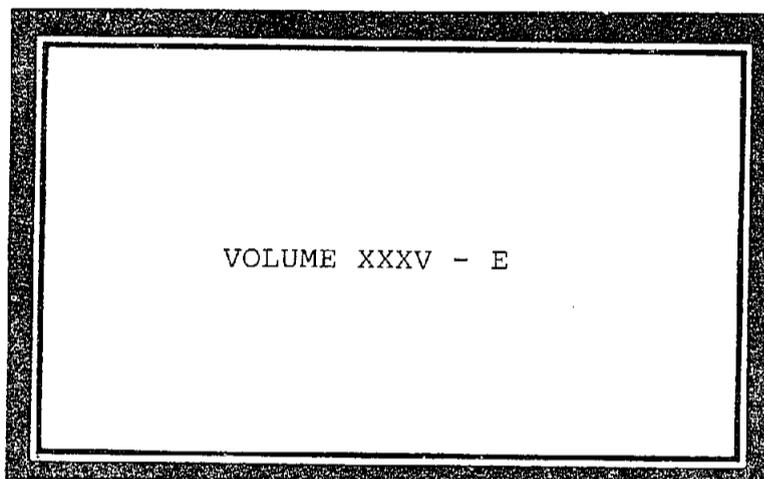


Meeting No. 833

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



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June 9, 1988

Austin, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
 JUNE 9, 1988
 AUSTIN, TEXAS

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MEETING NO. 833

THURSDAY, JUNE 9, 1988.--The members of the Board of Regents of The University of Texas System convened in regular session at 11:05 a.m. on Thursday, June 9, 1988, in the Regents' Meeting Room on the ninth floor of Ashbel Smith Hall in Austin, Texas, with the following in attendance:

ATTENDANCE.--

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

Executive Secretary Dilly

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

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

RECESS TO EXECUTIVE SESSION.--Chairman Blanton announced that the Board would recess to convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out in the Material Supporting the Agenda: litigation, land acquisition and personnel matters.

RECONVENE.--At 2:00 p.m., the Board reconvened in open session.

WELCOME BY DR. WILLIAM H. CUNNINGHAM, PRESIDENT OF THE UNIVERSITY OF TEXAS AT AUSTIN, AND REPORT ON PLAN II HONORS PROGRAM BY DR. BETTY SUE FLOWERS.--Chairman Blanton expressed appreciation to President Cunningham for the informal social event last evening (Wednesday) which allowed the Board to visit with many U. T. Austin friends and supporters. He then called on Dr. William H. Cunningham, President of The University of Texas at Austin (the host institution).

On behalf of the faculty, staff and students of U. T. Austin, President Cunningham welcomed the members of the Board and other guests to Austin. He then introduced Dr. Betty Sue Flowers, Professor in the Department of English and Director of the Plan II Honors Program in the College of Liberal Arts at The University of Texas at Austin.

*Regent Hay was excused because of a previous commitment.

Dr. Flowers reported that the Plan II Honors Program was established in 1935 and is recognized as one of the oldest and most prestigious honors programs in the country. Throughout its history, Plan II graduates have achieved prominence in the professions, academia, as well as business and civic leadership. Plan II is the only four-year honors program at U. T. Austin and challenges its students to develop their intellectual potential to the fullest. The core of the program is a high-quality, interdisciplinary curriculum which features year-long courses, small seminar classes, independent study and flexible subject concentrations. Outstanding professors are selected to teach courses designed especially for Plan II students.

Dr. Flowers noted that approximately 150 students are admitted to the Plan II Honors Program each year and applications for the program have tripled in the last six years. Seven years ago, three-fourths of the applicants were admitted to the program but now only about one-fourth of the applicants are admitted. Criteria for admission include an enthusiasm for learning for its own sake, a willingness to work, the capacity for imagination and originality and a strong academic record. Students are expected to maintain at least a 3.0 overall grade point average while fulfilling Plan II requirements. Dr. Flowers pointed out that the Plan II Program offers the superior facilities, faculty and libraries of the University along with the personal attention, individual advising and collegiality of a small liberal arts college.

Following Dr. Flowers' presentation, Vice-Chairman Ratliff, a graduate of the Plan II Honors Program, reiterated that Plan II is the most exciting educational opportunity that any person may get and that it really does meet the true definition of education in that it introduces an individual to the potential of life-long learning opportunities.

On behalf of the Board, Chairman Blanton expressed appreciation to Dr. Flowers for her very informative report and echoed Vice-Chairman Ratliff's sentiments that the Plan II Honors Program is one of the finest undergraduate programs in the nation today.

REPORT ON TEXAS EQUAL EDUCATIONAL OPPORTUNITY PLAN BY MR. GERALD WRIGHT, ASSISTANT COMMISSIONER FOR EDUCATIONAL OPPORTUNITY PLANNING, TEXAS HIGHER EDUCATION COORDINATING BOARD.--Chairman Blanton stated that he had asked Mr. Gerald Wright, Assistant Commissioner for Educational Opportunity Planning for the Texas Higher Education Coordinating Board, to summarize an excellent report that he recently presented to the Coordinating Board related to the Texas Equal Educational Opportunity Plan (Texas Plan).

Mr. Wright reported that the Texas Equal Educational Opportunity Plan, which was adopted in 1983, is a five-year affirmative action plan aimed at increasing the numbers of minority students and employees in Texas public institutions of higher education. The Texas Plan outlines student enrollment goals based on 1978 enrollment trends and employment goals based on institutional affirmative action programs. Mr. Wright noted the following successes of the Plan: enhancement/improvement of various programs, improvement in faculty salaries, elimination of disparities between minority groups, improvement in recruitment of minority faculty/staff and improvement of minority representation on governing boards. He pointed out that one of the failures in the Texas Plan has been the inability to bring about a significant increase in freshmen minorities in Texas colleges.

In summary, Mr. Wright commended the U. T. System on its progress in the recruitment and retention of Black and Hispanic students and employees and expressed gratitude for the cooperation and commitment of the Board in complying with the goals and objectives of the Texas Plan. He reiterated that much remains to be done to accomplish the goals to increase the enrollment and graduation rates of Black and Hispanic persons and to increase the numbers and proportions of minority faculty and staff in state supported institutions of higher education.

Chairman Blanton expressed the Board's appreciation to Mr. Wright for this status report and stated that the Board looked forward to the five-year report on the Texas Plan due later in 1988.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON APRIL 14, 1988.--Upon motion of Regent Barshop, seconded by Regent Beecherl, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on April 14, 1988, in Galveston, Texas, were approved as distributed by the Executive Secretary. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXXV, Pages 2595 - 3558.

SPECIAL ITEM

U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendment to Chapter VI, Section 6, Subsection 6.12(9) (Solicitation).--Approval was given to amend the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.12(9) concerning solicitation to read as set forth below:

(9) The solicitation of funds by any organization that can present to the chief administrative officer, or his or her delegate, written evidence from the Internal Revenue Service that the organization has been granted an exemption from taxation under 26 U.S.C.A. 501(c)(3) (Internal Revenue Code). No organization may solicit under this subdivision for more than a total of fourteen days, whether continuous or intermittent, during each state fiscal year.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 2:25 p.m., the Board recessed for the meetings of the Standing Committees and Chairman Blanton 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 4 - 6).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Blanton 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. Permanent University Fund - Investment Advisory Committee: Appointment of Mr. Michael J. C. Roth, San Antonio, Texas, to a Term Ending August 31, 1990 (Exec. Com. Letter 88-18).--The Executive Committee recommended and the Board approved the appointment of Mr. Michael J. C. Roth, Chief Operating Officer of USAA Investment Management Company, San Antonio, Texas, to replace Mr. Harold W. Hartley, Mabank, Texas, to the Investment Advisory Committee for the Permanent University Fund of The University of Texas System for a term ending August 31, 1990.

With this appointment, the membership of the Investment Advisory Committee is as follows:

	<u>Term Expires</u>
Andrew Delaney	8/31/88
Edward Randall III	8/31/89
Michael J. C. Roth	8/31/90
John T. Stuart III	8/31/89
John T. Trotter	8/31/88
E. L. "Pete" Wehner	8/31/90

2. U. T. System: Employment of Fayez Sarofim & Co., Houston, Texas, and Disciplined Investment Advisors, Inc., Evanston, Illinois, as Additional Investment Counselors; Authorization of Initial Amounts to be Managed; and Authorization for the Executive Vice Chancellor for Asset Management to Execute Investment Counseling Agreements (Exec. Com. Letter 88-20).--With regard to investment of the Permanent University Fund (PUF) of The University of Texas System, the Board, upon recommendation of the Executive Committee:
 - a. Employed Fayez Sarofim & Co., Houston, Texas, and Disciplined Investment Advisors, Inc., Evanston, Illinois, as additional investment counselors
 - b. Authorized an initial amount of \$120 million to be managed by the two additional investment counselors for the PUF. An external investment counselor for the PUF ceased managing approximately \$120 million as of April 1988. The Office of Asset Management, which has previously been authorized to allocate management of up to \$500 million with the other six authorized investment counselors of the PUF, was authorized to designate management of up to \$620 million with the eight authorized investment counselors.

c. Authorized the Executive Vice Chancellor for Asset Management and the Office of General Counsel to finalize within the parameters of the existing investment counseling agreements appropriate investment counseling agreements with Faye Sarofim & Co. and Disciplined Investment Advisors, Inc. and authorized the Executive Vice Chancellor for Asset Management to execute such agreements after they have been approved as to form by the Office of General Counsel.

3. U. T. Arlington - Engineering Building Addition and Renovation (Project No. 301-475): Award of Contract for Furniture and Furnishings to Reflector Hardware Corp.-Spacemaster Systems, Melrose Park, Illinois, and Authorization for the Chancellor to Sign the Contract (Exec. Com. Letter 88-19).--Upon recommendation of the Executive Committee, the Board awarded a contract for library furniture and furnishings for the Engineering Building Addition and Renovation at The University of Texas at Arlington to the lowest responsible bidder, Reflector Hardware Corp.-Spacemaster Systems, Melrose Park, Illinois, as follows:

Base Proposal "A" (Steel Library Shelving)	\$ 34,646.80
Base Proposal "B" (Wood End Panels for Steel Library Shelving)	9,323.22
Base Proposal "C" (Wood Library Furniture)	36,512.80
Base Proposal "D" (Reading Chairs)	17,588.55
Base Proposal "E" (Compact Shelving)	114,393.74
Base Proposal "F" (Steel Files)	2,628.75
Base Proposal "G" (Secretarial Chairs)	8,100.00
Base Proposal "H" (Sign System)	<u>18,801.00</u>
GRAND TOTAL CONTRACT AWARD	\$241,994.86

Further, the Chancellor was authorized to sign the contract awarding this bid based on the results of the Executive Committee circularization.

4. U. T. San Antonio - Lutch Center: Request for Approval to Sell 13.727 Acre Tract at 636 Ivy Lane, Terrell Hills, San Antonio, Bexar County, Texas, to Mr. and Mrs. Emilio Nicolas, San Antonio, Texas (Exec. Com. Letter 88-19).--Chairman Blanton reported that the proposed ratification of the sale of the entire 13.727 acre tract at 636 Ivy Lane, Terrell Hills, San Antonio, Bexar County, Texas, known as The University

of Texas at San Antonio Lutchter Center, to Mr. and Mrs. Emilio Nicolas, San Antonio, Texas, was not necessary since the prospective purchaser had elected not to complete the sale.

See Page 83 related to an alternate purchase offer for the Lutchter Center.

5. U. T. Southwestern Medical Center - Dallas - McDermott Academic Administration Building and McDermott Plaza Waterproofing (Project No. 303-686): Award of Construction Contract to Henry Building & Engineering, Inc., Lancaster, Texas (Exec. Com. Letter 88-20).--The Board, upon recommendation of the Executive Committee, awarded a construction contract for the McDermott Academic Administration Building and McDermott Plaza Waterproofing at The University of Texas Southwestern Medical Center at Dallas to the lowest responsible bidder, Henry Building & Engineering, Inc., Lancaster, Texas, for the Base Bid and Add Alternate Bid Nos. 1, 2, 3, 4 and 5, in the amount of \$1,773,700.

This project was approved by the Texas Higher Education Coordinating Board in April 1988.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND AUDIT COMMITTEE (Pages 7 - 42).--Committee Chairman Roden 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 Chancellor's Docket No. 40 (Catalog Change).--Upon recommendation of the Finance and Audit Committee, the Board approved Chancellor's Docket No. 40 in the form distributed by the Executive Secretary. It is attached following Page 84 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.

Regent Ratliff abstained from voting on items within the Docket related to Exxon Corporation and Southwest Texas Electric Cooperative due to a possible conflict of interest.

2. U. T. System: Permission for Mr. Robert L. Conrad to Serve on the Interstate Oil Compact Commission Public Lands Committee [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Mr. Robert L. Conrad, Director of the University Lands Accounting Office for The University of Texas System, to serve on the Interstate Oil Compact Commission Public Lands Committee. The Commission's members serve without remuneration for a term to continue at the pleasure of the Governor.

Mr. Conrad's appointment is of benefit to the State of Texas, creates no conflict with his regular duties in the U. T. System 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.

3. U. T. System: Approval of Non-Personnel Aspects of the 1988-89 Operating Budgets, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Authorization for the Chancellor to Make Editorial Corrections Therein.--Committee Chairman Roden called on Chancellor Mark who presented a comprehensive overview of the 1988-89 proposed Operating Budgets for The University of Texas System. A copy of Chancellor Mark's report is on file in the Office of the Board of Regents.

Following Chancellor Mark's presentation and his recommendation that the non-personnel aspects of the operating budgets be adopted, Regent Beecherl commented that, while generally approving the budgets, there are several details that he has not had the opportunity to review and will reserve the right to question some specific items particularly related to the System Administration management review now underway, as well as certain proposed expenditures on behalf of the revenue bearing property.

Upon recommendation of the Finance and Audit, Academic Affairs and Health Affairs Committees, the Board approved the non-personnel aspects of the 1988-89 Operating Budgets, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans for The University of Texas System as listed below and authorized the Chancellor to make editorial corrections in these budgets with subsequent adjustments to be reported to the Board through the institutional dockets:

The University of Texas System Administration
(including the Available University Fund)
The University of Texas at Arlington
The University of Texas at Austin
The University of Texas at Dallas
The University of Texas at El Paso
The University of Texas of the Permian Basin
The University of Texas at San Antonio
(including The University of Texas
Institute of Texan Cultures at San Antonio)
The University of Texas at Tyler
The University of Texas Southwestern Medical
Center at Dallas
The University of Texas Medical Branch
at Galveston
The University of Texas Health Science Center
at Houston
The University of Texas Health Science Center
at San Antonio
The University of Texas M.D. Anderson
Cancer Center
The University of Texas Health Center at Tyler

These budgets are a part of the Minutes of this meeting and the official copy is in bound Volume XLIII entitled Annual Budget for 1988-89.

See Page 83 for approval of personnel aspects of the 1988-89 Operating Budgets.

4. U. T. System: Award of Contract for 1988-89 to American General Life Insurance Company, Dallas, Texas, for Employee Group Health, Dental, Life, Accidental Death and Long-Term Disability Insurance Effective September 1, 1988.--The Board, upon recommendation of the Finance and Audit Committee, awarded the 1988-89 contract for The University of Texas System employee group health, dental, life, accidental death and long-term disability insurance to American General Life Insurance Company, Dallas, Texas, effective September 1, 1988. Coverage rates and plan design changes for 1988-89 are set forth below:

a. Group Health Insurance

	<u>Monthly Rates</u>	
	<u>Plan A</u>	<u>Plan B</u>
Employee	\$ 86.12	\$ 69.06
Employee/Spouse	165.80	149.45
Employee/Child(ren)	151.80	121.60
Employee/Family	250.54	200.59

b. Group Dental Insurance

	<u>Monthly Rates</u>
Employee	\$10.79
Employee/Spouse	19.75
Employee/Child(ren)	26.40
Employee/Family	33.00

c. Life Insurance

	<u>Monthly Rates</u> <u>(per \$1,000 coverage)</u>
Under 35	\$.080
Ages 35-39	.103
Ages 40-44	.145
Ages 45-49	.223
Ages 50-54	.347
Ages 55-59	.544
Ages 60-64	.823
Age 65	1.243
Ages 66 and Over	1.550

d. Accidental Death Insurance

<u>Monthly Rate</u> <u>(per \$10,000 coverage)</u>
\$.24

e. Long-Term Disability Insurance

<u>Monthly Rate</u> <u>(per \$100 monthly rate</u> <u>of basic earnings not</u> <u>to exceed \$18,500)</u>
\$.69

The Group Health Insurance Plan to be effective September 1, 1988, incorporates the cost containment/managed care measures set forth below:

(1) Implementation of a Preferred Provider Organization Network

This plan design change encourages employees to utilize the option of obtaining medical services through a Preferred Provider Organization (PPO) affording discounts to both the employee and the group. Employees will be encouraged to use the PPO network through incentives and disincentives to be accomplished through varying levels of co-payment. The current co-pay is 20% for the insured with a maximum out-of-pocket expense of \$1,000 for Plan A and \$1,800 for Plan B. Where no PPO is available within the service area in which the employee resides, the current co-pay of 20% will apply.

New levels of co-pay are as follows:

<u>Employee Co-pay</u>	<u>Insurance Payment</u>	<u>Maximum Out-of-Pocket Expense</u>		<u>Basis</u>
		<u>Plan A</u>	<u>Plan B</u>	
10%	90%	\$1,000	\$1,800	U. T. Provider within PPO Network
10%	90%	1,000	1,800	Within PPO Network where no U. T. Provider is available
15%	85%	1,000	1,800	Within PPO Network Electing Non-U. T. Provider
30%	70%	3,000	5,400	Outside PPO Network

(2) Modification of Benefit Limits on Psychiatric/Drug Abuse Treatment

Levels of coverage for 1988-89 are as follows:

In-Patient Expenses

Psychiatric Care - 30 days
 Drug Abuse Treatment - 15 days

Out-Patient Expenses

Psychiatric - \$1500 annual limit
 Drug Abuse - \$1500 annual limit

Non-Residential Day Treatment

Psychiatric - 30 days
 Drug Abuse - 15 days

Physician Services

In-Patient

Psychiatric	-	30 days
Drug Abuse	-	15 days

Non-Residential Treatment

Psychiatric	-	30 days
Drug Abuse	-	15 days

(3) Enhanced Wellness Program

The insurance carrier will provide periodic mailings to insureds addressing current wellness issues. Carrier will negotiate discounted wellness screening procedures through the PPO Network, however, the full costs of such procedures may be borne by the insured funded through the U. T. System Flexible Benefits Program (UTFLEX).

The employer contribution available for purchase of coverage of the employee's choice will increase from \$100.00 to \$115.00 effective September 1, 1988.

5. U. T. Austin: Authorization to Amend Existent Shuttle Bus Contract with Laidlaw Transit, Inc. (Laidlaw), Van Nuys, California, and Award Shuttle Bus Service Contract to Capital Metropolitan Transportation Authority (Capital Metro), Austin, Texas, Effective for Five-Year Period Beginning September 1, 1988.--Committee Chairman Roden called on President Cunningham to review the recommendations related to The University of Texas at Austin shuttle bus service.

President Cunningham reported that under the proposed contract with the Capital Metropolitan Transportation Authority (Capital Metro) the level of campus service will be the same as currently provided, students will be able to ride the buses on all routes in the Capital Metro service area without additional charge, and service costs will be held constant for at least three years.

At the conclusion of President Cunningham's remarks, Committee Chairman Roden introduced Mr. Gene Stroop, an elected representative of the U. T. Austin shuttle bus drivers and an employee of U. T. Austin since 1977, who had been given permission to comment on this matter. On behalf of the 124 shuttle bus drivers, Mr. Stroop outlined that group's opposition to the proposed contract with Capital Metro and asked that the Board not accept the terms of the contract. He emphasized that the Capital Metro buses would have less maneuverability on the campus and this would result in schedule delays as well as overcrowding on the buses. Mr. Stroop also pointed out the disparity in wages between Capital Metro employees and U. T. Austin shuttle bus drivers.

Following a further detailed discussion and upon recommendation of the Finance and Audit Committee, the Board:

- a. Amended the existent U. T. Austin shuttle bus contract with Laidlaw Transit, Inc. (Laidlaw), Van Nuys, California, as set out on Pages 14 - 15. This amendment provides an extension option to Laidlaw whose contract expires August 31, 1989, for an additional two years (through August 31, 1991).
- b. Authorized execution of an agreement with the Capital Metropolitan Transportation Authority (Capital Metro), Austin, Texas, for shuttle bus service for a five-year period from September 1, 1988 to August 31, 1993, as set out on Pages 16 - 42.

In summary, this agreement provides for the following:

1. The initial contract period is from September 1, 1988 through August 31, 1993, with an option to extend for five additional years. (The last year of the Laidlaw contract is assigned to Capital Metro with Laidlaw continuing to operate its buses during that 1988-89 period under contract with Capital Metro.)
2. Beginning September 1, 1989, Capital Metro is to provide eighty (80) new buses with air conditioning and wheelchair lifts, permitting handicapped access. The cost of the new equipment is to be financed with a grant from the Urban Mass Transportation Administration (UMTA).

During the discussion, there was a difference of opinion between President Cunningham and Mr. Strop about whether Capital Metro would provide all new buses or a combination of new and old buses under the contract. The U. T. Austin Administration was directed to clarify this matter and to be certain that this issue was resolved in the provisions of the contract.

3. The extension amendment to the current Laidlaw agreement provides the option for extension of the operations subcontract to Laidlaw for two years after acquisition of new equipment, after which Capital Metro will use competitive bidding to subcontract with private contractors to operate the bus service for the remainder of the agreement. If an extension is not granted to Laidlaw, the subcontract will be bid after the 1988-89 academic year.

4. Routes scheduled by U. T. Austin in 1987-88 are to be duplicated by the new bus system.
5. Students will be permitted to ride the entire Capital Metro System, as well as the U. T. Austin shuttle buses, without additional charge. This includes the opportunity for students with disabilities to use the lifts on all Capital Metro main line buses.
6. U. T. Austin retains the right to designate routes, headways, bus stops, etc. on U. T. Austin shuttle routes.
7. Costs of the service will remain at the 1988-89 level for the first three years of the contract. The fourth and fifth year rates are to be negotiated with a 5% limit on any increase in rates. The rates would be renegotiated if an option for the five-year extension is exercised. Payment is to continue to be entirely from the Compulsory Student Services Fee.

On behalf of the Board, Chairman Blanton expressed appreciation to Mr. Strop for his very informative presentation and noted that the Board was very sympathetic to the matter of salaries for shuttle bus drivers but that this issue was not within the jurisdiction of the Board.

AMENDMENT TO
SHUTTLE BUS SERVICE CONTRACT

WHEREAS, by contract dated October 13, 1983, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM ("BOARD") did contract for certain shuttle bus and associated services for the use and benefit of The University of Texas at Austin ("UNIVERSITY") with ARA TRANSPORTATION, INC., now doing business as LAIDLAW TRANSIT, INC., having its home office and principal place of business in Van Nuys, California ("CONTRACTOR"); and

WHEREAS, the parties to the aforementioned contract did amend said contract on May 29, 1985, by amending certain paragraphs of the contract; and

WHEREAS, the parties to the aforementioned contract do now agree to amend the contract to provide for an option to extend the contract beyond its current term;

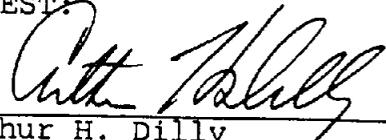
WITNESSETH, the following terms of the aforementioned contract are hereby modified and amended effective June 9, 1988, by adding a new Paragraph XIII as follows:

XIII.

EXTENSION OPTION

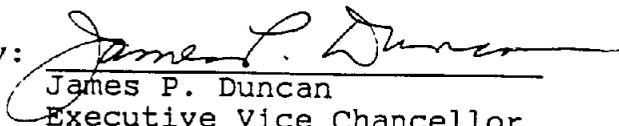
BOARD, at its option, may extend this contract for an additional two years, through August 31, 1991, by giving written notice to CONTRACTOR on or before January 1, 1989. Upon giving such notice to the CONTRACTOR, this contract shall thereby be extended on the same terms, covenants and conditions as provided in this contract, except that the payment by UNIVERSITY to CONTRACTOR and the type of equipment furnished by CONTRACTOR in the performance of this contract shall be renegotiated between BOARD and CONTRACTOR.

ATTEST:



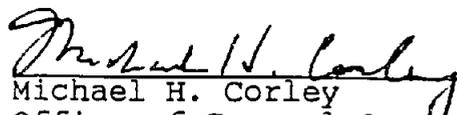
Arthur H. Dilly
Executive Secretary

THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM

By: 

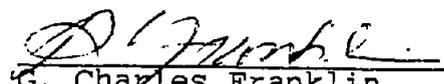
James P. Duncan
Executive Vice Chancellor
for Academic Affairs

APPROVED AS TO FORM:



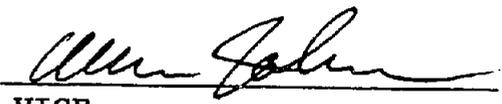
Michael H. Corley
Office of General Counsel
University of Texas System

APPROVED AS TO CONTENT:



G. Charles Franklin
Vice President for Business
Affairs
University of Texas at Austin

LAIDLAW TRANSIT, INC.

By: 

VICE
President

AGREEMENT BETWEEN THE BOARD OF REGENTS
OF THE UNIVERSITY OF TEXAS SYSTEM AND THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY

This Agreement is made by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM ("BOARD"), an agency of the State of Texas, on behalf of its component, The University of Texas at Austin, ("UNIVERSITY"), and the CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY, ("CAPITAL METRO"), a public body corporate and politic located in Austin, Texas.

For and in consideration of the mutual promises and consideration recited herein, the parties agree as follows:

I.

SUBJECT OF AGREEMENT

CAPITAL METRO will provide shuttle bus service for UNIVERSITY at such locations and times, and upon such terms, conditions, scheduled and provisions as hereinafter provided. Such service includes, at a minimum, the level of shuttle bus service equivalent to that provided for UNIVERSITY during the 1987-1988 school year - as described in Attachment A. CAPITAL METRO represents that it has the requisite experience, skill and personnel properly to operate and manage such shuttle bus service and BOARD, in reliance on such assurance, hereby enters into this Agreement.

II.

TERM OF AGREEMENT

The term of this Agreement shall begin September 1, 1988, and end August 31, 1993.

III.

ASSIGNMENT OF PRIOR AGREEMENT

BOARD hereby assigns all of its right, title and interest in and to the agreement entitled "Shuttle Bus Service Contract" between BOARD and Laidlaw Transit, Inc. dated October 13, 1983, as amended, to CAPITAL METRO. A copy of the agreement is attached hereto as Attachment B. This assignment shall be

effective on September 1, 1988. Until this assigned Contract expires, Laidlaw Transit, Inc. will continue to provide the shuttle bus service under its terms pursuant to the direction and management of CAPITAL METRO. CAPITAL METRO may with the consent of Laidlaw Transit, Inc. extend the assigned contract beyond August 31, 1989 pursuant to any option to extend between BOARD and Laidlaw Transit, Inc.

IV.

PROVISION OF SERVICE BY CONTRACTOR

CAPITAL METRO shall maintain operational control of the shuttle bus service. Prior to August 31, 1989 CAPITAL METRO, through a competitive process, will select a private entity ("CONTRACTOR"), to provide supervisory service, drivers and maintenance support for the designated bus fleet for the period September 1, 1989 through August 31, 1993.

CONTRACTOR will be an independent contractor responsible for its own employees who shall not be considered employees of CAPITAL METRO or UNIVERSITY.

V.

EQUIPMENT FURNISHED BY CAPITAL METRO

(a) Beginning September 1, 1989, CAPITAL METRO shall furnish and make available for use in such shuttle bus service not less than eighty (80) lift-equipped, air conditioned buses with both front and rear loading doors. CAPITAL METRO may at its discretion, place all or part of the buses in service prior to September 1, 1989. All buses shall conform to all city, state, and federal standards, both interior and exterior, that pertain to each piece of equipment. As of September 1, 1989, all buses used by CAPITAL METRO during the term of this Agreement shall meet the following minimum specifications:

RADIO

10 watt output UHF or VHF

BODY

Loading doors Front and rear (right side)

Windows Tinted or smoked glass

Heater Manufacturer's standard equipment
Hanger rails Both sides centered over seats
Wheelchair lifts

Seating For 40-foot buses: 44 standard

seats with a center aisle at least 18 inches wide.
Allow 18 inches rump room per passenger. Seats to be
mounted on 30 inch centers.

For 30-foot buses: 27 standard

seats with aisle at least 18 inches wide. Allow 18
inches rump room per passenger. Seat to be mounted on
30 inch centers.

UNIVERSITY and CAPITAL METRO may by mutual agreement designate other types of buses to be used in the performance of this Agreement. The wheelbase, engine size, front and rear axle capacity shall be determined and conform with the above described seating capacity. Consistent with the above specifications, bus size and seating capacity shall be determined by CAPITAL METRO to meet demand for service and location of routes and to provide service as described in Attachment A.

(b) None of the buses shall display commercial advertising material, either on the inside or outside; provided, however, the buses may display CAPITAL METRO's logo. Announcements regarding CAPITAL METRO's service may be displayed. Announcements regarding official UNIVERSITY events and policies also may be displayed, if they are approved in advance by the Vice President for Business Affairs and they meet uniform size requirements. UNIVERSITY shall provide CAPITAL METRO with its policy for approving official UNIVERSITY announcements.

(c) Beginning on September 1, 1989, all buses operated in the performance of this contract shall be equipped with two-way radios for reporting to the bus dispatcher all failures of equipment, necessary rerouting of the buses to meet requirements and to determine the location of a bus when deemed necessary.

(d) Of these buses, a reserve of five buses shall be allocated and maintained for use in case of a breakdown or

failure of any of the buses used daily on the routes. Should any bus be placed out of service for any reason, CAPITAL METRO shall replace that bus immediately with another bus which meets the minimum specifications and standards above.

(e) CAPITAL METRO shall be responsible for proper and adequate service, usual preventive maintenance, regular inspections and all repairs on such buses to minimize mechanical breakdown and failure. CAPITAL METRO shall be responsible for the cleanliness and appearance of such buses inside and out. CAPITAL METRO shall require drivers of the buses to keep daily records reflecting any known defects which may exist, and such records from time to time shall be subject to inspection by an authorized representative of UNIVERSITY.

(f) CAPITAL METRO shall be responsible for all operating expenses connected with furnishing such shuttle bus services, as well as ad valorem taxes on the buses, licenses, fees, if any, bus stop signs and printed public timetables. All drivers shall be required to operate CAPITAL METRO buses in a careful and prudent manner and in strict compliance with traffic and safety laws, ordinances and regulations of the City of Austin, State of Texas, the United States and UNIVERSITY.

(g) CAPITAL METRO shall provide a minimum of three (3) field supervisors to monitor the system for delivery of service on University designated routes described in Attachment A of this Agreement.

(h) CAPITAL METRO shall furnish the Vice President for Business Affairs of UNIVERSITY with time sheets for each day of operation showing bus numbers, routes served and total time of route operation. Such time sheets shall be furnished on the 15th day of each month for the days of operation in the preceding month.

VI.

INSURANCE AND PERFORMANCE BOND

(a) CAPITAL METRO shall require CONTRACTOR to maintain at all times during the period covered by this agreement liability and property damage insurance issued by a company authorized to do business in Texas and approved by UNIVERSITY, with a minimum combined single limit of not less than Five Million Dollars (\$5,000,000) for each occurrence. Proper certificates of insurance reflecting said insurance coverage in limits not less than those stated above shall be furnished to UNIVERSITY.

(b) CAPITAL METRO shall require CONTRACTOR to secure a Performance Bond in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) to guarantee faithful performance of its obligations to CAPITAL METRO. Such Performance Bond shall be issued by a company authorized to do business in the State of Texas and approved by CAPITAL METRO and UNIVERSITY.

(c) UNIVERSITY shall provide to CAPITAL METRO the criteria to be used for the approval of such insurance and performance bond.

VII.

ROUTES, SCHEDULES AND AREAS OF SERVICE

(a) The area to be served by shuttle bus service shall be within the campus of UNIVERSITY and within such other areas of the City of Austin as designated in Attachment A.

(b) Such routes and schedules shall be operated Monday through Friday on all regularly scheduled class, registration and final examination days, provided that during registration and examination periods Saturday service may be required (approximately 225 days per year).

(c) Service provided by CAPITAL METRO shall include the operation of buses on University-oriented routes, approximately 736 hours per day during fall classes, 310 hours per day during registration periods, 713 hours per day during spring classes, 456 hours during summer session and 380 hours during final examinations, unless otherwise agreed upon. CAPITAL METRO shall

operate the buses for the number of hours required to provide the level of service described in Attachment A. The cost for service changes requested by UNIVERSITY which raise the hours of service above the maximum annual number of hours required for University-oriented routes described in Attachment A shall be paid to CAPITAL METRO at Twenty-Three Dollars and Eight Cents (\$23.08) per service hour.

(d) The buses to be operated for the shuttle bus service will stop for the purpose of picking up and discharging passengers only at bus stop locations that have been agreed upon by CAPITAL METRO and UNIVERSITY. To maintain current shuttle bus operating efficiencies, bus drivers will not require presentation of University identification cards or collect cash fares on University-oriented routes designated by CAPITAL METRO and UNIVERSITY.

(e) CAPITAL METRO will, at a minimum, provide the coverage and vehicle frequency equal to that provided by Laidlaw Transit, Inc. during the 1987-88 school year (See Attachment A). UNIVERSITY shall retain the right to modify trip times, headway and bus stops for those routes currently part of the shuttle bus system and for those routes that may be established. UNIVERSITY may request routine changes to service described in Attachment A by giving written notice describing such changes and the basis for such request to CAPITAL METRO. Such routine changes may include minor route realignments, minor schedule adjustments, or minor changes in bus stop locations. CAPITAL METRO will approve and implement such requested changes within fifteen (15) days of receipt of such request, unless such changes would produce operational safety concerns. If the changes would result in operational safety hazards, CAPITAL METRO will advise UNIVERSITY in writing of the problem and will work with UNIVERSITY to resolve the problem to the satisfaction of both parties. Should UNIVERSITY desire significant changes in the route alignments, trip times, headways, or bus stops described in Attachment A, such changes shall become effective at the beginning of the Fall

or Spring Semester. UNIVERSITY shall request such changes in writing and CAPITAL METRO will approve and implement such changes subject to operational safety considerations. To facilitate coordination with the CAPITAL METRO system, UNIVERSITY shall submit such appropriate changes no later than April 1 for Fall Semester implementation and September 1 for Spring Semester implementation.

VIII.

CONSIDERATION

For and in consideration of CAPITAL METRO furnishing such buses and shuttle bus service as set forth above, UNIVERSITY agrees to pay CAPITAL METRO, the sum as specified below:

(a) For Year One (September 1, 1988 to August 31, 1989), UNIVERSITY shall pay CAPITAL METRO the sum of Three Million, One Hundred Eighty-five Thousand and Forty Dollars (\$3,185,040). This amount represents approximately One Hundred Thirty-eight Thousand (138,000) annual service hours, as described in Attachment A. In addition to the sum stated above, UNIVERSITY shall also pay CAPITAL METRO Twenty-three Dollars and Eight Cents (\$23.08) per service hour for total hours of service which exceed the annual number of hours required for UNIVERSITY-oriented routes described in Attachment A and which are provided by CAPITAL METRO in response to service changes requested by UNIVERSITY. For Year One and only Year One, in addition to the hourly charge, there shall be an additional Excess Fuel Cost Charge or Credit computed as follows:

1. The base fuel price of ninety-one cents (\$0.91) per gallon will be subtracted from the average weighted fuel price per gallon for the month. That remaining excess fuel price will then be multiplied by the conversion rate of 2.3 gallons per hour to obtain the Excess Fuel Cost per hour of service.
2. To obtain the average weighted fuel price for the billing month, the inventory (gallons of diesel fuel) on hand at the end of the previous month will be

multiplied by the last purchase price for that month. This beginning inventory cost will be added to the total cost for all fuel purchases made during the billing month. From this total, this diesel fuel inventory at the end of the billing month multiplied by the last purchase price for the billing month will be subtracted. The resulting net cost of fuel used during the billing month will be divided by the total gallons used to obtain the weighted fuel price per gallon.

3. There shall be separate statements and payments of the basic charge and the hourly charge for additional service hours, if any, as described in Section VII (a) above, and the Excess Fuel Cost charge as computed in Section VIII (a)(1) and (2). Payments shall be made within ten (10) working days of presentation of a properly itemized statement of charges for service rendered during the completed billing period. Billing periods will be a minimum of one month in length.
4. Should the average weighted fuel price for any month drop below the Base Fuel Price, UNIVERSITY will receive a credit on the next current billing computed in accordance with the procedure outlined in Section VIII (a) 1 and 2 above.
5. In the event the monthly fuel billing statement is not available prior to payment by UNIVERSITY for the billing month, UNIVERSITY will adjust payment for the next succeeding month's operation to account for any differences between fuel prices billed and those actually paid by CAPITAL METRO.

(b) In Year Two (September 1, 1989 to August 31, 1990) and Year Three (September 1, 1990 to August 31, 1991) UNIVERSITY shall pay CAPITAL METRO the sum of Three Million One Hundred Eighty-five Thousand and Forty Dollars (\$3,185,040) minus any

credit which has been realized during Year One (September 1, 1988 to August 31, 1989) plus the charge of Twenty-Three Dollars and Eight Cents (\$23.08) per service hour for additional service hours, if any, as prescribed in Section VIII (a) above.

(c) Payment by UNIVERSITY to CAPITAL METRO for Year Four (September 1, 1991 to August 31, 1992) and Year Five (September 1, 1992 to August 31, 1993) shall be negotiated by the parties prior to April 1, 1991. However, the negotiated payment to CAPITAL METRO for Year Four or Year Five shall not exceed five percent (5%) more than the contract sum paid during Year Three.

(d) Payment by UNIVERSITY to CAPITAL METRO entitles UNIVERSITY students with valid UNIVERSITY Identification Cards to service on all CAPITAL METRO local, Dillo and express park-and-ride bus service without additional charge, by displaying a valid UNIVERSITY identification card to the driver.

(e) The yearly payment shall be made by UNIVERSITY to CAPITAL METRO in twelve (12) equal monthly installments. Monthly payments shall also include payment of hourly charges for additional service hours, if any, as reflected on CAPITAL METRO's itemized statement of charges for service rendered during the completed billing period.

IX.

CLASSIFICATION OF PASSENGERS - NON DISCRIMINATION

The bus service provided herein shall be available to any person and shall not be restricted to students of UNIVERSITY.

X.

MAINTENANCE OF RECORDS

CAPITAL METRO agrees to maintain a set of books that shall reflect the following: (a) The number of buses operated on any given day, (b) the number of routes or schedules operated, (c) the number of hours operated by each bus on each route or schedule, and (d) any other additional information CAPITAL METRO may elect to include in such records.

UNIVERSITY shall have complete access to such books and records at any and all reasonable times during the business day

for the purpose of examination, and may at its own expense, cause an audit to be made of CAPITAL METRO's books and records, as the same pertains to service provided under this Agreement. CAPITAL METRO agrees to cooperate with the properly designated UNIVERSITY official charged with inspecting and auditing said books and records.

XI.

COMPLAINT PROCEDURE

CAPITAL METRO shall institute a complaint procedure for the shuttle bus service provided under this Agreement. CAPITAL METRO will use its Passenger Assistance Telephone Number (currently 322-2400) to receive complaints. CAPITAL METRO will have printed on the Shuttle Bus Map: "For complaints, please call 322-2400." CAPITAL METRO will take the name, telephone number, the best time to return the call and the nature of the complaint. The callers will be informed that they will be contacted within twenty-four (24) hours unless the complaint is received on a Friday, Saturday, Sunday or the day before a holiday. In such event, the callers will be informed that they will be contacted the next business day. A log will be kept of shuttle bus related calls. CONTRACTOR will be notified immediately by telephone of each call. CAPITAL METRO or CONTRACTOR will contact each caller by telephone to review the complaint. If an investigation is required, CAPITAL METRO or CONTRACTOR will conduct an investigation and the caller will be contacted regarding the results of the investigation. CAPITAL METRO and UNIVERSITY (through the office of the Vice President for Business Affairs) will review the complaint log on a regular basis to review trends and to discuss additional action that may be required. The complaint log shall be made available to the Shuttle Bus Committee and UNIVERSITY each month for their information.

XII.

LEGALITY OF CONTRACT

The operation by CAPITAL METRO under this Contract shall be performed in compliance with all the applicable ordinances of the

City of Austin, laws of the State of Texas and the United States. This Contract shall be binding on the parties hereto, their successors and assigns. CAPITAL METRO may not assign this Contract without prior written consent of UNIVERSITY and BOARD. This Contract shall be construed and performed in accordance with the laws of the State of Texas and any action arising hereunder shall be brought in the court of competent jurisdiction in Travis County, Texas.

XIII.

INDEMNIFICATION AND HOLD HARMLESS

CAPITAL METRO shall, to the extent permitted under the Constitution and laws of the State of Texas and subject to the limits of the Texas Tort Claims Act, indemnify and hold harmless BOARD, UNIVERSITY, their Regents, officers, employees and agents from and against any claims, demands or causes of action whatsoever, caused by arising out of, or resulting from any acts or omission by CAPITAL METRO or CONTRACTOR or their agents, officers or employees, including any claims, demands or causes of action arising in favor of any person or entity resulting from the acts or omissions of CAPITAL METRO or CONTRACTOR, officers, agents, representatives or employees.

XIV.

CANCELLATION

If CAPITAL METRO is in default under any term of this Agreement then UNIVERSITY shall give CAPITAL METRO written notice of such default and CAPITAL METRO shall have twenty (20) days in which to cure such default, and the failure of CAPITAL METRO to cure any such default within twenty (20) days after written notice of same by UNIVERSITY shall give BOARD the right to cancel this contract immediately. A default by Laidlaw Transit, Inc. prior to September 1, 1989 under the "Shuttle Bus Contract" between BOARD and Laidlaw Transit, Inc. shall not constitute default by CAPITAL METRO under Section XIV of the Agreement.

XV.

NOTICE

Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties as they appear below, but each party may change his address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated at the time of actual receipt; mailed notices shall be deemed delivered, whether actually received or not, forty-eight (48) hours after deposit in a regularly maintained receptacle for United Statesmail. Whenever written notice is required by any of the provisions of this Agreement the notice shall be given by CAPITAL METRO to:

Vice President for Business Affairs
The University of Texas at Austin
P. O. Box 8179
Austin, Texas 78713-8179

or by the UNIVERSITY to:

General Manager
CAPITAL METRO
P. O. Box 1943
Austin, Texas 78767

XVI.

SUSPENSION

Either party may suspend this Agreement at any time because of war, declaration of state of national emergency, acts of God or public enemy, strike, work stoppage or slow down, or other cause beyond the control of such party, by giving the other party written notice of suspension and the reason for same. UNIVERSITY shall be obligated only to pay for services actually provided under this Agreement.

Payments to be made and services to be rendered under this Agreement shall not become due during a period of suspension. BOARD may secure the services herein contemplated from another source during the period in which CAPITAL METRO suspends performance under this Agreement.

XVII.

EXTENSION OPTION

BOARD, at its option, may extend this Agreement for an additional five (5) years through August 31, 1998 by giving written notice to CAPITAL METRO on or before April 1, 1992. The extended term shall commence on September 1, 1993 and expire on August 31, 1998 without the necessity of executing any further instruments or documents, upon the same terms, covenants and conditions as provided in this Agreement, except that UNIVERSITY payment to CAPITAL METRO shall be renegotiated. A negotiating period of ninety (90) days ending June 30, 1992 shall be established to negotiate the payment amount per annum. If the parties are unable to reach agreement on amount of payment to CAPITAL METRO on or before June 30, 1992 then this Agreement shall terminate as scheduled on August 31, 1993 without extension and BOARD and UNIVERSITY may pursue other sources to secure shuttle bus service.

VIII.

ENTIRE AGREEMENT

This instrument and attachments contain the entire agreement between the parties and supercede any prior understanding or written or oral agreements between parties respecting the within subject matter. Any oral representations or modifications concerning this instrument shall be of no force or effect unless reduced to writing and signed by the parties.

XVIX.

LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or

unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

XX.

EFFECTIVE DATE

This Agreement shall be effective September 1, 1988 subject to approval of Grant Application No. TX-03-013 by the Urban Mass Transportation Administration.

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

ATTEST:

CAPITAL METROPOLITAN TRANSPORTATION
AUTHORITY

Secretary

By: _____
Chairman, Board of Directors

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS SYSTEM

Executive Secretary

By: _____
Executive Vice Chancellor for
Academic Affairs

CONTENT APPROVED:

By: _____
Vice President for Business
Affairs
University of Texas at Austin

FORM APPROVED:

By: _____
Office of General Counsel
University of Texas System

ATTACHMENT A

(not included)

This is a detailed listing of all shuttle bus routes and frequency of service in effect for the 1987-88 academic year. It is this schedule and frequency of service which will be used to determine these same factors under the new Agreement.

A copy of Attachment A is on file in the Office of the Board of Regents.

SHUTTLE BUS
SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF TRAVIS

This contract and agreement entered into this 13th day of October, 1983, between THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, hereinafter referred to as "BOARD," acting herein by and through its duly authorized Chairman, Jon P. Newton, for the use and benefit of The University of Texas at Austin, hereinafter referred to as "UNIVERSITY," and ARA Transportation, Inc., having its office and principal place of business in Van Nuys, California, hereinafter referred to as "CONTRACTOR," WITNESSETH:

I.

SUBJECT OF CONTRACT

BOARD hereby awards a contract to CONTRACTOR to render and perform a shuttle bus service for UNIVERSITY at such locations and times, and upon such terms, conditions, and provisions as are hereinafter provided. CONTRACTOR represents that it has the requisite experience, skill and personnel to properly perform a shuttle bus service and BOARD in reliance on such assurance is willing to enter into this agreement.

II.

TERM OF THE CONTRACT

The term of the contract shall be for all semesters intervening between the commencement and termination date hereof, beginning on September 1, 1984 and terminating August 31, 1989.

III.

EQUIPMENT, ETC., FURNISHED BY CONTRACTOR

(a) CONTRACTOR shall furnish and make available for use in such shuttle bus service buses seating not less than forty-four (44) adult passengers per bus with both front and rear loading doors. It is specifically understood that the buses are not required to be air conditioned. No bus shall be operated in

the performance of this contract after five years from date of manufacture, or after it has been driven a total of 150,000 miles, unless it has been inspected and approved by an authorized representative of UNIVERSITY. All buses shall conform to all city, state, and federal noise emission standards, both interior and exterior, that pertain to each piece of equipment. All buses used by CONTRACTOR during the term of this agreement shall have the following minimum requirements:

CHASIS AND POWER TRAIN

Wheelbase	274 inches
Engine	190 horsepower, V-8 or 6 cylinder diesel
Front Axle	9000 pounds
Rear Axle	19000 pounds

BODY

Loading Doors	Front and rear (right side)
Windows	Tinted or smoked glass
Color Scheme	White with orange trim
Seating	44 standard seats arranged in two rows with a center aisle at least 18 inches wide. Allow 18 inches rump room per passenger. Seats to be mounted on 30 inch centers.
Driver Fan	Manufacturer's standard equipment.
Rear Heater	Manufacturer's standard equipment.
Hanger Rails	Both sides centered over seats.

RADIO

10 watt output - UHF or VHF

All buses shall be painted white and trimmed in orange and shall display route designation signs on both the front and right rear side of the vehicle. None of the buses shall display advertising material, either on the inside or outside. All buses operated by the CONTRACTOR in the performance of this contract shall be equipped with two-way radios for reporting to the bus dispatcher all failures of equipment, necessary re-routing of buses to meet requirements and to determine the location of a bus when deemed necessary.

(b) CONTRACTOR agrees to furnish a minimum of sixty-six (66) buses that meet all of the terms of this contract to perform the services herein contracted to be performed. Of these sixty-six buses, a reserve of five (5) buses shall be allocated and maintained for use in case of a breakdown or failure of any of the buses used daily on the routes. Should any bus be placed

out of service for any reason, CONTRACTOR shall replace that bus immediately with another bus that meets the minimum standards set forth herein.

(c) CONTRACTOR agrees to properly and adequately service such buses and to perform normal and usual preventive and actual maintenance on such buses to minimize mechanical breakdown and failure. CONTRACTOR further agrees to keep such buses clean and neat appearing, inside and out. It is further understood and agreed by the parties that all drivers of buses are to keep daily records reflecting any known defects which may exist and such records from time to time shall be subject to inspection by the duly constituted representative of UNIVERSITY.

(d) CONTRACTOR shall supply all driver personnel necessary to operate the buses, shall pay their wages, withhold for income tax and social security, and pay all operating expenses, including, but not limited to, fuel, tires, batteries, ad valorem taxes on the buses, licenses, fees, if any, and other expenses connected with furnishing such shuttle bus service.

(e) Each driver shall hold a valid State of Texas chauffeur's license, and shall meet all requirements under the law for drivers of buses. All drivers shall operate CONTRACTOR'S buses in a careful and prudent manner and in strict compliance with the traffic and safety laws of the City of Austin, the State of Texas, and UNIVERSITY.

(f) CONTRACTOR will provide a minimum of one (1) on duty field supervisor to monitor the system to insure the delivery of service as provided in the contract and instructions from UNIVERSITY for every 25 buses, or fraction thereof, in service from the beginning of service until 6:00 PM on all days of operation. A minimum of one (1) on call supervisor shall be available during all hours of operation after 6:00 PM.

(g) CONTRACTOR shall carry and maintain throughout the life of this contract public liability and property damage insurance issued by a company authorized to do business in Texas and approved by UNIVERSITY, with a minimum combined single limit of not less than Five Million Dollars (\$5,000,000) for each occurrence. Proper certificates of insurance reflecting said insurance coverage in limits not less than those stated above shall be furnished to UNIVERSITY. The UNIVERSITY, BOARD, and the officers and employees of both BOARD and UNIVERSITY shall be named as an additional insured in such policy or policies.

(b) CONTRACTOR agrees to furnish the Vice President for Business Affairs of the UNIVERSITY time sheets for each day's operation, showing bus numbers, routes served and total time of route operation.

(i) CONTRACTOR agrees to furnish copies of all invoices and monthly billing statements from supplier for fuel purchased during the billing month, showing actual cost and any fuel rate adjustments from supplier. These statements will accompany the monthly billing statement. CONTRACTOR also agrees to furnish UNIVERSITY upon demand, bids from at least two known fuel suppliers, other than the supplier from whom the fuel was purchased.

(j) CONTRACTOR agrees to provide a Performance Bond in the amount of One Million Dollars (\$1,000,000) as surety for this contract guaranteeing faithful performance with the terms herein. Such Performance Bond shall be issued by a company authorized to do business in the State of Texas and approved by UNIVERSITY. The form of said Performance Bond is attached as Exhibit A* and is a part of the contract. The cost of the premium for the aforesaid bonds shall be paid by the CONTRACTOR.

IV.

ROUTES, SCHEDULES AND AREA OF SERVICE

(a) The area to be served by the shuttle bus system shall be within the Campus of UNIVERSITY and within such other areas of the City of Austin as may be designated by the Vice President for Business Affairs of the UNIVERSITY or his designated representative.

(b) Such routes and schedules shall be operated Monday through Friday on all regularly scheduled registration, class and final examination days, provided that during registration and examination periods Saturday service may be required (approximately 225 days per year).

(c) Service to be rendered by CONTRACTOR shall be on an hourly basis and CONTRACTOR hereby agrees to operate buses on University routes approximately 265 hours per day during registration periods, 630 hours per day during Fall classes, 610 hours during Spring classes, 325 hours per day during final examinations and 390 hours per day during the summer session, unless otherwise expressly agreed upon. A total of approximately 118,000 hours of service per year will be required.

(d) CONTRACTOR agrees that the buses to be operated in said shuttle bus service will stop for the purpose of picking up and discharging passengers only

* Exhibit A is on file in the Office of the Board of Regents.

at bus stops at specified locations that have been agreed upon by CONTRACTOR, UNIVERSITY, and The City of Austin.

V.

CONSIDERATION

(a) For and in consideration of CONTRACTOR furnishing such buses, drivers, and expenses as set out above, and operating the designated routes provided for herein, UNIVERSITY, subject to the conditions as set forth in (b), (c), (d), (e), and (f) below, agrees to pay CONTRACTOR, on order, at Austin, Travis County, Texas, a total contract sum computed upon the number of hours operated by all such buses on route according to the agreed upon schedules multiplied by the appropriate hourly rate and paid at the intervals as hereinafter provided.

(b) The hourly charge for each bus shall include the provision of a driver and all other items CONTRACTOR is to furnish pursuant to the terms of this agreement. The term of this contract shall be divided into five one year periods. The period from September 1, 1984 to August 31, 1985, will be Year 1; the period from September 1, 1985 to August 31, 1986, will be Year 2; the period from September 1, 1986 to August 31, 1987, will be Year 3; the period from September 1, 1987 to August 31, 1988, will be Year 4; and the period from September 1, 1988 to August 31, 1989, will be Year 5. The basic charge per hour for service will be as follows: Year 1 - \$20.07, Year 2 - \$20.72, Year 3 - \$21.24, Year 4 - \$21.75, and Year 5 - \$22.42. Payments will be made for service actually rendered on route according to the agreed upon schedules. In addition to the hourly charge, there shall be an additional Excess Fuel Cost charge computed as follows:

- (1) The base fuel price of .91 cents/gallon will be subtracted from the average weighted fuel price per gallon for the month. That remaining excess fuel price will then be multiplied by the conversion rate of 2.3 gallons per hour to obtain the Excess Fuel Cost per hour of service.
- (2) To obtain the average weighted fuel price for the billing month, the inventory (gallons of diesel fuel) on hand at the end of the previous month will be multiplied by the last purchase price for that month. This beginning inventory

cost will be added to the total cost for all fuel purchases made during the billing month. From this total, this diesel fuel inventory at the end of the billing month multiplied by the last purchase price for the billing month will be subtracted. The resulting net cost of fuel used during the billing month will be divided by the total gallons used to obtain the weighted fuel price per gallon.

(c) There shall be separate statements and payments of the basic charge, as described in paragraph V(b) above, and the Excess Fuel Cost charge as computed above. Payments shall be made within ten (10) working days of presentation of a properly itemized statement of charges for services rendered during the completed billing period. Billing periods will be a minimum of one month in length.

(d) Should the average weighted fuel price for any month drop below the Base Fuel Price, UNIVERSITY will receive a credit on the next current billing computed in accordance with the procedure outlined in paragraphs V(b)(1) and V(b)(2) above.

(e) In the event the monthly fuel billing statement is not available prior to payment by UNIVERSITY for the billing month, UNIVERSITY will adjust payment for the next succeeding month's operation to account for any differences between fuel prices billed and those actually paid by CONTRACTOR.

(f) The parties agree that payments to the CONTRACTOR as provided in the above sections will be made subject to the availability of funds. In the event the UNIVERSITY is required, by either state or federal law, or final court decision to provide access to the shuttle bus system for handicapped individuals, UNIVERSITY shall have the option to either provide the service necessary to comply with such law or order, or to enter into negotiations for CONTRACTOR to provide such additional service as may be required.

In the event the parties are unable to arrive at a satisfactory negotiated price for such additional required services, or UNIVERSITY determines that compliance with such law or court order is economically unfeasible, the UNIVERSITY reserves the right to terminate the contract on reasonable notice to the CONTRACTOR.

In the event of termination of this contract by the UNIVERSITY as provided above, the UNIVERSITY agrees, insofar as authorized by law, to purchase such buses as CONTRACTOR may then have in service in the performance of this

Contract at the fair market value of such buses, and in that event, CONTRACTOR shall convey to the UNIVERSITY the full and clear title to such buses.

VI.

CLASSIFICATION OF PASSENGERS

The shuttle bus service, as herein provided, shall be furnished for UNIVERSITY students, faculty members, employees, and their dependents.

VII.

MAINTENANCE OF RECORDS

CONTRACTOR agrees to maintain a set of books that shall reflect not less than the following: the number of buses operated on any given day, the number of routes or schedules operated, the number of hours operated by each bus on each route or schedule, together with any other additional information the CONTRACTOR may elect to include in such records. It is expressly provided that UNIVERSITY shall have complete access to such books and records at any and all reasonable times during the business day for purposes of examination, and may, at its own expense, cause an audit to be made of CONTRACTOR'S books and records, as the same pertains to the service provided under this contract. CONTRACTOR agrees to cooperate with the properly designated UNIVERSITY official charged with inspecting and auditing said books and records.

VIII.

LEGALITY OF CONTRACT

It is expressly provided that operation by CONTRACTOR under this contract shall be performed in compliance with all applicable ordinances of the City of Austin and laws of the State of Texas. CONTRACTOR shall obtain a Certificate of Authority to transact business in The State of Texas and shall otherwise comply with all applicable provisions of The Texas Business Corporation Act. This contract shall be binding on the parties hereto, their successors, and assigns. CONTRACTOR may not assign this contract without the prior written consent of UNIVERSITY. This Contract shall be construed and performed in accordance with the laws of the State of Texas and any action arising hereunder shall be brought in a court of competent jurisdiction in Travis County, Texas.

IX.

HOLD HARMLESS

CONTRACTOR agrees to indemnify and hold the UNIVERSITY harmless from any and all damages or liabilities, whether sounding in contract or tort, resulting from the acts or omissions of CONTRACTOR or its agents, officers, or employees within the terms of this contract, including any claims, demands, or causes of action arising in favor of any person or entity, growing out of, incident to, or resulting directly from negligence (whether sole, joint, concurring, or otherwise) of CONTRACTOR, its officers, agents, representatives, or employees.

Under no circumstances will the UNIVERSITY be liable for any indebtedness or liability created by CONTRACTOR.

X.

CANCELLATION

If CONTRACTOR is in default under any term of this contract, then the UNIVERSITY shall give CONTRACTOR written notice of such default and CONTRACTOR shall have twenty (20) days in which to cure such default, and the failure of CONTRACTOR to cure any such default within twenty (20) days after written notice of the same by the UNIVERSITY shall give the UNIVERSITY the right to cancel this contract immediately.

XI.

NOTICE

Whenever written notice is required by any of the provisions of this contract the notice shall be given by CONTRACTOR to the Vice President for Business Affairs, The University of Texas at Austin, P.O. Box 8179, Austin, Texas 78712, or by the UNIVERSITY to: President, ARA Transportation, Inc., 14801 Califa Street, Van Nuys, California 91411. Any notice required shall be given by depositing same in the United States mail with sufficient postage affixed thereto. Any period of notice shall begin on the date that notice is mailed.

XII.

SUSPENSION

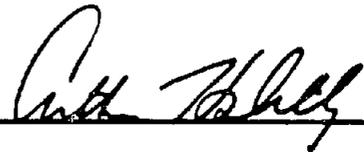
Without affecting any right of termination set forth in this agreement, either party may suspend this agreement at any time because of war,

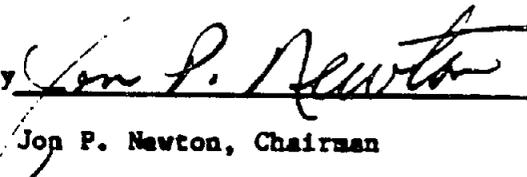
declaration of a state of national emergency, acts of God or public enemy, or other cause beyond the control of such party, by giving the other party written notice of suspension and the reason for the same.

Payments to be made and services to be rendered under this agreement shall not become due during a period of suspension. Owner may secure the services herein contemplated from another source during any period in which contractor suspends performance under this agreement.

ATTEST:

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM



By: 

Jon P. Newton, Chairman
Board of Regents of The University of
Texas System

ATTEST:



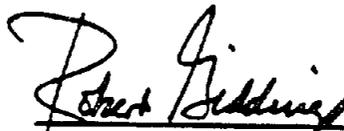
WILLIAM M. BRUNETTE
VICE PRESIDENT FOR OPERATIONS
ARA TRANSPORTATION, INC.

By: 

WILLIAM LEONARD, PRESIDENT
ARA TRANSPORTATION, INC.

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:



University Attorney



Attorney for Contractor

Amendment to
Shuttle Bus Service Contract

THE STATE OF TEXAS

COUNTY OF TRAVIS

WHEREAS, by contract dated October 13, 1983, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, hereinafter referred to as "BOARD," acting through its then duly authorized chairman, Jon P. Newton, did contract for certain shuttle bus and associated services for the use and benefit of THE UNIVERSITY OF TEXAS AT AUSTIN, hereinafter "UNIVERSITY," with ARA TRANSPORTATION, INC., now doing business as LAIDLAW TRANSIT, INC., having its home office and principal place of business in Van Nuys, California, hereinafter referred to as "CONTRACTOR," and;

WHEREAS, the parties to the aforementioned contract do now agree to amend that contract to provide increased service to UNIVERSITY;

WITNESSETH, the following terms of the aforementioned contract are hereby modified as follows:

Paragraph II: Replace ¶ II in its entirety with the following:

II.

TERM OF THE CONTRACT

This contract shall apply to all academic years beginning with the Fall semester of 1985 and terminating with the conclusion of the Summer semester of 1989. All academic years herein referred to shall be as defined in *The University of Texas at Austin Course Schedule* (Exhibit 1, attached) for the appropriate year.

Paragraph III(b): Replace ¶ III(b) in its entirety with the following:

(b) CONTRACTOR agrees to furnish a minimum of seventy-six (76) buses that meet all the terms of this contract to perform the services herein contracted to be performed. Of these seventy-six buses, a reserve of five (5) buses shall be allocated and maintained for use in case of a breakdown or failure of any of the buses used daily on the routes. Should any bus be placed out of service for any reason, CONTRACTOR shall replace that bus immediately with another bus that meets the minimum standards set forth herein.

Paragraph IV(c): Replace ¶ IV(c) in its entirety with the following:

(c) Service to be rendered by CONTRACTOR shall be on an hourly basis and CONTRACTOR hereby agrees to operate buses on UNIVERSITY routes approximately 310 hours per day during registration periods, 736 hours per day during Fall classes, 713 hours per day during Spring classes, 456 hours per day during Summer sessions and 380 hours per day during final examinations, unless otherwise agreed upon. A total of approximately 138,000 hours of service per year will be required.

Paragraph V(b) Replace ¶ V(b) up to (1) with the following:

(b) The hourly charge for each bus shall include the provision of a driver and all other items CONTRACTOR is to furnish pursuant to the terms of this agreement. The term of this contract shall be divided into four one year periods and shall commence with the academic year following Year 1 of the original contract herein amended. The first year under this amendment shall be called Year 2 and shall be the 1985-86 academic year. The second year under this amendment shall be called Year 3 and shall be the 1986-87 academic year. The third year under this amendment shall be called Year 4 and shall be the 1987-88 academic year. The fourth year under this amendment shall be called Year 5 and shall be the 1988-89 academic year. The basic charge per hour of service will be as follows:

Year 2	\$21.32	Year 4	\$22.39
Year 3	\$21.86	Year 5	\$23.08

Payments will be made for service actually rendered on route according to the agreed upon schedules. In addition to the hourly charge, there shall be an additional Excess Fuel Cost adjustment computed as follows: [Continue with original Paragraph V(b) (1).]

Paragraph XI. Replace ¶ XI in its entirety with the following:

XI.

NOTICE

Whenever written notice is required by any of the provisions of this contract the notice shall be given by CONTRACTOR to:

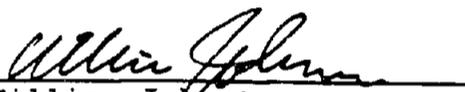
Vice President for Business Affairs
The University of Texas at Austin
P.O. Box 8179
Austin, Texas 78713

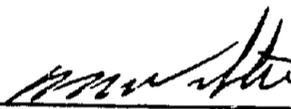
or by UNIVERSITY to :

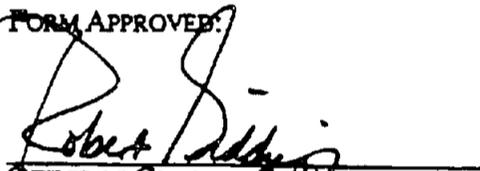
Laidlaw Transit, Inc.
14801 Califa Street
Van Nuys, California 91411.

Any notice required shall be given by depositing same in the United States mail with sufficient postage affixed thereto. Any period of notice shall begin on the date that notice is mailed.

Date: 5-29-85
LAIDLAW TRANSIT, INC.


William Johnson
VICE PRESIDENT FOR OPERATIONS
LAIDLAW TRANSIT, INC.

BY: 
Victor A. Webster, PRESIDENT
LAIDLAW TRANSIT, INC.

FORM APPROVED:

OFFICE OF GENERAL COUNSEL
UNIVERSITY OF TEXAS SYSTEM

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM
BY: 
Executive Vice Chancellor
TITLE: for Academic Affairs

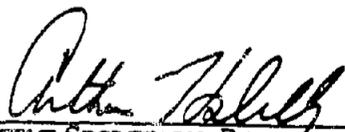
CONTENT APPROVED:


G. CHARLES FRANKLIN, VICE PRESIDENT FOR BUSINESS AFFAIRS
THE UNIVERSITY OF TEXAS AT AUSTIN

THE UNIVERSITY OF TEXAS SYSTEM

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Amendment to Shuttle Bus Service Contract was approved by the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM on the 11TH day of APRIL, 1985, and that the person whose signature appears above is authorized to execute such agreement on behalf of the BOARD.


EXECUTIVE SECRETARY, BOARD OF REGENTS
THE UNIVERSITY OF TEXAS SYSTEM

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 43 - 53).--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. Board of Regents and U. T. Austin: Appointment of (a) Mr. John Fainter, Austin, Texas, as Regental Representative to Intercollegiate Athletics Council for Men and (b) Mrs. Nancy Inman, Austin, Texas, as Regental Representative to Intercollegiate Athletics Council for Women Effective September 1, 1988.--Upon recommendation of Chairman Blanton, the Board appointed the following Regental representatives to The University of Texas at Austin Intercollegiate Athletics Council for Men and the Intercollegiate Athletics Council for Women each for a term beginning September 1, 1988 and ending August 31, 1992:
 - a. Mr. John Fainter, Austin, Texas, to succeed Mr. Howard N. Richards on the Intercollegiate Athletics Council for Men
 - b. Mrs. Nancy Inman, Austin, Texas, to succeed Mrs. Betty Himmelblau on the Intercollegiate Athletics Council for Women.

2. U. T. System and U. T. Austin: Permission for Drs. Hans Mark, William L. Fisher, Austin M. Gleeson, Herbert H. Woodson and Norman Hackerman to Serve as Members of the Texas Scientific Advisory Council [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for the following individuals to serve on the Texas Scientific Advisory Council, pursuant to Executive Order WPC-88-5 dated February 19, 1988:

Dr. Hans Mark, Chancellor, The University of Texas System

Dr. William L. Fisher, Professor, Department of Geological Sciences; Chairman, Department of Geological Sciences; and Director, Bureau of Economic Geology, The University of Texas at Austin

Dr. Austin M. Gleeson, Professor, Department of Physics, The University of Texas at Austin

Dr. Herbert H. Woodson, Professor, Department of Electrical and Computer Engineering and Acting Dean, College of Engineering, The University of Texas at Austin

Dr. Norman Hackerman, Professor Emeritus, Department of Chemistry, The University of Texas at Austin.

The Council meets at the call of the Chairman and the members serve without compensation, although they are reimbursed for their travel and expenses. The members serve at the pleasure of the Governor.

The appointment of these individuals is of benefit to the State of Texas, creates no conflict with their regular duties, 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.

3. U. T. Arlington: Approval of Rental Rates for University-Owned Residence Halls (Dormitories), University Village and Other Apartments Effective Fall Semester 1988 (Catalog Change).--The Board approved the rate schedule set forth below for University-Owned Residence Halls (Dormitories), University Village and other apartments at The University of Texas at Arlington effective with the Fall Semester 1988:

The University of Texas at Arlington
Rate Schedule for 1988-89

University-Owned Residence Halls (Dormitories)

LONG SESSION

	<u>1988-89</u> <u>Rate</u>
Lipscomb (North)	\$1,200
Lipscomb (South)	1,200
Trinity	1,200
Brazos	1,050
Pachl	1,050

SUMMER SESSION

Lipscomb (North)	420
Lipscomb (South)	420
Trinity	420
Brazos	420
Pachl	420
Summer Groups	\$10 per night per person

Apartments

Property Deposit	\$ 50
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	<u>No. of Units</u>	<u>Monthly Rate 1988-89</u>
University Village		
1 bedroom (2 people)	80	\$290*
1 bedroom (2 people)	28	310*
1 bedroom (2 people)	12	305*
1 bedroom (2 people)	4	330*
1 bedroom (3 people)	4	330*
<u>Other Apartments**</u>		
<u>Complex</u>		
Border West		
1 bedroom	18	310
2 bedroom	19	410
Cooper South		
1 bedroom	14	310
2 bedroom	15	410
West		
1 bedroom	7	250*
2 bedroom	7	360*
Pisces		
1 bedroom	58	275
3 bedroom	1	410
Capricorn		
1 bedroom	48	290
1 bedroom	4	300
Campus		
1 bedroom	28	250*
3 bedroom	1	350*
San Suz.		
1 bedroom	22	225*
2 bedroom	1	345
Del Mar		
1 bedroom	12	210*
Shelmar North		
	12	210*
Shelmar South		
1 bedroom	7	260
2 bedroom	1	290

* Tenant pays electrical bills.

** These apartments were acquired through the land acquisition program for U. T. Arlington. Rates are based on size and condition of apartments in comparison with pricing schedules in the City of Arlington.

	<u>No. of Units</u>	<u>Monthly Rate 1988-89</u>
<u>Recently Purchased Apartments***</u>		
Warwick II		
1 bedroom	6	\$290
1 bedroom	12	300
Warwick III		
1 bedroom	14	290
Warwick V		
Efficiency	1	210
1 bedroom	3	310
1 bedroom	8	320
Key's		
1 bedroom	70	270
1 bedroom	2	275
2 bedroom	8	360
2 bedroom	4	365

*** The purchase of the Warwick Apartments I, II, III and V was ratified at the August 1985 meeting of the U. T. Board of Regents. Warwick I is leased to United Parcel Service. The purchase of the Key's Apartments was authorized at the June 1987 meeting.

Approximately 65% of the apartment rental rates were reduced due to the depressed housing market in the Arlington area, more attractive rental packages being offered by the private sector, and the loss of several hundred international students and out-of-state students negatively impacting University Housing applications and occupancy rates.

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

4. U. T. Austin: Authorization to Establish a Ph.D. Degree in Slavic Languages and to Submit the Program to the Coordinating Board for Approval (Catalog Change).--Authorization was granted to establish a Ph.D. degree in Slavic Languages at The University of Texas at Austin and to submit the program to the Texas Higher Education Coordinating Board for approval. If approved by the Coordinating Board, implementation will be in Fall 1989.

The program will be called the Ph.D. in Slavic Languages and will have two options, an option in Russian Literature and Culture and an option in Slavic Linguistics. These are the same options as exist in the master's degree program.

The Department of Slavic Languages proposes to add only one new course to the course inventory and to rearrange faculty teaching schedules so that this course can be taught with the existing faculty resources. The new three-hour course will be entitled "Advanced Composition and Conversation in Russian." U. T. Austin's library resources are more than adequate to support the program. Hence, the department believes that offering the degree

program will actually reduce the need for state resources because students will be able to obtain the Ph.D. in Slavic Languages more rapidly than they can obtain degrees in either Comparative Literature or Linguistics and because only one new course will be required.

This degree program meets regional and national needs, will be of high quality, can be implemented without additional resources, is within the role and scope of the institution and is included in the University's strategic plan.

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

5. U. T. Austin: Appointments to Endowed Academic Positions in the (a) School of Architecture, (b) College of Business Administration and the Graduate School of Business, (c) College of Fine Arts, (d) School of Law and (e) College of Natural Sciences Effective September 1, 1988.--The Board approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective September 1, 1988, with the understanding that professors would vacate any currently held endowed positions on the effective date of the new appointment unless otherwise indicated:

a. School of Architecture

Mr. Lance E. Tatum, Professor, to the Martin S. Kermacy Centennial Professorship in Architecture

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

Dr. Janice M. Beyer, Professor of Management, Graduate School of Business Administration, New York University, to the Rebecca L. Gale Regents Professorship in Business

Dr. Beyer will become a Professor in the Department of Management effective September 1, 1988.

c. College of Fine Arts

Dr. Oscar G. Brockett, Virginia L. Murchison Regents Professor in Fine Arts, to the Z. T. Scott Family Chair in Drama

d. School of Law

1. Mr. John A. Robertson, The Baker & Botts Professor in Law, to the Anne Green Regents Chair for the 1988-89 academic year only

Professor Robertson will retain his appointment to The Baker & Botts Professorship in Law during his one-year appointment to this Chair.

2. Mr. Edward F. Sherman, Angus G. Wynne, Sr. Professor in Civil Jurisprudence, to the W. James Kronzer Chair in Trial and Appellate Advocacy
3. Mr. David W. Robertson, Hines H. Baker and Thelma Kelley Baker Chair in Law, to the A. W. Walker Centennial Chair
4. Mr. Douglas Laycock, A. Dalton Cross Professor at Law, to the Alice McKean Young Regents Chair in Law

e. College of Natural Sciences

1. Dr. Lynton S. Land, Gulf Oil Foundation Centennial Professor in Geology, to the Edwin Allday Centennial Chair in Subsurface Geology
2. Dr. Edward L. Robinson, Professor, Department of Astronomy, to the William B. Blakemore II Regents Professorship in Astronomy

See Page 70 related to redesignation of this Professorship.

3. Dr. Richard C. Starr, Ashbel Smith Professor, to the Harold C. and Mary D. Bold Regents Professorship of Cryptogamic Botany (Phycology)
4. Dr. Clark Hubbs, Professor, Department of Zoology, to the Clark Hubbs Regents Professorship in Zoology

See Page 73 for establishment of this Professorship.

5. Dr. K. Mani Chandy, Professor in Computer Sciences (second), to the Regents Chair in Computer Sciences
6. Dr. James C. Browne, Professor in Computer Sciences (first), to a second Regents Chair in Computer Sciences.

6. U. T. Austin: Permission for Dr. William L. Fisher to Serve as a Member of the National Petroleum Council [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was given for Dr. William L. Fisher, Director of the Bureau of Economic Geology, Professor and Chairman, Department of Geological Sciences at The University of Texas at Austin, to serve as a member of the National Petroleum Council.

Dr. Fisher's appointment to this Council by Secretary of Energy John S. Herrington is of benefit to the State of Texas, creates no conflict with his regular duties 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.

Dr. Fisher's appointment to this Council will be effective immediately and expires on December 31, 1989, and will be without additional compensation.

7. U. T. Austin: Authorization to Grant a Third-Year Leave of Absence Without Pay to Dr. Thomas G. Muir, Jr., Applied Research Laboratories (ARL), for the 1988-89 Fiscal Year (Part One, Chapter III, Section 16, Subsection 16.4 of the Regents' Rules and Regulations).--The Board granted a third-year leave of absence, without pay, to Dr. Thomas G. Muir, Jr., Research Scientist, Applied Research Laboratories (ARL) at The University of Texas at Austin, for the 1988-89 fiscal year, in accordance with Part One, Chapter III, Section 16, Subsection 16.4 of the Regents' Rules and Regulations.

Dr. Muir has been on leave for the past two years to serve as a research scientist in the Supreme Allied Command, Atlantic Fleet (SACLANT) Environmental Acoustics Group, Underwater Research Division, at the SACLANT Centre within the Italian naval base at La Spezia. The center is a research laboratory which operates under NATO to provide advice and assistance to SACLANT in the field of antisubmarine warfare. Dr. Muir's position provides him the opportunity to meet and interact on a professional basis with leading international scientists in his field and senior naval officers from the Mediterranean and Atlantic fleets. This exposure will broaden his background and enhance his effectiveness at ARL upon his return to U. T. Austin.

8. U. T. Austin: Approval of Changes in Compulsory Student Services Fees Effective with the Fall Semester 1988 (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Compulsory Student Services Fee at The University of Texas at Austin was increased from \$88.48 to \$89.85 per semester or summer session for a student taking twelve semester credit hours or more effective with the Fall Semester 1988. This fee change is comprised of a decrease in the Compulsory Student Services Fee for the operation of the Student Health Center from \$37.00 to \$36.45 and an increase in the compulsory credit hour Student Services Fee from \$4.29 to \$4.45 per semester credit hour for a maximum charge of \$53.40 for a student taking twelve credit hours or more of course work per semester or summer session.

The Student Health Center receives a flat fee per student who is enrolled for one or more semester credit hours of course work. Agencies in addition to the Student Health Center receiving partial or total support from the Compulsory Student Services Fees are: Students' Attorney, Division of Recreational Sports, Shuttle Bus Service, Campus Activities Office, Cabinet of College Councils, The Daily Texan, Ombudsman, Students' Association, Student Services Fees Committee, University Student Child Care Association, and KTSB Student Radio.

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

9. U. T. Austin: Approval to Name the New Marine Science Institute Shoal Draft Vessel the Etta Armstrong (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 new 32-foot shoal draft vessel of the Marine Science Institute at The University of Texas at Austin the Etta Armstrong, 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.

The naming of this vessel is in memory of Mrs. Henrietta (Etta) Armstrong, a very active, generous former member of the Marine Science Institute Advisory Council.

10. U. T. Dallas: Approval to Grant a Second-Year Leave of Absence Without Pay to Dr. Murray J. Leaf, School of Social Sciences, for the 1988-89 Academic Year (Part One, Chapter III, Section 16, Subsection 16.3 of the Regents' Rules and Regulations).--In accordance with Part One, Chapter III, Section 16, Subsection 16.3 of the Regents' Rules and Regulations, the Board granted a second-year leave of absence, without pay, to Dr. Murray J. Leaf, Professor in the School of Social Sciences at The University of Texas at Dallas, for the 1988-89 academic year.

Dr. Leaf has been on leave since September 1987 in New Delhi, India, working on an irrigation management training project. A second-year leave of absence will allow completion of the project and will provide a wealth of teaching resources upon Dr. Leaf's return to U. T. Dallas in Fall 1989.

11. U. T. Dallas: Dr. Ram C. Rao Appointed Initial Founders' Professor for the 1988-89 Academic Year Only Effective September 1, 1988.--The Board, upon recommendation of the Academic Affairs Committee, appointed Dr. Ram C. Rao, Associate Professor in the School of Management, as the initial Founders' Professor at The University of Texas at Dallas for the 1988-89 academic year only effective September 1, 1988.

In February 1982, the U. T. Board of Regents established five nonendowed Founders' Professorships to recruit distinguished senior faculty to U. T. Dallas.

12. U. T. Dallas: Appointment of Mr. George A. McMechan as Initial Holder of the Ida M. Green Professorship for the 1988-89 Academic Year Only Effective September 1, 1988.--Upon recommendation of the Academic Affairs Committee, the Board appointed Mr. George A. McMechan, Professor of Geosciences and Director of the Center for Lithospheric Studies, as initial holder of the Ida M. Green Professorship at The University of Texas at Dallas for the 1988-89 academic year only effective September 1, 1988.

13. U. T. Dallas: Establishment of the Erik Jonsson School of Engineering and Computer Science Advisory Council and Approval of Initial Nominees Thereto.--In accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, authorization was given to establish an Advisory Council for the Erik Jonsson School of Engineering and Computer Science at The University of Texas at Dallas 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.

14. U. T. El Paso: Dr. J. P. Hsu Appointed Initial Holder of the First Mr. and Mrs. MacIntosh Murchison Chair in Engineering Effective Immediately.--Approval was given to appoint Dr. J. P. Hsu, former President of Zee & Associates, Boston, Massachusetts, as initial holder of the first Mr. and Mrs. MacIntosh Murchison Chair in Engineering at The University of Texas at El Paso effective immediately.

Dr. Hsu's appointment as Professor at U. T. El Paso was effective June 1, 1988.

15. U. T. San Antonio: Approval to Increase the Compulsory Student Services Fee Effective with the Fall Semester 1988 (Catalog Change).--The Board, upon recommendation of the Academic Affairs Committee, approved an increase in the Compulsory Student Services Fee at The University of Texas at San Antonio from \$7.50 to \$9.00 per semester credit hour with a maximum charge of \$90 per semester or summer session to be effective with the Fall Semester 1988.

This increase will be used to cover the added costs for staff salaries and to allow U. T. San Antonio to continue to provide a variety of important student services, including addition of shuttle services for handicapped students.

The next appropriate catalog published at U. T. San Antonio will be amended to conform to this action.

16. U. T. Tyler: Appointment of (a) Dr. John X. Evans and (b) Dr. Robert J. Loewenberg as Initial Holders of the Mary John and Ralph Spence Distinguished Professorship for the Second Summer Session 1988 Only.--The Academic Affairs Committee recommended and the Board appointed the following visiting professors as initial holders of the Mary John and Ralph Spence Distinguished Professorship at The University of Texas at Tyler for the Second Summer Session 1988, effective July 7, 1988 through August 11, 1988 only:

- a. Dr. John X. Evans, Professor of English, Arizona State University, Tempe, Arizona
- b. Dr. Robert J. Loewenberg, Director of the Institute for Advanced Strategic and Political Studies, Jerusalem, Israel.

17. 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, 1988.--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, 1988.

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 Foundation Advisory Council
Texas Union Advisory Council
Longhorn Associates for Excellence in Women's
Athletics Advisory Council
Longhorn Foundation 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
College of Fine Arts and Humanities Advisory Council
- g. The University of Texas at Tyler
Development Board
- h. The University of Texas Institute of Texan Cul-
tures at San Antonio
Development Board

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 54 - 56).--Committee 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. Southwestern Medical Center - Dallas: Appointment of Initial Holders - (a) Paul C. Peters, M.D., to the E. E. Fogelson and Greer Garson Fogelson Distinguished Chair in Urology, (b) Douglas Sinn, D.D.S., to The Robert V. Walker D.D.S. Distinguished Professorship in Oral Surgery and (c) Golder N. Wilson, M.D., to the Professorship in Pediatric Genetics Effective Immediately.--The Board approved the following initial appointments to endowed academic positions at The University of Texas Southwestern Medical Center at Dallas effective immediately:

a. Paul C. Peters, M.D., Professor of Surgery and Chairman of the Division of Urology in the Department of Surgery, to the E. E. Fogelson and Greer Garson Fogelson Distinguished Chair in Urology

See Page 78 related to the establishment of this Chair.

b. Douglas Sinn, D.D.S., Professor and Chairman of the Division of Oral Surgery in the Department of Surgery, to The Robert V. Walker D.D.S. Distinguished Professorship in Oral Surgery

See Page 79 related to the establishment of this Professorship.

c. Golder N. Wilson, M.D., Ph.D., Chief of the Genetics Division, to the Professorship in Pediatric Genetics.

2. U. T. Medical Branch - Galveston: Approval of Rate Increases for Dormitories and Apartments Effective Fall Semester 1988 (Catalog Change).--As a result of the continuing increase in operating costs such as utilities, salaries and general maintenance, the Board approved the following rental rates for dormitories and apartments at The University of Texas Medical Branch at Galveston effective with the Fall Semester 1988:

	<u>Monthly Rate</u>
Dormitory Rooms	
Semi-Private	\$125.00
Private	180.00
Apartments	
Two persons/apartment	330.00
Three persons/apartment	365.00

It was ordered that the next appropriate catalog published at the U. T. Medical Branch - Galveston be amended to conform to this action.

3. U. T. M.D. Anderson Cancer Center: Approval to Appoint
(a) Thomas P. Haynie, M.D., as Initial Holder of the
James E. Anderson Professorship in Nuclear Medicine and
(b) Victor A. Levin, M.D., as Initial Holder of the
Bernard W. Biedenharn Chair in Cancer Research Effective
Immediately.--Upon recommendation of the Health Affairs
Committee, the Board approved the following initial
appointments to endowed academic positions at The Uni-
versity of Texas M.D. Anderson Cancer Center effective
immediately:

- a. Thomas P. Haynie, M.D., Chairman of the
Department of Nuclear Medicine in the Divi-
sion of Diagnostic Imaging, to the James E.
Anderson Professorship in Nuclear Medicine

See Page 80 related to the redesignation of
this endowment.

- b. Victor A. Levin, M.D., Professor and Chairman
of the Department of Neuro-Oncology in the
Division of Medicine, to the Bernard W.
Biedenharn Chair in Cancer Research.

4. U. T. Southwestern Medical Center - Dallas, U. T. Medical
Branch - Galveston, U. T. Health Science Center - Houston,
U. T. Health Science Center - San Antonio, U. T. M.D.
Anderson Cancer Center and U. T. Health Center - Tyler:
Nominees to Development Boards and Advisory Councils
Effective September 1, 1988.--Approval was given to nomi-
nees 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, 1988.

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 Southwestern Medical 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 M.D. Anderson Cancer Center
University Cancer Foundation Board of Visitors
- f. The University of Texas Health Center at Tyler
Development Board

5. U. T. Medical Branch - Galveston, U. T. M.D. Anderson Cancer Center and U. T. Health Center - Tyler: Report on Hospital Operations.--Committee Chairman Yzaguirre called on Executive Vice Chancellor for Health Affairs Mullins to present an overview on the hospital operations at The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Center at Tyler.

With the aid of slides, Executive Vice Chancellor Mullins reviewed several hospital operational factors for 1987 compared with prior years for the three hospitals owned and operated by the U. T. System. In his report, he reviewed:

- a. Inpatient services as reflected in admissions, occupancy rates and average lengths of stay
- b. Outpatient services in terms of annual clinic visits, and
- c. Financial data, including cash income, bad debt, cost of charity care and sources of hospital revenue.

Dr. Mullins emphasized that the U. T. hospital operations are generally comparable to the national demographic and fiscal trends and stressed that each of the hospitals was providing quality medical care and was active in programs of medical education and training.

A copy of Dr. Mullins' report is on file in the Office of the Board of Regents.

REPORT AND RECOMMENDATIONS OF THE BUILDINGS AND GROUNDS COMMITTEE (Pages 57 - 67).--In the absence of Committee Chairman Hay, Regent 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. System - Permanent University Fund (PUF) Bond Proceeds Capital Improvement Program: Allocation of PUF Bond Proceeds Reserved for Institutional Equipment and Library Purchases and Repair and Rehabilitation Projects for 1988-89.--Upon recommendation of the Academic Affairs, Health Affairs and Buildings and Grounds Committees, the Board allocated Permanent University Fund (PUF) Bond Proceeds reserved in The University of Texas System Capital Improvement Program (adopted in October 1985 and revised in January 1987) to component institutions in the amount of \$10,000,000 for Institutional Equipment and Library Purchases and \$10,000,000 for Repair and Rehabilitation Projects for 1988-89 as set out on Pages 58 - 61.

Further, the component institutions were authorized to purchase approved equipment items and library materials following standard purchasing procedures and within approved PUF Bond Proceeds dollar limits or, where appropriate, a combination of allocated bond proceeds and other funds. Substitute equipment purchases are to receive prior approval by the Chancellor or appropriate Executive Vice Chancellor and, where required, the U. T. Board of Regents. Transfer by U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.

Final approval of specific repair and rehabilitation projects and subsequent appropriation of funds will be in accordance with Board established procedures for construction and repair or rehabilitation projects.

If PUF allocations are below institutional requests and if balances remain due to prior project costs being lower than originally anticipated, institutions are authorized to apply those remaining balances to fund 1988-89 approved projects.

Appropriation Explanations

"Total Funding Requirement" is the total to be funded from all sources, including the PUF appropriation. In many cases, partial funding is to come from matching grants, budgeted institutional funds or savings from prior appropriations.

The "PUF Requested" column represents the institutions' estimates of PUF Bond Proceeds required to support the project. A lump sum appropriation is shown under "1988-89 PUF Appropriation" rather than specific amounts for each individual project, since in some cases limits to PUF Bond Proceeds or the scope of the project prevent full funding of the amount of PUF Bond Proceeds requested. With at least partial funding and project approval in principle, institutions will either partially fund a project or exercise discretion on which projects in a list of approved projects will be funded.

I. Institutional Equipment and Library Purchases

	<u>Total Funding Requirement</u>	<u>PUF Requested</u>	<u>1988-89 PUF Appropriation</u>
Brown and Goldstein - Equipment	(Board Commitment 12/6/85)		\$ 100,000
U. T. System Center for High Performance Computing and Office of Telecommunications	\$5,073,000	\$1,500,000	1,000,000
TOTAL	<u>5,073,000</u>	<u>1,500,000</u>	
U. T. Arlington ARRI Lab-Artificial Intelligence Manu. Communications & Fine Arts Equipment	1,110,000	555,000	
Hypersonic Test Facility	344,000	344,000	
Laboratory Equipment Enhancement	4,851,000	368,000	
TOTAL	<u>6,721,000</u>	<u>1,683,000</u>	1,267,000
U. T. Dallas Instrumentation of Speech Lab	153,646	100,645	
Cloning Laboratory	83,000	64,000	
Modernization of Microcomputing Lab	90,000	90,000	
UNIX Computing Capability	100,000	100,000	
Electrophys Measures - Auditory Brain Function	180,000	180,000	
Automated X-ray Spectrometer	408,535	408,535	
TOTAL	<u>1,015,181</u>	<u>943,180</u>	879,180
U. T. El Paso Surface Physics Instrumentation Lab	289,500	150,000	
Computer Center: Processor Upgrade	187,500	187,500	
Library Enhancement	142,000	142,000	
Mass Spectrophotometry & Gas Chromology	95,000	95,000	
TOTAL	<u>714,000</u>	<u>574,500</u>	574,500
U. T. Permian Basin Animal Laboratory Equipment	86,000	86,000	
TOTAL	<u>86,000</u>	<u>86,000</u>	86,000
U. T. San Antonio UTSA/UTHSCSA Computing & Network Equipment	394,800	394,800	
Upgrade Foreign Language & Writing Labs	227,000	227,000	
Replace Disk Drives in Computer Center	75,000	75,000	
Institute of Texan Cultures	13,500	13,500	
Library Enhancement	300,000	300,000	
TOTAL	<u>1,010,300</u>	<u>1,010,300</u>	\$ 857,471

I. Institutional Equipment and Library Purchases (continued)

	<u>Total Funding Requirement</u>	<u>PUF Requested</u>	<u>1988-89 PUF Appropriation</u>
U. T. Tyler			
Library Enhancement	\$ 140,900	\$ 140,900	
TOTAL	<u>140,900</u>	<u>140,900</u>	\$ 140,900
U. T. Southwestern Medical Center - Dallas			
Rapid Speed NMR Imaging System	1,300,000	650,000	
Equip - AIDS Virus Research Labs	952,200	500,000	
Molecular Analysis of Cardiovascular System	562,400	312,400	
TOTAL	<u>2,814,600</u>	<u>1,462,400</u>	1,462,400
U. T. Medical Branch - Galveston			
Library Enhancement	415,000	415,000	
Optical Analysis Lab	280,000	230,000	
TOTAL	<u>695,000</u>	<u>645,000</u>	645,000
U. T. Health Science Center - Houston			
Academic Computing Network	408,000	408,000	
Neuroscience Core Lab	2,050,000	550,000	
Improved Remote Target Handling System	280,000	280,000	
TOTAL	<u>2,738,000</u>	<u>1,238,000</u>	1,238,000
U. T. Health Science Center - San Antonio			
Incinerator Replacement	175,000	175,000	
Laboratory Animal Equipment	98,000	98,000	
UTHSCSA/UTSA Comput- ing & Network Equip- ment	987,000	592,200	
TOTAL	<u>1,260,000</u>	<u>865,200</u>	865,200
U. T. M.D. Anderson Cancer Center			
Library Enhancement	37,000	37,000	
Pathology Electron Microscopy	450,000	450,000	
TOTAL	<u>487,000</u>	<u>487,000</u>	487,000
U. T. Health Center - Tyler			
Biomedical Research Computer Enhancement	258,649	258,649	
Computer Aided Molecular Modeling/Imaging	138,700	138,700	
TOTAL	<u>397,349</u>	<u>397,349</u>	397,349
Total Institutional Equipment and Library Purchases	<u>\$22,179,330</u>	<u>\$11,032,829</u>	<u>\$10,000,000</u>

II. Repair and Rehabilitation Projects

	<u>Total Funding Requirement</u>	<u>PUF Requested</u>	1988-89 <u>PUF Appropriation</u>
U. T. Arlington			
Library Renovation	\$1,040,000	\$1,040,000	\$ 871,120
TOTAL	<u>1,040,000</u>	<u>1,040,000</u>	
U. T. Austin			
Ed. Bldg. - Replace Roof	350,000	350,000	
Main Building - Terrace Repairs	100,000	100,000	
Campus Fire Alarm - Upgrade Phase II	280,000	280,000	
Welch Hall - Replace Raised Flooring	200,000	200,000	
Campus - Miscellaneous Electrical	225,000	225,000	
Campus - Miscellaneous Exterior Renovation	265,000	265,000	
Art Building - Exterior Masonry Repair	175,000	175,000	
Marine Science Institute - Exterior Repair	100,000	100,000	
Balcones Research Center - Landscaping Phase II	250,000	250,000	
O. Henry Hall - Install New Air Handlers	265,000	265,000	
Education Building - Flooring Repairs	225,000	225,000	
Campus - Fire Alarm - Phase III	255,000	255,000	
TOTAL	<u>2,690,000</u>	<u>2,690,000</u>	2,690,000
U. T. Dallas			
Animal Laboratory Facility	210,000	210,000	
Callier-Safety & Energy Conservation	300,000	300,000	
Main Campus Energy Management System	270,000	210,000	
Roof Replacement & Repair	140,000	140,000	
TOTAL	<u>920,000</u>	<u>860,000</u>	860,000
U. T. El Paso			
Renovate Former Physical Plant	149,000	149,000	
Completion - Lower Recital Hall	198,000	198,000	
Drainage Improvements on Campus	89,800	89,800	
Roofing Replacement - Various Buildings	284,700	284,700	
Handicapped Elevators	245,000	245,000	
TOTAL	<u>966,500</u>	<u>966,500</u>	966,500
U. T. Permian Basin			
Laboratory Animal Facility	137,000	137,000	137,000
TOTAL	<u>137,000</u>	<u>137,000</u>	

II. Repair and Rehabilitation Projects (continued)

	<u>Total Funding Requirement</u>	<u>PUF Requested</u>	<u>1988-89 PUF Appropriation</u>
U. T. San Antonio			
Acoustical Wall Panel Replacement	\$ 101,130	\$ 101,130	
Support Staff Office/ Construct PC Labs	387,000	387,000	
Reroofing Campus Bldgs.	<u>255,850</u>	<u>255,850</u>	
TOTAL	743,980	743,980	\$ 743,980
U. T. Tyler			
Level Patio & Rebuild Stair	70,000	70,000	
Air Conditioning of Data Processing Area	25,500	25,500	
Power Plant Repairs	<u>56,900</u>	<u>56,900</u>	
TOTAL	152,400	152,400	152,400
U. T. Southwestern Medical Center - Dallas			
Data Acquisition System-Phase I	1,300,000	650,000	
Data Acquisition System-Phase II	500,000	250,000	
Elevator Modernizations	<u>370,000</u>	<u>185,000</u>	
TOTAL	2,170,000	1,085,000	1,085,000
U. T. Medical Branch - Galveston			
William C. Levin Hall - Finish 6th Floor	<u>1,000,000</u>	<u>475,000</u>	350,000
TOTAL	1,000,000	475,000	
U. T. Health Science Center - Houston			
Retrofit Basement Chilled Water System	287,000	287,000	
Install Standby Generator	325,000	325,000	
Dental Branch Library - Learning Resource Area	<u>348,000</u>	<u>348,000</u>	
TOTAL	960,000	960,000	960,000
U. T. Health Science Center - San Antonio			
P3 Fac. - HIV and Related Retroviruses	200,000	200,000	
Replace Roof and Flashings	<u>339,000</u>	<u>339,000</u>	
TOTAL	539,000	539,000	539,000
U. T. M.D. Anderson Cancer Center			
Smith Research Building Upgrade	<u>1,700,000</u>	<u>1,700,000</u>	500,000
TOTAL	1,700,000	1,700,000	
U. T. Health Center - Tyler			
Nursing Control	<u>178,000</u>	<u>178,000</u>	145,000
TOTAL	178,000	178,000	
Total Repair and Rehabilitation	<u>\$13,196,880</u>	<u>\$11,526,880</u>	<u>\$10,000,000</u>

A detailed description and justification for each of the component purchases and/or repair and rehabilitation projects was presented in the Material Supporting the Agenda for this meeting. This document is a matter of public record and is available through the Office of the Board of Regents.

2. U. T. Austin - Balcones Research Center - Microelectronics and Engineering Research Building (Project No. 102-660): Approval of Final Plans for Extension of Campus Utilities; Authorization to Advertise for Bids and for Executive Committee to Award Contract; and Additional Appropriation Therefor.--The Board, upon recommendation of the Buildings and Grounds Committee:

- a. Approved final plans and specifications for the extension of campus utilities to the project site as an initial phase of the Microelectronics and Engineering Research Building at the Balcones Research Center at The University of Texas at Austin
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorized the Executive Committee to award the construction contract within the authorized total project cost
- d. Appropriated \$375,000 from U. T. Austin General Fee Balances for funding of the construction contract and related expenses through completion of the extension of campus utilities to the building site. Previous appropriations had been \$985,000 from the same source.

The utilities to be extended to the building site include water, sanitary sewer, natural gas, street lighting and the power and communications duct bank.

This project is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in January 1987 and is to be funded with \$10,000,000 from Permanent University Fund Bond Proceeds and \$10,000,000 from U. T. Austin General Fee Balances.

3. U. T. Austin - Frank C. Erwin Center Reroofing: Authorization for Project; Approval for Submission to the Coordinating Board; Authorization to Prepare Final Plans, Advertise for Bids and for U. T. Austin Administration to Award Contract; and Appropriation Therefor.--Following a recent inspection of the roof of the Frank C. Erwin Center (completed in 1977) at The University of Texas at Austin, it was determined that the roof had deteriorated beyond spot repairing. Proposed repairs to this 102,000 square foot roof area would require the removal of the existing loose stone ballast and the installation of a two-inch foam roof with a 40 mil coating.

Following a detailed discussion, especially with regard to any potential asbestos problem and the need to secure skilled and experienced supervision on this specialized project, the Finance and Audit, Academic Affairs and Buildings and Grounds Committees recommended and the Board:

- a. Authorized a project for the reroofing of the Frank C. Erwin Center at an estimated total project cost of \$500,000
- b. Authorized submission of the project to the Texas Higher Education Coordinating Board

- c. Subject to approval by the Coordinating Board, authorized preparation of final plans, advertisement for bids, award of a construction contract and completion of the project by U. T. Austin Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction
- d. Appropriated \$500,000 from Auxiliary Enterprise Fund Balances for total project funding.

Total removal of the roof was considered, but, due to the asbestos contained in the felts of the current roofing, disposal of this material would result in additional expenses totalling \$250,000. Encapsulating the present roofing materials with a foam roof will eliminate any danger and preclude additional cost. The foam roof will add insulating value and it has good elasticity properties which will withstand the thermal movements within the existing roof structure.

4. U. T. San Antonio - Engineering/Biotechnology Building - Phase I (Project No. 401-616): Approval of Final Plans for Campus Site Improvement Work; Authorization to Advertise for Bids and for Executive Committee to Award Contract; and Additional Appropriation Therefor.--
Upon recommendation of the Buildings and Grounds Committee, the Board:

- a. Approved final plans and specifications for the construction of campus site improvement work as an initial segment of the Engineering/Biotechnology Building - Phase I project at The University of Texas at San Antonio
- b. Subject to approval of the project by the Texas Higher Education Coordinating Board, authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorized the Executive Committee to award the construction contract within the authorized total project cost
- d. Appropriated \$450,000 from Permanent University Fund Bond Proceeds for funding of the construction contract and related expenses through completion of campus site improvement work. Previous appropriations had been \$430,000 from the same source and \$150,000 from U. T. San Antonio Local Funds.

The estimated project cost of the site improvement work is approximately \$450,000 and is included within the \$12,900,000 total project cost approved in January 1987 by the U. T. Board of Regents for the Engineering/Biotechnology Building - Phase I project as part of the Capital Improvement Program.

The Phase I project was presented to the Texas Higher Education Coordinating Board during a site visit prior to its April 1988 meeting and will be considered for final approval by the Coordinating Board in July 1988.

Regent Beecherl emphasized the need for the San Antonio community to support this engineering program and suggested that, perhaps, the community should be required to make a substantial fiscal contribution when Phase II of the Engineering/Biotechnology Building is developed.

Regent Moncrief reiterated his belief that this project might well be delayed for two years, especially in view of the commitment which might be required related to the enhancement of higher education resources in the Rio Grande Valley.

5. U. T. Southwestern Medical Center - Dallas - The Mary Nell and Ralph B. Rogers Magnetic Resonance Center (Project No. 303-674): Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor.-- Following a brief overview by President Wildenthal, Mr. Ron Dennis and Mr. Mike Menefee, representing the Project Architect Harwood K. Smith & Partners, Dallas, Texas, presented the final plans for The Mary Nell and Ralph B. Rogers Magnetic Resonance Center at The University of Texas Southwestern Medical Center at Dallas to the Buildings and Grounds Committee.

Based upon this presentation and the recommendation of the Buildings and Grounds Committee, the Board:

- a. Approved final plans and specifications for the construction of The Mary Nell and Ralph B. Rogers Magnetic Resonance Center at U. T. Southwestern Medical Center - Dallas at an estimated total project cost of \$4,800,000
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorized the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriated \$3,600,000 from Permanent University Fund Bond Proceeds, \$400,000 from U. T. Southwestern Medical Center - Dallas Institutional Interest Income Account and \$500,000 from U. T. Southwestern Medical Center - Dallas MSRDP Local Funds for total project funding. Previous appropriations had been \$300,000 from Permanent University Fund Bond Proceeds.

This project was approved by the Texas Higher Education Coordinating Board at its meeting on December 4, 1987.

The Permanent University Fund Bond Proceeds allocated to this project (\$3,900,000) are within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in October 1985 and January 1987.

6. U. T. Medical Branch - Galveston - Medical Sciences and Education Building (Project No. 601-665): Approval of Preliminary Plans; Authorization to Change Name to Medical Research Building; Approval for Submission to the Coordinating Board; and Authorization to Complete Final Plans.--Following opening remarks by President James, Mr. Kirby Keahey, representing the Project Architect 3D/International, Houston, Texas, presented the preliminary plans for the Medical Sciences and Education Building at The University of Texas Medical Branch at Galveston to the Buildings and Grounds Committee.

Based upon this presentation and the recommendation of the Buildings and Grounds Committee, the Board:

- a. Approved preliminary plans for the construction of the Medical Sciences and Education Building at the U. T. Medical Branch - Galveston at an estimated total project cost of \$25,000,000
- b. Authorized a change in the name of the project from Medical Sciences and Education Building to Medical Research Building
- c. Authorized submission of the project to the Texas Higher Education Coordinating Board
- d. Authorized the Project Architect to complete final plans and specifications to be presented to the U. T. Board of Regents for consideration at a later date.

This seven-level building will provide approximately 187,560 gross square feet of research facilities for the basic and clinical sciences at the U. T. Medical Branch - Galveston. It will include offices, research laboratories, support spaces and animal holding facilities for such fields as anatomy, neurosciences, microbiology and the Marine Biomedical Institute. At the present time, four levels of the new structure will be completed and three levels will be unfinished shell space.

The estimated total project cost is \$25,000,000, of which \$5,000,000 has been appropriated from The Sealy & Smith Foundation grant funds and the balance will be from Permanent University Fund Bond Proceeds.

This project is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in October 1985 and is included in the 1987-1988 authorized funding plan.

7. U. T. M.D. Anderson Cancer Center - Land Use Master Plan: Authorization to Prepare Land Use Study and Appropriation Therefor.--In order to maximize the use of current facilities and to assure proper priorities for future facilities, the Buildings and Grounds Committee recommended and the Board:
- a. Authorized the preparation of a master plan for land use for all land owned by The University of Texas M.D. Anderson Cancer Center in and around the Texas Medical Center by the U. T. M.D. Anderson Cancer Center

Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction, at an estimated total project cost of \$75,000

- b. Appropriated \$75,000 from U. T. M.D. Anderson Cancer Center unrestricted gift funds for total funding of the land use study.

The plan will address locations for future facilities, transportation between the facilities at Knight Road (100 acres) and the main campus, transportation in and around the main campus, parking facilities and the provision for preservation of green space for landscaping and recreation for the enjoyment of patients, visitors and employees. The plan will also take into consideration the possible acquisition of certain properties now located between the Houston Main Building and the Anderson-Mayfair Hotel, which are now privately owned.

8. U. T. M.D. Anderson Cancer Center - U. T. M.D. Anderson Hospital - Upgrading of Mechanical Systems - Phase II (Project No. 703-689): Approval of Preliminary Plans; Authorization for Submission to the Coordinating Board; Authorization for Preparation of Final Plans; and Additional Appropriation Therefor.--Upon recommendation of the Buildings and Grounds Committee, the Board:

- a. Approved preliminary plans for the construction of Phase II of Upgrading of the Mechanical Systems in the U. T. M.D. Anderson Hospital of The University of Texas M.D. Anderson Cancer Center at an estimated total project cost of \$4,700,000
- b. Authorized submission of the project to the Texas Higher Education Coordinating Board
- c. Authorized the Project Engineer to prepare final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting
- d. Appropriated \$200,000 from U. T. M.D. Anderson Cancer Center Account No. 101717-Provision for Remodeling and Upgrading of Facilities for fees and administrative expenses through completion of final plans. Previous appropriations had been \$150,000 from the same source.

The Phase II project will be accomplished in two segments. The first segment will provide upgraded HVAC, plumbing and electrical services for floors one and two of the Center Core at an estimated project cost of \$3,500,000. The second segment will involve extending these services to floors three and five at an estimated project cost of \$1,200,000. The ground, fourth, sixth and seventh floors have been upgraded in previous remodeling or expansion projects.

9. U. T. M.D. Anderson Cancer Center - R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical Systems: Authorization for Project; Appointment of Spencer Engineers, Inc., Houston, Texas, Project Engineer to Prepare Final Plans; Authorization for Submission to the Coordinating Board; and Appropriation Therefor.--The Board, upon recommendation of the Finance and Audit, Health Affairs and Buildings and Grounds Committees:
- a. Authorized a project for the upgrading and expansion of mechanical systems in the R. E. "Bob" Smith Research Building for The University of Texas M.D. Anderson Cancer Center at an estimated project cost of \$2,000,000
 - b. Appointed the firm of Spencer Engineers, Inc., Houston, Texas, Project Engineer to prepare final plans and specifications
 - c. Authorized submission of the project to the Texas Higher Education Coordinating Board
 - d. Appropriated \$500,000 from U. T. M.D. Anderson Cancer Center Account No. 112825-Projects at the R. E. "Bob" Smith Research Building and \$1,500,000 from Account No. 101717-Provision for Remodeling and Upgrading of Facilities for total project funding.

The R. E. "Bob" Smith Research Building, which was originally built as a food processing facility, has been converted into research laboratories and additional laboratories are now needed in the building for expanded research programs. Before this can be done, the mechanical systems need to be upgraded and expanded. An engineering study commissioned by the U. T. M.D. Anderson Cancer Center has determined that all of the utility systems are either inadequate or barely adequate to support expanded functions. Additional chilling capacity will be needed and existing lines providing water, electrical service and natural gas will need to be resized.

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 68 - 81).--Committee Chairman Ratliff 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 or her 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

Report on Clearance of Monies to the Permanent University Fund for March and April 1988 and Report on Oil and Gas Development as of April 30, 1988.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for March and April 1988 and (b) Oil and Gas Development as of April 30, 1988, were submitted by the Executive Vice Chancellor for Asset Management:

	<u>March 1988</u>	<u>April 1988</u>	<u>Cumulative Through April of this Fiscal Year (1987-1988)</u>	<u>Cumulative Through April of Preceding Fiscal Year (1986-1987)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$ 4,539,673.19	\$4,075,204.99	\$37,171,561.22	\$ 31,576,012.13	17.72%
Gas	2,057,361.42	1,799,919.38	15,775,263.50	14,679,491.86	7.46%
Sulphur	0.00	0.00	65,091.65	80,000.00	-18.64%
Water	22,991.57	57,548.76	373,322.34	365,543.43	2.13%
Brine	3,159.13	2,896.22	32,468.26	21,323.76	52.26%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	3,588.59	1,708.50	365,161.09	445,321.58	-18.00%
Other	20,100.00	(19,476.00)	1,624.00	5,564.28	-70.81%
Sale of Sand, Gravel, Etc.	2,680.20	0.00	6,205.50	1,258.60	--
 Total University Lands Receipts Before Bonuses	 <u>6,649,554.10</u>	 <u>5,917,801.85</u>	 <u>53,790,697.56</u>	 <u>47,174,515.64</u>	 <u>14.02%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	3,567,241.98	3,007,941.58	18.59%
Amendments and Extensions to Mineral Leases	724.98	0.00	724.98	(6,293.56)	--
 Total University Lands Receipts	 <u>6,650,279.08</u>	 <u>5,917,801.85</u>	 <u>57,358,664.52</u>	 <u>50,176,163.66</u>	 <u>14.31%</u>
Gain or (Loss) on Sale of Securities	<u>5,631,351.01</u>	<u>79,113.64</u>	<u>42,426,092.30</u>	<u>160,571,460.03</u>	<u>-73.58%</u>
TOTAL CLEARANCES	<u>\$12,281,630.09</u>	<u>\$5,996,915.49</u>	<u>\$99,784,756.82</u>	<u>\$210,747,623.69</u>	<u>-52.65%</u>

Oil and Gas Development - April 30, 1988
Acreage Under Lease - 698,421

Number of Producing Acres - 551,291

Number of Producing Leases - 2,398

1
69
1

3627

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the Austin Ad Club Endowed Scholarship in Advertising in the College of Communication.--The Land and Investment Committee recommended and the Board accepted gifts in excess of \$10,000 from various donors and established the Austin Ad Club Endowed Scholarship in Advertising in the Department of Advertising, College of Communication, at The University of Texas at Austin.

Income earned from the endowment will be used to award competitive scholarships to advertising students by the departmental scholarship committee.

2. U. T. Austin: Unnamed Professorship in the Department of Computer Sciences and Unnamed Professorship in the Department of Astronomy in the College of Natural Sciences - Approval to Designate as the William B. Blakemore II Regents Professorship in Computer Sciences and the William B. Blakemore II Regents Professorship in Astronomy.--Approval was given for the unnamed professorship in the Department of Computer Sciences and the unnamed professorship in the Department of Astronomy in the College of Natural Sciences at The University of Texas at Austin to be designated as the William B. Blakemore II Regents Professorship in Computer Sciences and the William B. Blakemore II Regents Professorship in Astronomy.

These designations were made by the Dean of the College of Natural Sciences in concurrence with the donor's request.

See Page 48 related to an appointment to the William B. Blakemore II Regents Professorship in Astronomy.

3. U. T. Austin: Effie Marie Cain Regents Chair in Fine Arts in the College of Fine Arts - Acceptance of Additional Gift from an Anonymous Donor 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 \$150,000 gift from an anonymous donor for addition to the Effie Marie Cain Regents Chair in Fine Arts in the College of Fine Arts at The University of Texas at Austin.

Further, the gift will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$1,000,000.

4. U. T. Austin: Acceptance of Pledge from Mr. and Mrs. Joe Christie, Austin, Texas, and Establishment of the Joe and Tana Christie Endowed Presidential Scholarship in Nursing in the School of Nursing and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$25,000 pledge, payable by June 1, 1988, from Mr. and Mrs. Joe Christie, Austin, Texas, and established the Joe and Tana Christie Endowed Presidential Scholarship in Nursing in the School of Nursing at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to students in the School of Nursing.

Further, \$12,500 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program as the pledge is received and will be used to increase the endowment to a total of \$37,500.

5. U. T. Austin: C. C. and Lottie Mae Colvert Fellowship and Development Fund in the Community College Leadership Program in the College of Education - Acceptance of Additional Gifts from Various Donors, Redesignation as the C. C. and Lottie Mae Colvert Fellowship and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--The Land and Investment Committee recommended and the Board accepted gifts of \$31,565.50 from various donors for addition to 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 and redesignated the endowment as the C. C. and Lottie Mae Colvert Fellowship.

Further, \$15,782.75 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and will be used to increase the endowment to a total of \$87,472.75.

6. U. T. Austin: C. W. Cook Professorship in Environmental Engineering in the College of Engineering - Acceptance of Additional Gift from Mr. C. W. Cook, Austin, Texas, and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program and Establishment of the Frances Crain Cook Endowed Lectureship in Education in the College of Education.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$50,000 gift from Mr. C. W. Cook, Austin, Texas, for addition to the C. W. Cook Professorship in Environmental Engineering in the College of Engineering at The University of Texas at Austin for a total endowment of \$179,335.95.

Further, \$25,000 of the gift will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Frances Crain Cook Endowed Lectureship in Education in the College of Education.

Mr. Cook's gift was initiated prior to the U. T. Board of Regents' action of April 14, 1988, consolidating endowed academic position titles and eliminating endowments of less than \$50,000 for this purpose.

7. U. T. Austin: Albert J. De Lange Memorial Scholarship in the School of Law - Approval to Accept Transfer of Funds and Redesignate as the Albert J. De Lange Memorial Endowed Presidential Scholarship and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--The Board accepted a \$5,000 transfer of previously reported gifts from current restricted funds and a transfer of \$10,000 in gifts from the Law School Foundation, and at the request of the Foundation redesignated the Albert J. De Lange Memorial Scholarship in the School of Law at The University of Texas at Austin as the Albert J. De Lange Memorial Endowed Presidential Scholarship. The funding for this Scholarship (\$10,000) will be retained by the Law School Foundation and administered per the agreement between the Foundation and the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to students based on financial need.

Further, \$5,000 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and will be used to increase the endowment along with the \$15,000 transfer of funds for a total endowment of \$30,000.

8. U. T. Austin: Acceptance of Gifts from Mr. Louis A. Beecherl, Jr., Dallas, Texas, and an Anonymous Donor and Establishment of the Engineering Education Leadership Chair in the College of Engineering and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Establish the Fifth Professorship in Computer Sciences in the College of Natural Sciences.--The Board, upon recommendation of the Land and Investment Committee, accepted a gift of \$500,000 from Mr. Louis A. Beecherl, Jr., Dallas, Texas, and a \$500,000 gift from an anonymous donor for a total of \$1,000,000 and established the Engineering Education Leadership Chair in the College of Engineering at The University of Texas at Austin.

Further, \$500,000 of the gifts will be matched under The Regents' Endowed Teachers and Scholars Program with \$250,000 used to establish the fifth Professorship in Computer Sciences in the College of Natural Sciences. A use for the remaining \$250,000 will be designated at a later date.

On behalf of the Board, Chairman Blanton expressed appreciation to Regent Beecherl for this very significant gift and for his most generous and continuing support of the component institutions of The University of Texas System and particularly the College of Engineering at U. T. Austin.

9. U. T. Austin - College of Engineering: Acceptance of Pledge from an Anonymous Donor for a Two-for-One Challenge Grant and Authorization for U. T. Austin to Raise the Required Matching Funds from Private Sources and The Regents' Endowed Teachers and Scholars Program.--The Board accepted a \$4,500,000 pledge from an anonymous donor for a two-for-one challenge grant on behalf of the College of Engineering at The University of Texas at Austin. In accordance with the terms of the challenge grant, it is the intent of U. T. Austin to

raise through a combination of private funds and allocations from The Regents' Endowed Teachers and Scholars Program the required match of \$9,000,000. A recommendation regarding the allocation of the funds and the specific request for matching funds will be submitted at a later date.

The purpose of this challenge grant and fund-raising effort is to establish new faculty and graduate student positions, to increase the level of certain existing endowments, and to provide other operational support in the areas of Manufacturing Systems Engineering, Microelectronics, Computer Engineering, and Materials Science and Engineering. This is part of a plan developed by the College of Engineering at U. T. Austin in an effort to achieve a high level of excellence in the four areas of advanced research and teaching which relate closely to the mission of SEMATECH and Microelectronics and Computer Technology Corporation (MCC). The plan includes establishing or increasing sixteen chairs, seventeen professorships, twenty-three faculty fellowships, twenty-four graduate fellowships, and one additional graduate fellowship endowment fund. Funds totalling \$2,750,000 will be designated for uses other than endowments in the College of Engineering.

10. U. T. Austin: Acceptance of Gift from Ms. Caroline S. Roberts, Austin, Texas, and Establishment of the Grosvenor-McKenna Endowment Fund for the Promotion of Rifle Marksmanship in the Division of Recreational Sports.--Approval was given to accept a \$15,000 gift from Ms. Caroline S. Roberts, Austin, Texas, and to establish the Grosvenor-McKenna Endowment Fund for the Promotion of Rifle Marksmanship in the Division of Recreational Sports at The University of Texas at Austin.

Income earned from the endowment will be used to support the U. T. Austin rifle team in travel expenses, ammunition costs, and equipment and to provide a stipend for the rifle team coach when warranted. In the event that the U. T. Austin rifle team ceases to exist, income will be used to award scholarships to deserving students studying one or more of the following languages: Russian, Japanese, German, Chinese, French or Spanish.

11. U. T. Austin: Acceptance of Gifts from Dr. Lorraine I. Stengl, Wimberley, Texas, Dr. Clark Hubbs, Austin, Texas, an Anonymous Donor, Ms. Laura C. Hubbs, La Jolla, California, and Various Donors and Establishment of the Clark Hubbs Regents Professorship in Zoology in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted gifts of \$65,000 from Dr. Lorraine I. Stengl, Wimberley, Texas, \$22,247.22 from Dr. Clark Hubbs, Austin, Texas, \$10,000 from an anonymous donor, \$3,000 from Ms. Laura C. Hubbs, La Jolla, California, and \$9,435 from various donors for a total of \$109,682.22 and established the Clark Hubbs Regents Professorship in Zoology in the Department of Zoology, College of Natural Sciences, at The University of Texas at Austin.

Further, \$54,841.11 of the gifts will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$164,523.33.

See Page 48 related to an appointment to this Professorship.

12. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the Liberal Arts Council Endowed Scholarship for Study Abroad in the College of Liberal Arts.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totalling \$17,000 from various donors and established the Liberal Arts Council Endowed Scholarship for Study Abroad 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 upper division students majoring in the College of Liberal Arts who demonstrate high scholastic achievement and financial need.

It is anticipated that fund raising efforts will continue until a total endowment of \$25,000 is reached at which time a request for matching funds will be submitted.

13. U. T. Austin: Liddell, Sapp & Zivley Professorship in Banking, Financial, Commercial and Corporate Law in the School of Law - Approval to Redesignate as the Liddell, Sapp, Zivley, Hill & LaBoon Professorship in Banking, Financial, Commercial and Corporate Law.--At the request of the Law School Foundation (an external foundation), the Board redesignated the Liddell, Sapp & Zivley Professorship in Banking, Financial, Commercial and Corporate Law in the School of Law at The University of Texas at Austin as the Liddell, Sapp, Zivley, Hill & LaBoon Professorship in Banking, Financial, Commercial and Corporate Law in accordance with the donor's request.
14. U. T. Austin: Locke, Purnell, Boren, Laney & Neely Faculty Fellowship on Law in the School of Law - Approval to Redesignate as the Locke Purnell Rain Harrell Faculty Fellowship in Law.--In accordance with the donor's request, the Locke, Purnell, Boren, Laney & Neely Faculty Fellowship on Law in the School of Law was redesignated as the Locke Purnell Rain Harrell Faculty Fellowship in Law at The University of Texas at Austin.
15. U. T. Austin: McCamish, Ingram, Martin & Brown Room and McCamish, Ingram, Martin & Brown, Inc. General Endowment in the School of Law - Approval to Redesignate Room 3.212 in Townes Hall in the School of Law as the McCamish, Martin, Brown & Loeffler Room and the McCamish, Martin, Brown & Loeffler, Inc. General Endowment.--Approval was given to redesignate Room 3.212 in Townes Hall in the School of Law at The University of Texas at Austin, known as the McCamish, Ingram, Martin & Brown Room, as the McCamish, Martin, Brown & Loeffler Room in accordance with the donors' request to reflect the current name of the firm.

Further, the McCamish, Ingram, Martin & Brown, Inc. General Endowment in the School of Law was redesignated as the McCamish, Martin, Brown & Loeffler, Inc. General Endowment.

16. U. T. Austin: Acceptance of Gift from Mr. Robert V. Tate, Houston, Texas, and Establishment of the Kay M. Nolen Memorial Endowed Presidential Scholarship in Law in the School of Law and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--The Land and Investment Committee recommended and the Board accepted a \$25,000 gift from Mr. Robert V. Tate, Houston, Texas, and a \$12,500 transfer of previously reported gifts from current restricted funds and established the Kay M. Nolen Memorial Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to students based upon need and merit at the discretion of the Dean of the School of Law.

Further, \$12,500 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and will be used to increase the endowment to a total of \$50,000.

17. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the Sam W. Papert, Jr. Advertising Scholarship in Media Sales in the College of Communication.--The Board, upon recommendation of the Land and Investment Committee, accepted gifts of \$20,027.22 from various donors and established the Sam W. Papert, Jr. Advertising Scholarship in Media Sales in the Department of Advertising, College of Communication, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to undergraduates and graduates interested in or involved with media sales in the Department of Advertising.

18. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the Frank Rizzo Advertising Scholarship in the College of Communication.--The Board accepted gifts of \$10,151.22 from various donors and established the Frank Rizzo Advertising Scholarship in the Department of Advertising, College of Communication, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to advertising majors specializing in the creative area of advertising.

19. U. T. Austin: Frances Rather Seybold and Frances Randolph Rather Seybold Endowed Scholarship in the College of Liberal Arts - Approval to Accept Additional Gift from William D. Seybold, M.D., Dallas, Texas, to Redesignate as the Frances Rather Seybold and Frances Randolph Rather Seybold Endowed Presidential Scholarship and to Amend the Purpose of the Scholarship.--Approval was given to accept a \$3,395.72 gift from William D. Seybold, M.D., Dallas, Texas, for addition to the Frances Rather Seybold and Frances Randolph Rather Seybold Endowed Scholarship in the College of Liberal Arts at The University of Texas at Austin for a total endowment of \$25,000 and to redesignate as the Frances Rather Seybold and Frances Randolph Rather Seybold Endowed Presidential Scholarship.

Further, in accordance with the donor's request, the purpose of the Scholarship was amended to read as follows:

Income earned from the endowment will be used to award scholarships to female undergraduates in the College of Liberal Arts selected on the basis of scholarship, financial need, leadership, and good citizenship.

20. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the Judge John V. Singleton Endowed Presidential Scholarship in Law in the School of Law.--The Board, upon recommendation of the Land and Investment Committee, accepted gifts of \$15,480 from various donors and a \$12,500 transfer of previously reported gifts from current restricted funds for a total of \$27,980 and established the Judge John V. Singleton Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to students based on need and merit at the discretion of the Dean of the School of Law.

21. U. T. Austin: Acceptance of Transfer of Funds and Establishment of the Robert S. Strauss Fellowship Fund in the Lyndon B. Johnson School of Public Affairs and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--The Land and Investment Committee recommended and the Board accepted a \$37,725 transfer of previously reported gifts from current restricted funds and established the Robert S. Strauss Fellowship Fund in the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin.

Income earned from the endowment will be used to award fellowships to students on the basis of academic and intellectual abilities and a commitment to a career in public service.

Further, \$18,862.50 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and will be used to increase the endowment to a total of \$56,587.50.

22. U. T. Austin: Acceptance of Pledge from an Anonymous Donor; Establishment of the Visiting Artists Chair and the Graduate Fellowships in the Fine and Performing Arts in the College of Fine Arts; Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program; Establishment of the Visiting Chair in the Fine and Performing Arts in the College of Fine Arts; and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.-- Upon recommendation of the Land and Investment Committee, the Board accepted a \$1,500,000 pledge, payable by August 31, 1991, from an anonymous donor and established the Visiting Artists Chair with funds of \$1,000,000 and the Graduate Fellowships in the Fine and Performing Arts with funds of \$500,000 in the College of Fine Arts at The University of Texas at Austin.

Income earned on the fellowship endowment will be used to make awards based upon merit to incoming graduate students who are United States citizens.

Further, \$1,000,000 of the pledge will be matched under The Regents' Endowed Teachers and Scholars Program and will be used to establish the Visiting Chair in the Fine and Performing Arts in the College of Fine Arts.

Also, \$250,000 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program as the pledge is received and will be used to increase the Graduate Fellowships in the Fine and Performing Arts to a total of \$750,000.

Committee Chairman Ratliff reported that this is the largest single gift for faculty enrichment and student support in the history of the College of Fine Arts and on behalf of the Board accepted this contribution with a deep sense of gratitude.

23. U. T. Austin: Acceptance of Gift from The University of Texas Foundation No. 2, Inc., Austin, Texas, and Establishment of the Richard Worley Endowed Fellowship in Economics in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--The Board accepted a \$99,999.90 gift from The University of Texas Foundation No. 2, Inc., Austin, Texas, representing sale proceeds from a gift of 555 shares of Miller, Anderson & Sherrerd limited partnership from Mr. Richard Worley, Bala-Cynwyd, Pennsylvania, and established the Richard Worley Endowed Fellowship in Economics in the Department of Economics, College of Liberal Arts, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to deserving graduate students in the Department of Economics.

Further, \$49,999.95 in matching funds will be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and will be used to increase the endowment to a total of \$149,999.85.

24. U. T. Dallas: General Studies Endowed Scholarship Fund - Approval to Redesignate as the Carolyn Galerstein General Studies Endowed Scholarship Fund.--In accordance with a combined request from President Rutford and the School of General Studies Advisory Council, approval was given to redesignate the General Studies Endowed Scholarship Fund as the Carolyn Galerstein General Studies Endowed Scholarship Fund at The University of Texas at Dallas.

25. U. T. El Paso: Acceptance of Bequest from the Estate of Miss Frederick Louise Etter, El Paso, Texas, and Establishment of the Miss Frederick Louise Etter Memorial Library Fund.--The Board, upon recommendation of the Land and Investment Committee, accepted a bequest of twenty-five percent of the residual Estate of Miss Frederick Louise Etter, El Paso, Texas, comprised of cash and a personal residence, with an initial distribution of \$14,000 received to date, and established the Miss Frederick Louise Etter Memorial Library Fund at The University of Texas at El Paso. A final report will be made at a future date.

Income earned from the endowment will be used by the University librarian to purchase technical books and periodicals, serials on technical subjects, special journals and abstracts of any field. Miss Etter specified that the funds were not to be used for the acquisition of fiction or light-reading magazines.

26. U. T. El Paso: Acceptance of Gift from the Government Employees Credit Union, El Paso, Texas, and Establishment of the R. C. Morgan Scholarship Fund.--The Land and Investment Committee recommended and the Board accepted a \$15,000 gift from the Government Employees Credit Union, El Paso, Texas, and established the R. C. Morgan Scholarship Fund at The University of Texas at El Paso.

Income earned from the endowment will be used to award scholarships to undergraduate students from the El Paso metropolitan area in the College of Business Administration in accordance with the Endowed Presidential Scholarship guidelines.

27. U. T. Southwestern Medical Center - Dallas: Establishment of the E. E. Fogelson and Greer Garson Fogelson Distinguished Chair in Urology.--At the request of the Southwestern Medical Foundation (an external foundation), the E. E. Fogelson and Greer Garson Fogelson Distinguished Chair in Urology was established at The University of Texas Southwestern Medical Center at Dallas in accordance with the Regents' Rules and Regulations. The funding for this Chair (\$1,500,000) will be retained by the Southwestern Medical Foundation and administered per the agreement between the Foundation and the U. T. Board of Regents.

See Page 54 related to an appointment to this Chair.

28. U. T. Southwestern Medical Center - Dallas: Acceptance of Gifts from the Dallas Foundation for Health, Education and Research, Dallas, Texas, and the McDermott Foundation, Dallas, Texas, and Establishment of The Robert V. Walker D.D.S. Distinguished Professorship in Oral Surgery and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$230,000 gift from the Dallas Foundation for Health, Education and Research, Dallas, Texas, and a \$25,000 gift from the McDermott Foundation, Dallas, Texas, for a total of \$255,000 and established The Robert V. Walker D.D.S. Distinguished Professorship in Oral Surgery at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on the \$255,000 in gifts will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

See Page 54 related to an appointment to this Professorship.

29. U. T. Medical Branch - Galveston: Acceptance of Gift from Dr. E. Burke Evans, Galveston, Texas, and Establishment of the Emergency Room Lectureship in Orthopaedics.--The Board accepted a \$25,000 gift from Dr. E. Burke Evans, Galveston, Texas, and established the Emergency Room Lectureship in Orthopaedics at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to support the Lectureship.

Dr. Evans' gift was initiated prior to the U. T. Board of Regents' action of April 14, 1988, consolidating endowed academic position titles and eliminating endowments of less than \$50,000 for this purpose.

30. U. T. Medical Branch - Galveston: Acceptance of Gift from Dr. and Mrs. Daniel L. Traber, Galveston, Texas, and Establishment of the Kurt Anderson Traber Memorial Lectureship for Burn Research.--The Land and Investment Committee recommended and the Board accepted a \$16,640 gift from Dr. and Mrs. Daniel L. Traber, Galveston, Texas, and a \$3,360 transfer of previously reported gifts from current restricted funds for a total of \$20,000 and established the Kurt Anderson Traber Memorial Lectureship for Burn Research at The University of Texas Medical Branch at Galveston.

Income earned from the endowment will be used to support the Lectureship.

Dr. and Mrs. Traber's donation occurred prior to the U. T. Board of Regents' action on April 14, 1988, which increased the funding level for this type of endowment.

31. U. T. Health Science Center - Houston: Approval to Accept Pledge from the Isla Carroll Turner Friendship Trust, Houston, Texas, and Redesignate the Isla Carroll Turner Professorship in Gerontology as the Isla Carroll Turner Chair in Gerontological Nursing and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--Approval was given to accept a \$200,000 pledge, payable in four annual installments, from the Isla Carroll Turner Friendship Trust, Houston, Texas, for addition to the Isla Carroll Turner Professorship in Gerontology for a total endowment of \$500,000 and to redesignate the Professorship as the Isla Carroll Turner Chair in Gerontological Nursing at The University of Texas Health Science Center at Houston.

Further, the actual income which will be earned on the \$200,000 pledge will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

32. U. T. M.D. Anderson Cancer Center: James E. Anderson Chair in Nuclear Medicine - Approval to Redesignate as the James E. Anderson Professorship in Nuclear Medicine.--The Board, upon recommendation of the Land and Investment Committee, redesignated the James E. Anderson Chair in Nuclear Medicine as the James E. Anderson Professorship in Nuclear Medicine at The University of Texas M.D. Anderson Cancer Center.

This redesignation was made in accordance with a combined request from President LeMaistre and Mr. Tom Anderson, brother of the late James E. Anderson.

See Page 55 related to an appointment to this Professorship.

33. U. T. M.D. Anderson Cancer Center: Mattie Allen Fair Research Chair - Approval to Transfer Income and to Establish the Mattie Allen Fair Professorship in Cancer Research.--Upon recommendation of the Land and Investment Committee, the Board approved a transfer of \$200,000 of accumulated income earned on the Mattie Allen Fair Research Chair and established the Mattie Allen Fair Professorship in Cancer Research at The University of Texas M.D. Anderson Cancer Center.

Income earned from the endowment will be used to support the Professorship.

34. U. T. M.D. Anderson Cancer Center: Acceptance of Bequest from the Estate of Ellen F. Knisely, Roanoke, Virginia.--The Board accepted a bequest of approximately \$900,000 from the Estate of Ellen F. Knisely, Roanoke, Virginia, with an initial distribution of \$500,000 received to date, for use in colon cancer research at The University of Texas M.D. Anderson Cancer Center. A final report will be made at a later date.

35. U. T. M.D. Anderson Cancer Center: Report on Establishment of Trust by Mr. Wilburn M. Smith, Monroe, Louisiana.--It was reported that a trust, valued at approximately \$250,000, had been established as prescribed by the Last Will and Testament of Wilburn M. Smith, Monroe, Louisiana. Mr. Smith's mother, Gladys McVay Smith of Riverton, Louisiana, is the life income beneficiary of the trust with The University of Texas M.D. Anderson Cancer Center entitled to receive twenty-five percent of the corpus of the trust upon the death of Mrs. Smith.

A report will be submitted when the trust distribution is received along with a recommendation for specific use.

36. U. T. M.D. Anderson Cancer Center and U. T. Southwestern Medical Center - Dallas: Acceptance of Bequest from the Estate of Betty B. Marcus, Dallas, Texas, Authorization for the Office of Asset Management to Negotiate the Sale of the Property and Authorization for the 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 bequest of twenty percent of the residual Estate of Betty B. Marcus, Dallas, Texas, comprised of notes, securities, treasury bills, and holdings in real estate and mineral interests, with a ten percent distribution valued at \$900,000 each for The University of Texas M.D. Anderson Cancer Center and The University of Texas Southwestern Medical Center at Dallas for a total of \$1,800,000. Each component has received an initial distribution of \$350,000. Funds for the benefit of the U. T. Southwestern Medical Center - Dallas are designated for use in connection with psychoneurological research. A final report for each component and a designated use of funds for the U. T. M.D. Anderson Cancer Center will be made 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 of same.

RECONVENE.--At 4:20 p.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEM FOR THE RECORD

U. T. Austin and U. T. Health Science Center - San Antonio: Report of Execution of Documents Relating to Pforzheimer Collection, San Antonio Biotechnology Effort and Texas Research Park, and Research Building.--In accordance with authorization given by the Board in February 1988, Chairman Blanton reported that he had executed, on behalf of The University of Texas System, along with the Communities Foundation and the Perot Foundation, both of Dallas, Texas, and the Texas Research and Technology Foundation and the San Antonio Medical Foundation, both of San Antonio, Texas, documents relating to the sale and purchase of the Pforzheimer Collection at The University of Texas at Austin and to the construction, equipping and endowing of the U. T. Institute of Biotechnology to be located in the Texas Research Park and to the construction and equipping of the Research Building to be constructed on the campus of The University of Texas Health Science Center at San Antonio. These documents, on file in the Office of the Board of Regents, were executed on April 22, 1988.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Blanton reported that the Board had met in Executive Session in the Regents' Conference Room 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 Blanton's inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. Medical Branch - Galveston: Settlement of Civil Rights Litigation - Alice Copado, et al.--Regent Yzaguirre moved that the Chancellor and the Office of General Counsel be authorized to settle on behalf of The University of Texas Medical Branch at Galveston the civil rights litigation filed by Alice Copado, et al, in accordance with the proposal presented in Executive Session.

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

2. U. T. Health Center - Tyler: Settlement of Medical Liability Litigation - Patricia Williams, et al.--Regent Yzaguirre moved that the Chancellor and the Office of General Counsel be authorized to settle on behalf of The University of Texas Health Center at Tyler the medical liability claim filed by Patricia Williams, et al, in accordance with the proposal presented in Executive Session.

Vice-Chairman Ratliff seconded the motion which carried without objection.

3. U. T. San Antonio: Authorization for Office of Asset Management to Finalize Negotiations for the Sale of the Lutcher Center Located in Terrell Hills, San Antonio, Bexar County, Texas, and Authorization for Executive Vice Chancellor for Asset Management to Execute Documents Related Thereto.--Upon motion of Vice-Chairman Ratliff, seconded by Regent Beecherl, the Board authorized the Office of Asset Management to finalize negotiations for the sale of The University of Texas at San Antonio Lutcher Center in Terrell Hills, San Antonio, Bexar County, Texas, pursuant to the parameters discussed in Executive Session and authorized the Executive Vice Chancellor for Asset Management to execute the necessary documents after approval by the Office of General Counsel.

Proceeds from the sale will be added to the Lutcher Brown Endowment for Academic Excellence at U. T. San Antonio.

See related item on Page 4 .

4. U. T. System: Approval of Personnel Aspects of the 1988-89 Operating Budgets, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Authorization for Chancellor to Make Appropriate Editorial Corrections Therein.--Vice-Chairman Roden moved that the personnel aspects of the 1988-89 Operating Budgets, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans for The University of Texas System be approved.

Vice-Chairman Roden further moved that the Chancellor be authorized to make editorial corrections in these budgets and that subsequent adjustments be reported to the U. T. Board of Regents through the institutional dockets.

Regent Barshop seconded the motions which prevailed without objection.

See Page 7 for approval of non-personnel aspects of the 1988-89 Operating Budgets.

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 Board of Regents' meeting on April 14, 1988. He announced that on April 25, 1988, the Board for Lease mailed a Call for Nominations for an anticipated sale in November 1988 for University Lands in Andrews, Crockett, Irion, Martin, Reagan, Schleicher and Upton Counties, Texas, and that the Board would likely meet in late July to review the nominations and set the terms for the November sale.

SCHEDULED MEETING.--Chairman Blanton announced that the next meeting of the U. T. Board of Regents will be held in Austin, Texas, on August 11, 1988.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 4:25 p.m.



Arthur H. Dilly
Executive Secretary

June 15, 1988