.
- 2) An amount equal to \$1.00 per square foot per year will be placed into a restricted building reserve fund to be set aside in a separate designated account for building additions or replacements of a capital nature. All investment income from the fund shall accrue to the fund. Moneys shall be removed from this account as described in the section "Operation of the Restricted Reserve Fund" in the report "Proposed Rate Structure for the Jesse Jones Library Building" dated August 10, 1981, and revised November 2, 1981. The Library will be billed annually at the end of each fiscal year (August 31) for the amount needed to bring the Restricted Capital Improvement fund to its maximum of \$100,000.

There will be a ceiling of \$100,000 placed on the restricted building reserve fund. Upon reaching this ceiling, all payments as described in number two (2) above will cease. Such payments shall not be paid in the future until the amount of the fund drops below the ceiling. This ceiling shall increase by \$50,000 each time the consumer price index increases by the equivalent of 50% over the published rate at January 1, 1982. Within 90 days after year end, there will be a complete accounting to the Library of all moneys added to and disbursed from the restricted reserve fund.

ARTICLE 16. Amendments to this Operating Agreement shall be adopted by the Library Board subject to ratification by the chief executive officer or other appropriate representative from each Participating Institution.

ARTICLE 17. This Operating Agreement is a fully integrated agreement, and no parol agreement of any kind shall modify, expand, or in any way affect the terms hereof.

EXECUTED in multiple originals this 11th day of February 1987.

Baylor College of Medicine

Attest:

Joseph M. Wood

Bobby R. Apsel MD Jr  
President Baylor

Houston Academy of Medicine

Attest:

[Signature]

Jack [Signature]  
President, Board of Trustees

Texas Medical Center

Attest:

Richard [Signature]

[Signature]  
President

Texas Woman's University

Attest:

Ann [Signature]

[Signature]  
President

The University of Texas

Attest:

Mary E. Bulmann

[Signature]  
President, University of Texas  
Health Science Center at Houston

Attest:

[Signature]

Charles A. Mastromid  
President, University of Texas  
System Cancer Center

6. U. T. Health Science Center - San Antonio: Status Report on Selection of 50 Acre Site in the Texas Research Park for Construction of Research Facility.--It was reported that the administrative officers of the U. T. Health Science Center - San Antonio have selected a site of 50 acres within the Texas Research Park (which is located in Bexar and Medina Counties) to be the location for the construction of the initial research facility for The University of Texas Health Science Center at San Antonio.

In accordance with the Letter of Understanding dated October 10, 1984, as amended on April 11, 1986, U. T. System Administration, on behalf of the U. T. Health Science Center - San Antonio, plans to formally notify the Texas Research and Technology Foundation of the site selection and of the election to have the Foundation construct and deliver to the U. T. System a completed research facility located on the site tract, complete with equipment, having a total value of at least \$10 million.

The Office of General Counsel, in cooperation with the Office of Facilities Planning and Construction, the administrative staff of the U. T. Health Science Center - San Antonio and counsel for the Foundation, will develop a letter of agreement providing for the U. T. System's approval of the plans and specifications for the construction of the facility, oversight of the construction process, and the conditions of acceptance of donation of the completed facility by the U. T. Board of Regents from the Texas Research and Technology Foundation.

7. U. T. Health Science Center - San Antonio (U. T. Dental School - San Antonio): Authorization to Establish a Master of Science Degree in Endodontics and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--Authorization was given to establish a Master of Science Degree in Endodontics at the U. T. Dental School - San Antonio of The University of Texas Health Science Center at San Antonio and to submit the proposal to the Coordinating Board, Texas College and University System for approval.

A program in endodontics has been in existence as a post-doctoral certificate program since the Coordinating Board approved the program in July 1981. The masters degree will provide students the option of conducting research and completing a thesis to meet requirements for a Master of Science degree or the option of receiving a certificate for completed coursework in endodontics.

This program will not require additional space, equipment, or personnel. The basic science and clinical faculty will not increase since students enrolled in the degree program will take the same courses as certificate students.

It was ordered that the next appropriate catalog published at the U. T. Health Science Center - San Antonio be amended to reflect this action.

8. U. T. Health Science Center - San Antonio (U. T. Allied Health Sciences School - San Antonio): Authorization to Change the Name of the Allied Health Programs to Departments and to Submit the Change to the Coordinating Board for Approval (Catalog Change).--Authorization was given to change the name of the allied health programs to departments at the U. T. Allied Health Sciences School - San Antonio of The University of Texas Health Science Center at San Antonio and to submit the change to the Coordinating Board, Texas College and University System as an administrative change. The following list reflects the redesignation from programs to departments:

<u>Programs</u>	<u>Departments</u>
Dental Assisting Education	Department of Dental Assisting
Dental Hygiene Education	Department of Dental Hygiene
Dental Laboratory Technology Education	Department of Dental Laboratory Technology
Medical Technology Education	Department of Medical Technology
Occupational Therapy Education	Department of Occupational Therapy
Physical Therapy Education	Department of Physical Therapy
Emergency Medicine Services	Department of Emergency Medicine Services

No increase in space, faculty, or other resources will be required as a result of this redesignation.

Upon approval of the Coordinating Board, the next catalog published at the U. T. Health Science Center - San Antonio will be amended to conform to this action.

9. U. T. Health Science Center - Dallas, U. T. Medical Branch - Galveston, U. T. Health Science Center - Houston, U. T. Health Science Center - San Antonio, U. T. Cancer Center and U. T. Health Center - Tyler: Nominees to Development Boards and Advisory Councils Effective September 1, 1987.--Approval was given to nominees for membership on the following development boards and advisory councils of the health-related institutions of The University of Texas System to be effective September 1, 1987:

The names of those accepting membership will be reported for the record at a subsequent meeting of the U. T. Board of Regents.

- a. The University of Texas Health Science Center at Dallas  
Development Board
- b. The University of Texas Medical Branch at Galveston  
Development Board  
School of Allied Health Sciences Advisory Council  
School of Nursing Advisory Council
- c. The University of Texas Health Science Center at Houston  
Development Board  
Speech and Hearing Institute Advisory Council

d. The University of Texas Health Science Center  
at San Antonio

Development Board  
Medical School Advisory Council  
Nursing School Advisory Council

e. The University of Texas System Cancer Center

University Cancer Foundation Board of Visitors

f. The University of Texas Health Center at Tyler

Development Board

REPORT AND RECOMMENDATIONS OF THE BUILDINGS AND GROUNDS COMMITTEE (Pages 46 - 54).--Committee Vice-Chairman Ratliff reported that the Buildings and Grounds Committee had met in open session to consider those items on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Buildings and Grounds Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Arlington: Authorization to Purchase 1.704 Acres (Key's Apartments) Out of the O. Medlin Survey, Abstract No. 1043, City of Arlington, Tarrant County, Texas; Authorization for Issuance of Revenue Bonds; and Appropriation Therefor.--Upon recommendation of the Finance and Audit, Academic Affairs and Buildings and Grounds Committees, the Board:
  - a. Authorized the purchase of 1.704 acres of land and improvements (Key's Apartments) out of the O. Medlin Survey, Abstract No. 1043, City of Arlington, Tarrant County, Texas, at a cost of \$1,700,000 for The University of Texas at Arlington
  - b. Authorized the issuance of \$1,150,000 of Revenue Bonds pledging the net income of the facility for the retirement of the debt (\$150,000 to be set aside in Debt Service Reserve)
  - c. Appropriated \$700,000 from U. T. Arlington General Use Fee Balance to be added to Revenue Bond Proceeds for the purchase of the facility.

The Key's Apartments, which is an 84 unit, 96-bed facility located at 412 South Cooper adjacent to the University Bookstore, will provide student housing and also the needed right-of-way for the Cooper Street modification.

The purchase price of \$1,700,000 is within the limits of two appraisals on file, and this property is within the boundaries authorized by the Texas Legislature for purchase by U. T. Arlington.

2. U. T. Austin: Balcones Research Center - Authorization to Grant a 3.0596 Acre Easement for Water and Wastewater Along Both Sides and Beneath the Mopac (Loop 1) Right-of-Way South of Braker Lane to the City of Austin, Travis County, Texas.--The Board granted a 3.0596 acre easement for water and wastewater along both sides and beneath the Mopac (Loop 1) right-of-way south of Braker Lane at The University of Texas at Austin Balcones Research Center to the City of Austin, Travis County, Texas, for a consideration of \$80,000.

This easement provides potential long-range value to U. T. Austin, and the city and developers in the Balcones area will have immediate use of the water and wastewater line. The loss of future opportunity to develop the land which is crossed by the easement and the imposition of capital recovery fees on the University justifies the University's receiving payments for the easement.

3. U. T. Austin: Balcones Research Center - Approval of a Ground Lease for a Tract of Land Located at the Northeast Corner of MOPAC (Loop 1) and Highway 183, Austin, Travis County, Texas, to The Burke Group, Houston, Texas.--The Buildings and Grounds Committee recommended and the Board approved a ground lease for a tract of land located at the northeast corner of the intersection of MOPAC (Loop 1) and Highway 183 (Research Boulevard), Austin, Travis County, Texas (Balcones Research Center - The University of Texas at Austin), to The Burke Group, Houston, Texas.

The terms of the triple-net lease are as follows: a ten-year term beginning June 1, 1987, ending May 31, 1997, with an annual base rent in the amount of \$4,578 and annual CPI escalations, plus additional annual rent equal to 4% of range ball sales. Lessee will pay all taxes, insurance, and maintenance fees. In the event of cancellation of the lease by the University, U. T. Austin will reimburse The Burke Group for the University's pro rata share of unamortized improvement costs. The six-month notice of cancellation to Lessee provides no rent due upon the last month of operation.

It was noted that the land will provide for a golf practice range sports center. The adjacent tract of land to the east, owned by the City of Austin, is being leased to the same operator to provide for the total range area.

4. U. T. Austin - Facilities Improvements for School of Architecture - Remodeling and Expansion of Goldsmith Hall and Site Development (Project No. 102-496): Approval of Plaque Inscription.--The Board, upon recommendation of the Buildings and Grounds Committee, approved the inscription set out below for a plaque to be placed on Facilities Improvements for School of Architecture - Remodeling and Expansion of Goldsmith Hall and Site Development at The University of Texas at Austin. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

REMODELING AND EXPANSION OF GOLDSMITH HALL  
1986

BOARD OF REGENTS

Jess Hay, Chairman  
Robert B. Baldwin III, Vice-Chairman  
Shannon H. Ratliff, Vice-Chairman  
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Janey Slaughter Briscoe  
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Bill Roden  
Mario Yzaguirre

Hans Mark  
Chancellor, The  
University of Texas System  
William H. Cunningham  
President, The University  
of Texas at Austin

Thomas Booziotis & Associates  
and Chartier Newton  
Project Architect  
J. A. Jones Construction Company  
Contractor

5. U. T. Austin - Recreational Sports Facilities - Phase I (Project No. 102-596): Presentation of Preliminary Plans; Request for Authorization to Prepare Final Plans; and Additional Appropriation Therefor (Withdrawn).--The item related to approval of preliminary plans and specifications for Recreational Sports Facilities - Phase I at The University of Texas at Austin was withdrawn for consideration at a later date.
  
6. U. T. El Paso - Former Main Library Building - Remodeling for Department of Geological Sciences: Authorization for Project; Appointment of Carroll, DuSang, and Rand, El Paso, Texas, Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--Upon recommendation of the Academic Affairs and Buildings and Grounds Committees, the Board:
  - a. Authorized a project for the remodeling of the former Main Library Building for the Department of Geological Sciences at The University of Texas at El Paso
  - b. Appointed the firm of Carroll, DuSang, and Rand, El Paso, Texas, Project Architect to prepare preliminary plans and a detailed cost estimate to be presented to the U. T. Board of Regents at a future meeting
  - c. Appropriated \$300,000 from Permanent University Fund Bond Proceeds for fees and related project expenses through preparation of preliminary plans.

Previous master plan submissions called for a new laboratory and classroom building for the Departments of Geological Sciences and Chemistry. However, the former Main Library Building can be successfully remodeled to meet most of the programmatic needs of the Department of Geological Sciences and, subsequently, space vacated by the department can be remodeled to permit expansion of laboratories for chemistry and physics.

The Department of Geological Sciences is currently housed in seven different structures, many of which were constructed over 50 years ago and are minimally adequate for modern research laboratory needs. The remodeled facility will provide the laboratory space necessary for modern equipment as well as space to house most, if not all, of the department's faculty in one building.

Planning related to the remodeling of the former library building at U. T. El Paso is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents on January 14, 1987.

7. U. T. San Antonio - John Peace Library Building and Science Building: Authorization for Emergency Roof Repairs and Reallocation of Funds Therefor.--In order to avoid serious damage to expensive equipment, books, files, carpeting and furniture, the Board, upon recommendation of the Finance and Audit and Buildings and Grounds Committees:

- a. Authorized emergency roof repairs for the John Peace Library Building and the Science Building by The University of Texas at San Antonio Administration with its own forces or through contract services, as required, at an estimated cost of \$106,600
- b. Reallocated \$106,600 from Permanent University Fund Bond Proceeds Unexpended Balances from the U. T. San Antonio Campus Electric System Repairs (Project No. 401-600) for funding of the roof repairs.

The U. T. San Antonio maintenance staff has made several attempts to repair the roof leaks in the John Peace Library Building and the Science Building during recent months, but large sections of the roofing material must be replaced entirely.

In October 1985, the U. T. Board of Regents authorized a project for Campus Electric System Repairs at U. T. San Antonio and appropriated \$515,000 from Permanent University Fund Bond Proceeds within the scope of the Capital Improvement Program for Repair and Rehabilitation.

Through judicious award of contracts and use of Physical Plant personnel, the electrical system repairs have been completed with approximately \$120,000 remaining in the account, and the U. T. San Antonio Administration requested approval to use these remaining funds for the emergency roof repairs.

8. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Remodeling of Sixth, Seventh and Eighth Floors (Project No. 601-655):  
Authorization to Include a Two-Level Addition to John Sealy Hospital North Addition within the Scope of the Project; Authorization for Submission of the Addition to the Coordinating Board; Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contract.--The Board, upon recommendation of the Health Affairs and Buildings and Grounds Committees:

- a. Authorized a two-level addition to the John Sealy Hospital North Addition to be bid and constructed as part of the project for Remodeling of John Sealy Hospital (Old Building) - Remodeling of Sixth, Seventh and Eighth Floors at The University of Texas Medical Branch at Galveston all within the previously authorized total project cost of \$8,350,000
- b. Authorized submission of the two-level addition to the Coordinating Board, Texas College and University System

- c. Approved final plans and specifications for the Remodeling of John Sealy Hospital (Old Building) - Remodeling of Sixth, Seventh and Eighth Floors (including addition to John Sealy Hospital North Addition) at an estimated total project cost of \$8,350,000
- d. Subject to Coordinating Board approval, authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- e. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost.

The Remodeling of the Sixth, Seventh and Eighth Floors, which involves approximately 54,000 square feet, will provide research laboratories and faculty offices and is a part of the phased remodeling of the 1954 sector of the John Sealy Hospital as authorized by the U. T. Board of Regents in February 1974. The authorization for the remodeling predated the requirements for Coordinating Board review.

The addition to the John Sealy Hospital North Addition will provide approximately 27,000 square feet of new space at the third and fourth levels. There are adequate funds in The Sealy & Smith Foundation grant for the project to allow for this addition to the project. This addition is new construction and outside the scope of the authorization for remodeling. Consequently, the new addition will be submitted to the Coordinating Board for consideration.

- 9. U. T. Medical Branch - Galveston: Authorization to Complete Negotiations with Shriners Hospitals and Execute Ground Lease; Acceptance of Present Shriners Burns Institute Building and Property from The Sealy & Smith Foundation, Galveston, Texas; Authorization for Project to Construct a New Parking Structure; Appointment of Louis Lloyd Oliver and Tibor Beerman, Galveston, Texas, Project Architect to Prepare Preliminary Plans and Cost Estimates; Appropriation for Fees and Administrative Expenses; Authorization to Negotiate and Execute Easements; and Authorization for Submission to Coordinating Board as Required.--Upon recommendation of the Health Affairs and Buildings and Grounds Committees, the Board:
  - a. Authorized the Office of the Chancellor, The University of Texas Medical Branch at Galveston Administration, and the Office of General Counsel to complete negotiations with the Shriners Hospitals on a 99-year ground lease at a nominal rent of \$1.00 per year, to enable construction by the Shriners of a new Shriners Burns Institute on one-half block of land on the south side of Market Street between Eighth and Ninth Streets in Galveston, for subsequent approval of the U. T. Board of Regents through appropriate procedures
  - b. Subject to negotiation and purchase by The Sealy & Smith Foundation, Galveston, Texas, accepted donation of the present Shriners Burns Institute building and property

- c. Subject to negotiation and purchase by The Sealy & Smith Foundation, accepted donation of land near the new Shriners Burns Institute site for construction of a parking facility
- d. Authorized a project for the construction of a new 600-space parking garage and demolition of the existing smaller parking structure with U. T. Medical Branch - Galveston auxiliary funds and interest from prior Sealy & Smith Foundation construction grant funds and appropriated \$250,000 from those sources for fees and administrative expenses through completion of preliminary plans
- e. Appointed the firm of Louis Lloyd Oliver and Tibor Beerman, Galveston, Texas, Project Architect for the new parking structure, to prepare preliminary plans and a detailed cost estimate, to be presented to the U. T. Board of Regents at a future meeting
- f. Authorized the Office of the Chancellor, the U. T. Medical Branch - Galveston Administration, and the Office of General Counsel to negotiate with all necessary parties to obtain a pedestrian bridge easement over Market Street and to grant a pedestrian bridge easement connecting the Child Health Center and the John Sealy Hospital with the new Shriners Burns Institute; and authorized the Executive Vice Chancellor for Health Affairs to execute the necessary easements
- g. Authorized submission to the Coordinating Board, Texas College and University System those actions requiring approval by the Coordinating Board.

The Shriners Hospitals desire to construct a new \$40 million Shriners Burns Institute adjacent to the U. T. Medical Branch - Galveston. Studies have determined the most desirable location for the new burn facility to be a site on the south side of Market Street between Eighth and Ninth Streets on which a U. T. Medical Branch - Galveston parking garage is presently located. This site is as close to the John Sealy Hospital and the Child Health Center as possible without disrupting or hindering the functions of the U. T. Medical Branch - Galveston. An enclosed pedestrian bridge is to be constructed across Market Street by The Sealy & Smith Foundation at a projected cost of \$2 million to connect the new Shriners Burns Institute with the Child Health Center and the John Sealy Hospital.

The Shriners Burns Institute proposes to lease the Market Street site from the U. T. Board of Regents for 99 years for \$1.00 per year. If, after a minimum of 20 years of occupancy, the Shriners should cease operating the facility as a children's hospital, the Shriners would have the right to offer to assign the leasehold estate to The Sealy & Smith Foundation. If

The Sealy & Smith Foundation accepted the assignment, the Foundation would buy the building at a negotiated price not to exceed 80% of the then fair market value. If the Foundation refuses the assignment, the Shriners would have the right to sell the building to any third party purchaser, subject to prior negotiation of a new ground lease by the third party with the U. T. Board of Regents.

Constructing the burn facility on this site will necessitate demolition of an existing 420-space parking garage and the construction of a larger parking garage by U. T. Medical Branch - Galveston. The Sealy & Smith Foundation has made a commitment to purchase and donate land near the new Shriners Burns Institute as a site for the new parking garage, designed for 600 spaces, 200 of which will be reserved for Shriners Burns Institute employees and visitors. The U. T. Medical Branch - Galveston will receive from the Shriners approximately \$10,000 annually toward maintenance of this facility. The new parking structure will be constructed with the necessary piling support to enable future upward expansion by the Shriners.

The Sealy & Smith Foundation, which has played a crucial role in the successful negotiations with the Shriners for the location of the new hospital in Galveston, has committed to purchase the existing Shriners Hospital building from the Shriners for \$6 million. The Sealy & Smith Foundation will donate the building, and the underlying property which is presently owned by the Foundation, to the U. T. Medical Branch - Galveston.

10. U. T. Medical Branch - Galveston - Expansion of Thermal Energy Plant (Project No. 601-657): Approval of Preliminary Plans; Authorization for Submission to Coordinating Board; Authorization to Complete Final Plans, to Advertise for Bids, and for Executive Committee to Award Contracts; and Additional Appropriation Therefor.--  
Mr. Tom Atlee and Mr. Randy Lowrance, representing the Project Engineer, Lockwood, Andrews and Newnam, Inc., Houston, Texas, presented the preliminary plans for the Expansion of the Thermal Energy Plant at The University of Texas Medical Branch at Galveston to the Buildings and Grounds Committee.

Based upon this presentation and the recommendation of the Finance and Audit and Buildings and Grounds Committees, the Board:

- a. Approved preliminary plans for expansion of the existing thermal energy plant at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$9,250,000
- b. Authorized submission of the project to the Coordinating Board, Texas College and University System
- c. Authorized the Project Engineer to complete final plans

- d. Subject to approval of the Coordinating Board, authorized the Office of Facilities Planning and Construction to advertise for bids and the Executive Committee to award construction contracts within the authorized total project cost
- e. Appropriated \$2,000,000 from Permanent University Fund Bond Proceeds and \$7,150,000 from U. T. Medical Branch - Galveston Local Funds for total project funding. Previous appropriations had been \$100,000 from U. T. Medical Branch - Galveston Local Funds.

This project will increase the cooling capacity of the existing energy plant with the installation of two new 3,700 ton chillers, two new cooling towers and associated electrical switchgear. The campus distribution system will also be expanded to serve proposed new construction and existing facilities not currently connected to the system.

The cooling loads on the existing thermal energy plant are nearing maximum production capability. Several of the existing chillers are twenty-five years old, inefficient and costly to operate and maintain. Addition to the thermal energy distribution system will permit looping of the system and provide service to future building sites. At the same time, reliability of the distribution system will be improved by the ability to supply buildings from two directions.

Installation of cogeneration equipment is not included in the preliminary plans for this phase of the project, pending action of the Legislature on the distribution of oil overcharge funds. However, if grant funds are made available by the Legislature, cogeneration equipment can and will be added to the project. The grant funds would come from refunds to the State by oil companies that have overcharged customers.

This project will be submitted to the Coordinating Board, Texas College and University System, for consideration at its July 1987 meeting.

This project is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents on January 14, 1987. The appropriations requested conform with the funding approved for the entire project in the Capital Improvement Program.

11. U. T. Cancer Center (U. T. Science Park) - Research Laboratory Expansion: Authorization for Project and Appointment of Coffee Crier & Schenck, Austin, Texas, Project Architect to Prepare Preliminary Plans.--The Board, upon recommendation of the Health Affairs and Buildings and Grounds Committees:

- a. Authorized a project for the construction of an additional laboratory building at The University of Texas System Cancer Center Research Division of the U. T. Science Park at Smithville at an estimated total project cost of \$4,000,000
- b. Appointed the firm of Coffee Crier & Schenck, Austin, Texas, Project Architect to prepare preliminary plans and a detailed cost estimate to be presented to the U. T. Board of Regents at a future meeting.

The expansion of research laboratory facilities at the Research Division of the U. T. Science Park is needed to support ever expanding and broad-based research programs in carcinogenesis, chemoprevention and mutagenesis. In addition to space needed to accommodate these research programs, space is also badly needed to expand the existing animal care facilities to remedy present deficiencies by providing separate quarantine areas, pathogen-free housing and a dedicated receiving area for animals. In so doing, the animal care facility of the Research Division will comply fully with the new National Institutes of Health guidelines for the care and use of laboratory animals.

This facility will be a two-story structure of approximately 35,000 square feet, of which 25,000 square feet will be dedicated to laboratories, environmental rooms, equipment rooms, 2,000 square feet for the expanded animal care facilities and the balance for central receiving, warehouse and appropriate support for existing service related functions.

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 55 - 73).--Committee Vice-Chairman Blanton reported that the Land and Investment 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, all actions set forth in the Minute Orders which follow were recommended by the Land and Investment Committee and approved in open session and without objection by the U. T. Board of Regents.

The execution of documents authorized in this report will be in accordance with the Regents' Rules and Regulations, Part Two, Chapter IX, Section 1.3 as set forth below:

- 1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board, the Vice-Chairmen, the Chancellor, or his delegate, and the Executive Vice Chancellor for Asset Management are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board as a part of the PUF or as a part of any trust or special fund.

I. PERMANENT UNIVERSITY FUND

Investment Matters

1. Report on Clearance of Monies to Permanent University Fund for March and April 1987 and Report on Oil and Gas Development as of April 30, 1987.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for March and April 1987, and (b) Oil and Gas Development as of April 30, 1987, were submitted by the Executive Vice Chancellor for Asset Management:

<u>Permanent University Fund</u>	<u>March 1987</u>	<u>April 1987</u>	<u>Cumulative Through April of This Fiscal Year (1986-1987)</u>	<u>Cumulative Through March of Preceding Fiscal Year (1985-1986)</u>	<u>Per Cent Change</u>
Royalty					
Oil	\$ 4,356,322.34	\$ 4,422,889.20	\$ 31,576,012.13	\$ 62,835,662.54	-49.75%
Gas	1,797,627.52	1,817,873.06	14,679,491.86	21,350,425.56	-31.24%
Sulphur	10,000.00	10,000.00	80,000.00	174,561.84	
Water	68,356.86	26,267.94	365,543.43	428,933.62	
Brine	3,278.91	1,251.07	21,323.76	68,773.19	
Trace Minerals	0.00	0.00	0.00	0.00	
Rental					
Oil and Gas Leases	27,945.59	21,988.99	445,321.58	812,341.97	
Other	0.00	552.00	5,564.28	2,234.00	
Sale of Sand, Gravel, Etc.	0.00	858.60	1,258.60	35,354.30	
Gain or (Loss) on Sale of Securities	30,296,953.08	18,144,666.59	160,571,460.03	117,002,027.53	
Sub-Total	<u>36,560,484.30</u>	<u>24,446,347.45</u>	<u>207,745,975.67</u>	<u>202,710,314.55</u>	<u>2.48%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	3,007,941.58	5,913,600.00	
Amendments and Extensions to Mineral Leases	0.00	0.00	(6,293.56)	204,383.67	
Total Bonuses	<u>0.00</u>	<u>0.00</u>	<u>3,001,648.02</u>	<u>6,117,983.67</u>	
TOTAL CLEARANCES	<u>\$36,560,484.30</u>	<u>\$24,446,347.45</u>	<u>\$210,747,623.69</u>	<u>\$208,828,298.22</u>	<u>0.92%</u>

Oil and Gas Development - April 30, 1987

Acreage Under Lease - 655,917

Number of Producing Acres - 561,620

Number of Producing Leases - 2,248

2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Approval of Amendment to Chapter IX, Section 1.1 (Authority to Purchase, Exchange, and Sell Securities for the PUF and the Board).--In order for external investment managers to be selected by the U. T. Board of Regents for all trust funds rather than for only the Permanent University Fund and the Common Trust Fund, approval was given to amend the Regents' Rules and Regulations, Part Two, Chapter IX, Section 1.1, concerning the authority to purchase, exchange, and sell securities to read as set out below:

- 1.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund (hereinafter sometimes referred to as "PUF") and the Board.--The Chancellor, or his delegate, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts are authorized to purchase, exchange, and sell any and all securities for and on behalf of the PUF or the Board, and to execute all related state government documents. In addition, external investment managers appointed by the Board of Regents may purchase, sell, or exchange securities, pursuant to written agreement with the Board of Regents, from funds designated from the PUF, the Common Trust Fund, the Medical Malpractice Self Insurance Fund, or any funds held in trust.

This amendment was necessary to implement the related item on Page 68 which, in essence, would authorize The Sealy & Smith Foundation, Galveston, Texas, to purchase, exchange and sell securities for two trust accounts over which the U. T. Board of Regents exercises joint control with The Sealy & Smith Foundation.

## II. TRUST AND SPECIAL FUNDS

### A. GIFTS, BEQUESTS AND ESTATES

1. U. T. System: Acceptance of Bequest from the Estate of Martha Hodgkin Baker, San Antonio, Texas, and Establishment of the Laurence E. Baker Memorial Scholarship Fund.--The Board accepted a bequest valued in excess of \$750,000 from the Estate of Martha Hodgkin Baker, San Antonio, Texas, and established the Laurence E. Baker Memorial Scholarship Fund at The University of Texas System.

Under terms specified in the Will of Ms. Baker, income from this endowment "shall be used annually to provide scholarships for deserving students, who are doing pre-medical work in the undergraduate school of The University of Texas, or who are medical students at any of the medical schools of The University of Texas, and who without such scholarships, might not be able to obtain a medical education."

2. U. T. System: Acceptance of Gift from Mr. Nicholas David Hachar, Jr., Laredo, Texas, and Establishment of the N. David Hachar Endowment.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$10,000 gift from Mr. Nicholas David Hachar, Jr., Laredo, Texas, and established the N. David Hachar Endowment at The University of Texas System.

Income earned from the endowment will be for the unrestricted use of the Chancellor.

3. U. T. System: Acceptance of Gift from Mr. Thos. H. Law, Fort Worth, Texas, and Establishment of the Thos. H. Law Endowment.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$10,000 gift from Mr. Thos. H. Law, Fort Worth, Texas, and a \$1,000 transfer of previously reported gifts from current restricted funds for a total of \$11,000 and established the Thos. H. Law Endowment at The University of Texas System.

Income earned from the endowment will be for the unrestricted use of the Chancellor.

4. U. T. System: Approval to Accept Gift from Mr. Thomas H. Shelby, Jr., Tyler, Texas, and Corporate Matching Funds from Exxon Education Foundation, New York, New York, and to Establish the Thomas H. Shelby, Jr. Endowment.--Approval was given to accept a \$2,500 gift from Mr. Thomas H. Shelby, Jr., Tyler, Texas, and \$7,500 in corporate matching funds from Exxon Education Foundation, New York, New York, for a total of \$10,000 and to establish the Thomas H. Shelby, Jr. Endowment at The University of Texas System.

Income earned from the endowment will be for the unrestricted use of the Chancellor.

5. U. T. Arlington: Rudolf Hermanns UTA Endowment Fund for Excellence - Acceptance of Gift from Mr. C. B. Smith, Sr., Austin, Texas, and Establishment of the Rudolf Hermanns Endowment For The Liberal Arts - Webb Lectures.--The Land and Investment Committee recommended and the Board accepted a \$10,000 gift from Mr. C. B. Smith, Sr., Austin, Texas, and a \$30,000 transfer of accumulated earnings from the Rudolf Hermanns UTA Endowment Fund for Excellence, for a total endowment of \$40,000, and established the Rudolf Hermanns Endowment For The Liberal Arts - Webb Lectures at The University of Texas at Arlington.

In accordance with conditions of the Rudolph Hermanns Endowment, the Board found (a) that the lecture series will recognize appropriate U. T. Arlington or other academic lecturers (not in politics, religion, or sports) and (b) that the terms of administering the lecture series provide for a designated recipient (academic lecturer) to receive an award, grant, or honorarium only one time.

Income earned from the endowment will be used to provide core support (lecturer award, grant, honorarium and/or expenses) for the operating expenses of presenting the annual Walter Prescott Webb Lectures, which have become an established tradition at U. T. Arlington.

6. U. T. Arlington: Acceptance of Transfer of Funds and Establishment of the Social Work Endowment.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$250,000 transfer of previously reported gifts from current restricted funds and established the Social Work Endowment at The University of Texas at Arlington.

Income earned from the endowment will be used to enhance the operation of the Graduate School of Social Work by providing matching funds for work-study students, competitive scholarships, faculty travel, and student recruitment.

7. U. T. Austin: Acceptance of Gift from John Buck Company and First Chicago Investment Advisors, Chicago, Illinois, and Establishment of the John Buck Company and First Chicago Investment Advisors for Fund F Endowed Scholarship in Architecture in the School of Architecture.--The Board accepted an \$18,750 gift from the John Buck Company and the First Chicago Investment Advisors, both of Chicago, Illinois, and established the John Buck Company and First Chicago Investment Advisors for Fund F Endowed Scholarship in Architecture in the School of Architecture at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to outstanding entering undergraduate students enrolled in the School of Architecture.

8. U. T. Austin: Acceptance of Gift from Mr. C. Raymond Burklin, Houston, Texas, and Corporate Matching Funds from Halliburton Foundation, Inc., Dallas, Texas, and Establishment of the Charles Raymond and Clinton Edward Burklin Endowment Fund in the College of Engineering.--Approval was given to accept a gift of 100 shares of Public Service Company of New Mexico common stock valued at \$3,662.50 from Mr. C. Raymond Burklin, Houston, Texas, and \$7,325 in corporate matching funds from Halliburton Foundation, Inc., Dallas, Texas, for a total of \$10,987.50 and to establish the Charles Raymond and Clinton Edward Burklin Endowment Fund in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to furnish and maintain the facilities of the designated room named in honor of the donor and his son.

See related item on Page 24 .

9. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the Center for the Study of American Architecture Endowment in the School of Architecture.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$14,140 transfer of previously reported gifts from current restricted funds and established the Center for the Study of American Architecture Endowment in the School of Architecture at The University of Texas at Austin.

Income earned from the endowment will be used to support the activities of the Center including research, publications, symposia, and other programmatic expenses.

10. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the C. C. and Lottie Mae Colvert Fellowship and Development Fund in the Community College Leadership Program in the College of Education.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts in excess of \$28,295 from various donors and established the C. C. and Lottie Mae Colvert Fellowship and Development Fund in the Community College Leadership Program, College of Education, at The University of Texas at Austin.

Income earned from the endowment will be used to support graduate students enrolled in the Community College Leadership Program.

11. U. T. Austin: Joanne Crosby Regents Chair - Redesignated as the Joanne Sharp Crosby Regents Chair in Design and Technology in the College of Fine Arts.--In accordance with the honoree's request, the Board redesignated the Joanne Crosby Regents Chair as the Joanne Sharp Crosby Regents Chair in Design and Technology in the Department of Drama, College of Fine Arts, at The University of Texas at Austin.

12. U. T. Austin: Approval to Accept a Challenge Grant from the Palisades Geophysical Institute, Inc., West Nyack, New York, and to Establish the Ewing and Worzel Graduate Fellowship in the Institute for Geophysics in the College of Natural Sciences.--Approval was given to accept a \$250,000 challenge grant from the Palisades Geophysical Institute, Inc., West Nyack, New York, which must be matched on a one for one basis by April 1988, and to establish the Ewing and Worzel Graduate Fellowship in the Institute for Geophysics in the Department of Geological Sciences, College of Natural Sciences, at The University of Texas at Austin for a total endowment of \$500,000. Further, a \$100,182 transfer of previously reported gifts and accumulated income from current restricted funds will be designated as partial matching funds towards the challenge grant.

Income earned from the endowment will be used to provide continuing support for four to six graduate students in the Institute for Geophysics.

13. U. T. Austin: Foley's/Sanger Harris Centennial Professorship in Retail Merchandising in the College of Business Administration and the Graduate School of Business - Redesignated as the Foley's-Federated Professorship in Retailing.--In accordance with the donors' request, the Board redesignated the Foley's/Sanger Harris Centennial Professorship in Retail Merchandising in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin as the Foley's-Federated Professorship in Retailing.

See Page 20 related to an appointment to this Professorship.

14. U. T. Austin: Acceptance of Gift from Rohm and Haas Company, Philadelphia, Pennsylvania, and Dr. Clay B. Frederick, Spring House, Pennsylvania, and Establishment of the Clay B. Frederick-Rohm and Haas Endowment for Seminar Speakers and Graduate Student Travel in the College of Natural Sciences.--The Board accepted a \$6,000 gift from Rohm and Haas Company, Philadelphia, Pennsylvania, and Dr. Clay B. Frederick, Spring House, Pennsylvania, and a \$4,000 transfer of previously reported gifts from current restricted funds for a total of \$10,000 and established the Clay B. Frederick-Rohm and Haas Endowment for Seminar Speakers and Graduate Student Travel in the Department of Chemistry, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to fund the travel of chemistry graduate students to present research findings at national scientific meetings and to provide guest lecturers for the Department of Chemistry.

15. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the Friend of Alec Excellence Fund in the College of Engineering.--Approval was given to transfer funds from two Engineering Foundation Various Donors quasi-endowment accounts with balances of \$5,406 and \$6,166 for a total of \$11,572 and to establish the Friend of Alec Excellence Fund in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to deserving students in engineering in accordance with policies established for the Friends of Alec Program.

16. U. T. Austin: Acceptance of Gift from Mrs. Anna Nauwald King, Dallas, Texas, and Establishment of the Anna Nauwald King Endowed Scholarship in the College of Liberal Arts.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$12,671 gift from Mrs. Anna Nauwald King, Dallas, Texas, and established the Anna Nauwald King Endowed Scholarship in the College of Liberal Arts at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to deserving undergraduate students in liberal arts.

17. U. T. Austin: Approval to Establish the Sam Neathery Endowment in the School of Law.--At the request of the Law School Foundation (an external foundation), the Sam Neathery Endowment was established in the School of Law at The University of Texas at Austin in accordance with the Regents' Rules and Regulations. The funds for the endowment (\$60,000) will be held and administered by The University of Texas Law School Foundation for unrestricted use.

See Page 24 related to naming a room in Townes Hall for Mr. Neathery.

18. U. T. Austin: Approval to Accept Gift from Mr. Peter O'Donnell, Jr., Dallas, Texas, and Establishment of the Peter O'Donnell, Jr. - Friend of Alec Excellence Fund in the College of Engineering.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$10,000 gift from Mr. Peter O'Donnell, Jr., Dallas, Texas, and established the Peter O'Donnell, Jr. - Friend of Alec Excellence Fund in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to deserving students in engineering in accordance with policies established for the Friends of Alec Program.

19. U. T. Austin: The Pearl M. Riggs Endowed Scholarship in Education in the College of Education - Approval to Accept Additional Gift from Mrs. Ina Riggs Brundrett, Tyler, Texas, and Corporate Matching Funds from Exxon Education Foundation, New York, New York, and to Redesignate as the Pearl M. Riggs Endowed Presidential Scholarship in Education.-- Approval was given to accept a \$1,250 gift from Mrs. Ina Riggs Brundrett, Tyler, Texas, and \$3,750 in corporate matching funds from the Exxon Education Foundation, New York, New York, for addition to The Pearl M. Riggs Endowed Scholarship in Education in the College of Education for a total endowment of \$25,000 and to redesignate as the Pearl M. Riggs Endowed Presidential Scholarship in Education at The University of Texas at Austin.

20. U. T. Austin: Acceptance of Gift from Dr. William D. Seybold, Dallas, Texas, and Establishment of the Frances Rather Seybold and Frances Randolph Rather Seybold Endowed Scholarship in the College of Liberal Arts.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$21,604.28 gift from Dr. William D. Seybold, Dallas, Texas, and established the Frances Rather Seybold and Frances Randolph Rather Seybold Endowed Scholarship in the College of Liberal Arts at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to deserving undergraduate students in the College of Liberal Arts.

21. U. T. Austin: Silver Spurs Centennial Teaching Fellowship (No. 1) in the College of Liberal Arts - Acceptance of Additional Gift from the Silver Spurs, Austin, Texas, and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Increase the Silver Spurs Centennial Teaching Fellowship (No. 2) in the College of Liberal Arts.--The Land and Investment Committee recommended and the Board accepted a \$21,079.76 gift from the Silver Spurs, Austin, Texas, for addition to the Silver Spurs Centennial Teaching Fellowship (No. 1) in the College of Liberal Arts at The University of Texas at Austin for a total endowment of \$71,079.76.

Further, \$21,079 of the gift will be matched under The Regents' Endowed Teachers and Scholars Program and the matching allocation will be used to increase the Silver Spurs Centennial Teaching Fellowship (No. 2) in the College of Liberal Arts for a total endowment of \$71,079.

22. U. T. Austin: Acceptance of Transfer of Funds from Mr. Russell U. Smith, Houston, Texas, and Establishment of the Russell Upson Smith Family Endowment in the College of Engineering (No Publicity).--Approval was given to transfer previously reported gifts totalling \$19,015.14 from Mr. Russell U. Smith, Houston, Texas, and to establish the Russell Upson Smith Family Endowment in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to recognize and reward outstanding classroom teaching by faculty members in the College of Engineering and/or provide scholarships for financially needy students in the College of Engineering.

It was requested that no publicity be given to this matter.

23. U. T. Austin: Acceptance of Gift from the T. L. L. Temple Foundation, Lufkin, Texas, and Establishment of the Temple Teaching Fellowship in the Graduate School of Library and Information Science and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.-- Upon recommendation of the Land and Investment Committee, the Board accepted a \$50,000 gift from the T. L. L. Temple Foundation, Lufkin, Texas, and established the Temple Teaching Fellowship in the Graduate School of Library and Information Science at The University of Texas at Austin.

Further, \$25,000 of the gift will be matched under The Regents' Endowed Teachers and Scholars Program and used to increase the endowment for a total of \$75,000.

24. U. T. Austin: Pharmaceutical Foundation Fellowship in Psychiatric Pharmacy (No. 1) in the College of Pharmacy - Approval to Redesignate as the Neill B. Walsdorf Fellowship in Pharmacy.--The Board redesignated the Pharmaceutical Foundation Fellowship in Psychiatric Pharmacy (No. 1) in the College of Pharmacy as the Neill B. Walsdorf Fellowship in Pharmacy at The University of Texas at Austin.

This redesignation was made in accordance with a request from the Pharmaceutical Foundation Advisory Council.

25. U. T. Austin: Acceptance of Gift of Real Property Being 5.938 Acres Out of the J. C. Tannehill League No. 29, Travis County, Texas, from Mr. Frank W. McBee, Austin, Texas; and Authorization for the Office of Asset Management to Negotiate the Sale and Executive Vice Chancellor for Asset Management to Execute All Documents Pertaining to the Sale.--Upon recommendation of the Land and Investment Committee, the Board accepted a gift of real property containing approximately 5.938 acres out of the J. C. Tannehill League No. 29, Travis County, Texas, from Mr. Frank W. McBee, Austin, Texas, for the benefit of The University of Texas at Austin. Based on an appraisal provided by the donor, the property has an estimated value of \$325,000. Although the property is currently landlocked, Tracor, Inc. intends to donate an easement to U. T. Austin. A recommendation regarding the easement and the use of the proceeds from any sale of the property will be submitted at a later date.

Further, the Office of Asset Management was authorized to negotiate the sale of the property at fair market value and the Executive Vice Chancellor for Asset Management was authorized to execute all documents pertaining to the sale.

26. U. T. Dallas: Cecil H. and Ida M. Green Honors Chair in the Natural Sciences - Acceptance of Transfer of Funds and Establishment of the Cecil H. and Ida M. Green Endowed Lecture Series.--The Land and Investment Committee recommended and the Board accepted a \$250,000 transfer of accumulated earnings from the Cecil H. and Ida M. Green Honors Chair in the Natural Sciences to establish the Cecil H. and Ida M. Green Endowed Lecture Series at The University of Texas at Dallas.

Income earned from the endowment will be used to support the Cecil H. and Ida M. Green Lecture Series and ensure its continuation.

27. U. T. El Paso: Acceptance of Gifts from Dr. and Mrs. C. Sharp Cook, El Paso, Texas, and Pledge from El Paso Electric Company, El Paso, Texas, and Establishment of the Dr. C. Sharp Cook Physics Professorship and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$50,375 gift from Dr. and Mrs. C. Sharp Cook, El Paso, Texas, an \$18,000 gift and \$7,000 pledge from the El Paso Electric Company, El Paso, Texas, and \$36,600.60 from alumni, friends, colleagues, and business associates of Dr. Cook, for a total endowment of \$111,975.60, and established the Dr. C. Sharp Cook Physics Professorship at The University of Texas at El Paso.

Further, the actual income which will be earned on the gifts and pledge totalling \$111,975.60 will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

28. U. T. El Paso: Richard M. Dudley and Frances M. Dudley Memorial Professorship Fund - Report of Receipt of Final Distribution from the Estate of Marion J. Purdy, Mount Kisco, New York.--It was reported that the final distribution in the amount of \$200 had been received from the Estate of Marion J. Purdy, Mount Kisco, New York, and will be added to the Richard M. Dudley and Frances M. Dudley Memorial Professorship Fund at The University of Texas at El Paso for a total endowment of \$126,431.86.

29. U. T. El Paso: Acceptance of Gift from Mrs. Gisela E. Dunlap, El Paso, Texas, and Establishment of the Richard E. Dunlap Memorial Fund.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$10,000 gift from Mrs. Gisela E. Dunlap, El Paso, Texas, and established the Richard E. Dunlap Memorial Fund at The University of Texas at El Paso.

Income earned from the endowment will provide scholarships to worthy and deserving students who are pursuing a Master of Art degree in History.

30. U. T. El Paso: Acceptance of Gift from Dr. Michael L. Finerty, San Mateo, California, and Establishment of the Dr. Michael L. Finerty Scholarship Fund.--The Land and Investment Committee recommended and the Board accepted a \$10,389.37 gift from Dr. Michael L. Finerty, San Mateo, California, and established the Dr. Michael L. Finerty Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment will be used to provide an annual scholarship of \$750 or more, renewable for four years, to a deserving and qualified student meeting the criteria of the Presidential Endowed Scholarship Program at U. T. El Paso. Preference shall be given to students who are studying in the field of pre-medicine or biological sciences at U. T. El Paso.

31. U. T. El Paso: Acceptance of Gift of Securities from Mrs. Hazel Hervey, El Paso, Texas, and Establishment of the Hazel Hervey Endowed Fund.--The Board accepted a gift of 600 shares of Circle K Corporation common stock valued at \$10,115.65 from Mrs. Hazel Hervey, El Paso, Texas, and established the Hazel Hervey Endowed Fund at The University of Texas at El Paso.

Income earned from the endowment will be divided equally between two departments at U. T. El Paso. Fifty percent of the income earned will go to the Department of History to provide for an annual speaker or as funds permit in the subject area of Middle Eastern and Islamic History. The other fifty percent will go to the Department of Biological Sciences to be used for special research conducted by Dr. Albert Canaris on Migratory Bird Parasites.

32. U. T. El Paso: Acceptance of Gift from Mr. and Mrs. Aaron Wechter, El Paso, Texas, and Establishment of the Wechter Fund for Business Administration.--Approval was given to accept a \$10,507.98 gift from Mr. and Mrs. Aaron Wechter, El Paso, Texas, and to establish the Wechter Fund for Business Administration at The University of Texas at El Paso.

Income earned from the endowment will be used to improve the overall academic programs in the area of business administration.

33. U. T. El Paso: Acceptance of Gift of Land Being All of Lots 11-20, Block 2, Sunland Estates, Unit 2, Hudspeth County, Texas, from Mr. Robert P. Blocher, Carlisle, Pennsylvania; and Authorization for Office of Asset Management to Negotiate the Sale and Executive Vice Chancellor for Asset Management to Execute All Documents Pertaining to the Sale.--The Land and Investment Committee recommended and the Board accepted a gift of real property being all of Lots 11-20, Block 2, Sunland Estates, Unit 2, Hudspeth County, Texas, from Mr. Robert P. Blocher, Carlisle, Pennsylvania. Proceeds from the sale of the property will be made available for the unrestricted use of the President of The University of Texas at El Paso.

Further, the Office of Asset Management was authorized to negotiate the sale of the property at fair market value and the Executive Vice Chancellor for Asset Management was authorized to execute all documents pertaining to the sale.

34. U. T. Health Science Center - Dallas: Acceptance of Gift from Dr. John J. Andujar, Arlington, Texas, and Establishment of the Senator Betty and Dr. Andy Andujar Chair Fund and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$100,000 gift from Dr. John J. Andujar, Arlington, Texas, and established the Senator Betty and Dr. Andy Andujar Chair Fund at The University of Texas Health Science Center at Dallas.

Further, the actual income which will be earned on the \$100,000 gift will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

35. U. T. Health Science Center - Dallas: Acceptance of Donation of Property Being Lots 12 and 13, Block 5, Alameda Heights Addition No. 2, Dallas County, Texas, from Dr. Paul L. Richburg, Dallas, Texas; and Authorization for the Office of Asset Management to Negotiate the Sale and the Executive Vice Chancellor for Asset Management to Execute All Documents Pertaining to the Sale.--Upon recommendation of the Land and Investment Committee, the Board accepted a gift of real property being Lots 12 and 13, Block 5, Alameda Heights Addition No. 2, Dallas County, Texas, from Paul L. Richburg, Dallas, Texas, for the benefit of The University of Texas Health Science Center at Dallas. The donor's estimated value of the two lots is approximately \$10,000. Proceeds from the sale of the property will be deposited into the Alumni Fund in hopes that the sale of the land will generate enough money to make him eligible as a Lifetime Member.

Further, the Office of Asset Management was authorized to negotiate the sale of the property at fair market value and the Executive Vice Chancellor for Asset Management was authorized to execute all documents pertaining to the sale.

36. U. T. Medical Branch - Galveston: Acceptance of Gift and Pledge from the G. W. N. Eggers Society, Galveston, Texas, and Establishment of the E. Burke Evans Residents' Endowed Education Fund.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$120,000 gift and \$60,000 pledge, payable by December 31, 1990, for a total endowment of \$180,000, from the G. W. N. Eggers Society, Galveston, Texas, and established the E. Burke Evans Residents' Endowed Education Fund at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to support the academic enrichment of the orthopaedic surgery residency training program.

37. U. T. Health Science Center - Houston: Mrs. Severin Knutson Eyeglass Fund - Approval to Transfer Income to the Elliott Fund.--Approval was given to transfer that portion of the Mrs. Severin Knutson Eyeglass Fund not needed to fulfill the donor's original purpose to the Elliott Fund at The University of Texas Health Science Center at Houston.

The Elliott Fund, which consists of restricted funds, has recently been established at the U. T. Health Science Center - Houston to provide scholarships for dental students.

38. U. T. Health Science Center - Houston: Acceptance of a Gift of Interest in Real Property and Improvements Located at 1851 Cross Point Avenue, Houston, Harris County, Texas, from Packaged Food & Beverage Co., Inc., Clayton, Missouri.--The Board accepted a gift of interest in real property and improvements located at 1851 Cross Point Avenue, Houston, Harris County, Texas, from Packaged Food & Beverage Co., Inc., Clayton, Missouri, for the use and benefit of The University of Texas Health Science Center at Houston. The appraised value of the property was \$4,216,000. However, the property was acquired by negotiating a price of \$3,850,000 with the difference of \$366,000 being considered

a gift. This facility will house and consolidate all physical plant, general support, and storage activities which are currently located in leased space some seven miles from campus.

39. U. T. Health Science Center - Houston: Acceptance of Gift from the Women of Rotary Club of Houston, Houston, Texas, and Establishment of the Women of Rotary Club of Houston University of Texas Dental Branch Student Scholarship and Assistance Fund.--The Land and Investment Committee recommended and the Board accepted a \$16,000 gift from the Women of Rotary Club of Houston, Houston, Texas, and established the Women of Rotary Club of Houston University of Texas Dental Branch Student Scholarship and Assistance Fund at The University of Texas Health Science Center at Houston.

Income earned from the endowment will be used to provide annual scholarships, not to exceed \$1,000 per scholarship, to dental students based on financial need and excellence in academic and clinical pursuits.

It is anticipated that additional funds will be added to the principal of the endowment to reach a minimum of \$40,000.

B. REAL ESTATE MATTERS

1. U. T. Austin: Archer M. Huntington Museum Fund - Approval to Increase the Ground Lease Rental Rate on 24 Bay Front Lots Covering Ten Acres Located at Virginia Point in Galveston County, Texas.--Upon recommendation of the Land and Investment Committee, the Board approved an increase in the ground lease rental rate on 24 bay front lots covering 10 acres and located at Virginia Point in Galveston County, Texas. The property is held in trust as part of the Archer M. Huntington Museum Fund for The University of Texas at Austin. The rental rate increase is \$660 per lot or 9% of the fair market value being \$7,300 per lot. This raises the total annual rent collected to \$15,840. The new management fee structure is 8% of the gross annual rental or approximately \$1,268. The management fee will be paid to V. J. Schmitt and Company, Texas City, Texas. The leases run year to year and will begin August 1, 1987, through July 31, 1988.
2. U. T. Austin: Balcones Research Center - Amendment of Ground Lease Agreement on a Tract of Land Located at the Intersection of U. S. 183 and Braker Lane, Austin, Travis County, Texas, with The Southland Corporation, Dallas, Texas.--The Board approved a rent adjustment to the ground lease agreement between The Southland Corporation, Dallas, Texas, and The University of Texas at Austin for a tract of land located at the intersection of U. S. 183 and Braker Lane, Austin, Travis County, Texas. The terms of the revised agreement are as follows: a reduction of the monthly rent amount from \$7,500 to \$6,000 with five-year increases based on the revised rent amount. Annual rent will be paid which is equal to the amount by which 1-1/2% of gross sales on the site exceeds the base annual rent rather than the 1-3/4% originally agreed upon. The rent will become due and payable beginning June 1, 1987, or once Southland has obtained all construction permits and commenced construction. Tenant has until August 1, 1987, to obtain all permits. At that time, tenant has the right to terminate and cancel the lease if he is not successful in obtaining permits. All other terms of the lease agreement will remain the same.

3. U. T. Austin: Z. D. Bonner Professorship in Chemical Engineering in the College of Engineering - Approval to Sell an Undivided Five Percent Partnership Interest in 137.9903 Acres, Sabine County, Texas; and Authorization for the Office of Asset Management to Negotiate the Sale and the Executive Vice Chancellor for Asset Management to Execute All Documents Pertaining to the Sale.--The Land and Investment Committee recommended and the Board approved the sale of an undivided five percent interest in 137.9903 acres located in Sabine County, Texas. This interest has been held in trust for the Z. D. Bonner Professorship in Chemical Engineering in the College of Engineering at The University of Texas at Austin. The partners have offered \$6,000 to buy U. T. Austin's share of the property in an attempt to consolidate the partnership. The market value of the interest, as of November 1986, was \$3,000. Proceeds from the sale will be added to the Z. D. Bonner Professorship in Chemical Engineering.

Further, the Office of Asset Management was authorized to negotiate the sale of the partnership interest and the Executive Vice Chancellor for Asset Management was authorized to execute all documents pertaining to the sale.

### III. OTHER MATTERS

U. T. Medical Branch - Galveston: Authorization for the Executive Vice Chancellor for Asset Management to Execute Administrative Agreements for The John Sealy Hospital Special Fund and the President of the U. T. Medical Branch - Galveston or His Designate to Reach a Periodic Joint Decision with The Sealy & Smith Foundation, Galveston, Texas, on the Payout Amount from The John Sealy Hospital Special Fund and The Biomedical Fund Part A; and Designation of The Sealy & Smith Foundation as Investment Manager for The John Sealy Hospital Special Fund and The Biomedical Fund Part A.--With regard to The John Sealy Hospital Special Fund and The Biomedical Fund Part A, which are under the joint control of the U. T. Board of Regents and The Sealy & Smith Foundation, Galveston, Texas, the Board:

- a. Authorized the Executive Vice Chancellor for Asset Management to execute administrative agreements for The John Sealy Hospital Special Fund after review and approval as to content by the President of The University of Texas Medical Branch at Galveston and approval as to form by the Office of General Counsel. These agreements will be similar to that already approved related to The Biomedical Fund Part A.
- b. Authorized the President of the U. T. Medical Branch - Galveston or his designate to reach a joint decision periodically with The Sealy & Smith Foundation regarding the amount of earned income to be paid out to the U. T. Medical Branch - Galveston from The John Sealy Hospital Special Fund and The Biomedical Fund Part A.
- c. Designated The Sealy & Smith Foundation as an external Investment Manager for The John Sealy Hospital Special Fund and The Biomedical Fund Part A with full investment discretion subject to prior review of equity investments by the

investment staff of the Office of Asset Management and all the investment guidelines (Pages 70 - 73) and restrictions contained in the Administrative Agreements.

The John Sealy Hospital Special Fund was established under an act of the Legislature in 1926 and an endowment agreement was executed in 1927. The Biomedical Fund Part A was accepted by the U. T. Board of Regents at its meeting in December 1986.

Designation of The Sealy & Smith Foundation as Investment Manager for these two endowments authorizes Foundation staff to purchase, exchange and sell securities subject to restrictions to be incorporated in the Administrative Agreements and, on equity investments, prior review of the investment staff of the Office of Asset Management. The Administrative Agreements will require joint agreement, at least semiannually, by the Office of Asset Management and The Sealy & Smith Foundation on asset mix and the quality and maturity of the fixed investment portfolio.

See Page 57 regarding an amendment to the Regents' Rules and Regulations which allows The Sealy & Smith Foundation to serve as an investment manager for these two trust accounts.

Exhibit A

INVESTMENT POLICY STATEMENT

INVESTMENT OBJECTIVES

There are two primary investment objectives. One is to cause the total value of the Fund to appreciate, over time, exclusive of growth derived from donations. The Fund needs to appreciate to insure preservation of the purchasing power of the Fund. The second is to provide a cash payout, stable and preferably growing in real terms, after giving effect to inflation.

Management of the Fund attempts to meet these objectives by maximizing the total return on the Fund's investments, consistent with an appropriate level of risk and subject to generation of adequate current income. Additionally, the Fund shall be diversified at all times to provide reasonable assurance that investment in a single security, a class of securities, or industry will not have an excessive impact on the Fund.

INVESTMENT GUIDELINES

The Fund must be invested at all times in strict compliance with the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) and other applicable law. The primary and constant standard for making investment decisions is the "Prudent Person Rule".

Investment restrictions include the following:

- ° All investments must be U.S. dollar denominated and must be traded in U.S. markets.

- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2) or Standard & Poor's Corporation (A1 or A2).
- Certificates of deposit must be fully insured by the FDIC, or issued by a bank with commercial paper meeting the rating criteria specified above or a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase agreements and Reverse Repurchase Agreements must be with a domestic bank or a domestic dealer selected by the Federal Reserve as a primary dealer in U.S. Treasury securities.
- Investment policies of any liquid investment fund must be reviewed and approved by the Executive Director of the Sealy & Smith Foundation and the Executive Vice Chancellor for Asset Management or his designate, prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions on money market instruments.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc. or BBB- by Standard & Poor's Corporation, respectively, when purchased. Bonds rated below A3 or A- shall not constitute more than 25 percent of the total bond portfolio unless both the Executive Director of the Sealy & Smith Foundation and the Executive Vice Chancellor for Asset Management authorize an exception for a temporary period in order to minimize the impact from a forced sale.

- ° No more than five percent of the voting securities of a corporation may be owned.
- ° No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- ° No securities may be purchased on margin or leverage.
- ° No transactions in short sales will be made.
- ° No transactions in financial futures and options (other than those received as part of an investment unit) will be made.
- ° No more than 25% of the equity portfolio shall be held in any one industry at cost.
- ° No more than 10% of the equity portfolio shall be held in the securities of one corporation at cost.
- ° No investment shall be held in real estate, partnerships, and other such illiquid assets.

CONFLICT OF INTEREST

Members of the boards of the Foundation and the Regents are frequently persons of wide-ranging business interests. Therefore, a prudent, independent investment decision process may result in investments in firms or organizations with which a member of the board of the Foundation or the Regents is affiliated. Affiliation shall be interpreted within this section to mean an employee, officer, director, or owner of five percent or more of the voting stock of a firm or organization. The investment staff or an unaffiliated investment manager may invest in such securities. However, the following restrictions shall apply:

- ° No member of the Board of Regents of The University of Texas System, the Sealy & Smith Foundation board, nor the Executive Vice-Chancellor for Asset Management of The University of Texas System, nor the Executive Director of The Sealy & Smith Foundation shall direct or participate in the decision to purchase or sell

securities of a firm with which such member is affiliated, unless the vote of such a board member of the Sealy & Smith Foundation is necessary to constitute the quorum required to enable the Foundation to act.

- ° Investments will not be purchased from or sold to a member of the board of the Sealy & Smith Foundation or the Board of Regents of The University of Texas System.

ITEM FOR THE RECORD

U. T. Cancer Center - Veterinary Resources Division: Report on Proposed Purchase of 78.153 Acres of Surplus Property in Bastrop County, Texas.--At its meeting on October 9, 1986, the U. T. Board of Regents authorized Mr. James S. Wilson, Manager of Endowment Real Estate for The University of Texas System, to purchase a 78.153 acre tract of surplus federal property in Bastrop County, Texas, at an auction conducted by the General Services Administration at a price not to exceed \$275,000. This property was to be purchased for the use and benefit of The University of Texas System Cancer Center Veterinary Resources Division. Subsequent approval was also obtained from the Coordinating Board, Texas College and University System on October 31, 1986.

At a public auction which was held on April 28, 1987, a trustee for the Lower Colorado River Authority (LCRA) submitted the high bid of \$275,000. Mr. Wilson was not able to bid further without exceeding the authority which had been granted by the Board. The acceptance of the LCRA bid remains contingent upon additional federal approvals.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regent Yzaguirre, a member of the Board for Lease of University Lands, reported that the Board for Lease had not met since the Regents' meeting on April 9, 1987. He announced that the Board had scheduled its 75th Oil and Gas Lease Sale in Midland, Texas, on Thursday, July 16, 1987, and that it would be a sealed bid sale involving 62,044 acres in Crockett, Irion, Reagan, Schleicher and Upton Counties.

OTHER MATTERS

1. U. T. Board of Regents: Certificate of Appreciation to Dr. Haskell Monroe, President of The University of Texas at El Paso.--Chairman Hay recognized Vice-Chairman Baldwin who noted Dr. Haskell Monroe's extraordinary role in the development of The University of Texas at El Paso -- academically, in physical plant resources and in nurturing the community relationships so essential to the success of any campus. In recognition of Dr. Monroe's many years of devoted service to The University of Texas System, Vice-Chairman Baldwin read and presented the following Certificate of Appreciation:

CERTIFICATE OF APPRECIATION

The Board of Regents  
of  
The University of Texas System

Expresses to

HASKELL MONROE

Sincere Appreciation for His Leadership

and Distinguished Service as

President

of  
The University of Texas at El Paso

1980 - 1987

Adopted by unanimous vote this 11th day of June 1987

(signed by all members of the Board)

Vice-Chairman Baldwin expressed the Board's best wishes to Dr. Monroe as he embarks on an exciting opportunity to provide a new dimension of academic leadership and administrative skill to the University of Missouri - Columbia. President Monroe graciously accepted this accolade and expressed his sincere appreciation to the Board for the opportunity to serve The University of Texas System.

2. U. T. El Paso: 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) at The University of Texas at El Paso is herewith reported for the record. This committee had been constituted pursuant to the Regents' Rules and Regulations, Part One, Chapter II, Section 18:

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

System Administration Representatives

Executive Vice Chancellor James P. Duncan (Chairman)  
Chancellor Hans Mark

Board of Regents

Regent Robert B. Baldwin III  
Regent Sam Barshop  
Regent Jack S. Blanton

Chief Administrative Officers

Dr. Duane M. Leach, President, The University of  
Texas of the Permian Basin  
Dr. Wendell H. Nedderman, President, The University  
of Texas at Arlington  
Kern Wildenthal, M.D., President, The University of  
Texas Health Science Center at Dallas

Dean's Representative - U. T. El Paso

Dr. James V. Devine, Dean, College of Liberal Arts

Faculty Representatives - U. T. El Paso

Dr. Helen Castillo, Associate Professor of Nursing  
Dr. Judith Goggin, Professor of Psychology  
Dr. James Mortensen, Associate Professor of English  
Dr. Kenneth Pannell, Professor of Chemistry  
Dr. Robert Tollen, Associate Professor of Economics  
and Finance

Student Representatives

Mr. Cesar Portillo  
Ms. Deanna Sue Nasser

Alumni Association Representative

Mr. Robert C. Heasley

El Paso Community Representatives

Mrs. Ruth Fulwiler Brennand  
Mr. H. M. Daugherty, Jr.  
Mr. Hector Holguin

SCHEDULED MEETING.--Chairman Hay announced that the next meeting of the U. T. Board of Regents would be held in Austin on August 13-14, 1987.

RECESS.--At 2:30 p.m., Chairman Hay announced that the Board would recess to convene in Executive Session to discuss matters pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) and that the Board would reconvene in open session this afternoon (June 11) to consider formally actions on those items.

RECONVENE.--At 4:38 p.m., the Board reconvened in open session for the purpose of acting on items discussed in Executive Session.

#### EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Hay reported that the Board had met in Executive Session in Room 134 of the University Center to discuss matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes. In response to Chairman Hay's inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Health Science Center - Dallas: Settlement of Medical Malpractice Litigation - Vasiliki Giannakopoulos, et al.--Regent Yzaguirre moved that the Office of the Chancellor and the Office of General Counsel be authorized to settle on behalf of The University of Texas Health Science Center at Dallas the medical malpractice lawsuit filed by Vasiliki Giannakopoulos, et al, in accordance with the proposal presented in Executive Session.

Vice-Chairman Ratliff seconded the motion which carried by unanimous vote.

2. U. T. Health Science Center - San Antonio: Settlement of Medical Malpractice Litigation - Earl Loera, et al.--Regent Yzaguirre moved that the Office of the Chancellor and the Office of General Counsel be authorized to settle on behalf of The University of Texas Health Science Center at San Antonio the medical malpractice lawsuit filed by Earl Loera, et al, in accordance with the proposal presented in Executive Session.

Vice-Chairman Baldwin seconded the motion which prevailed without objection.

3. U. T. El Paso: Appointment of Dr. Diana S. Natalicio as Interim President Effective July 1, 1987.--Upon motion of Vice-Chairman Baldwin, duly seconded, the Board appointed Dr. Diana S. Natalicio, currently Vice President for Academic Affairs, as Interim President of The University of Texas at El Paso effective July 1, 1987, at a salary to be negotiated by Executive Vice Chancellor Duncan and approved by the Board through the usual budgetary process.

Vice-Chairman Baldwin introduced Dr. Natalicio and congratulated her on this interim appointment.

4. U. T. Board of Regents: Election of Officers Effective Immediately - (a) Mr. Jack S. Blanton, Chairman; (b) Mr. Shannon H. Ratliff, Vice-Chairman; (c) Mr. Bill Roden, Vice-Chairman; and (d) Mr. Arthur H. Dilly, Executive Secretary (Regents' Rules and Regulations, Part One, Chapter I, Sections 3, 4 and 5).--In accordance with the Regents' Rules and Regulations, Part One, Chapter I, Sections 3, 4 and 5 relating to the election of officers of the U. T. Board of Regents, Chairman Hay moved that the following officers be elected effective immediately:

Chairman:	Jack S. Blanton
Vice-Chairman (designated to act in the place of the Chairman):	Shannon H. Ratliff
Vice-Chairman:	Bill Roden
Executive Secretary:	Arthur H. Dilly

Regent Yzaguirre seconded the motion which carried by acclamation.

On behalf of the Board, Vice-Chairman Ratliff commended Chairman Hay on his leadership of the Board during the past two years and for his excellent efforts with regard to higher education financing and the quest for excellence throughout the U. T. System. On behalf of the Office of the Chancellor, Chancellor Mark seconded Vice-Chairman Ratliff's remarks.

Following these accolades, Regent Hay received a standing ovation.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 4:45 p.m.

  
Arthur H. Dilly  
Executive Secretary

June 17, 1987