

Meeting No. 945

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

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November 7-8, 2001

Tyler, Texas

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 OF  
 THE UNIVERSITY OF TEXAS SYSTEM  
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MEETING NO. 945

WEDNESDAY, NOVEMBER 7, 2001.--The members of the Board of Regents of The University of Texas System convened at 1:40 p.m. on Wednesday, November 7, 2001, in Room 425, Robert R. Muntz Library at The University of Texas at Tyler, Tyler, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Miller, presiding  
Vice-Chairman Clements  
Vice-Chairman Riter  
Regent Hunt  
Regent Krier  
Regent Oxford  
Regent Sanchez

Absent

\*Vice-Chairman Romero  
Regent Craven

Counsel and Secretary Frederick

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

RECESS TO EXECUTIVE SESSION.--At 1:40 p.m., Chairman Miller announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code Sections 551.071, 551.074, and 551.076 to consider those matters listed on the Executive Session agenda.

RECONVENE.--At 3:30 p.m., the Board reconvened in open session in Room 401, Robert R. Muntz Library at The University of Texas at Tyler for any action on matters considered in Executive Session.

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\*Vice-Chairman Raul R. Romero resigned from the Board of Regents on August 6, 2001.

## EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Miller reported that the Board met in Executive Session to discuss matters in accordance with Texas Government Code Sections 551.071, 551.074, and 551.076. He said no action was taken on the following items discussed in Executive Session:

- a. U. T. System: Discussion of Security Procedures and Devices
- b. U. T. Austin: Status of *Hopwood* Litigation
- c. U. T. System: Legal Issues Related to Access, Opportunity, and Success
- d. U. T. Board of Regents and U. T. System: Personnel matters.

In response to an inquiry from Chairman Miller regarding the wishes of the Board, the following action was taken:

[U. T. Medical Branch - Galveston: Compromise of Hospital Lien for Patient Treatment - Jaqueline Saburido and/or General Motors](#)

Upon motion of Regent Oxford, duly seconded, the Board authorized the Chancellor and the Office of General Counsel to settle, on behalf of The University of Texas Medical Branch at Galveston, the Hospital Lien and all claims against Jaqueline Saburido and/or General Motors in accordance with the proposal discussed in Executive Session.

ANNUAL MEETING WITH OFFICERS OF THE U. T. SYSTEM FACULTY ADVISORY COUNCIL.--On behalf of the Board, Chairman Miller welcomed officers of The University of Texas System Faculty Advisory Council (FAC) to the annual meeting with the Board and asked Chair Jerry McLarty to make the appropriate introductions and to begin the discussion per the agenda which was before the Board.

### PARTICIPANTS

**Chair:** Jerry McLarty, Ph.D., The University of Texas Health Center at Tyler

**Past-Chair:** Betty Travis, Ph.D., The University of Texas at San Antonio

**Chair-Elect:** Robert Nelsen, Ph.D., The University of Texas at Dallas

**Faculty Quality Co-Chair:** James Bartlett, Ph.D., U. T. Dallas

**Governance Co-Chair:** Jon Williamson, Ph.D., The University of Texas Southwestern Medical Center at Dallas

**Health Affairs Co-Chair:** Victor Sierpina, M.D., The University of Texas Medical Branch at Galveston

**Health Affairs Co-Chair:** Richard Grimes, Ph.D., The University of Texas Health Science Center at Houston

**Academic Affairs Co-Chair:** Virginia Beidelman, Ph.D., The University of Texas at Tyler

**Academic Affairs Co-Chair:** Corbett Gaulden, Ph.D., The University of Texas of the Permian Basin

[Not in attendance:

**Secretary:** Terese Verklan, Ph.D., U. T. Health Science Center - Houston;

**Governance Co-Chair:** William Harris, Ph.D., The University of Texas at Brownsville;

**Academic Affairs Co-Chair:** Bruce Palka, Ph.D., The University of Texas at Austin]

Dr. McLarty outlined a proposal for faculty review of support services, noting the Council's intent to develop a model by which faculty would be involved in the review, beginning with billing and collection of medical services, possibly to standardize such services across the U. T. System. In elaborating on the proposal, Dr. Sierpina stated the Council will work through the Chancellor's Office to request institutional staff to undertake this initiative. Chancellor Burck noted implementation of the proposal fits with U. T. System cost saving/revenue enhancement initiatives.

Dr. McLarty introduced a proposal to develop guidelines for placing academic departments in receivership and Dr. Travis outlined the important elements of such a policy which would include a time limit for receivership to be instituted, a review of receivership after one year, and a time limit if receivership continues.

Dr. McLarty and Dr. Williamson proposed a U. T. System-wide policy to involve faculty in the hiring of academic administrators (deans, provosts, and department chairs). Dr. McLarty and Chairman Miller both encouraged involvement of faculty in the current Chancellor search process and Chairman Miller stated that such participation would be a part of the open search process.

Mr. Miller then read an excerpt from a statement from the American Association of University Professors related to academic freedom and the responsibilities of faculty. He stressed the importance of separating personal opinion from one's faculty status.

TOUR OF THE UNIVERSITY OF TEXAS AT TYLER AND RECESS.--At 4:30 p.m., Chairman Miller announced that the Board would tour the campus of The University of Texas at Tyler and would recess to reconvene at 8:30 a.m. in Open Session on Thursday, November 8, 2001, in Room 401 of the Robert R. Muntz Library at The University of Texas at Tyler, Tyler, Texas.

THURSDAY, NOVEMBER 8, 2001.--The members of the Board of Regents of The University of Texas System reconvened at 8:55 a.m. on Thursday, November 8, 2001, in Room 401, Robert R. Muntz Library at The University of Texas at Tyler, Tyler, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Miller, presiding  
Vice-Chairman Clements  
Vice-Chairman Riter  
Regent Hunt  
Regent Krier  
Regent Oxford  
Regent Sanchez

Absent

\*Vice-Chairman Romero  
Regent Craven

Counsel and Secretary Frederick

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

WELCOME BY DR. RODNEY H. MABRY, PRESIDENT OF THE UNIVERSITY OF TEXAS AT TYLER.--Chairman Miller stated that the Board was pleased to be meeting at The University of Texas at Tyler and called on President Mabry who, on behalf of the faculty, staff, and students of the institution, welcomed the members of the Board and other guests to the campus.

INTRODUCTION OF MR. WILLIAM H. SHUTE, VICE CHANCELLOR FOR FEDERAL RELATIONS FOR THE UNIVERSITY OF TEXAS SYSTEM.--Chairman Miller introduced Mr. William H. Shute, Vice Chancellor for Federal Relations, and welcomed him to The University of Texas System.

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\*Vice-Chairman Raul R. Romero resigned from the Board of Regents on August 6, 2001.



U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD AUGUST 8-9, 2001, AND SPECIAL MEETING HELD SEPTEMBER 21, 2001.--The Minutes of the regular meeting of the Board of Regents of The University of Texas System held on August 8-9, 2001, in Arlington, Texas, were approved as distributed by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XLVIII, Pages 870 - 1169.

The Board also approved the Minutes of the special meeting of the Board of Regents of the U. T. System held on September 21, 2001, in Austin, Texas, as distributed by the Counsel and Secretary to the Board. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XLIX, Pages 1 - 2.

STATEMENT BY CHAIRMAN MILLER ON THE SEARCH FOR A NEW CHANCELLOR FOR THE UNIVERSITY OF TEXAS SYSTEM.--Chairman Miller read the following statement on the search for a new Chancellor for The University of Texas System in which he appointed the Board as a Committee of the Whole to conduct the search:

Statement by Chairman Miller on the Search for a  
New Chancellor for the U. T. System

This is the first full meeting of the Board of Regents since the announcement by Chancellor R. D. Burck on August 17 that he plans to step down from the position of Chancellor no later than September 1, 2003. During the course of the next year, the Board of Regents will have a number of formal opportunities to thank Chancellor Burck for his extraordinary dedication to the U. T. System and to all of Texas higher education. We are all deeply grateful, Dan, for your many years of distinguished service to this organization, and we are mindful of how challenging it will be to identify a worthy successor. We will be searching for someone who will bring to this very important position your same level of energy, your broad experience and understanding, and your unwavering commitment to Texas and to all who are served by its universities.

There can be no more important role for this Board than the selection of a Chancellor, the chief administrative officer for one of the nation's largest and most complex higher education enterprises. We will be devoting a major portion of our time and energy to this responsibility.

In preparation for this challenge, I have acted in my capacity as Chairman of the Board of Regents to issue a Request for Proposals (RFP) from executive search firms across the nation that specialize in higher education. The purpose of this RFP has been to seek assistance in the identification of the very best potential candidates for this position.

After careful review of the responses received, the firm of Spencer Stuart has been hired to work with the Board on the search for a new Chancellor.

Because of the extraordinary importance of the selection of a Chancellor, I am hereby requesting that all members of the Board of Regents serve as a Committee of the Whole to perform the function of a search committee during a process that I foresee as an extensive and exhaustive national search. I plan to serve as Chair.

Our goal should be to conduct an open, inclusive, and thorough search process, consistent with the traditions of excellence in the U. T. System and the prominent role of the System in American higher education. As an example of the open process that we are anticipating, I have agreed with Counsel and Secretary Frederick's recommendation that a special, interactive section of the U. T. System's World Wide Web site be devoted to keeping university constituencies and the general public informed about the search, as well as for receiving comments and recommendations from them. This will be accessible at [www.utsystem.edu/bor](http://www.utsystem.edu/bor).

As part of this process, we welcomed the opportunity to hear from the U. T. System Faculty Advisory Council on these and other issues during the Board's annual meeting with the Council held yesterday. I previously met with the officers of the Faculty Advisory Council and the Employee Advisory Council and, at my request, Mrs. Frederick met with the officers of the Student Advisory Council.

We are beginning a very exciting and demanding assignment -- one that falls to relatively few members of the Board of Regents over time. We must ensure an open process, while also protecting the rights of those who may be considered for this position and working to ensure that we are able to make the very best selection possible. We are fortunate indeed that Chancellor Burck will remain on board during this process, and we are grateful that we will have the benefit of his wise counsel as we prepare for the transition to a new Chancellor.

## SPECIAL ITEMS

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter I, Section 7, Subsection 7.1, Subdivision 7.15 (Duties of the Finance and Planning Committee)

To add oversight for certain legislative issues to the duties of the Finance and Planning Committee and reflect the Committee's charge to develop a durable and effective planning process, building on the current long-range plan and ongoing planning activities, the Board amended the Regents' Rules and Regulations, Part One, Chapter I, Section 7, Subsection 7.1, Subdivision 7.15, relating to duties of the Finance and Planning Committee, to read as set forth below:

7.15 Duties of the Finance and Planning Committee.--The Finance and Planning Committee shall:

7.151 Continue long-range planning activities, including institutionalization of the planning process, development of related plan implementation policies and procedures for the U. T. System and the component institutions, and providing coordination of related legislative issues.

.....

Regent Krier asked for clarification concerning the extent this Committee would be involved with legislative issues and Counsel and Secretary Frederick responded that the Committee would deal with issues related to Finance and Planning Committee oversight topics.

2. U. T. Board of Regents: Amendments to the Regents' Rules and Regulations, Part One, Chapter I, Section 9, Subsection 9.2 (Delegation of Authority to Execute and Deliver Contracts, Agreements, and Documents) and Part Two, Chapter XI, Section 2 (Special Approval Processes)

The Board amended the Regents' Rules and Regulations as set forth below:

- a. Part One, Chapter I, Section 9, Subsection 9.2, regarding delegation of authority to execute and deliver contracts, agreements, and documents, was amended to add a new Subdivision 9.2(10) as set forth on Page 9.

9.2(10) Contracts or agreements, including purchase orders and vouchers, with a cost or monetary value to the System Administration or a component institution in excess of \$1 million but not exceeding \$10 million associated with or related to a property or casualty loss that is expected to exceed \$1 million may be approved, executed, and delivered by the Chancellor as provided in Part Two, Chapter XI, Section 2, Subsection 2.5 of these Rules and Regulations.

b. Part Two, Chapter XI, Section 2, regarding special approval processes, was amended to add a new Subsection 2.5 as follows:

2.5 Contracts Associated with Property and Casualty Losses.

2.51 In the case of a property or casualty loss in which the total loss is expected to exceed \$1 million, the Board delegates to the Chancellor authority to approve, execute, and deliver on behalf of the Board all contracts or agreements, including purchase orders and vouchers, associated with or related to the loss and having a cost or monetary value to the System Administration or the component institution in excess of \$1 million but not exceeding \$10 million, subject to Subdivision 2.52 of this Subsection and the general provisions of Part One, Chapter I, Section 9 of these Rules and Regulations.

2.52 The Chancellor shall consult with the institutional president, if applicable, and obtain the approval of the chief business officer of the component institution or the approval of the Executive Vice Chancellor for Business Affairs, as appropriate, with respect to the business aspects of each contract or agreement prior to executing the contract or agreement.

Part One, Chapter I, Section 9, Subsection 9.2, Subdivision 9.22 of the Regents' Rules and Regulations requires that contracts and agreements in excess of \$1 million be approved by the Executive Committee of the Board or approved by the Board via the docket or agenda. Part Two, Chapter XI, Section 1 of the Regents' Rules and Regulations delegates authority to the presidents to execute contracts and agreements having a value of \$1 million or less.

Experience gained from dealing with the losses incurred as a result of the storm damage associated with Tropical Storm Allison in Houston in June 2001 showed that if a catastrophic property or casualty loss occurs, it may be necessary for System Administration or the affected component institution to execute contracts or agreements in excess of \$1 million on an expedited basis to minimize the damages resulting from the loss or to commence recovery efforts in a timely manner.

These revisions to the Regents' Rules create a more efficient process for approving and executing contracts and agreements in response to a catastrophic property or casualty loss.

3. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter VI, Section 5 (Participation in Student Government), Subsection 5.1

The Board approved amendments to the Regents' Rules and Regulations, Part One, Chapter VI, Section 5, Subsection 5.1, relating to the constitution and bylaws of a students' association, to read as set forth below with remaining Subdivisions 5.15 and 5.16 renumbered as Subdivisions 5.14 and 5.15:

Sec. 5. Participation in Student Government.

...

5.12 Mode of Amending Constitutions and Bylaws.--An amendment to the constitution or bylaws of a students' association may be adopted by an association, in accordance with its constitution and bylaws, but the change shall not become effective until transmitted to and approved by the chief student affairs officer, the president, and the appropriate Executive Vice Chancellor.

5.13 Amendment or Repeal by the Chief Student Affairs Officer.--The chief student affairs officer shall have the power, when in his or her judgment the interests of the institution require it, to amend or repeal any provision in the constitution or bylaws of the particular association, but such action shall not be effective until approved by the president and the appropriate Executive Vice Chancellor.

....

Amendment of the Regents' Rules and Regulations, Part One, Chapter VI, Section 5, Subsection 5.1, Subdivisions 5.12 through 5.14 eliminates the unnecessary formality of docket approval by the U. T. Board of Regents for amendments to the constitution or bylaws of a students' association at a component institution and deletes language authorizing the Board to amend or repeal these documents without student involvement. Changes to these documents will be subject to the approval of the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs, as appropriate.

Internal rules of procedure of a students' association will be subject to approval as determined appropriate at each campus.

4. U. T. Board of Regents: Amendments to the Regents' Rules and Regulations, Part Two, Chapter III, Section 10, Subsections 10.1 and 10.2 (Travel Authorization, Reimbursement, and Institutional Regulations)

The Board amended Part Two, Chapter III, Section 10, Subsections 10.1 and 10.2 of the Regents' Rules and Regulations, regarding travel authorization, reimbursement, and institutional regulations, to read as set forth below:

Sec. 10. Travel Authorization, Reimbursement, and Institutional Regulations.

10.1 Authorization for Travel.--Authorization for travel from the city or town where the officer or employee is regularly stationed will be granted by the Board or as hereinafter delegated by the Board as follows:

10.11 Requests for authorization for foreign travel or other travel outside Texas shall be transmitted through proper administrative channels to the Chancellor or the president of the component institution, as applicable, or to the respective officer's designee for advance written approval. The Chancellor or the president of the component institution, as applicable, may implement requirements for approval of travel within Texas at his or her discretion.

10.12 Foreign travel means travel to, in, or from a destination that is neither in the United States, nor a possession of the United States, Mexico, or Canada.

10.2 Travel Expense Reimbursements.

10.21 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel and pursuant to State law and regulations and approved institutional or System travel policies and procedures. The Chancellor, the Executive Vice Chancellors, the Vice Chancellors and the presidents of the component institutions shall plan the travel of all employees under their authority to achieve maximum economy and efficiency and are responsible for ensuring that the expenses of transportation, meals, lodging, and incidental items are the lowest possible considering all relevant circumstances.

. . . .

Article IX, Section 5.09(i) of the current General Appropriations Act, as adopted by the 77th Texas Legislature, prohibits the expenditure of appropriated funds for travel to foreign countries, except Canada or Mexico, unless the governing board has approved the travel in advance. Similarly, Texas Government Code Section 660.024 prohibits the expenditure of appropriated funds for foreign travel unless the State employee has obtained the prior approval of the chief administrative officer or designee. Texas Government Code Section 660.003(e)(3) requires that a State employee obtain prior approval for travel outside the State in accordance with the policy of the State agency.

The amendments to Part Two, Chapter III, Section 10 of the Regents' Rules and Regulations are intended to meet the requirements of the rider and the statutory provisions. The amendments require an employee to obtain advance written approval of foreign travel and other travel outside Texas.

Under the amended Rules, the Board delegates authority to approve such travel to the Chancellor or the president of the component institution, as applicable, or his or her designee. In addition, the amended Rules permit, but do not require, the Chancellor or president, as applicable, to implement requirements for approval of travel within Texas.

5. U. T. System: Authorization of a Fee for Institutional Endowment Compliance and Establishment of a New Regental Policy

The Board authorized The University of Texas Investment Management Company (UTIMCO) to assess an administrative fee on behalf of component institutions up to 0.08% of the market value of the Long Term Fund's (LTF) net asset value as determined by UTIMCO for the support of enhanced and expanded endowment compliance efforts.

The University of Texas System component institutions are charged with raising private sector contributions for the establishment of endowments to fulfill the mission and goals of the institution. Endowments are designated for student scholarships and fellowships, faculty and administrative support, and for programmatic purposes. High quality, effective compliance programs are of fundamental importance and represent an ongoing fiduciary responsibility of each institution. The 77th Texas Legislature recognized the compliance obligation of higher education institutions in Sections 44, 47, and 48 of Article III of the current General Appropriations Act. All U. T. System component institutions have endowment compliance programs in place.

This approval authorizes a small portion of the LTF to be used for enhanced and expanded administrative activities to ensure institutional compliance with the agreement made with an endowment's donor(s). Through the recommendation of each component president to the Chancellor, an institution may exercise this funding option and request an assessment level up to 0.08% of the market value of its endowments invested in the LTF. An institution may exempt specific endowments from the assessment if it chooses.

Operational details are to be determined by the Chancellor, the President and Chief Executive Officer of UTIMCO, and/or their designated representatives and a new Regental Policy will be developed. It is anticipated that the first assessment level distribution to participating component institutions will be made in March 2002 based on the prior 12-quarter's average of the market value of the LTF on November 30, 2001.

Thereafter, it is anticipated that assessment level distributions will be made annually based on the prior 12-quarter's average of the market value of the LTF on May 31 of each fiscal year. Based on institutional preferences regarding participation and percentages and the value of the prior 12-quarter's average of the market value of the LTF as of May 31, 2001, the estimated total distribution to 11 component institutions in September 2001 would have been \$1,027,764.



6. U. T. System: Approval of Permanent University Fund Allocations and Reallocation and Amendments to the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget as Necessary

[Note: Chairman Miller took up this item as the first Special Item.]

Chancellor Burck presented the recommendations for allocation and reallocation of Permanent University Funds (PUF) for University of Texas System projects as discussed at the October 2001 standing committee meetings of the Board of Regents and as shown on Page 16.

Upon request of Regent Krier, Executive Vice Chancellor Kennedy outlined the review process and justification criteria that were weighted and used to rate the projects and finalize recommendations, including:

- 1) Consistency with the institution's mission
- 2) Project need
- 3) Unique opportunity the project brought to the institution
- 4) Availability of matching funds or leverage from other funding sources
- 5) Cost effectiveness (new versus renovation)
- 6) Cost effectiveness using the Coordinating Board's formula for the shortfall of space at the institutions
- 7) Looking at the existing condition of facilities (whether replacing a building and degree of depreciation)
- 8) Other available funding that might be available to the institutions.

Mr. Kennedy reported that approximately \$150 million in additional PUF bonding capacity was available over the six-year period 2002-2007 assuming that the entire capacity was allocated in the current fiscal year. The PUF distribution recommended to the Board was \$67 million plus a reallocation of \$29 million for The University of Texas Health Science Center at Houston to assist in damage suffered in June 2001 from Tropical Storm Allison.

Regent Krier moved that the Board approve the U. T. System Administrative staff recommendation as shown on Page 16. Regent Sanchez seconded the motion.

Following questions to Mr. Kennedy, Regent Hunt expressed concern that the review process may not have been sufficiently broad to have consistency with the long-range plan and stated he was not able to support the proposal.

Vice-Chairman Riter questioned the phased approach for construction of the Science and Engineering Building at The University of Texas at Tyler and Executive Vice Chancellor Sharpe responded that the phasing process for U. T. Tyler can work.

Chancellor Burck said that adequate funds are projected to be available for the entire project, but committed that, if funds are not available, the issue will be brought back to the Board. Chairman Miller asked whether there was any limitation on returning in the future to review additional funding for this project and Chancellor Burck noted there was no limit. Mrs. Clements asked why only the Tyler project was “cut” and Mr. Burck responded that the project was not cut, but rather phased, and the project would be funded.

Regent Krier modified her motion on this item to direct U. T. System Administrative staff to continue to analyze PUF bond debt capacity and project costs to assure the Tuition Revenue Bond projects are fully funded on an ongoing basis.

At the request of Regent Hunt, Chairman Miller called for a roll call vote. Regents Krier, Oxford, and Sanchez voted “yes.” Vice-Chairman Clements, Vice-Chairman Riter, and Regent Hunt voted “no.” Chairman Miller voted in favor, and the motion carried. Chairman Miller said that although the PUF provides significant funding opportunities, the commitment to the Legislature did not rely only on the PUF for funding of the Tuition Revenue Bond projects. The Chairman announced he would not entertain further motions on this topic.

The FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget will be amended as necessary to conform to Board action.

The University of Texas System  
 November 2001 Board of Regents' Meeting  
 PUF Funding Recommendations  
 (in Millions)

Office of Business Affairs, November 8, 2001

**PUF FUNDING RECOMMENDATIONS**

<u>Institution</u>	<u>Project</u>	<u>PUF Funding Recommended</u>
UT Dallas	Founders/Founders Annex/Berkner Rehab	\$15.0
UT El Paso	Biosciences Facility (1)	\$6.5
UT San Antonio	Biotech Sciences & Engineering Building	\$19.0
UT Arlington	Science Building	\$13.0
UT Permian Basin	Mesa Building Improvements/Gym	\$2.5
UT Tyler	Sciences/Engineering Building Phase 1 (1)	\$2.0
<b>Academic Subtotal</b>		<b>\$58.0</b>
UTHSC San Antonio	Emergency, Fire & Safety Initiative Phase I	\$9.0
<b>Health Subtotal</b>		<b>\$9.0</b>
<b>U. T. System Total Recommended PUF Funding</b>		<b>\$67.0</b>

**PUF REALLOCATION RECOMMENDATION**

<u>Institution</u>	<u>Project</u>	<u>Reallocation of Previously Approved PUF Funding</u>
UTHSC Houston	Replace John Freeman Building (2)	\$29.0

**Notes:**

- (1) The CIP will be amended to include the UT El Paso Biosciences Facility and the UT Tyler Sciences/Engineering Building Phase 1 projects in the amount of the PUF allocations plus the Tuition Revenue Bonds (TRB) authorized by the 77th Legislature. The 77th Legislature authorized \$12.7 million and \$20.9 million in the TRB for the UT El Paso and UT Tyler projects, respectively.
- (2) The UTHSC Houston Research Expansion Building - Phase I project is in the CIP with \$50 million of authorized PUF. The campus requests, and U. T. System Administrative staff recommend, reallocating \$29 million of the authorized PUF for the higher priority project of replacing the John Freeman Building due to the damage from Tropical Storm Allison. The remaining funds required to replace the John Freeman Building are to be derived from Federal Emergency Management Agency (FEMA) and insurance proceeds.

7. U. T. System: Report of Summary of Gift Acceptance Conforming to Board Policy for June 1, 2001 Through August 31, 2001

Vice Chancellor for Development and External Relations Perry reviewed the Summary of Gift Acceptance for The University of Texas System for the period June 1, 2001 through August 31, 2001, as set forth below.

Vice Chancellor Perry reported 142 items conforming to Board policy were approved including the acceptance of \$31,724,381 in gifts. Other matching contributions from previously accepted Board-held matching funds totaled \$100,551.59 and transfers of endowment funds totaled \$1,015,000.

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

<u># ALL ITEMS</u>	<u>COMPONENT INSTITUTION</u>	<u>TOTAL VALUE</u>
---	U. T. System Administration	\$ ---
6	U. T. Arlington	37,625
40	U. T. Austin	4,451,785 *
3	U. T. Brownsville	31,365
1	U. T. Dallas	500,000
14	U. T. El Paso	907,525
11	U. T. Pan American	60,970
6	U. T. Permian Basin	90,000
8	U. T. San Antonio	581,937
1	U. T. Tyler	25,483
4	U. T. Southwestern Medical Center - Dallas	2,303,765 *
13	U. T. Medical Branch - Galveston	9,290,865
5	U. T. Health Science Center - Houston	171,190
6	U. T. Health Science Center - San Antonio	4,947,025
23	U. T. M. D. Anderson Cancer Center	8,261,347
1	U. T. Health Center - Tyler	63,499
<u>142</u>	<u>TOTAL</u>	<u>\$ 31,724,381</u>

\* Not included in total:

U. T. Austin: \$100,551.59 transfer of previously accepted funds and \$15,000 transfers of endowment funds;

U. T. Southwestern Medical Center - Dallas: \$1,000,000 transfer of endowment funds.

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 9:35 a.m., the Board recessed for meetings of the Standing Committees, and Chairman Miller announced that at the conclusion of each committee meeting the Board would reconvene to approve the report and recommendations of that committee.

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

## REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Page 19).--Chairman Miller reported that there were no items referred from the Executive Committee to the Board pursuant to Section 7, Subsection 7.1, Subdivision 7.14 of Chapter I of Part One of the Regents' Rules and Regulations.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND PLANNING COMMITTEE (Pages 20 - 46).--Committee Chairman Hunt reported that the Finance and Planning Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Finance and Planning Committee and approved in open session by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 107 (Catalog Change)

The Board approved Chancellor's Docket No. 107 in the form distributed by the Counsel and Secretary to the Board. It is attached following Page 89 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 may be executed by the appropriate officials of the respective component institution involved.

Appointments involving chancellor, acting executive vice chancellor, and vice chancellor positions were found to be in the best interest of The University of Texas System, as required by Texas Education Code Section 51.946.

2. U. T. System: Approval of the System-wide Internal Audit Plan for Fiscal Year 2002

The Board approved The University of Texas System-wide Internal Audit Plan for Fiscal Year 2002. Development of the Internal Audit Plan is based on risk assessments performed at each component institution and implementation of the Plan will be coordinated with the institutional auditors. The U. T. System Administration and component institution Audit Plans and the Summarized Audit Plans are on file in the Office of the Board of Regents.

3. U. T. System: Report on Investments for the Fiscal Quarter Ended August 31, 2001

On behalf of The University of Texas Investment Management Company (UTIMCO), Regent Hunt, an officer of the UTIMCO Board of Directors, summarized the Report on Investments for The University of Texas System

for the fiscal quarter ended August 31, 2001, for the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, Short Intermediate Term Fund, and Separately Invested Assets.

Report by Regent Hunt on Behalf of UTIMCO

Mr. Chairman and members of the Board, I am pleased to summarize the investments for The University of Texas System for the fiscal quarter ended August 31, 2001.

Pages 22 - 28 contain the Summary Reports on Investments for the fiscal quarter ended August 31, 2001.

Item I on Pages 22 - 23 reports summary activity for the Permanent University Fund (PUF) investments and a comparison of the asset allocation of the PUF versus the endowment neutral policy portfolio and net investment return. Total net investment return for the quarter was negative 2.96% versus the neutral policy portfolio return of negative 2.44%.

Item II on Pages 24 - 26 reports summary activity for the General Endowment Fund (GEF), the Permanent Health Fund's (PHF) and Long Term Fund's (LTF) percentage ownership of the GEF, and a comparison of the asset allocation of the GEF versus the endowment neutral policy portfolio and net investment return. Total GEF net investment return for the quarter was negative 2.74% versus the neutral policy portfolio return of negative 2.44%.

Item III on Page 27 reports summary activity for the Short Intermediate Term Fund (SITF). Total net investment return on the SITF was 1.58% for the quarter versus the SITF's performance benchmark of 2.10%.

Item IV on Page 28 presents book and market value of cash, fixed income, equity, and other securities held in funds outside of internal investment pools. Total cash and equivalents, consisting primarily of component operating funds held in the Dreyfus money market fund, decreased by \$82 million to \$873 million during the fourth quarter. Asset values for the remaining asset classes were fixed income securities: \$113 million versus \$111 million at previous quarter-end; equities: \$167 million versus \$181 million at previous quarter-end; and other investments of \$17 million versus \$7 million at previous quarter-end.



I. PERMANENT UNIVERSITY FUND (1)a.) Summary Investment Report at August 31, 2001 (2)

(\$ millions)

	FY99-00	FY00-0:				
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date
Beginning Net Assets	7,465.6	8,452.3	7,652.6	7,686.9	7,749.6	8,452.3
PUF Lands Receipts (3)	83.1	30.5	27.6	35.2	22.3	115.6
Investment Return	1,215.1	(506.2)	9.7	32.8	(227.5)	(693.2)
Expenses	(13.9)	(4.9)	(3.0)	(5.3)	(4.3)	(17.5)
Distributions to AUF	(297.6)	(317.1)	-			(317.1)
Ending Net Assets	<u>8,452.3</u>	<u>7,652.6</u>	<u>7,686.9</u>	<u>7,749.6</u>	<u>7,540.1</u>	<u>7,540.1</u>
AUF Distribution:						
From PUF Investments	297.6	317.1				317.1
From Surface Income	6.0	1.1	2.3	2.1	3.7	9.2
Total	<u>303.6</u>	<u>318.2</u>	<u>2.3</u>	<u>2.1</u>	<u>3.7</u>	<u>326.3</u>
Total Net Investment Return	16.53%	-6.25%	0.06%	0.37%	-2.96%	-6.64%

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

(2) General -The Investment Summary Report excludes PUF Lands mineral and surface interests with estimated August 31, 2001 values of 5524.6 million and 5156.7 million. respectively.

(3) PUF Land Receipts-As of August 31, 2001: 1,223,235 acres under lease; 521,297 producing acres; 3,260 active leases; and 2,069 producing leases.

I. PERMANENT UNIVERSITY FUND (continued).

b.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the quarter ended August 31, 2001

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	5.1%	0.0%	1.02%	0.95%	90 Day T-Bills Average Yield
Domestic Common Stocks:					
Large/Medium Capitalization Equities	22.0%	25.0%	-7.67%	-9.44%	Standard & Poor's 500 Index
Small Capitalization Equities	9.9%	7.5%	-5.32%	-5.31%	Russell 2000 Index
Total Domestic Common Stocks	31.9%	32.5%			
International Common Stocks:					
Established Markets	10.7%	12.0%	-10.04%	-6.22%	Morgan Stanley Capital International Europe, Asia, Far East Index ("et)
Emerging Markets	3.0%	3.0%	-10.16%	-9.60%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	13.7%	15.0%			
Inflation Hedging	4.5%	7.5%	7.53%	-0.61%	33% (Goldman Sachs Commodity Index basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:					
Domestic	18.1%	15.0%	3.57%	3.60%	Lehman Brothers Aggregate
International	2.2%	5.0%	6.15%	5.76%	Salomon Non-U.S. World Government Index, Unhedged
Total Fixed Income	20.3%	20.0%			
Marketable Alternative Equities	10.1%	10.0%	4.21%	2.72%	90 Day T-Bills + 7%
<b>Total Marketable Securities</b>	<b>85.6%</b>	<b>65.0%</b>	<b>-2.71%</b>	<b>-3.55%</b>	
<b>Nonmarketable Alternative Equities</b>	<b>14.4%</b>	<b>15.0%</b>	<b>-4.43%</b>	<b>4.00% (2) 17%</b>	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.96%</b>	<b>-2.44%</b>	

- (1) The benchmark return for the endowment neutral policy portfolio is calculated by summing the neutrally weighted index return (% weight for the asset class multiplied by the benchmark return for the asset class) for the various asset classes in the endowment portfolio for the period reported.
- (2) Nonmarketable Alternative Equities includes private investments, venture funds and other nonmarketable assets. The benchmark for this asset class has been internally determined (not market determined) and is currently fixed at 17% per annum (4% per quarter). Comparison of actual performance to the benchmark should be viewed over a long-term horizon. The Internal Rate of Return (IRR) since inception of the PUF's Nonmarketable Alternative Equities program through August 31, 2001 was 16.7%, including distributed stock.

II. GENERAL ENDOWMENT FUND (1) (2).a.) Summary Investment Report at August 31, 2001.

	(\$ millions)					
	Inception date of March 1, 2001					
	FY00-01					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year-to-Date	
Beginning Net Assets				3,862.2		
Net Contributions			3,860.6	(42.4)	3,818.2	
Investment Return			25.3	(106.5)	(61.2)	
Expenses			(1.6)	(1.8)	(3.4)	
Distributions (3)			(22.1)	12.4	(9.7)	
Ending Net Asset?.			3,662.2	3,723.9	3,723.9	
Net Asset Value per Unit			100.612	97.811		
Units and Percentage Ownership (End of Period):						
PHF			9,117,735	23.6%	9,009,891	23.7%
LTF			29,268,993	76.2%	29,062,538	76.3%
Total			38,386,728	100.0%	38,072,429	100.0%
Total Net Investment Return			0.62%	-2.74%	-2.14%	

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

(2) On March 1, 2001, the Permanent Health Fund (PHF) and Long Term Fund (LTF) purchased units in the newly created General Endowment Fund (GEF). The initial number of units was based on the PHF's and LTF's contribution of its net values as of February 26, 2001.

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

II. GENERAL ENDOWMENT FUND (continued)

b.) Unitholders' Summary Investment Report at August 31, 2001 (1)

(\$ millions)

	FY99-00		FY00-01			
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
<b>PERMANENT HEALTH FUND</b>						
Beginning Net Assets	690.3	1,016.6	925.1	922.5	917.5	1,016.6
Contributions	25.0	-	-	-	-	-
Investment Return	143.6	(80.2)	6.0	5.6	(25.5)	(92.1)
Expenses	(1.9)	(0.8)	(0.1)	(0.1)	(0.1)	(1.1)
Distributions (Payout)	(40.6)	(10.5)	(10.5)	(10.5)	(10.5)	(42.0)
Ending Net Assets	1,016.6	925.1	922.5	917.5	691.4	661.4
Net Asset Value per Unit (2)	1.112525	1.012446	1.009531	1.004066	0.964617	0.964617
No. of Units (End of Period)	913,765,506	913,765,506	913,765,506	913,765,506	913,765,506	913,765,506
Distribution Rate per Unit	0.0450	0.0115	0.0115	0.0115	0.0115	0.0460
Total Net Investment Return	16.09%	-7.90%	0.76%	0.60%	-2.79%	-9.24%
<b>LONG TERM FUND</b>						
Beginning Net Assets	2,602.3	3,136.2	2,921.0	2,916.1	2,936.2	3,136.2
Net Contributions (3)	109.7	25.9	32.6	34.1	20.4	113.2
Investment Return	547.1	(206.7)	(3.2)	16.2	(62.6)	(276.5)
Expenses (3)	(7.7)	(1.2)	(0.8)	(0.2)	(0.1)	(2.3)
Distributions (Payout)	(115.2)	(31.2)	(31.7)	(32.0)	(32.4)	(127.3)
Ending Net Assets	3,136.2	2,921.0	2,918.1	2,938.2	2,843.3	2,843.3
Net Asset Value per Unit (2)	6.198	5.726	5.657	5.630	5.412	5.412
No. of Units (End of Period)	506,024,547	510,164,819	515,880,951	521,900,910	525,401,525	525,401,525
Distribution Rate per Unit	0.23000	0.06125	0.06125	0.06125	0.06125	0.24500
Total Net Investment Return	20.59%	-6.60%	-0.17%	0.61%	-2.76%	-8.60%

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

(2) The asset allocation of the PHF and LTF, beginning in the 3rd fiscal quarter of FY00-01, is representative of the asset allocation for the GEF. A nominal amount of cash is held in PHF and LTF to pay expenses incurred separately by these funds

(3) Restatements - The Investment Summary Report was restated to a presentation which is consistent with the reporting of other endowment funds managed by UTIMCO.

II. GENERAL ENDOWMENT FUND (continued)

c.) Comparison of Asset Allocation Versus Endowment Neutral Policy Portfolio and Net Investment Return for the quarter ended August 31, 2001

	Asset Allocation	Endowment Neutral Policy Portfolio	Actual Net Investment Return	Endowment Neutral Policy Portfolio Return (1)	Benchmark
Cash	1.7%	0.0%	1.09%	0.95%	90 Day T-Sills Average Yield
Domestic Common Stocks:					
Large/Medium Capitalization Equities	24.8%	25.0%	-7.90%	-9.44%	Standard & Pooh 500 Index Russell 2000 Index
Small Capitalization Equities	10.5%	7.5%	-4.86%	-5.31%	
Total Domestic Common Stocks	35.3%	32.5%			
International Common Stocks:					
Established Markets	11.7%	12.0%	-9.94%	-8.22%	Morgan Stanley Capital International Europe, Asia, Far East Index (net)
Emerging Markets	3.2%	3.0%	-10.28%	-9.60%	Morgan Stanley Capital International Emerging Markets Free
Total International Common Stocks	14.9%	15.0%			
Inflation Hedging	4.6%	7.5%	7.53%	-0.61%	33% (Goldman Sachs Commodity Index 100 basis points) plus 67% (National Commercial Real Estate Index Fund)
Fixed Income:					
Domestic	18.8%	15.0%	3.50%	3.80%	Lehman Brothers Aggregate Salomon Non-U.S. World Government Index. Unhedged
International	2.7%	5.0%	6.61%	5.76%	
Total Fixed Income	21.5%	20.0%			
Marketable Alternative Equities	11.4%	10.0%	4.13%	2.72%	90 Day T-Sills + 7%
<b>Total Marketable Securities</b>	<b>89.4%</b>	<b>85.0%</b>	<b>-2.81%</b>	<b>-3.55%</b>	
<b>Nonmarketable Alternative Equities</b>	<b>10.6%</b>	<b>15.0%</b>	<b>-2.10%</b>	<b>4.00%</b> (2) 17%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.74%</b>	<b>-2.44%</b>	

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

(2) Nonmarketable Alternative Equities includes private investments, venture funds and other nonmarketable assets. The benchmark for this asset class has been internally determined (not market determined) and is currently fixed at 17% per annum (4% per quarter). Comparison of actual performance to the benchmark should be viewed over a long-term horizon. The Internal Rate Of Return (IRR) Since inception (refers to the time period when acquired by the LTF or PHF) through August 31, 2001 was 14.6%, including distributed stock. The GEF's nonmarketable portfolio is less mature than the PUF's portfolio resulting in the lower IRR.

III. SHORT INTERMEDIATE TERM FUND (1)

Summary Investment Report at August 31, 2001

(\$ millions)

	FY99-00	FY00-01				Year-to-Date
	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Beginning Net Assets	1,769.4	1,844.4	1,852.4	1,909.3	1,841.9	1,844.4
Contributions (Net of Withdrawals)	61.6	(11.7)	26.6	(69.1)	(142.5)	(194.7)
Investment Return	107.9	46.4	56.4	28.0	26.4	161.2
Expenses	(0.5)	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)
Distributions of Income	(114.0)	(28.6)	(26.0)	(26.1)	(23.1)	(105.8)
Ending Net Assets	1,844.4	1,852.4	1,909.3	1,841.9	1,704.6	1,704.6
Net Asset Value per Unit	9.858	9.963	10.114	10.123	10.152	10.152
No. of Units (End of Period)	187,089,202	185,934,780	188,785,844	181,957,872	167,909,159	167,909,159
Total Net Investment Return	5.67%	2.59%	3.02%	1.49%	1.58%	8.96%

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

I'. SEPARATELY INVESTED ASSETS

Summary Investment Report at August 31, 2001

SEPARATELY INVESTED ASSETS  
SUMMARY REPORT  
(\$ thousands)

ASSET TYPES	FUND TYPE												TOTAL	
	CURRENT PURPOSE				ENDOWMENT & ANNUITY & LIFE				AGENCY FUNDS OPERATING FUNDS					
	DESIGNATED	RESTRICTED	SIMILAR FUNDS	INCOME FUNDS	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET		
Cash & Equivalents:	BOOK MARKET	A R K E T	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET	BOOK MARKET
Beginning value 6/1/01	14,205	14,205	1,499	1,499	28,700	28,700	195	195	69	69	910,014	910,014	954,682	954,682
Increase/(Decrease)	(10,013)	(10,013)	568	568	(5,294)	(5,294)	28	28	.	.	(66,809)	(66,809)	(81,520)	(81,520)
Ending value 8/31/01	4,192	4,192	2,067	2,067	23,406	23,406	223	223	69	69	843,205	843,205	873,162	873,162
Debt Securities:														
Beginning value 6/1/01			7	6	52,389	51,343	14,614	15,161			41,506	44,413	108,516	110,923
Increase/(Decrease)			256	157	(95)	1,025	(857)	(585)			1,683		(696)	2,280
Ending value 8/31/01			263	163	52,294	52,368	13,157	14,576	.	.	41,506	46,096	107,820	113,203
Equity Securities:														
Beginning value 6/1/01	40	12,574	2,415	2,489	29,058	39,070	19,779	17,806			135,562	109,408	1X6,854	181,347
Increase/(Decrease)		(1,063)	(81)	(80)	521	(1,863)	797	(551)	.	.		(10,325)	1,243	(13,882)
Ending value 8/31/01	40	11,511	2,334	2,409	29,585	37,207	20,576	17,255			135,562	99,083	188,097	167,465
Other:														
Beginning value 6/1/01			67	63	583	583	93	16					7,387	7,310
Increase/(Decrease)	16,400	16,400	(6,067)	(6,067)	(485)	(485)	(1)						9,847	9,848
Ending value 8/31/01	16,400	16,400	644	644	98	98	92	16					17,234	17,158

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

4. Permanent University Fund: Report on Investments for the Fiscal Year Ended August 31, 2001

The annual report on Permanent University Fund (PUF) Investments as prepared by The University of Texas Investment Management Company (UTIMCO) for the fiscal year ended August 31, 2001, was presented for approval. The report includes the annual audited financial statements and additional schedules required by Texas Education Code Section 66.05.

The Board approved this report and directed its distribution to the Governor, members of the Legislature, and other State officials as required by Texas Education Code Section 66.05.

5. U. T. Board of Regents: Amendments to the Bylaws of The University of Texas Investment Management Company (UTIMCO)

Pursuant to Texas Education Code Section 66.08 that requires U. T. Board of Regents' approval of the Bylaws of The University of Texas Investment Management Company (UTIMCO) and all amendments thereto, the Board of Directors of UTIMCO recommended and the Board approved amendments to the UTIMCO Bylaws as set forth below. The amendments realign the terms of the Board of Directors with Regental appointments, conform with open meeting provisions, change the date for the annual meeting, and provide for general administrative changes.

ARTICLE I  
STRUCTURE AND PURPOSES

Section 4. Approval by System. . . .The Corporation shall file reports with the Board of Regents quarterly, and at such other times as requested by the Board of Regents, concerning such matters as required by the Board of Regents.

ARTICLE II  
OFFICES

Section 1. Principal Place of Business. The principal place of business of the Corporation shall be located at 221 West 6th Street, Suite 1700, Austin, Texas 78701. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.



ARTICLE III  
BOARD OF DIRECTORS

Section 3. Appointment and Term. Except for those Directors named in the Articles of Incorporation, Directors shall be appointed by the Board of Regents, except that the Chancellor of the System shall serve as a Director so long as he remains Chancellor of the System. Until otherwise changed by the Board of Regents in compliance with applicable law, the members of the Board of Directors shall include (i) the Chancellor of the System, (ii) at least three (3) persons then serving as members of the Board of Regents ("Regental Directors"), and (iii) one or more persons selected by the Board of Regents from a list of candidates with substantial background and expertise in investments that is submitted by the Board of Regents of The Texas A&M University System (together with the Chancellor of the System and the Regental Directors, the "Affiliated Directors"). The three (3) Regental Directors shall serve for two-year terms that expire on the first day of April of each odd-numbered year. The remaining Directors (other than the Chancellor of the System and the Regental Directors) shall serve three-year staggered terms that expire on the first day of April of the appropriate year, except that the term of one of the current Directors shall end on April 1, 2001, the term of two (2) of the current Directors shall end on April 1, 2002, and the term of two (2) of the current Directors shall end on April 1, 2003. No such Director (other than the Affiliated Directors) shall serve more than three (3) full three-year terms. Notwithstanding the foregoing, the Board of Regents may, from time to time, alter the terms of the Directors. Each person serving as a Director shall serve until the expiration of such Director's term, or until such Director's successor has been chosen and qualified, or until such Director's earlier death, resignation, or removal as provided in these Bylaws.

Section 5A. Nominations; Nominating Committee. Upon the occurrence of a vacancy in the office of Director (other than in the office of an Affiliated Director), the Board of Directors shall submit to the Board of Regents the name of a nominee to fill such vacancy. . . .

Section 7. Annual Meetings. The annual meeting of the Board of Directors ("Annual Meeting") shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors, or, if not so designated, on the third Thursday of the month of April of each year at the Corporation's principal office for the purpose of (i) electing officers for the ensuing year, and (ii) transacting such other business as may be properly brought before such Annual Meeting. Notice of Annual Meetings shall be required.

Section 8. Regular Meetings. Regular meetings of the Board of Directors (“Regular Meetings”) shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of Regular Meetings shall be required.

Section 10. Notice of Meetings. The Secretary shall give notice of the time and place of each Annual, Regular and Special Meeting to each Director in person, or by mail, electronic mail, telegraph, or telephone, at least five (5) days before and not sooner than fifty (50) days before such meeting; provided, however, that in the case of a Special Meeting called because of an emergency or urgent necessity, such notice only need be provided at least two (2) hours before the meeting is convened.

Section 12. Voting. Directors must vote in person and proxy voting is prohibited.

Section 13. Conduct of Business. At meetings of the Board of Directors, matters pertaining to the Corporation’s purposes shall be considered.

At all meetings of the Board of Directors, the Chairman of the Board shall preside, and in the absence of the Chairman of the Board, the Vice Chairman of the Board shall preside. In the absence of the Chairman of the Board and the Vice Chairman of the Board, a chairman shall be chosen by the Board of Directors from among the Directors present. . . .

#### ARTICLE IV COMMITTEES

Section 1. Board Committees. The Board of Directors may from time to time designate members of the Board of Directors to constitute committees that shall have and may exercise such powers as a majority of the Board of Directors may determine in the resolution that creates the committee; provided, however, that the Board of Regents must approve the Audit and Ethics Committee of the Corporation. The Board of Directors may appoint individuals who are not members of the Board of Directors to any committee; provided, however, that a majority of the committee members shall be members of the Board of Directors if such committee exercises the authority of the Board of Directors in the management of the Corporation.

Other committees, not having and exercising the authority of the Board of Directors in the management of the Corporation, may be designated and members appointed by a resolution adopted by the Board of Directors. Membership of such committees may, but need not, be limited to Directors.

Any Director appointed to a committee designated by the Board of Directors shall cease to be a member of such committee when he or she is no longer serving as Director.

## ARTICLE V OFFICERS

Section 1. Number, Titles, and Term of Office. The officers of the Corporation shall consist of a Chairman of the Board, a Vice Chairman of the Board, a President, a Secretary, a Treasurer, and such other officers and assistant officers as the Board of Directors may from time to time elect or appoint. Such other officers and assistant officers shall have such authority and responsibility as may be assigned to them by the Board of Directors. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary and the offices of Chairman and Vice Chairman. Except for those officers elected at the organizational meeting (the "Organization Meeting"), the term of office for each officer shall be until the next succeeding Annual Meeting at which officers are elected. The term of office for those officers elected at the Organization Meeting shall be that period of time beginning on the date of the Organization Meeting and ending on the date of the first Annual Meeting. In any event, a duly-elected officer shall serve in the office to which he or she is elected until his or her successor has been duly elected and qualified.

Section 4. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors. The Chairman of the Board shall be appointed by the Board of Directors. No Director shall serve more than three (3) full one-year terms as Chairman.

Section 5. Powers and Duties of the Vice Chairman of the Board. The Vice Chairman of the Board shall have such powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors and shall exercise the powers of the Chairman during that officer's absence or inability to act. Any action taken by the Vice Chairman in the performance of the duties of the Chairman shall be conclusive evidence of the absence or inability to act of the Chairman at the time such action was taken. The Vice Chairman of the Board shall be appointed by the Board of Directors. No Director shall serve more than three (3) full one-year terms as Vice Chairman.

Section 6. Powers and Duties of the President.

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Section 7. Powers and Duties of the Treasurer.

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Section 8. Powers and Duties of the Secretary.

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ARTICLE VI  
MISCELLANEOUS PROVISIONS

Section 5. Open Meetings. The Board of Directors shall conduct open meetings in accordance with Texas Education Code Section 66.08(h). The President is required to provide notice of such meetings in accordance therewith.

6. U. T. System: Approval of a Regental Policy on Student Travel

The 77th Texas Legislature enacted Texas Education Code Section 51.949 to regulate certain student travel sponsored, supported, or sanctioned by a component institution. In accordance therewith, a new Regental Policy relating to student travel was prepared by The University of Texas System Office of General Counsel and reviewed by representative student groups on each campus. There are no significant adverse fiscal implications to the Policy which is set forth below:

THE UNIVERSITY OF TEXAS SYSTEM  
POLICY ON STUDENT TRAVEL

1. Consistent with the requirements of Texas Education Code Section 51.949, each component institution shall adopt rules and regulations governing student travel as defined in this Policy. Such rules and regulations, at a minimum, shall comply with this Policy and become effective upon approval by the appropriate Executive Vice Chancellor. Approved rules and regulations shall be published in the institutional Handbook of Operating Procedures and catalogs and filed with the Texas Higher Education Coordinating Board.
2. This Policy is applicable to student travel undertaken by one or more currently enrolled students to reach an activity or event that meets all of the following criteria:

- a. An activity or event organized and sponsored by the component institution. An activity or event is considered to be organized and sponsored if it has been planned and funded by the component institution and approved by a designated administrator;
  - b. The activity or event is located more than 25 miles from the component institution; and
  - c.
    - (i) Travel to the activity or event is funded and undertaken using a vehicle owned or leased by the component institution; or
    - (ii) Attendance at the activity or event is required by a registered student organization and approved in accordance with this Policy.
3. Registered student organizations that require their members to travel 25 miles or more from the institution to attend an activity or event covered by this Policy must obtain prior written approval for the proposed travel by the appropriate institutional officer.
  4. The rules and regulations adopted by a component institution shall incorporate the following provisions concerning safety and modes of travel likely to be used by students:
    - a. All Motor Vehicle Travel.

Seat Belts:

Occupants of motor vehicles shall use seat belts or other approved safety restraint devices required by law or regulation at all times when the vehicle is in operation.

Alcohol and Illegal Substances Prohibited:

Occupants of motor vehicles shall not consume, possess, or transport any alcoholic beverages or illegal substances.

Passenger Capacity:

The total number of passengers in any vehicle at any time it is in operation shall not exceed the manufacturer's recommended capacity or the number specified in applicable federal or State law or regulations, whichever is lower.

License and Training:

Each operator of a motor vehicle shall have a valid operator's license and be trained as required by law to drive the vehicle that will be used.

Proof of Insurance, Inspection, and Safety Devices:

Each motor vehicle must have a current proof of liability insurance card and State inspection certification, be equipped with all safety devices or equipment required by federal or State law or regulation, and comply with all other applicable requirements of federal or State law or regulations.

Legal Operation of Vehicle and Driving Schedule:

Operators of motor vehicles shall comply with all laws, regulations, and posted signs regarding speed and traffic control and shall not operate the vehicle for a continuous period that is longer than the maximum provided by federal or State law or regulations or guidelines promulgated by the component institution, whichever is lower, without scheduled rest stops or overnight stops.

- b. Travel Using a Vehicle Owned or Leased by a Component Institution.

Service and Maintenance:

In addition to those provisions in Item 4.a., each vehicle owned or leased by a component institution must be subject to scheduled periodic service and maintenance by qualified persons and comply with all applicable requirements of The University of Texas System Business Procedure Memoranda.

Operators of Vehicles:

All operators of vehicles owned or leased by a component institution shall be employees of the component institution and shall have a valid operator's license for the operation of the particular vehicle. In addition, operators shall have a current Motor Vehicle Record on file with the designated office of the component institution.

- c. Travel Using Rented Vehicles.

In addition to those provisions specified in Item 4.a., each component institution shall adopt rules concerning the use of rental vehicles for travel covered by this Policy. The rules shall comply, where applicable, with the State contracts for rental

cars and all applicable requirements of The University of Texas System Business Procedure Memoranda.

d. Travel by Common Carrier.

When a common carrier is used for student travel covered by this Policy, each component institution shall take reasonable steps to assure the travel is undertaken in conformance with this Policy.

7. U. T. El Paso: Authorization to Purchase Real Property Located at 3003 North Mesa Street, Further Described as Lot 2 and a Portion of Lot 1, University Center, an Addition to the City of El Paso, El Paso County, Texas; Approval to Submit a Request to the Coordinating Board for Approval of the Transaction; Approval to Appropriate Funds and Authorize Expenditure; Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

On behalf of The University of Texas at El Paso, the Board:

- a. Authorized the purchase of real property located at 3003 North Mesa Street, further described as Lot 2 and a portion of Lot 1, University Center, an addition to the City of El Paso, El Paso County, Texas, from Rudolph Automotive Corporation, El Paso, Texas, for \$4,100,000, and permitted the seller to occupy the site rent-free until December 31, 2002, as a condition of purchase
- b. Authorized submission of a request to the Texas Higher Education Coordinating Board for approval of this transaction
- c. Appropriated funds and authorized expenditure totaling \$4,100,000 from Revenue Financing System Bond Proceeds.

Further, the Board authorized the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements and to take all further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing actions.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 38, the Board resolved that:

- a. Parity Debt shall be issued to pay the purchase price, including any costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$4,100,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The subject property, which is comprised of approximately 6.438 acres of land and improvements, is located north of the Don Haskins Special Events Center on the northeast perimeter of the U. T. El Paso campus; is strategically important to ensure capacity for future growth; and has been included in the Campus Master Plan for many years.



PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the purchase of Lot 2 and a portion of Lot 1, University Center, an addition to the City of El Paso, El Paso County, Texas, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 12th day of October, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance

8. U. T. El Paso - University Bookstore Expansion and Renovation Project: Approval to Appropriate Funds and Authorize Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board appropriated funds and authorized expenditure of \$800,000 from Revenue Financing System Bond Proceeds for the University Bookstore Expansion and Renovation project at The University of Texas at El Paso.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 40, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$800,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

Institutional growth and significant expansion of degree programs have caused the University Bookstore to outgrow the space it has occupied for approximately 25 years. The cost of the expansion and renovation of the Bookstore is estimated at \$800,000 and while this project size is below the required review threshold of the U. T. Board of Regents, Board approval was necessary for the issuance of bonds.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the expansion and renovation cost of the University Bookstore at U. T. El Paso, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 24th day of September, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance

9. U. T. System: Discussion of Issues Related to the U. T. System-wide Comprehensive Property Protection Program and Approval of Property Insurance

Chancellor R. D. Burck outlined issues related to The University of Texas System-wide Comprehensive Property Protection Program. He gave a brief history of the program and called on Mr. Kerry L. Kennedy, Executive Vice Chancellor for Business Affairs, to discuss the challenges U. T. System is experiencing to secure insurance coverage in light of current market conditions.

Mr. Kennedy began by noting that the program, initiated in 1996, has been successful, with only three losses in excess of the institutional deductibles. The insurance policy carried a \$1 billion limit all-risk coverage including wind damage and a \$50 million settlement on flood damage. Due to significant losses in the insurance industry attributed to Tropical Storm Allison and the terrorist attacks in New York City and Washington, D. C., on September 11, 2001, there is a reduced availability of insurance and premium rates will increase significantly to recoup those catastrophic losses.

Based on these factors, U. T. System Administration personnel in the loss control area and the System-wide Risk Management Advisory Committee recommend the purchase of an all-risk, commercial policy that excludes catastrophic perils of wind, flood, and terrorism which have become prohibitively expensive. The policy will cost \$5 million per year and include less coverage than the current policy that has a premium rate of \$1.2 million per year, but will include business interruption coverage for all U. T. System health institutions and certain academic institutions wishing to include this interruption coverage for some of their operations. Executive Vice Chancellor Kennedy also recommended looking at beginning a catastrophic self-insurance fund, bearing in mind the financial demand on the institutions.

Regent Oxford suggested seeking some type of legislatively-imposed partnership between State and federal governments and the insurance companies, with U. T. System covering the large deductible in order to be protected against a catastrophic problem.

Following additional discussion, the Board approved the purchase of the all-risk, commercial insurance policy that excludes catastrophic perils of wind, flood, and terrorism.

## INFORMATIONAL REPORTS

### 1. U. T. System: Status Report on the Continuing Deregulation Initiative

Mr. Kerry L. Kennedy, Executive Vice Chancellor for Business Affairs, gave a report on the status of The University of Texas System-wide deregulation initiative. The 77th Texas Legislature passed House Bill 1545 which regulates the purchasing activities of institutions of higher education and also applies to about 20 other measures designed to improve operational efficiencies or cost savings activities of U. T. System institutions. This deregulation bill builds on the experience gained using best value procurement practices at the U. T. System health institutions, and extends that purchasing authority to the general academic institutions in Texas.

Executive Vice Chancellor Kennedy referenced a draft document sent to Board members on potential deregulation issues for the 78th Texas Legislature. He said the report contains 64 items that focus on academic issues as well as business-related issues, including 20 deregulation issues pursued during the last legislative session which were not adopted. He introduced Mr. Mel Hazlewood, Assistant Vice Chancellor for Governmental Relations and Academic Affairs, who is responsible for some of the academic initiatives. Mr. Hazlewood said there are 10 initiatives in a draft proposal denominated as academic affairs issues that fall into three major areas: curriculum matters, faculty issues, and the Texas Higher Education Coordinating Board powers and recommendations.

Chairman Miller commended the U. T. System Administration staff for their work on the proposal and said that due to the weakening economy, the U. T. System needs to optimize how it operates and needs the freedom to make productivity enhancements and changes in how the ultimate service and product is delivered, while still holding itself accountable.

2. U. T. System: Report of the Energy Utility Task Force

With the aid of a PowerPoint presentation, Mr. Philip Aldridge, Assistant Vice Chancellor for Finance, discussed the report of the Energy Utility Task Force previously mailed to members of the Board of Regents. Mr. Aldridge said the Energy Utility Task Force, comprised of 14 members from The University of Texas System, was charged with evaluating and recommending strategies to reduce energy consumption, lower energy-related maintenance and operating costs, manage commodity price risk, and leverage commodity purchasing power for the U. T. System. He noted that energy prices have been much higher and volatile over the past two years for both natural gas and electricity and said there are 10 component institutions in the U. T. System that are eligible for electricity deregulation in January 2002. Five institutions and U. T. System Administration are not eligible as they are serviced by municipal utilities that opted not to participate in the deregulation program. He stated the U. T. System and its component institutions currently receive a higher education discount of 20% on the base rate that will stay in place until September 1, 2007, at which time U. T. System will participate in the competitive markets.

Mr. Aldridge reviewed the primary goals of the Task Force which are to reduce operating and maintenance costs and energy consumption by 2-4% within two years, 5-10% within five years, and 10-15% within 10 years. Successful implementation of Task Force recommendations should result in over \$90 million of cumulative savings across the U. T. System over the next 10 years. Each component institution has been asked to create its own energy management plan, specific to the purposes and functions of that institution, by May 31, 2001, using energy plan savings targeted by the Task Force. The U. T. System Office of Finance will work with the State Energy Conservation Office to establish benchmarks and energy data reporting requirements to facilitate the achievement of established goals, and will report back to the U. T. Board of Regents annually, beginning in November 2002.

3. U. T. System: Annual Report on the Historically Underutilized Business (HUB) Program for Fiscal Year 2001

Committee Chairman Hunt called on Mr. Lewis Wright, Associate Vice Chancellor for Business Affairs, to present the annual report on The University of Texas System Historically Underutilized Business (HUB) Program for Fiscal Year 2001.

Mr. Wright had previously distributed to the members of the Board a report entitled "[The University of Texas System Historically Underutilized Business \(HUB\) Program Review FY 2001](#)" dated November 8, 2001, a copy of which is on file in the Office of the Board of Regents and called attention to three attachments he would use to summarize the report. With the aid of a PowerPoint presentation, Mr. Wright presented the following report, highlighting the experience in Fiscal Year 2001.

Report on The University of Texas System  
Historically Underutilized Business Program

Mr. Chairman, Members of the Board -- This report covers Historically Underutilized Business (HUB) Program operations in the U. T. System for FY 2001.

Total expenditures for Statewide goods and services reported under the HUB program increased \$514 million from \$7.828 billion in FY 2000 to \$8.342 billion in FY 2001. Total Statewide expenditures with HUB firms decreased from 13.3% in FY 2000 to 12.2% in FY 2001.

Total expenditures for U. T. System on reportable goods and services increased \$72 million from \$1.28 billion in FY 2000 to \$1.35 billion in FY 2001. The proportion spent with HUB firms in FY 2001 is approximately 11.2%, a decline from 13.4% in FY 2000. Mr. Wright noted that the experience of U. T. System mirrors the State's experience except it is greater in magnitude with a larger decline by U. T. System.

U. T. Medical Branch - Galveston, U. T. Austin, U. T. System Administration, and U. T. M. D. Anderson Cancer Center are included among the top 10 spending agencies of the State. On the measure of underutilized HUB participation, they rank 4, 5, 6, and 8, respectively.

The report required of the U. T. Board of Regents by Texas Education Code Section 55.03 pertaining to HUB participation in revenue financing program expenditures shows U. T. System FY 2001 performance against the specified 25% goal as 18.1% with respect to contracts relating to items financed by revenue bond proceeds. With respect to cost related to the issuance of

bonds, no HUB participation was achieved. Only one HUB bid was received in response to solicitations for services in this area and it was not competitive.

The State Audit Report on 19 State agencies' compliance with HUB requirements found that none of the audited agencies were in full compliance with HUB requirements specified in the Texas Government Code and the Texas Administrative Code. A related press release by the Mexican American Legislative Caucus expressed concern and intent to monitor the audited agencies to review their compliance efforts during the interim and 78th Texas Legislative Session.

In response to an inquiry by Vice-Chairman Clements, Mr. Wright clarified the difference between Certified HUB firms and Graduated HUB firms. He explained that a Graduated HUB is a former Certified HUB that has reached certain benchmarks and is no longer considered under the HUB program. Mr. Wright indicated this report covers expenditures only with Certified HUBs.

4. U. T. System: Report on Strategic Planning

Mr. Vance McMahan, strategic planning consultant with TVM Consulting, Austin, Texas, reported on issues concerning implementation of the long-range plan for The University of Texas System. He stated that Phase I was to prepare a preliminary document to note implementation steps associated with the Long Range Plan executed by the Board in November 2000. Phase II was to use that document as a basis to confer in more detail with presidents of the component institutions and other U. T. System officials on how to move forward with a concrete implementation plan.

Mr. McMahan said the next step is to set priorities, dates, and deadlines associated with goals already established for participation and success, and academic and research excellence. He distributed a long-range planning [calendar](#) that focuses on centers of excellence, research initiatives, pre K-16 initiatives, deregulation and assessment, legislative agenda, and infrastructure in campus planning. Mr. McMahan solicited input on any other events, deadlines, or dates that merit addition to the global planning calendar to track these important initiatives. He also suggested sponsoring seminars or special speaking opportunities for focus areas that relate to global, long-term issues affecting the U. T. System.



Mr. McMahan asked for the opportunity to visit with members of the Board and other System officials for input as the planning process moves forward. He suggested potential focus areas such as enhancing the quality of students moving through the K-16 pipeline, enhancing collaboration within the U. T. System, looking at the role of the modern comprehensive university, and looking at infrastructure issues and how the Plan pertains within a system.

Committee Chairman Hunt encouraged members of the Board to take advantage of the opportunity to provide input as requested by Mr. McMahan.

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 47 - 51).--Committee Chairman Krier reported that the Academic Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. Board of Regents: Authorization for the Executive Vice Chancellor for Academic Affairs to Work with Each U. T. System General Academic Component Institution to Develop a Teacher Certification Course Accessibility Plan and Establishment of a New Regental Policy

Texas Education Code Section 54.214(g) requires the governing board of an institution of higher education that offers courses required for teacher certification to establish a plan to make those courses more accessible to those who seek teacher certification.

In accordance therewith, the Board authorized the Executive Vice Chancellor for Academic Affairs to work with each of the teacher preparation programs at The University of Texas System general academic component institutions to develop the required plan. The plans, to be developed no later than January 1, 2002, will include implementation of timelines and strategies, and will also consider evening classes, internet classes, or other means approved by the Texas Higher Education Coordinating Board. The plans will be presented to the Academic Affairs Committee of the U. T. Board of Regents during January 2002 and will be reported to the U. T. Board of Regents at the February 2002 meeting. Additionally, a new Regental Policy will be established related to this requirement.

2. U. T. Arlington: Approval to Establish a Master of Science Degree Program in Physiology of Exercise; Approval to Submit the Proposed Degree Program and Change in the Institution's Table of Programs to the Coordinating Board for Approval (Catalog Change); and Authorization of Certification that Coordinating Board Criteria for Approval Are Met Except for Previous Approval of Planning Authority

The Board:

- a. Established a Master of Science degree program in Physiology of Exercise at The University of Texas at Arlington

- b. Authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action
- c. Authorized the Executive Vice Chancellor for Academic Affairs to certify on behalf of the U. T. Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met, except for previous approval of planning authority.

In addition, the Coordinating Board will be asked to change the Table of Programs for U. T. Arlington to reflect authorization for the degree program.

The M.S. degree in Physiology of Exercise is designed to prepare students for employment in medically-oriented environments that place an emphasis on research, and provide students with the academic and research skills needed for doctoral study in the Physiology of Exercise. The program will be the only master's degree program in the Physiology of Exercise at a public university in the Dallas/Fort Worth Metroplex.

Development of this program is consistent with long-range academic plans of both the Department of Kinesiology and U. T. Arlington.

Anticipated costs to the University associated with the new degree program are \$735,500 over a five-year period for equipment, materials, graduate assistantships, faculty salaries, and other start-up costs. Program funding for the first two years will come exclusively from reallocation of existing resources. It is anticipated that tuition and formula funding revenues for years three to five will exceed costs.

This program meets seven of the eight applicable Coordinating Board criteria for degree programs that may be approved by the Commissioner of Higher Education on behalf of the Coordinating Board. The M.S. degree will require that the Table of Programs for U. T. Arlington be amended; therefore, the program does not meet the Certification for Approval of New Bachelor's and Master's Level Degree Programs by the Commissioner and must be approved by the Coordinating Board.

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

3. U. T. Brownsville: Authorization to Establish a Master of Education Degree Program in Bilingual Education; Approval to Submit the Proposed Degree Program and Change in the Institution's Table of Programs to the Coordinating Board for Approval (Catalog Change); and Authorization of Certification that Coordinating Board Criteria for Approval Are Met Except for Previous Approval of Planning Authority

To help overcome a shortage of bilingual teachers and to meet the criteria of national and State bilingual educator standards for the Southern Association of Colleges and Schools, the Council of Graduate Schools, and the Association of Graduate Schools, the Board:

- a. Authorized The University of Texas at Brownsville to establish a Master of Education (M.Ed.) degree program in Bilingual Education
- b. Authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action
- c. Authorized the Executive Vice Chancellor for Academic Affairs to certify on behalf of the U. T. Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met, except for previous approval of planning authority.

In addition, the Coordinating Board will be asked to change the Table of Programs for U. T. Brownsville to reflect authorization for the degree program.

Full-time tenured/tenure-track faculty will teach all courses in the new program. Initially, seven degreed faculty from the Curriculum and Instruction Department will teach the courses. It is anticipated that four additional faculty will be added during the first three years of the program. Anticipated costs to the University associated with the new program will be \$289,200 for the next five years. A reallocation of existing resources will provide funding for the program for the first two years. It is anticipated that formula funding and tuition revenues will exceed costs in years three to five.

This program meets seven of the eight applicable Coordinating Board criteria for degree programs that may be approved by the Commissioner of Higher Education on behalf of the Coordinating Board. The M.Ed. degree will

require that the Table of Programs for U. T. Brownsville be amended; therefore, the program does not meet the Certification for Approval of New Bachelor's and Master's Level Degree Programs by the Commissioner and must be approved by the Coordinating Board.

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

4. U. T. Brownsville: Authorization to Rename the Bachelor of Applied Arts and Sciences Degree as Bachelor of Applied Technology; Approval to Add Tracks in Technology Application/Training, Computer Information Systems Technology, and Health Services Technology; and Approval to Submit the Proposal to the Coordinating Board for Approval (Catalog Change)

The Board:

- a. Renamed the Bachelor of Applied Arts and Sciences (B.A.A.S.) degree as Bachelor of Applied Technology (B.A.T.) at The University of Texas at Brownsville
- b. Authorized the addition of tracks in Technology Application/Training, Computer Information Systems Technology, and Health Services Technology
- c. Authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action.

The changes to the existing B.A.A.S. program are within the Coordinating Board's approved listing of programs and are not considered a change of the currently approved Role and Scope of academic programs at U. T. Brownsville. The B.A.T. program is consistent with the institutional plans for offering quality degree programs to meet student needs.

The change of the name of the program to Bachelor of Applied Technology better demonstrates the contrast to the Bachelor of Arts and Bachelor of Science degrees and addition of tracks in Technology Application/Training, Computer Information Systems Technology, and Health Services Technology and to the existing tracks of Business Technologies (Workforce Leadership/ Supervision) and Liberal Arts (with an option of Translation Studies English/ Spanish).

The B.A.T. is aimed at meeting the increasing demand for mid-managers, supervisors, and instructors who can assess, manage, supervise, and assist in training and advancing technology in the marketplace in the form of innovative operations, services, production, and instruction. In association with the applied associate's degrees and certifications of U. T. Brownsville's partner, Texas Southmost College, the B.A.T. will become a high point for workforce education.

The B.A.T. is an "inverted" degree program, which will allow individuals to apply a vocational/technical field (i.e., courses, training, or work experience) as credit toward an applied associate's degree, and, in turn, to apply the associate's degree toward a B.A.T., allowing a student to complete both degrees in the shortest reasonable time period. Current occupational and technical degrees and certificates will lose their "terminal degree" characteristics and will be applicable to an applied baccalaureate program.

Nominal new costs are associated with the program modifications. One additional faculty member will be added at an estimated annual rate of \$48,000.

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

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 52 - 59).--Committee Chairman Oxford reported that the Health Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session by the U. T. Board of Regents:

1. U. T. System Health Components: Authorization to Require Health Insurance of Students Enrolled at the U. T. System Health Components Effective Fall 2002 and to Delegate Policy Authority to the Chancellor (Catalog Change) and Establishment of a New Regental Policy

Texas Education Code Section 51.961 as added by Senate Bill 505, 77th Texas Legislature authorizes a governing board to require health insurance of students enrolled in health institutions. In accordance therewith, the Board authorized The University of Texas System health component institutions to require enrolled students to have health insurance coverage and further delegated policy authority to the Chancellor.

This requirement is effective for students enrolling in the 2002-2003 academic year and may be satisfied by either the student's enrollment in the U. T. System endorsed student health insurance plan or by the student presenting evidence of comparable health insurance from a source other than the University, following policy guidelines to be issued by the Chancellor.

The health insurance requirement was reviewed and approved by the Office of General Counsel and was endorsed by a work group representing all U. T. institutions, student health centers, students, and the U. T. System Student Advisory Council and subsequently by the student government at the five U. T. health components with enrolled students.

Catalog supplements will be published by the health component institutions and a new Regental Policy will be established regarding this requirement.

2. U. T. Health Science Center - Houston: Determination of Necessity and Authorization to Acquire 1.902 Acres of Land Located in the 2000 Block of Galen Drive, Houston, Harris County, Texas, and to Submit the Request to the Coordinating Board for Approval of the Transaction; Authorization to Transfer Ownership of 1.4 Acres of Land Located Near the Southwest Corner of Bertner Avenue and Herman Pressler Street in Houston, Harris County, Texas; Approval to Transfer Funds from U. T. M. D. Anderson Cancer Center to U. T. Health Science Center - Houston in Exchange for the Property; Authorization to Take All Necessary Actions Needed to Acquire the Above 1.902 Acres of Land Through Purchase or Eminent Domain; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

The Board:

- a. Determined that it is necessary for The University of Texas Health Science Center at Houston to acquire, through condemnation proceedings, if necessary, a 1.902 acre tract of land located in the 2000 block of Galen Drive, Houston, Harris County, Texas, from Redington Estate, Inc., Houston, Texas, at a price not exceeding its fair market value as determined by an MAI appraisal or by the determination of the court; and to submit a request to the Texas Higher Education Coordinating Board for approval of this transaction
- b. Authorized transfer of ownership of 1.4 acres of land located near the southwest corner of Bertner Avenue and Herman Pressler Street in Houston, Harris County, Texas, from the U. T. Board of Regents, for the use and benefit of U. T. Health Science Center - Houston, to the U. T. Board of Regents, for the use and benefit of The University of Texas M. D. Anderson Cancer Center
- c. Approved transfer of funds in an amount based on the fair market value of the property referenced in b. above from U. T. M. D. Anderson Cancer Center to U. T. Health Science Center - Houston in exchange for the property



- d. Authorized the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to take all steps necessary to acquire the 1.902 acre tract; to execute all documents, instruments, and other agreements; to initiate a condemnation action of the 1.902 acre tract, if necessary, through the Office of General Counsel and the Office of the Attorney General of the State of Texas; and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the foregoing actions.

The 1.902 acres of land is a vacant tract located immediately adjacent to the University Center Tower at U. T. Health Science Center - Houston. It is anticipated that the property will be used for future construction of research and teaching space, offices and/or clinics, and requisite parking. Partial funding for this property acquisition in the approximate amount of \$3,250,000 will be provided by U. T. M. D. Anderson Cancer Center in exchange for 1.4 acres of land located near the southwest corner of Bertner Avenue and Herman Pressler Street and currently held for the use and benefit of U. T. Health Science Center - Houston. Institutional funds will be used for the remaining portion of the purchase price.

3. U. T. Health Science Center - San Antonio: Establishment of a Master of Science Degree in Clinical Investigation; Approval to Submit the Proposed Degree Program and Change in the Institution's Table of Programs to the Coordinating Board for Approval (Catalog Change); and Authorization of Certification that Coordinating Board Criteria for Approval Are Met Except for Previous Approval of Planning Authority

The Board:

- a. Established a Master of Science in Clinical Investigation degree program at The University of Texas Health Science Center at San Antonio
- b. Authorized submission of the proposal to the Texas Higher Education Coordinating Board for review and appropriate action
- c. Authorized the Acting Executive Vice Chancellor for Health Affairs to certify on behalf of the U. T. Board of Regents that relevant Coordinating Board criteria for approval by the Commissioner of Higher Education have been met, except for previous approval of planning authority.

In addition, the Coordinating Board will be asked to change the Table of Programs for U. T. Health Science Center - San Antonio to reflect authorization for the degree program.

The M.S. in Clinical Investigation degree is a unique interdisciplinary 30 semester credit hour program. The degree program will be in the U. T. Graduate School of Biomedical Sciences at San Antonio and will be coordinated through the Frederic C. Bartter General Clinical Research Center, a patient-oriented clinical research unit funded for the past 21 years by a grant from the National Center for Research Resources. The first students will enroll in Fall 2002 and it is projected that approximately 10 students will enter the program yearly over the next five years with a total enrollment of 20 to 40 students.

Twelve faculty members are committed to coordinate courses and to teach in the M.S. in Clinical Investigation degree program, including members from three of the institution's five schools, underscoring the interdisciplinary intent of this program.

The five-year cost projection for this degree program is \$997,997. Funding has been obtained through a five-year grant from the National Institutes of Health Clinical Research Curriculum Award (K-30 Award) Program. The K-30 Award Grant is funded from October 1, 2000 through September 30, 2005. The K-30 Awards were made to academic health centers across the United States to create formal training programs in Clinical Investigation.

The program meets seven of the eight applicable Coordinating Board criteria for degree programs that may be approved by the Commissioner of Higher Education on behalf of the Coordinating Board. The M.S. degree will require that the Table of Programs for U. T. Health Science Center - San Antonio be amended; therefore, the degree program does not meet the Certification for Approval of a New Bachelor's and Master's Level degree program by the Commissioner and must be approved by the Coordinating Board.

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

4. U. T. M. D. Anderson Cancer Center and U. T. Health Science Center - Houston: Authorization to Negotiate Land Exchange Agreements; Authorization to Dedicate the Necessary Rights-of-Way and Utility Easements for New Road Alignments; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

The Board:

- a. Authorized negotiations of land exchange agreements, on behalf of The University of Texas M. D. Anderson Cancer Center and The University of Texas Health Science Center at Houston, with the Thermal Energy Cooperative, the Texas Medical Center, and the Medical Center Laundry Cooperative for the purpose of changing current alignments of Bertner Avenue and Herman Pressler Street in Houston, Harris County, Texas
- b. Authorized the dedication of the necessary rights-of-way and utility easements to the Texas Medical Center and the City of Houston as required, on behalf of U. T. M. D. Anderson Cancer and U. T. Health Science Center - Houston, for the new road alignments
- c. Authorized the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements, following approval from the Office of General Counsel, and to take all further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing actions.

In connection with the future development of the Ambulatory Clinical Building/ Parking Garage at U. T. M. D. Anderson Cancer Center, the School of Nursing and Student Community Center at U. T. Health Science Center - Houston, and other U. T. health facilities in the Texas Medical Center, it is necessary to change the current alignments of Bertner Avenue and Herman Pressler Street. These street realignments require several new rights-of-way and utility easement dedications by landowners in the area, as well as the abandonment of some existing rights-of-way and utility easements. The affected landowners agreed the situation created an opportunity to reconfigure land holdings advantageously among the parties through equal value exchanges of land and other forms of consideration.

5. U. T. M. D. Anderson Cancer Center: Authorization to Purchase or Lease Real Property Located at 3000 Pawnee Street, Houston, Harris County, Texas; Authorization to Submit a Request to the Coordinating Board for

Approval of the Transaction; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

On behalf of The University of Texas M. D. Anderson Cancer Center, authorization was granted to:

- a. Purchase the real property located at 3000 Pawnee Street, Houston, Harris County, Texas, from American Industrial Capital, LLC, Los Angeles, California, for \$3,000,000. In the event U. T. M. D. Anderson Cancer Center elects not to complete the purchase of the subject property, authorization was granted to lease the subject property for a period of 10 years at a base rent of \$38,148.25 per month.
- b. Submit a request to the Texas Higher Education Coordinating Board for approval of the purchase transaction.

Further, the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate was authorized to execute all documents, instruments, and other agreements and to take all further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing actions.

The subject property consists of a 146,724 square foot warehouse/office building and 120 surface parking spaces on a 5.776 acre site that lies approximately two miles from the main campus. Acquisition of this property will assist in meeting critical demands for additional storage and office space at U. T. M. D. Anderson Cancer Center. The primary user of the facility will be the Facilities and Site Services Department currently located in the R. E. "Bob" Smith Research Building on Knight Road.

The purchase price of \$3,000,000 is below a recent MAI appraisal of \$3,320,000. The source of funding for the purchase will be from local funds.

## INFORMATIONAL REPORT

### U. T. Board of Regents: Presentation on the U. T. System Biological and Chemical Defense Program

Chancellor Burck stated that faculty and staff at each of The University of Texas System component institutions are committed to respond to assist as needed in the national crisis in the aftermath of the September 11, 2001, terrorist attacks on the World Trade Center (Twin Towers) in New York City and the Pentagon in Washington, D. C., and the threat of anthrax contamination of mail distributed through the U. S. postal service. He spoke of how U. T. institutions are working in partnership with the federal government and other universities to utilize the unique talents and resources located at the various campuses.

Chancellor Burck then introduced Dr. Steven Kornguth, Director of Biological and Chemical Defense at the Institute for Advanced Technology and Professor of Neurobiology at The University of Texas at Austin, who, with the aid of a PowerPoint presentation, reported on the strategies, accomplishments, and goals of the Biological and Chemical Countermeasures Program, housed at U. T. Austin. The Institute is the U. S. Army's University Affiliated Research Center (UARC) funded by Congressional action through the leadership of Senator Kay Bailey Hutchison.

This unique consortium of interdisciplinary research and training facilities has brought together internationally recognized scientists from U. T. System campuses (U. T. Austin, The University of Texas at San Antonio, 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) and Texas Tech University with the First Responders Unit of the Texas Department of Health, the Civil Support Team of the Texas National Guard, and the Federal Bureau of Investigation. The objective of the program is to protect the U. S. defense community and citizenry from the threat posed by biological and chemical agents. The program provides leading edge science and implementation for development and use of countermeasures to biological/chemical threats, including sensors, vaccines, antibodies, communications network, medical triage, and transition to military needs.

Dr. Kornguth outlined the real-world threat of biological or chemical attack as twofold: an intentionally caused outbreak of anthrax in the continental United States and an endemic outbreak of Crimean-Congo hemorrhagic fever outside the continental United States in an area between Afghanistan and Pakistan where U. S. military forces are being deployed. He said that Texas has the capability to lead a larger biological and chemical defense program, working with surrounding states and in concert with various programs around the country.

In closing, Chairman Miller thanked Dr. Kornguth for his presentation and Dr. Kornguth entertained a few questions.

REPORT AND RECOMMENDATIONS OF THE FACILITIES PLANNING AND CONSTRUCTION COMMITTEE (Pages 60 - 87).--Committee Chairman Clements reported that the Facilities Planning and Construction Committee met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Facilities Planning and Construction Committee and approved in open session by the U. T. Board of Regents:

1. U. T. Arlington - University Village West Apartments (Project No. 301-076): Approval to Increase Total Project Cost; Appropriation of Additional Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Revised the total project cost for the University Village West Apartments at The University of Texas at Arlington from \$8,804,000 to \$17,608,000
- b. Appropriated additional funds and authorized expenditure totaling \$8,804,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 62, the Board resolved that:

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

- c. U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$8,804,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The University Village West Apartments project at U. T. Arlington is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$8,804,000 with funding from Revenue Financing System Bond Proceeds.

The original project consists of construction of approximately 113,500 gross square feet capable of housing 270 students with a commons building, swimming pool, and related site improvements. The increased project scope will expand the project by adding five more buildings capable of housing an additional 270 students and related site improvements. The additional funding of \$8,804,000 will be from Revenue Financing System Bond Proceeds for a total project cost of \$17,608,000. The project is in the best interest of the University and complies with the strategic plan at U. T. Arlington.



PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the University Village West Apartments at U. T. Arlington, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of October, 2001

/s/

Philip Aldridge  
Assistant Vice Chancellor for Finance

2. U. T. Austin - Utility Infrastructure Expansion/Upgrade - Phase I (Project No. 102-085) and Utility Infrastructure Expansion/Upgrade, Phase II: Approval to Combine Projects as the Utility Infrastructure Upgrade; Approval of Appropriation of Additional Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Approved combining the Utility Infrastructure Expansion/Upgrade - Phase I and Utility Infrastructure Expansion/Upgrade, Phase II projects into one project designated as the Utility Infrastructure Upgrade at The University of Texas at Austin
- b. Appropriated additional funds and authorized expenditure of \$28,500,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 65, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$28,500,000

- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Utility Infrastructure Expansion/Upgrade - Phase I project at U. T. Austin, approved by the U. T. Board of Regents on May 10, 2001, is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$8,000,000 with funding from Revenue Financing System Bond Proceeds. The Utility Infrastructure Expansion/Upgrade, Phase II project, approved in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget by the U. T. Board of Regents on August 9, 2001, is included at a preliminary project cost of \$28,500,000 with funding from Revenue Financing System Bond Proceeds. Both projects are approved for institutional management.

Combining these projects will allow more efficient contracting and project management. The project consists of a series of upgrades. Cooling tower number one, originally constructed in 1955, has exceeded its useful life and will be replaced. The capacity of the Harris substation is being upgraded from 56 megavolt ampere (MVA) to 100 MVA, including an upgrade to the switchgear. A new 25 megawatt (MW) steam turbine will be added to meet projected campus electrical growth, and a bypass for heat recovery steam generator eight will be installed.

Approval of this item will amend the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget to combine the Phase I and the Phase II projects as the Utility Infrastructure Upgrade at U. T. Austin at a preliminary project cost of \$36,500,000.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Utility Infrastructure Expansion/Upgrade, Phase II project at U. T. Austin, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of October, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance

3. U. T. Austin - Biological Science - Wet Lab Building (Project No. 102-029): Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

Following a presentation of the design development plans and the economic impact for the Biological Science - Wet Lab Building at The University of Texas at Austin by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, the Board:

- a. Approved design development plans for the Biological Science - Wet Lab Building at U. T. Austin
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$52,000,000
- d. Appropriated funds and authorized expenditure of \$39,000,000 from Permanent University Fund Bond Proceeds and \$13,000,000 from Designated Tuition.

The Biological Science - Wet Lab Building at U. T. Austin is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$52,000,000 with funding of \$39,000,000 from Permanent University Fund Bond Proceeds and \$13,000,000 from Designated Tuition.

Construction of a 152,000 gross square foot building will accommodate a portion of the needs of the wet-bench laboratory presently housed in the Experimental Science and Biological Laboratory Building. Construction of new laboratory space is more cost effective than renovating existing facilities. This facility will allow high-demand functions to be moved out of older buildings which can then be adapted for other lower-demand uses such as office and classroom space.

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

4. U. T. Brownsville - Education and Business Complex (Project No. 902-127): Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board heard a presentation on the design development plans and the economic impact for the Education and Business Complex at The University of Texas at Brownsville by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System.

Based on this presentation, the Board:

- a. Approved design development plans for the Education and Business Complex at U. T. Brownsville
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$26,010,000
- d. Appropriated funds and authorized expenditure of \$26,010,000 from Tuition Revenue Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and

amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 69, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. System components, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$26,010,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Education and Business Complex project at U. T. Brownsville is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$26,010,000 with funding from Tuition Revenue Bond Proceeds.

The project includes the construction of a new facility of approximately 98,300 gross square feet at a preliminary project cost of \$26,010,000. This building will initially house new programs that include education, business, and graduate programs approved by the U. T. System and the Texas Higher Education Coordinating Board for the institution.

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

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Education and Business Complex at U. T. Brownsville, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of October, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance



5. U. T. Dallas - Campus Housing Phase VIII (Project No. 302-012) and Campus Housing Phase VIII - Addition A: Approval to Combine Projects to be Called Campus Housing Phase VIII

The Board approved combining the Campus Housing Phase VIII and Campus Housing Phase VIII - Addition A at The University of Texas at Dallas into one project to be called Campus Housing Phase VIII.

The Campus Housing Phase VIII project at U. T. Dallas was approved by the U. T. Board of Regents on August 10, 2000, and included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget at a preliminary project cost of \$14,000,000, with funding from Revenue Financing System Bond Proceeds. The current housing units have an occupancy rate of more than 98%, and additional housing is needed to meet enrollment growth.

The Campus Housing Phase VIII - Addition A project is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$5,000,000. The addition is comprised of approximately 65,000 gross square feet and will add about 225 beds to the 500 beds in the Campus Housing Phase VIII project. Because of more favorable pricing than anticipated for Phase VIII, it is anticipated that the additional scope of Addition A can be constructed within the original funding previously approved for the Phase VIII project. Combining these projects will accelerate the construction schedule and provide housing at a lower cost.

Approval of this item amends the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget to combine the Campus Housing Phase VIII and the Campus Housing Phase VIII - Addition A as Campus Housing Phase VIII at U. T. Dallas at a total project cost of \$14,000,000, and results in projected savings of \$5,000,000.

Note: Prior to Committee Chairman Clements' report on Historically Underutilized Businesses later in the meeting, Chairman Miller commented that University-run dormitories seem to be 100% occupied and noted that availability of housing may make a difference in freshman retention rates. He requested that the Chancellor look into how the availability of housing affects retention and graduation. Committee Chairman Clements commented that private land development would present a good opportunity to increase dormitory space and should be encouraged. Chancellor Burck noted that he would pursue this in more detail.

6. U. T. Dallas - School of Management (Project No. 302-075): Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure (Deferred)

Following a presentation on the design development plans and the economic impact for the School of Management at The University of Texas at Dallas by Mr. Sidney J. Sanders, Assistant Vice Chancellor for Facilities Planning and Construction for The University of Texas System, the Board:

- a. Approved design development plans for the School of Management at U. T. Dallas
- b. Approved the evaluation of alternative energy economic feasibility
- c. Approved a total project cost of \$38,000,000.

The approval of appropriation of funds and authorization for expenditure of \$30,000,000 from Permanent University Fund Bond Proceeds and \$8,000,000 from Gifts and Grants was deferred.

The School of Management at U. T. Dallas is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$38,000,000, with funding of \$30,000,000 from Permanent University Fund Bond Proceeds and \$8,000,000 from Gifts and Grants.

The new School of Management Building includes construction of 180,000 gross square feet, with an alternative to add 20,000 gross square feet of classroom space. There will be academic spaces such as classrooms, classroom/labs, and faculty offices; space for the executive education program, research centers, and program offices; building support spaces; and administrative spaces such as the Dean's suite, Advising Office, and External Relations Office.

The new building will fulfill two major objectives for U. T. Dallas: the consolidation of all School of Management programs into one facility, and the provision of classrooms designed for interactive and distance learning with the use of state-of-the-art audiovisual and information technology. Both of these objectives will enhance the probability of accreditation for the program, as indicated in a preliminary accreditation review.

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

7. U. T. Tyler - Student Health and Kinesiology Building (Project No. 802-019): Approval to Revise the Source of Funds; Approval to Reduce Appropriation and Expenditure of Funds; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Revised the source of funds for the Student Health and Kinesiology Building at The University of Texas at Tyler from \$9,700,000 from Permanent University Fund Bond Proceeds and \$9,600,000 from Gifts and Grants to \$9,700,000 from Permanent University Fund Bond Proceeds, \$3,600,000 from Gifts and Grants, and \$6,000,000 from Revenue Financing System Bond Proceeds
- b. Approved a reduced appropriation and expenditure of \$6,000,000 from Gifts and Grants
- c. Appropriated funds and authorized expenditure of \$6,000,000 from Revenue Financing System Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and

amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 74, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Tyler, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$6,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Student Health and Kinesiology project at U. T. Tyler, approved by the U. T. Board of Regents on February 15, 2001, is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$19,300,000, with funding of \$9,700,000 from Permanent University Fund Bond Proceeds and \$9,600,000 from Gifts and Grants.

Of the \$6,000,000 authorized to be financed by Revenue Financing System Bond Proceeds, \$4,400,000 represents interim financing that will be retired upon receipt of a pledged gift from a major donor. The remaining authorization of \$1,600,000 represents the maximum amount of permanent financing that could be necessary should additional gift collection prove unsuccessful.

Approval of this item amends the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget to change the funding sources to \$9,700,000 from Permanent University Fund Bond Proceeds and \$6,000,000 from Revenue Financing System Bond Proceeds, and reduces the appropriated amount of \$9,600,000 from Gift and Grants to \$3,600,000 from Gifts and Grants.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Student Health and Kinesiology Building at U. T. Tyler, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of October, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance

8. U. T. Southwestern Medical Center - Dallas - North Campus Phase 4 (Project No. 303-024) and North Campus Phase 3 Expansion - Radiation Oncology Center (Formerly Radiation Oncology Center) (Project No. 303-990): Approval to Combine Projects as the North Campus Phase 4 Project; Approval to Revise the Source of Funds; Approval to Reduce Appropriation and Expenditure of Funds; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Approved combining the North Campus Phase 4 and the North Campus Phase 3 Expansion - Radiation Oncology Center (formerly Radiation Oncology Center) projects at The University of Texas Southwestern Medical Center at Dallas into one project as the North Campus Phase 4 project
- b. Revised the source of funds from \$80,000,000 from Permanent University Fund Bond Proceeds, \$60,000,000 from Gifts and Grants, \$15,000,000 from Medical Service, Research and Development Plan/Professional Fees (MSRDP), and \$100,000,000 from Revenue Financing System Bond Proceeds or Tuition Revenue Bond Proceeds to \$80,000,000 from Permanent University Fund Bond Proceeds, \$47,500,000 from Gifts and Grants, \$7,500,000 from MSRDP, \$80,000,000 from Revenue Financing System Bond Proceeds, and \$40,000,000 from Tuition Revenue Bond Proceeds
- c. Approved a reduced appropriation and expenditure of \$7,500,000 from MSRDP, \$20,000,000 from Revenue Financing System Bond Proceeds, and \$12,500,000 from Gifts and Grants
- d. Appropriated funds and authorized expenditure of \$40,000,000 from Tuition Revenue Bond Proceeds.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 78, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. System components, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$40,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The North Campus Phase 4 project and the North Campus Phase 3 Expansion - Radiation Oncology Center project at U. T. Southwestern Medical Center - Dallas were approved by the U. T. Board of Regents on May 10, 2001.

The North Campus Phase 4 project is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$255,000,000, with funding of \$80,000,000 from Permanent University Fund Bond Proceeds, \$80,000,000 from Revenue Financing System Bond Proceeds, \$47,500,000 from Gifts and Grants, \$40,000,000 from Tuition Revenue Bond Proceeds, and \$7,500,000 from MSRDP.

The Radiation Oncology Center project was originally approved at the May 13, 1999 U. T. Board of Regents' meeting with funding of \$10,000,000 appropriated from MSRDP funds. Additional funding of \$5,000,000 from MSRDP was appropriated on May 10, 2001, increasing the total project cost to \$15,000,000.

The MSRDP of \$15,000,000 will be reduced to \$7,500,000, and the original appropriation of \$60,000,000 from Gifts and Grants will be reduced to \$47,500,000.

Approval of this item amends the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget to combine the North Campus Phase 4 and the North Campus Phase 3 Expansion - Radiation Oncology Center projects as the North Campus Phase 4 project at U. T. Southwestern Medical Center - Dallas at a total project cost of \$255,000,000.



PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the North Campus Phase 4 project at U. T. Southwestern Medical Center - Dallas, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of October, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance

9. U. T. Health Science Center - San Antonio - D. D. Hachar Building (Project No. 402-021): Approval to Increase the Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Approved an increase in the total project cost for the D. D. Hachar Building at The University of Texas Health Science Center at San Antonio from \$4,000,000 to \$7,800,000
- b. Appropriated additional funds and authorized expenditure totaling \$3,800,000 with funding of \$3,300,000 from Tuition Revenue Bond Proceeds and \$500,000 from Gifts and Grants.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 81, the Board resolved that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. System components, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$3,300,000

- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The D. D. Hachar Building (formerly the Laredo Campus Extension) at U. T. Health Science Center - San Antonio is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$7,800,000 with funding of \$3,300,000 from Tuition Revenue Bond Proceeds, \$2,500,000 from Gifts and Grants, and \$2,000,000 from Interest on Local Funds.

On August 10, 2000, the U. T. Board of Regents approved the building name and preliminary project cost of \$4,000,000, with funding of \$2,000,000 from Gifts and Grants and \$2,000,000 from Interest on Local Funds. The preliminary project cost was inadequate to meet the program need and current construction cost.

The project will consist of a new facility of approximately 20,000 gross square feet in Laredo, Texas, as an extension of the U. T. Health Science Center - San Antonio. This project will provide offices for the Area Health Education Center and South Texas/Border Initiative programs, as well as classrooms, laboratories, administrative areas, and conferencing facilities.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the D. D. Hachar Building at U. T. Health Science Center - San Antonio, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of October, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance

10. U. T. M. D. Anderson Cancer Center - Ambulatory Clinical Building (Project No. 703-039) and Radiation Oncology Expansion: Approval to Combine Projects as the Ambulatory Clinical Building; and Appropriation of Funds and Authorization of Expenditure

The Board:

- a. Approved combining the Ambulatory Clinical Building and the Radiation Oncology Expansion projects at The University of Texas M. D. Anderson Cancer Center into one project as the Ambulatory Clinical Building at a total project cost of \$347,000,000
- b. Appropriated funds and authorized expenditure of \$48,000,000 from Hospital Revenues.

The Ambulatory Clinical Building at U. T. M. D. Anderson Cancer Center is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$299,000,000, with funding of \$240,000,000 from Revenue Financing System Bond Proceeds and \$59,000,000 from Hospital Revenues. This project was approved by the U. T. Board of Regents on May 10, 2001.

The Radiation Oncology Expansion project was approved by the U. T. Board of Regents on August 9, 2001, and is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$48,000,000 from Hospital Revenues.

U. T. M. D. Anderson Cancer Center will combine the two projects into a single facility which will house centers and clinics, outpatient diagnostic space, treatment/surgery space, imaging services, staff offices, and administrative and support services as part of the Ambulatory Clinical Building. In addition, the combined project will provide additional radiation oncology vaults for the Department of Radiation Oncology.

Approval of this item amends the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget to combine the Ambulatory Clinical Building and the Radiation Oncology Expansion as the Ambulatory Clinical Building at a total project cost of \$347,000,000.

11. U. T. M. D. Anderson Cancer Center - George and Cynthia Mitchell Basic Sciences Research Building (Project No. 703-959) and Basic Sciences Research Building (Shell Buildout) (Project No. 703-052): Approval to Combine Projects as the George and Cynthia Mitchell Basic Sciences Research Building; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

The Board:

- a. Approved combining the George and Cynthia Mitchell Basic Sciences Research Building and the Basic Sciences Research Building (Shell Buildout) projects at The University of Texas M. D. Anderson Cancer Center into one project as the George and Cynthia Mitchell Basic Sciences Research Building
- b. Appropriated funds and authorized expenditure of \$20,000,000 from Tuition Revenue Bond Proceeds, \$5,000,000 from Hospital Revenues, and \$22,300,000 from Gifts and Grants for a total project cost of \$221,900,000.

In compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 86, the Board resolved that:

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

- c. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$20,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

The Basic Sciences Research Building at U. T. M. D. Anderson Cancer Center was approved by the Board of Regents on August 10, 2000, and funding was appropriated at a preliminary project cost of \$174,600,000, with funding of \$75,000,000 from Gifts and Grants, \$32,200,000 from Revenue Financing System Bond Proceeds, \$30,000,000 from Permanent University Fund Bond Proceeds, and \$37,400,000 from Hospital Revenues.

The construction of the new facility of approximately 525,000 square feet is dedicated to research, the Graduate School of Biological Sciences, and vivarium space.

The building was renamed the George and Cynthia Mitchell Basic Sciences Research Building by the Board of Regents on February 14, 2001, following Executive Session discussion of a negotiated gift in honor of the contributions of Mr. and Mrs. Mitchell to U. T. M. D. Anderson Cancer Center. The Mitchells have been significant contributors to the institution since 1962, with gifts such as the establishment of the Alando J. Bellantyne Distinguished Chair of Head and Neck Surgery, and a \$20,000,000 pledge for the Basic Sciences Research Building (Shell Buildout) project, the third largest gift ever donated to U. T. M. D. Anderson Cancer Center.

The Basic Sciences Research Building (Shell Buildout) is included in the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget at a preliminary project cost of \$47,300,000, with funding of \$25,000,000 from Hospital Revenues and \$22,300,000 from Gifts and Grants. The buildout consists of 87,000 gross square feet which includes 81,000 gross square feet of laboratory and laboratory support space and 6,000 gross square feet of office space.

Because of the deficient state of existing research facilities, the desire to consolidate functions, and the need to accommodate the demands of continually changing technology, U. T. M. D. Anderson Cancer Center will build out shell space in the Basic Sciences Research Building during initial construction.

This project provides a unique opportunity for U. T. M. D. Anderson Cancer Center to leverage funds because of a potential National Institutes of Health (NIH) construction grant related to the creation of space for a molecular genetics research program. Delay of the project would have created a significant risk of non-approval of the pending NIH construction grant.

Approval of this item amends the FY 2002-2007 Capital Improvement Program and the FY 2001-2002 Capital Budget to combine the George and Cynthia Mitchell Basic Sciences Research Building and the Basic Sciences Research Building (Shell Buildout) as the George and Cynthia Mitchell Basic Sciences Research Building at a total project cost of \$221,900,000.



PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993, and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Basic Sciences Research Building at U. T. M. D. Anderson Cancer Center, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of October, 2001

/s/ Philip Aldridge  
Assistant Vice Chancellor for Finance

## INFORMATIONAL REPORT

### U. T. System: Report on Architecturally Significant Project

Committee Chairman Clements reported that, at its October 2, 2001 meeting, the Facilities Planning and Construction Committee selected the design firm of Overland Partners, San Antonio, Texas, for the Sam and Ann Barshop Center for Longevity and Aging Studies at The University of Texas Health Science Center at San Antonio, an architecturally significant project.

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At the conclusion of the Facilities Planning and Construction Committee meeting, Committee Chairman Clements reported that, since the last regular meeting, the total expenditures for building construction by the Office of Facilities Planning and Construction for Fiscal Year 2001 were \$180,255,456. Of that amount, 8.73% was paid to Certified Historically Underutilized Businesses, 3.26% was paid to Graduated Historically Underutilized Businesses, and Non-Certified Historically Underutilized Businesses received 4.05% for a total of 16.04%, or \$28,926,456.

RECESS AND RECONVENE.--At 12:00 p.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

## REPORT FOR THE RECORD

### U. T. Board of Regents: Report for the Record Concerning Repeal of the Regental Policy on Use of the University's Name

To document the disposition of an outdated Regental policy, it was reported for the record that the 1967 Regental Policy on Use of the University's Name has been repealed by action of the Board enacting provisions of the Regents' Rules and Regulations, Part One, Chapter III, Section 34, Subsection 34.5 limiting use of the University's name by registered faculty and staff organizations and Part One, Chapter VI, Section 4, Subsection 4.3, limiting use of the name by registered student organizations.

## SPECIAL REPORT

### U. T. System: Report on Sandia National Laboratories

In the absence of Vice Chancellor for Special Engineering Programs, Dr. Dale Klein, who was in Washington, D. C., at the time of this meeting (November 8) for U. S. Senate confirmation as Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Defense programs, Chancellor R. D. Burck presented a PowerPoint report on activities related to the Sandia National Laboratories.

Chancellor Burck discussed the history of Sandia National Laboratories, which began in 1945 as an extension of Los Alamos National Laboratory. As one of several U. S. Department of Energy laboratories, Sandia is best known for its facility in Albuquerque, New Mexico, but has other facilities in New Mexico, California, Hawaii, Nevada, and Texas. Mr. Burck stated that Sandia has become a leader in the chemical and biological detector program and the Laboratory maintains a large number of research projects with industries and universities.

Chancellor Burck said The University of Texas System is interested in responding if a Request for Proposals (RFP) is issued for operation of the Sandia National Laboratories and stated he proposes a jointly-owned subsidiary with University and non-University partners, with Universities providing the vision and intellectual aspects and industries providing the day-to-day operations.

Chancellor Burck said that Sandia would enhance the reputation and visibility of the U. T. System, enhance teaching and research opportunities for faculty, provide unique educational opportunities for students, and enable faculty to help develop research priorities in partnership with the Department of Energy rather than simply responding to the RFPs.

He then introduced Dr. Juan Sanchez, Vice President for Research at The University of Texas at Austin, who said it would be a benefit for the U. T. System to manage an entity as complex as Sandia. He noted that the U. T. System would be able to select the director of Sandia, contribute to national security issues, and have research collaboration with a first-rate research laboratory. Dr. Sanchez elaborated that Sandia has responsibility for nuclear weapons stockpile; energy and critical infrastructure; nonproliferation and materials control; and emerging threats.

In closing, Chancellor Burck reiterated that management of the Sandia National Laboratories would be a System-wide initiative, as many of the component institutions would benefit from the collaboration.

SCHEDULED MEETING.--The next scheduled meeting of the U. T. Board of Regents will be held on February 13-14, 2002, in San Antonio.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 12:15 p.m.

/s/  
C

Francie A. Frederick  
ounsel and Secretary to the Board

December 11, 2001

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
CHANCELLORS DOCKET NO. 107

October 10, 2001

TO MEMBERS OF THE FINANCE AND PLANNING COMMITTEE:

Woody L. Hunt, Chairman  
Cyndi Taylor Krier  
Patrick C. Oxford  
A. W. "Dub" Riter, Jr.  
Raul R. Romero

The Docket for The University of Texas System Administration and the Dockets recommended by the Presidents concerned and prepared by the component institutions listed below are submitted for approval as appropriate at the meeting of the U. T. System Board of Regents on November 8, 2001. The Acting Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and I concur in these recommendations.

<u>Institutions-</u>	<u>Pages</u>
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The University of Texas at Austin	Austin 1 - 17
The University of Texas at Dallas	Dallas 1 - 3
The University of Texas - Pan American	Pan American 1 - 3
The University of Texas of the Permian Basin	Permian Basin 1 - 2
The University of Texas at San Antonio	San Antonio 1 - 2
The University of Texas Southwestern Medical Center at Dallas	SWMC - Dallas 1 - 10
The University of Texas Medical Branch at Galveston	MB - Galveston 1 - 5
The University of Texas Health Science Center at Houston	HSC - Houston 1 - 5
The University of Texas Health Science Center at San Antonio	HSC - San Antonio 1 - 5
The University of Texas M. D. Anderson Cancer Center	M. D. Anderson CC 1 - 10

  
R. D. Burck  
Chancellor

xc: Other Members of  
the Board

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**CONTRACTS**

The following contracts or agreements have been awarded, have been administratively approved by the Executive Vice Chancellor for Business Affairs and are recommended for approval by the U. T. Board of Regents.

**GENERAL CONTRACTS  
(FUNDS GOING OUT)**

1. Agency: Dispute Resolution Management, Inc.  
Funds: There is a monthly fee of \$6,000 plus expenses, for an estimated 12-month cost of \$92,000. The contingency fee is paid out of the insurance proceeds and is a sliding percentage based on insurance amounts received in excess of \$53 million, the amount that it is anticipated that the insurance companies may contend to be the applicable limit of the policies. The maximum total cumulative contingent fee for all payment levels equals \$10,000,000.

Insurance Payment Levels	Contingent Fee Percentage per Payment Level	Maximum Contingent Fee per Payment Level
\$ 0 - 0 000,000	0%	\$0.00
>\$53,000,000 - \$103,000,000	10%	\$5,000,000
>\$103,000,000 - \$113,000,000	9%	+\$900,000
>\$113,000,000 - \$123,000,000	8%	+\$800,000
>\$123,000,000 - \$133,000,000	7%	~\$700,000
>\$133,000,000 - \$143,000,000	6%	+\$600,000
>\$143,000,000 - \$153,000,000	5%	+\$500,000
>\$153,000,000 - \$163,000,000	4%	+\$400,000
>\$163,000,000 - \$173,000,000	3%	+\$300,000
>\$173,000,000 - \$183,000,000	2%	+\$200,000
>\$183,000,000 - \$243,000,000	1%	+\$600,000
>\$243,000,000	0%	\$0

- Period: Effective August 16, 2001; no set expiration date, but contract anticipates that work will be completed in approximately 12 months
- Description: The contractor will evaluate insurance coverage and maximize insurance coverage for damage sustained by U. T. Health Science Center - Houston and U. T. M. D. Anderson Cancer Center from Tropical Storm Allison in June 2001 and related events.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

GENERAL CONTRACTS (Continued)

2. Agency: The University of Texas at Austin, on behalf of the Bureau of Economic Geology (BEG)
- Funds: not to exceed \$500,000 over the one-year term and can be renewed for an additional two years not to exceed \$1,215,300.  
Source of Funds: Revolving Funds - PUF Management Account
- Period: July 1, 2001 to June 30, 2001 - \$500,000  
If renewed July 1, 2002 - June 30, 2003 - \$500,000  
If renewed July 1, 2003 - June 30, 2004 - \$215,300
- Description: Advanced recovery initiative to identify and pursue opportunities to significantly increase future production from the Permanent University Fund (PUF) lands and royalty payments to the PUF.



THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**AMENDMENTS TO THE 2000-01 BUDGET**

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

**TRANSFER OF FUNDS**

**RBC #**

U. T. SYSTEM COMPREHENSIVE PROPERTY PROTECTION  
PROGRAM (CPPP) INSURANCE (REVOLVING FUND)

1. Amount of Transfer: \$2,173,580 D15

From: U. T. System CPPP Insurance Income

To: U. T. System CPPP Insurance Expense

To transfer income received to expense account to allow payment of insurance claim to U. T. Health Science Center – Houston for fire damage to Recreation Center facility.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
 U. T. BOARD OF REGENTS' MEETING  
 NOVEMBER 8, 2001

**AMENDMENTS TO THE 2001-02 BUDGET**

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

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

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate</u>	

**APPOINTMENTS AND PROMOTIONS**

SYSTEM ADMINISTRATION

Office of Health Affairs

1.	James C. Guckian				1
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From:	Vice Chancellor for Health Affairs		100	12	<b>289,328</b>
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To:	Acting Executive Vice Chancellor for Health Affairs	9/01	100	12	<b>289,328'</b>
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\* Plus Deferred Compensation of \$20,000.

Office of Federal Relations

Vice Chancellor for Federal Relations

2.	William H. Shute	9/24	100	12	170,000	3
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THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
 U. T. BOARD OF REGENTS' MEETING  
 NOVEMBER 8.2001

AMENDMENTS TO THE 2001-02 BUDGET (Continued)

TRANSFER OF FUNDS

RBC #

OFFICE OF FACILITIES PLANNING AND CONSTRUCTION (OFPC)

3.	Amount of Transfer:	\$2,300,000	4
From:	OFPC Income	2,300,000	
To:	ASH 3 Parking Garage Improvement	800,000	
	Lavaca Building Renovation	1,500,000	

To set up accounts for the Lavaca Building Renovation and the ASH 3 Parking Garage Improvement projects to be paid for by OFPC.

4.	Amount of Transfer:	\$2,121,093.12	2
From:	Interest on PUF Bond Proceeds		
To:	Unallocated Proceeds from Sale of PUF bonds		

To change the source of funds for the U. T. System Gracy Title Building. Permanent University Fund (PUF) Bond Proceeds are being returned from the project and are being replaced by Interest on PUF Bond Proceeds as the funding source. The original PUF Bond (LERR) appropriation was approved by the Board of Regents on August 8, 2001.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8.2001

**OTHER FISCAL ITEMS**

**EMPLOYMENT AGREEMENTS**

The following agreement has been accepted by the Chancellor and is recommended for approval by the U. T. Board of Regents.

Description: Agreement with Chancellor R. D. Burck dated August 15, 2001 to ensure a smooth transition of leadership and continuity for a number of special projects now underway and some that are contemplated. At such time as a new Chancellor is selected and assumes office, Mr. Burck would continue with the System as Special Advisor to the Chancellor on a full-time basis, until September 1, 2003 and on a half-time basis from September 1, 2003 through August 31, 2005. As Special Advisor to the Chancellor, Mr. Burck would be responsible for assisting with the transition, handling special projects as assigned by the new Chancellor and the Board and providing advice and assistance, as needed, in connection with matters involving the many aspects of his experience and leadership over the past 13 years. Until September 1, 2003, Mr. Burck would be compensated at the approved full-time salary rate he is receiving at the time he leaves the Chancellor's position. Effective September 1, 2003 through August 31, 2005, compensation would be set at one-half of the salary Mr. Burck received at the time he left the Chancellor position. Mr. Burck will continue to participate in ORP and the U. T. System health plan and provided with office space, a car allowance, administrative support, parking and reimbursement for business related expenses until August 31, 2005.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

OTHER FISCAL ITEMS (Continued)

SETTLEMENT OF INSURANCE POLICIES

The following insurance settlement summaries have been approved by the Executive Vice Chancellor for Business Affairs and are reported to the U. T. Board of Regents for ratification, On June 8 and 9, 2001, the U. T. Health Science Center - Houston suffered significant damage as a result of Tropical Storm Allison. To date, two (2) separate National Flood Insurance Program (NFIP) property insurance claims have been settled relating to this storm event. Each policy carries limits of \$500,000 (building) and \$500,000 (contents).

1. Policy No.: 013-0081-5273-2  
Insured: Board of Regents of The University of Texas System  
Insurer: Omaha Property & Casualty  
Location: U. T. Health Science Center - Houston, Medical School Building  
Type of Loss: Flood, as defined in the above-referenced policy  
Net Amount Claimed: (Pending Insurer's Final Approval) - \$1,000,000 (building and contents)
  
2. Policy No.: OI 3-0081-5279-9  
Insured: Board of Regents of The University of Texas System  
Insurer: Omaha Property & Casualty  
Location: U. T. Health Science Center - Houston, John Freeman Building  
Type of Loss: Flood, as defined in the above-referenced policy  
Net Amount Claimed: (Pending Insurer's Final Approval) - \$1,000,000 (building and contents)

**THE UNIVERSITY OF TEXAS SYSTEM  
BOARD OF REGENTS MEETING  
NOVEMBER 8, 2001  
REAL ESTATE ASSETS**

Managed by U.T. System Real Estate Office

Summary Report at August 31, 2001

FUND TYPE

	Current Purpose Restricted		Endowment & Similar Funds		Annuity & Life Income Funds		TOTAL	
	Book	Market	Book	Market	Book	Market	Book	Market
	<b>Land &amp; Buildings:</b>							
Ending Value 05/31/01	4,695,921	17,767,475	20,025,324	95,170,917	1,314,109	967,041	26,235,354	113,905,433
Increase or Decrease	1,552,000	5,544,448	(196,366)	13,667,363		(44,061)	1,355,632	19,167,750
Ending Value 08/31/01	6,447,921	23,311,923	19,828,956	108,838,280	1,314,109	922,960	27,590,986	133,073,183
<b>Other Real Estate:</b>								
Ending Value 05/31/01	162,017	162,017	337,566	337,566			519,603	519,603
Increase or Decrease	(1,500)	(1,500)	(3,714)	(3,714)	0	0	(5,214)	(5,214)
Ending Value 08/31/01	160,517	160,517	333,672	333,672			514,369	514,369

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

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**MEDICAL AND DENTAL SERVICES, RESEARCH AND DEVELOPMENT  
PLANS/PHYSICIANS REFERRAL SERVICES**

Fiscal year end financial information related to the Medical and Dental Services, Research and Development Plans and Physicians Referral Services will be published in the Annual Financial Report by November 20, 2001. Specifically, Schedule D-6 in the annual report will provide detailed information on this financial activity.

THE UNIVERSITY OF TEXAS AT ARLINGTON  
U. T. BOARD OF REGENTS MEETING  
NOVEMBER 8, 2001

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THE UNIVERSITY OF TEXAS AT ARLINGTON  
 U. T. BOARD OF REGENTS' MEETING  
 NOVEMBER 8, 2001

**AMENDMENTS TO THE 2000-01 BUDGET**

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the Executive Vice Chancellor for Academic Affairs and are recommended for ratification by the U. T. Board of Regents.

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

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate</u>	
<b><u>APPOINTMENTS AND PROMOTIONS</u></b>					
SCHOOL OF ARCHITECTURE					
Dean and Professor					
1. Martha LaGess (T)	8/1-8/31	100	12	115,000	143
	8/1-8/31	0	09	86,250	
SCHOOL OF EDUCATION					
Professor					
2. Robert Cooter Jr. (T)	8/1-8/31	100	09	85,000	137
COLLEGE OF ENGINEERING					
Electrical Engineering					
3. Raymond R. Shoults (T)					149
From: Professor		100	09	84,900	
To: Professor	8/1-8/31	100	09	84,900	
and Chair	8/1-8/31	S U P L T	0 1	833	

THE UNIVERSITY OF TEXAS AT ARLINGTON  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**AMENDMENTS TO THE 2000-01 BUDGET (Continued)**

<u>Item.</u>	<u>Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
				<u>No. Mos.</u>	<u>Rate</u>	
COLLEGE OF LIBERAL ARTS						
English, Texas Academic Skills Program						
4.	Nancy V. Wood (T)					142
From:	Professor		100	09	65,931	
To:	Professor	6/1-8/31	23.66	09	65,931	
	and Special Counsel for	6/1-8/31	36.34	12	87,908	
	Texas Academic Skills	6/1 -8/31	SUPLT	1.5	1,005	
	Program					
COLLEGE OF LIBERAL ARTS						
Music						
5.	Timothy R. McKinney (T)					145
From:	Associate Professor		100	09	44,084	
To:	Associate Professor	8/1-8/31	0	09	44,084	
	and Associate Dean	8/1-8/31	100	12	58,779	
		8/1 -8/31	SUPLT	01	667	
Modern Languages						
6.	A. Raymond Elliott (T)					139
From:	Associate Professor		100	09	48,972	
To:	Professor and	9/1-5/31	100	09	48,972	
	Acting Chair	7/16-8/31	SUPT	1.5	4,897	

THE UNIVERSITY OF TEXAS AT ARLINGTON  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**OTHER MATTERS**

**APPROVAL OF DEBIT CARD PROGRAM**

The following item has been approved by the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the Board of Regents.

In accordance with Texas Education Code Subsection 51.940, the Board of Regents may establish a program to provide students enrolled at U. T. Arlington with a debit card. The debit card may be used by students to purchase merchandise or service available through the institution or through a person authorized to sell merchandise or service at the institution. U. T. Arlington will comply with all of the statutory requirements in the Texas Education Code Subsection 51.940 with respect to the establishment of the debit card program and participation by off-campus merchants.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

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THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

GIFTS

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

1. Donor Name: The University of Texas Foundation  
on behalf of the W. M. Keck Foundation  
College/School/ Department: College of Natural Sciences  
Department of Geological Sciences  
Purpose: To purchase equipment  
Asset Type: Cash  
Value: \$750, 000
2. Donor Name: Dr. and Mrs. George A. Kozmetsky  
College/School/ Department: IC2 Institute  
Purpose: Unrestricted gift  
Asset Type: 58,151 shares of Dell Computer Corporation common stock  
Value: \$1,475,872.38
3. Donor Name: Shell Oil Company  
College/School/ Department: College of Engineering  
Department of Petroleum Engineering  
Purpose: For benefit of the department  
Asset Type: Equipment  
Value: \$600, 000

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

CONTRACTS

The following contracts or agreements have been awarded, have been administratively approved by the President (or his delegate) and are recommended for approval by the U. T. Board of Regents.

GENERAL CONTRACTS  
(FUNDS COMING IN)

1. Agency: Texas Department of Protective and Regulatory Services  
Funds: \$1,939,560  
Period: September 1, 2001 - August 31, 2002  
Description: School of Social Work will provide training, certification and program support services through its Protective Services Training Institute.
2. Agency: University Federal Credit Union  
Funds: \$1,964,400  
Period: September 1, 2001 - August 31, 2007  
Description: Lease agreement for twelve automated teller machine sites on the U.T. campus.

(FUNDS GOING OUT)

3. Agency: Capital Metropolitan Transportation Authority  
Funds: \$4,888,240  
Description: \$32.48 per service hour for total hours of service exceeding the annual 150,500 service hours required for year seven of the agreement. Annual payments for year eight of the agreement shall be negotiated and shall not vary from the Consumer Price Index (CPI) projection by more than 1% in any given year.  
Period: September 1, 2001 - August 31, 2002  
Description: Amend the current agreement, whereby Capital Metropolitan Transportation Authority provides shuttle bus service for U. T. Austin. Capital Metropolitan Transportation Authority will limit special event service to 200 hours per contract year; will limit special event service to officially sponsored University events; and shall complete the transition to a newer fleet of buses by January 2002.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**CONTRACTS (Continued)**  
**GENERAL CONTRACTS**

**(FUNDS GOING OUT)**

4. Agency Paciolan, Inc.  
Funds: \$1,475,310  
Period: Hardware and services: November 8, 2001 – Ongoing until terminated  
Software: November 8, 2001 -June 30, 2007 with subsequent one-year renewals  
Description: Purchase of data processing hardware and software to provide a ticketing system for the Athletics Department and the Erwin Center, the professional services required to install the system and train staff in the operation of the system.

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH  
AGREEMENTS-FOREIGN**

**(FUNDS COMING IN)**

5. Country Republic of Armenia  
Grantor: Ministry of Industry and Trade of the Republic of Armenia  
New Funds: \$73,400  
Current period: February 1, 2001 – June 30, 2001  
Title/Description: IC2 Institute will prepare a master plan for rapid development of the information technologies sector in Armenia.
6. Country: Australia  
Grantor: Woodside Energy Ltd.  
New Funds: \$40,000  
Current period: January 1, 2001 through December 31, 2001  
Title/Description: General Research Related to Scale Modeling of the Development of Hydrocarbon Structural Traps.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8.2001

**CONTRACTS (Continued)**  
**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH**  
**AGREEMENTS-FOREIGN**

**(FUNDS COMING IN)**

7. Country: Belgium  
Grantor: North Atlantic Treaty Organization  
New Funds: Five Million Belgian Francs (current US \$ value:  
\$444,000)  
Current period: April 1, 2001 through March 31, 2004  
Title/Description: Seismic Assessment and Rehabilitation of Existing  
Buildings
- a. Country: Egypt  
Grantor: Ground Water Section of the Ministry of Water  
Resources and Irrigation  
New Funds: None  
Current period: July 9, 2001 through July 8, 2002  
Title/Description: Calibration and validation of data collected during the  
Gravity Recovery and Climate Experiment (GRACE)  
Satellite Mission
9. Country: France  
Grantor: Human Frontier Science Program Organization  
New Funds: \$62,500  
Current period: April 1, 2001 through March 31, 2004  
Title/Description: Coinvestigator Agreement with EMBL Grenoble  
Outstation
10. Country: France  
Grantor: Observatoire Oceanologique de Villefranche Sur Mer  
New Funds: None  
Current period: June 12, 2001 through July 15, 2001  
Title/Description: Visiting Scientist Agreement for Lies Loncke



THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**CONTRACTS (Continued)**  
**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH**  
**AGREEMENTS-FOREIGN**

**(FUNDS COMING IN)**

11. Country: France  
Grantor: Université de Perpignan  
New Funds: None  
Current period: June 11, 2001 through June 30, 2001  
Title/Description: Visiting Scientist Agreement for Virginie Gaullier
12. Country: Japan  
Grantor: Mitsubishi Chemical Corporation  
New Funds: \$92,000  
Current period: August 1, 1999 through July 31, 2002  
Title/Description: Development of High Energy Density Cathodes for Rechargeable Lithium Batteries
13. Country: Mexico  
Grantor: Pemex Exploración y Producción  
New Funds: \$45,000  
Current period: January 1, 2001 through December 31, 2001  
Title/Description: Geophysical Techniques for Characterizing Heterogeneity Style in Hydrocarbon Reservoirs
14. Country: United Kingdom  
Grantor: Sainsbury Laboratory  
New Funds: None  
Current period: May 24, 2001 through May 23, 2006  
Title/Description: The Arabidopsis plant seeds will be used to make crosses to other plants and the resulting double-mutants will be characterized.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8.2001

**CONTRACTS (Continued)**  
**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH**  
**AGREEMENTS-FOREIGN**

**(FUNDS COMING IN)**

15. Country: United Kingdom  
Grantor: Medical Research Council  
New Funds: None  
Current period: June 11, 2001 through June 10, 2006  
Title/Description: Plasmids Containing *phoS* of *E.coli* Encoding Phosphate Binding Protein and Synthesized Protein

THE UNIVERSITY OF TEXAS AT AUSTIN  
 U. T. BOARD OF REGENTS' MEETING  
 NOVEMBER 8, 2001

**AMENDMENTS TO THE 2000-01 BUDGET**

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the Executive Vice Chancellor for Academic Affairs and are recommended for ratification by the U. T. Board of Regents.

**TRANSFERS OF FUNDS** **RBC#**

**DESIGNATED FUNDS**

1. Amount of Transfer:	\$ 500,000	201
------------------------	------------	-----

From: Dean of Natural Sciences – Equipment Fee –  
 Renovations - Operating Income

To: Dean of Natural Sciences – Equipment Fee –  
 Renovations - Maintenance, Operation, and  
 Equipment

Equipment /renovation fee income transferred to expenditure account for  
 renovation of the fourth floor food laboratory in Mary Gearing Hall.

**PLANT FUNDS**

2. Amount of Transfer:	\$ 500,000	208
------------------------	------------	-----

From: Designated Funds – Natural Sciences  
 Equipment Fee Renovation –  
 Maintenance, Operation, and Expense 488,000  
 Plant Funds -Americans with Disabilities  
 Act – Capital Improvement Project – Phase 2  
 Designated Tuition 12,000

To: Gearing Hall – Renovation of Human  
 Ecology Food Laboratory 500,000

To provide for Phase 1 construction and design for the renovations of the  
 Human Ecology Food laboratory in Mary Gearing Hall.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
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**AMENDMENTS TO THE 2000-01 BUDGET (Continued)**

<u>TRANSFERS OFF FUNDS</u>		<u>RBC#</u>
PLANT FUNDS (Continued)		
3. Amount of Transfer:	\$ 620,000	195
From: Housing and Food Services – New Construction Reserve		
To: Jester Center-Amphitheater Renovation		
Funding to renovate the little used plaza area into a multi-use recreation and assembly area in Jester Dormitory.		
4. Amount of Transfer:	\$ 700,000	212
From: Service Departments Funds – Utility Plant Operating Income		
To: Utilities – Physical Plant – Condensate Polisher and Exciter – Expense Account		
To provide funding for installation of a condensate polisher and static exciters for steam turbines #4 and #5 at the Hal C. Weaver Power Plant		

THE UNIVERSITY OF TEXAS AT AUSTIN  
 U. T. BOARD OF REGENTS' MEETING  
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**AMENDMENTS TO THE 2001-02 BUDGET**

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the Executive Vice Chancellor for Academic Affairs and are recommended for ratification by the U. T. Board of Regents.

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

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC#</u>
			<u>No. Mos.</u>	<u>Rate</u>	
<b>APPOINTMENTS AND PROMOTIONS</b>					
<b>INSTRUCTION</b>					
<b>COLLEGE OF EDUCATION</b>					
Educational Psychology/ Center for Teaching Effectiveness Associate Professor and Director					
1. Marilla D. Svinicki (T)	9/1-5/31	60	09	54,600	004
	9/1-5/31	40	09	72,800	
	7/16-8/31	100	12	72,800	
Special Education Professor					
2. Jeff Sigafoos (T)	9/1-5/31	100	09	84,000	005
<b>COLLEGE OF ENGINEERING</b>					
Electrical and Computer Engineering Associate Professor					
3. Doron A. Peled (T)	9/1-5/31	100	09	90,000	022
<b>SCHOOL OF LAW</b>					
Rex G. Baker and Edna Hefflin Baker Professorship in Law					
4. Stuart M. Benjamin (T)	9/1-5/31	100	09	113,000	006
	9/1-5/31	SUPLT	09	4,000	

THE UNIVERSITY OF TEXAS AT AUSTIN  
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AMENDMENTS TO THE 2001-02 BUDGET (Continued)

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>C</u>	<u>#</u>
			<u>No. Mos.</u>	<u>RateB</u>		
COLLEGE OF LIBERAL ARTS						
Asian Studies						
5. Susan J. Napier (T)						024
From: Professor		100	09	65,603		
To: Professor and	9/1-5/31	100	09	65,603		
Mitsubishi Heavy Industry						
Chair in Japanese						
Studies	9/1-5/31	SUPLT	09	15,000		
Economics						
James L. and Nancy Powell Centennial Professorship in American Economic Principles						
6. Kenneth Hendricks (T)	9/1-5/31	100	09	150,000		023
Government						
Associate Professor						
7. Wendy A. Hunter (T)	9/1-5/31	100	09	70,000		007
Spanish and Portuguese						
Professor						
8. Leopoldo M. Bernucci (T)	1/16-5/31	100	09	95,000		008
COLLEGE OF NATURAL SCIENCES						
Marine Science Institute						
9. Gloria J. Holt (T)						014
From: Professor and		0	09	64,679		
Associate Director		100	12	86,238		
To: Professor and	9/1-5/31	0	09	64,679		
Perry R. Bass Chair						
In Fisheries and						
Mariculture and	9/1-5/31	SUPLT	09	16,000		
Associate Director	9/1-8/31	100	12	86,238		

THE UNIVERSITY OF TEXAS AT AUSTIN  
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 NOVEMBER 8, 2001

**AMENDMENTS TO THE 2001-02 BUDGET (Continued)**

<u>TRANSFERS OF FUNDS</u>		<u>RBC#</u>
DESIGNATED FUNDS		
10. Amount of Transfer:	\$ 552,000	001
From: Law School – Instructional Technology Fee Operating Income	552,000	
To: Law School – Instructional Technology Fee		
Classified Salaries	127,520	
Administrative and Professional Salaries	91,258	
Fringe Benefits	59,070	
Maintenance, Operation, and Equipment	274,152	
Transfer fee income to subaccounts to establish accounts for new Law School Information Technology Fee. Income estimate: \$200 per semester for 1,380 students = \$276,000 per semester		

RESTRICTED CURRENT FUNDS - GIFTS

11. Amount of Transfer:	\$ 550,000	027
From: Plant Funds – Projects 102-965 Blanton Museum Interest	550,000	
To: Blanton Museum Interest Operations		
Administrative & Professional Salaries	88,200	
Classified Salaries	122,500	
Wages	19,000	
Fringe Benefits	36,400	
Maintenance, Operation, and Equipment	283,900	

Transfer funds for the Blanton Museum Operations budget from the interest earned on construction gifts.

THE UNIVERSITY OF TEXAS AT AUSTIN  
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**AMENDMENTS TO THE 2001-02 BUDGET (Continued)**

**TRANSFERS OF FUNDS**

**RBC#**

**PLANT FUNDS**

12. Amount of Transfer: \$ 6,000,000 029

From: Vice President and Chief Financial  
Officer – Renewals and Replacements Fund

To: Vice President for Employee and Campus  
Services – Renewal and Replacement Projects

To provide funding for various future Physical Plant repair projects in fiscal  
year 2001-02.

13. Amount of Transfer: \$ 2,000,000 028

From: Vice President and Chief Financial  
Officer – Designated Tuition

To: Vice President for Employee and Campus  
Services – 19982002 Academic Space Improvements

To provide funding for various future Physical Plant repair projects in fiscal  
year 2001-02. Project reviewed and approved per Designated Tuition  
Schedule.

14. Amount of Transfer: \$ 1,000,000 030

From: Vice President and Chief Financial  
Officer – Designated Tuition

To: Vice President for Employee and Campus  
Services – Physical Plant Repair Projects  
Funded from Designated Tuition

To provide funding for various future Physical Plant repair projects in fiscal  
year 2001-02.



THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
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**OTHER FISCAL ITEMS**

**EMPLOYMENT AGREEMENTS**

The following agreements have been awarded, have been approved by the Executive Vice Chancellor for Academic Affairs, and are recommended for ratification by the U. T. Board of Regents. Employment under this agreement is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, Big XII Conference, and the Rules and Regulations of the Board of Regents of The University of Texas System and The University of Texas at Austin.

1. Item: Women's Head Softball Coach  
Funds: \$65,000 Annually plus incentives  
Period: April 1, 2000 through March 31, 2005  
Description: Agreement for employment of Head Softball Coach, Connie Clark, for the above-designated period following the standard coach's employment contract prepared by the Office of the General Counsel.
  
2. Item: Women's Head Volleyball Coach  
Funds: \$91,000 Annually plus incentives  
Period: April 18, 2001 through August 31, 2004  
Description: Agreement for employment of Head Volleyball Coach, Jerritt Elliott, for the above-designated period following the standard coach's employment contract prepared by the Office of the General Counsel.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
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OTHER FISCAL ITEMS (Continued)

EMPLOYMENT AGREEMENTS

3. Item: Women's Head Rowing Coach  
Funds: \$63,600 Annually plus incentives  
Period: April 1, 2000 through March 31, 2004  
Description: Agreement for employment of Head Golf Coach, Carie Graves, for the above-designated period following the standard coach's employment contract prepared by the Office of the General Counsel.
4. Item: Women's Co-Head Swimming Coach  
Funds: \$61,480 Annually plus incentives  
Period: April 1, 2000 through March 31, 2003  
Description: Agreement for employment of Co-Head Swimming Coach, Jill Sterkel, for the above-designated period following the standard coach's employment contract prepared by the Office of the General Counsel.
5. item: Women's Co-Head Swimming Coach  
Funds: \$61,480 Annually plus incentives  
Period: June 12, 2000 through March 31, 2003  
Description: Agreement for employment of Co-Head Swimming Coach, Mike Walker, for the above-designated period following the standard coach's employment contract prepared by the Office of the General Counsel.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
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OTHER FISCAL ITEMS (Continued)

EMPLOYMENT AGREEMENTS

6. Item: Women's Head Golf Coach
- Funds: \$61,480 annually plus incentives
- Period: April 1, 2000 through March 31, 2003
- Description: Agreement for employment of Head Golf Coach, Susan Watkins, for the above-designated period following the standard coach's employment contract prepared by the Office of the General Counsel.

THE UNIVERSITY OF TEXAS AT AUSTIN  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

FEES AND MISCELLANEOUS CHARGES

DIFFERENTIAL GRADUATE TUITION CHARGES

Ratification is recommended for the following differential graduate tuition charges for the Spring 2002 and Summer 2002 semesters. The fee has been the subject of discussion with representative students and has been administratively approved by the Executive Vice Chancellor for Academic Affairs. A portion of the increase will be used for financial assistance for students impacted by the increase.

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

<u>Academic Program</u>	<u>Current Fee</u>		<u>Proposed Fee</u>	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
Per Semester Credit Hour College of Pharmacy (Professional Pharmacy and Pharm. D.)	\$42.00	\$253.00	\$63.00	\$274.00

THE UNIVERSITY OF TEXAS AT DALLAS  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

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THE UNIVERSITY OF TEXAS AT DALLAS  
U.T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**GIFTS**

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

1. Donor Name: Mr. James R. Von Ehr, II  
College/School/ Department: Erik Jonsson School of Engineering and Computer Science  
Purpose: To support the Erik Jonsson School of Engineering and Computer Science  
Asset Type: Cash  
Value: \$797,146

THE UNIVERSITY OF TEXAS AT DALLAS  
 U.T. BOARD OF REGENTS' MEETING  
 NOVEMBER 8, 2001

AMENDMENTS TO THE 2000-01 BUDGET

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the Executive Vice Chancellor for Academic Affairs and are recommended for ratification by the U. T. Board of Regents.

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

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate</u>	
<u>APPOINTMENTS AND PROMOTIONS</u>					
ERIK JONSSON SCHOOL OF ENGINEERING AND COMPUTER SCIENCE					
Professor					
1. Andrew J. Blanchard (T)	01/01-05/31	100	09	125,000	35
Associate Professor					
2. Gil Sik Lee (T)	08/01-08/31	100	09	90,000	40
SCHOOL OF NATURAL SCIENCES AND MATHEMATICS					
Biology					
Professor and Program Head					
3. Steven R. Goodman (T)	08/01-08/31	100	09	162,000	37
SCHOOL OF MANGEMENT					
Professor					
4. Vijay Mookerjee (T)	06/01-08/31	100	09	135,000	36
Associate Professor					
5. Houmin Yan (T)	08/01-08/31	100	09	95,000	38

THE UNIVERSITY OF TEXAS-PAN AMERICAN  
U. T. BOARD OF REGENTS' MEETING  
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THE UNIVERSITY OF TEXAS – PAN AMERICAN  
 U. T. BOARD OF REGENTS' MEETING  
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**AMENDMENTS TO THE 2000-01 BUDGET**

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the Executive Vice Chancellor for Academic Affairs and are recommended for ratification by the U. T. Board of Regents.

The term "rate" for academic institutions is the full-time nine-month base rate and for health institutions is the full-time twelve-month base rate; for all other personnel it is the full-time rate, the appointee receiving a proportionate amount depending upon the fraction of time for which the individual is appointed and the period of appointment. Source of funds for payment of salaries, unless otherwise shown, is the departmental salaries account.

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate</u>	

**APPOINTMENTS AND PROMOTIONS**

COLLEGE OF EDUCATION, OFFICE OF UNDERGRADUATE STUDIES  
 Department of Educational Psychology

1. Ana Maria Rodriguez (T)					23
From: Associate Professor		100	09	62,693	
To: Assistant Vice President for Undergraduate Studies and Associate Professor	07/01/01	100	12	93,031	
	07/01/01	0	09	62,693	

COLLEGE OF SOCIAL AND BEHAVIORAL SCIENCES  
 Dean and Professor

2. Homer Garcia (T)	07/16/01	100	12	97,500	25
	07/16/01	0	09	68,000	

THE UNIVERSITY OF TEXAS – PAN AMERICAN  
U. T. BOARD OF REGENTS' MEETING  
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**OTHER FISCAL ITEMS**

**EMPLOYMENT AGREEMENTS**

The following agreement has been awarded, has been approved by the Executive Vice Chancellor for Academic Affairs, and is recommended for ratification by the U. T. Board of Regents. Such employment under these agreements is subject to the Constitution and Bylaws of the National Collegiate Athletic Association, any intercollegiate athletic conference of which The University of Texas - Pan American is a member, and the Rules and Regulations of the Board of Regents of The University of Texas System and The University of Texas – Pan American. The violation of the provisions of such constitution, bylaws, rules or regulations shall be grounds for suspension without pay or dismissal.

1. Item: Head Men's/ Women's Track & Cross Country Coach  
Funds: \$31,119.84  
Period: August 10, 2001 through June 30, 2002  
Description: Agreement for employment of Head Men's/ Women's Track & Cross Country Coach, Ricky Vaughn, for the above-designated period following the standard coach's employment contract prepared by the Office of General Counsel.

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN  
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THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN  
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**CONTRACTS**

The following agreement has been awarded, has been administratively approved by the President and is recommended for approval by the U. T. Board of Regents.

**NONINTELLECTUAL PROPERTY-RELATED  
SOFTWARE LICENSE AGREEMENT - FOREIGN**

**(FUNDS GOING OUT)**

1. Country: Canada  
Licensee: iWave.com, Inc. and Rainforest Publications, Inc.  
Funds: \$2,995  
Period: September 11, 2001 – November 11, 2002  
Title: Access to Prospect Research Online database which combines philanthropic data from corporations, foundations, donors, and board lists in a comprehensive system.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO  
U. T. BOARD OF REGENTS' MEETING  
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THE UNIVERSITY OF TEXAS AT SAN ANTONIO  
U. T. BOARD OF REGENTS' MEETING  
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APPOINTMENT, REAPPOINTMENT OR PROMOTION OF RELATIVES  
AND MARRIAGE OF CERTAIN EMPLOYEES

The following personnel actions involving the appointment, reappointment or promotion of relatives have been administratively approved by the Executive Vice Chancellor for Academic Affairs. The personnel actions are consistent with the provisions of state law and the Regents' Rules and Regulations Part One, Chapter III, Section 5, Subsection 5.3, Subdivision 5.31.

College, Department, Title, Name    College, Department, Title, Name

PROPOSED REAPPOINTMENT	RELATIVE
1. Office of the President President Ricardo Romo	College of Education & Human Development Division of Bicultural-Bilingual Studies Associate Professor Department of Interdisciplinary Studies/Curriculum Studies Associate Professor Harriett Romo (spouse)
2. College of Liberal & Fine Arts Department of Psychology Department Chair Richard Wenzlaff	College of Liberal & Fine Arts Department of Psychology Associate Professor Ann Eisenberg (spouse)

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
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THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
U. T. BOARD OF REGENTS' MEETING  
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GIFTS

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

1. Donor Name: Aventis Pharmaceuticals Inc.  
College/School/ Department: Institution  
Purpose: Support of The Alliance for Cellular Signaling activities under the direction of Dr. Alfred G. Gilman  
Asset Type: Cash  
Value: \$625,000
  
2. Donor Name: Pharmacia and Upjohn Company  
College/School/ Department: Institution  
Purpose: Support of the continuing education audio conference entitled, "COX-2 Specific Inhibition"  
Asset Type: Cash  
Value: \$689,913
  
3. Donor Name: Raymond Willie, Jr. Trust  
College/School/ Department: Institution  
Purpose: Support of various activities at the Medical Center  
Asset Type: Cash  
Value: \$9,000,000

\* No letter of transmittal from the donor



THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**CONTRACTS**

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

**GENERAL CONTRACT**

**(FUNDS COMING IN)**

1. Agency: Dallas County Hospital District  
Funds: \$54,988,778  
Period: October 1, 2000 through September 30, 2001  
Description: To provide professional and technical support services.

**NONINTELLECTUAL PROPERTY-RELATED  
SPONSORED RESEARCH AGREEMENTS - FOREIGN**

**(FUNDS COMING IN)**

2. Country: Canada  
Grantor: Axcan Pharma Inc.  
New Funds: \$10,450  
Current Period: Grant letter dated May 8, 2001  
Title/Description: Support for the study entitled, "A Multicenter, Partially Blinded, Randomized Phase 3 Study of the Efficacy and Safety of Photodynamic Therapy using PHOTOFRIN® (porfimer sodium) for Injection for the Ablation of High-grade Dysplasia in Barrett's Esophagus" under the direction of J. Steven Burdick, M.D., Department of Internal Medicine.
3. Country: United Kingdom  
Grantor: Tissue Science Laboratories plc  
New Funds: \$51,081.25  
Current Period: Agreement letter dated June 21, 2001  
Title/Description: Support for the study entitled, "A Multicenter Double Blind Randomized Study into the Safety and Efficacy of Permacol™ Injection versus Contigen® as a Urethral Bulking Agent in the Treatment of Urinary Stress Incontinence due to Intrinsic Sphincter Deficiency" under the direction of Philippe Zimmern, M.D., Department of Urology.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
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CONTRACTS (Continued)  
INTELLECTUAL PROPERTY AGREEMENTS –  
NONSTANDARD MATERIAL TRANSFER AGREEMENTS – FOREIGN

4. Agency: Carmel Biosensors  
Israel  
Funds: Material Transfer Agreement  
Period: Beginning March 14, 2001  
Description: Transfer of biological material, which was developed by Christopher Newgard, Ph.D., Department of Biochemistry, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the electrical activity of the cell line for research entitled "The Use of Engineered Insulin Secreting Cells in Treatment of Diabetes."
5. Agency: Kazusa DNA Research Institute  
Japan  
Funds: Material Transfer Agreement  
Period: Beginning July 26, 2001  
Description: Transfer of human cDNA clones named KIAA1592, KIAA1616 and KIAA169, which were developed by Ilya Bezprozvanny, Ph.D., Department of Physiology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to obtain full-length clones and to investigate function of these proteins in expression studies.
6. Agency: Kazusa DNA Research Institute  
Japan  
Funds: Material Transfer Agreement  
Period: Beginning August 14, 2001  
Description: Transfer of EST clones named AV627319 and AV395660 together with any related biological material or associated know-how and data to be used for research by William Snell, Ph.D., Department of Cell Biology, to study the part of a gene that might be involved in cell movement.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
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**CONTRACTS (Continued)**  
**INTELLECTUAL PROPERTY AGREEMENTS -**  
**NONSTANDARD MATERIAL TRANSFER AGREEMENTS - FOREIGN**

7. Agency: McMaster University  
Canada  
Funds: Material Transfer Agreement  
Period: Beginning August 2, 2001  
Description: Transfer of biological cell material including hTERT promoter fragments, HSV-TK plasmids, retrovirus constructs, hTERT deletion constructs and rat cell lines expressing HSV-TK under control of the hTERT promoter, which were developed by Jerry Shay, Ph.D., Department of Cell Biology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas for research purposes. The cells and DNA will be used to identify a repressor of telomerase.
8. Agency: Merck Sharp & Dohme Research Laboratories  
United Kingdom  
Funds: Material Transfer Agreement  
Period: Beginning August 16, 2001  
Description: Transfer of 100µl of 2mM L-685458 compound, which was developed by Joachim Herz, M.D., Department of Molecular Genetics, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the effect of Amyloid Protein Precursor processing on cellular signal transduction related to research on Alzheimer's disease.
9. Agency: Ontario Cancer Institute  
Canada  
Funds: Material Transfer Agreement  
Period: Beginning August 21, 2001  
Description: Transfer of tie2-cre transgenic mice, which were developed by Masashi Yanagisawa, M.D., Ph.D., Department of Biophysics and Molecular Genetics, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the functional relevance of apoptosis and cell proliferation in vascular development.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
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**CONTRACTS (Continued)**  
**INTELLECTUAL PROPERTY AGREEMENTS –**  
**NONSTANDARD MATERIAL TRANSFER AGREEMENTS – FOREIGN**

10. Agency: Taisho Pharmaceutical Co., Ltd.  
Japan  
Funds: Material Transfer Agreement  
Period: Beginning August 2, 2001  
Description: Transfer of 150 mg HET0016 compound, which was developed by Charles Rosenfeld, M.D., Department of Pediatrics, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the effects of 20-HETE enzyme inhibitor on the uterine response to estrogen.
11. Agency: Unite de Biologie du Developpement  
France  
Funds: Material Transfer Agreement  
Period: Beginning June 24, 2001  
Description: Transfer of HSF1 experimental mice model, which were developed by Ivor J. Benjamin, M.D., Department of Internal Medicine, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the ability of *Hsf1*<sup>-/-</sup> oocyte cytoplasm to sustain further development of transferred foreign nucleus. Research is related to infertility.
12. Agency: Universitätsklinikum Ulm  
Germany  
Funds: Material Transfer Agreement  
Period: Beginning August 13, 2001  
Description: Transfer of SGBS cell line, which was developed by Abhimanyu Garg, M.D., Department of Internal Medicine, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas for research to determine underlying mechanisms involved in differentiation of these cells to adipocytes and study effects of various drugs on this process.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
U. T. BOARD OF REGENTS' MEETING  
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**CONTRACTS (Continued)**  
**INTELLECTUAL PROPERTY AGREEMENTS -**  
**NONSTANDARD MATERIAL TRANSFER AGREEMENTS - FOREIGN**

13. Agency: University of Alberta  
Canada  
Funds: Material Transfer Agreement  
Period: Beginning July 26, 2001  
Description: Transfer of calcineurin transgenic mice, which were developed by Eric Olson, Ph.D., Department of Molecular Biology, together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the role of calreticulin in cardiac development and pathology.
14. Agency: Walter and Eliza Hall Institute of Medical Research  
Australia  
Funds: Material Transfer Agreement  
Period: Beginning June 6, 2001  
Description: Transfer of mice harboring tetracycline regulated PDX1, which were developed by Michael A. Hale, Ph.D., Department of Molecular Biology, (under the direction of Raymond J. MacDonald, Ph.D.) together with any related biological material or associated know-how and data that will be provided by The University of Texas Southwestern Medical Center at Dallas to study the ability of the pancreas to regenerate in these mouse lines.

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**CONTRACTS (Continued)**  
**INTELLECTUAL PROPERTY AGREEMENTS - GRANTS**

**(FUNDS COMING IN)**

15. Agency: National Institutes of Health  
National Institute on Drug Abuse  
Funds: \$1,100,227  
Period: July 1, 2001 through June 30, 2002  
Description: Grant # 5 PO1 DA08227-10 entitled "Molecular Neurobiology of Drug Addiction"
16. Agency: National Institutes of Health  
National Institute of Arthritis and Musculoskeletal and Skin Diseases  
Funds: \$613,680  
Period: June 7, 2001 through May 31, 2002  
Description: Grant # 2 P30 AR41 940-1 0 entitled "Skin Diseases Research Core Center"
17. Agency: National Institutes of Health  
National Center for Research Resources  
Funds: \$1,486,595  
Period: August 15, 2001 through July 31, 2002  
Description: Grant # 2 P41 RR02584-14 entitled "Southwestern NMR Center for In Vivo Metabolism"
18. Agency: National Institutes of Health  
National Institute on Aging  
Funds: \$1,397,006  
Period: May 1, 2001 through March 31, 2002  
Description: Grant # 5 P30 AG12300-08 entitled "Neurobiology of Alzheimer's Disease and Aging"
19. Agency: National Institutes of Health  
National Heart, Lung and Blood Institute  
Funds: \$1,961,143  
Period: July 1, 2001 through June 30, 2002  
Description: Grant # 5 PO1 HL06296-41 entitled "Response and Adaptation to Exercise"

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
U. T. BOARD OF REGENTS' MEETING  
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**CONTRACTS (Continued)**  
**INTELLECTUAL PROPERTY AGREEMENTS - GRANTS**

**(FUNDS COMING IN)**

20. Agency: National Institutes of Health  
National Heart, Lung and Blood Institute  
Funds: \$3,488,308  
Period: August 1, 2001 through July 31, 2002  
Description: Grant # 5 U01HL66880-02 entitled "Genomics and Proteomics of Cell Injury and Inflammation"
21. Agency: National Institutes of Health  
National Heart, Lung and Blood Institute  
Funds: \$4,277,091  
Period: July 1, 2001 through June 30, 2002  
Description: Grant # 5 PO1 HL20948-25 entitled "Molecular Basis of Cholesterol Metabolism"
22. Agency: National Institutes of Health  
National Institute of Mental Health  
Funds: \$7,336,162  
Period: April 1, 2001 through March 31, 2002  
Description: Grant # N01-MH90003 entitled "Sequenced Treatment Alternatives to Relieve Depression (STAR\*D)"
23. Agency: Department of Health and Human Services  
Health Resources & Services Administration  
Funds: \$1,140,251  
Period: August 1, 2001 through July 31, 2002  
Description: Grant # 2 H12 HA00036-13 entitled "Ryan White Title IV Program"
24. Agency: Research Triangle Institute  
Funds: \$1,986,880  
Period: October 1, 2001 through April 30, 2002  
Description: Project # 7515 (Encumbrance # GMO-000037) entitled "The Donald W. Reynolds Cardiovascular Clinical Research Center"

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**AMENDMENTS TO THE 2000-01 BUDGET**

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

<u>TRANSFER OF FUNDS</u>		<u>RBC #</u>
Office of the Dean		
1. Amount of Transfer	\$ 750,000	38
From: Unallocated Research Center of Excellence Faculty Salaries		
To: Internal Medicine Research Center of Excellence		

Additional funds to support increased responsibilities to provide primary care services.



THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
U. T. BOARD OF REGENTS' MEETING  
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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**GIFTS**

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

1. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: John Sealy Hospital  
Purpose: Payment in full of grant for the John Sealy Hospital Equipment Renewal Program -Clinical Information Systems.  
Asset Type: Cash  
Value: \$2,250,000
2. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: John Sealy Hospital  
Purpose: Payment on grant for equipment to support patient care activities at the John Sealy Hospital.  
Asset Type: Cash  
Value: \$1,562,000
3. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: John Sealy Hospital  
Purpose: Payment in full for the John Sealy Hospital Equipment Renewal Program - Patient Monitoring Systems.  
Asset Type: Cash  
Value: \$1,000,000
4. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: World Health Organization (WHO) Collaborating Center for Tropical Diseases  
Purpose: Payment in full of grant for the establishment of a Distinguished University Chair in Tropical Medicine to support the work of the Director of the new Biosafety Laboratory, Level 4, (BSL-4) facility. (UTMB will match the \$1,000,000 grant.)  
Asset Type: Cash  
Value: \$1,000,000

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8.2001

**GIFTS (Continued)**

5. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: Department of Radiation Oncology  
Purpose: Payment on grant for the Department of Radiation Oncology renovation and equipment.  
Asset Type: Cash  
Value: **\$700,000**
6. Donor Name: The Sealy & Smith Foundation  
College/School/ Department: School of Medicine, School of Nursing, School of Allied Health Sciences, Graduate School of Biomedical Sciences  
Purpose: Payment on grant for the Initiative for Educational Innovation and Excellence - Facilities Renovation to accommodate the "new curriculum" needs of the four schools.  
Asset Type: Cash  
Value: **\$560,000**

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8.2001

**CONTRACTS**

The following contract or agreement has been awarded, has been administratively approved by the President (or his delegate) and is recommended for approval by the U. T. Board of Regents.

**GENERAL CONTRACT**

**(FUNDS COMING IN)**

- |              |   |
|--------------|---|
| 1. Agency:   | Texas Department of Health  |
| Funds:       | \$1,364,452   |
| Period:      | September 1, 2001 through September 30, 2002  |
| Description: | The University of Texas Medical Branch at Galveston will provide audiological and otological services to hearing-impaired persons, promote public safety and injury prevention through well-coordinated poison control activities within the State of Texas, provide comprehensive genetic services which include diagnosis, management of genetic problems, long term follow-up, support services for the family, and genetic counseling and conduct human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) surveillance expanded initiatives and evaluation services. |

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 U. T. BOARD OF REGENTS' MEETING  
 NOVEMBER 8, 2001

**AMENDMENTS TO THE 2000-01 BUDGET**

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

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

<u>Item, Department, Title, Name</u>	<u>Effective</u> <u>D a t e -</u>	<u>%</u> <u>Time</u>	<u>No.</u> <u>Mos.</u>	<u>Full-time</u> <u>Salary</u> <u>Rate</u>	<u>RBC #</u>
<b><u>APPOINTMENTS AND PROMOTIONS</u></b>					
GRADUATE SCHOOL OF BIOMEDICAL SCIENCES; RESEARCH ENHANCEMENT					
Graduate School; Interferon Research Program - Microbiology					
1. Dorian Copperhaver (T)					58
From: Associate Professor		100	12	53,686	
To: Associate Director for Basic Biomedical Sciences Curriculum, Graduate School; Associate Professor, Interferon Research Program - Microbiology	07/01-08/31	100	12	59,686	

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON  
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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON  
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**GIFTS**

The following bequest has been received, has been administratively approved by the Health Affairs Committee, and is recommended by the Chancellor for acceptance by the U. T. Board of Regents.

1. Donor Name: Estate of Eula Goss Wintermann  
College/School/ Department: U. T. Health Science Center - Houston  
Purpose: Faculty retreats and similar uses  
Asset Type/Value: a. Cash of \$2,000,000  
b. 46 acre tract, P. Reels Survey, A-475 Colorado County, Texas, including improvements located at 1246 Lakeside Drive, Eagle Lake, TX, 77434 valued at \$639,880  
c. Private art collection valued at \$1,700,000
- Remarks: The Last Will and Testament of Mrs. Wintermann stipulates that the assets received from her estate are to be held in perpetuity. Should the University fail to use said property for the purposes expressed under Mrs. Wintermann's Will, the Will provides that said property and any remaining funds shall be transferred to a successor educational institution selected by the last serving executor of the Wintermann Estate. Funds received from Mrs. Wintermann's Estate were bequeathed to the U. T. Board of Regents for the express purpose of providing financial resources to maintain, upkeep, repair and pay expenses with respect to the property.
- The acceptance of this property is subject to the completion of an environmental assessment, survey and title policy in accordance with the "Gift Policy Guidelines for Real Estate and Minerals."

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**CONTRACTS**

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

**GENERAL CONTRACTS**

**(FUNDS GOING OUT)**

1. Agency: Inrecon, LLC  
Funds: \$5,000,000  
Period: June 13, 2001 through August 31, 2001  
Description: Tropical Storm Allison disaster recovery emergency cleaning services at the U. T. Health Science Center – Houston
2. Agency: Texan Electric  
Funds: \$3,335,000  
Period: June 10, 2001 through December 31, 2001  
Description: Restoration of electrical services to the Medical School after Tropical Storm Allison
3. Agency: Way Engineering Ltd.  
Funds: \$1,500,000  
Period: June 13, 2001 through December 31, 2001  
Description: Restoration of heating, ventilating and air conditioning to the Medical School after Tropical Storm Allison
4. Agency: Way Engineering Ltd.  
Funds: \$2,730,000  
Period: July 13, 2001 through September 15, 2001  
Description: Relocation of Gross Anatomy Laboratory to Operations Center Building after Tropical Storm Allison



THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON  
 U. T. BOARD OF REGENTS' MEETING  
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**AMENDMENTS TO THE 2000-01 BUDGET**

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the Executive Vice Chancellor for Health Affairs and are recommended for ratification by the U. T. Board of Regents.

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

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate</u>	
<b>MEDICAL SCHOOL; ADMINISTRATIVE SUPPORT</b>					
Internal Medicine – Cardiology, President					
1. Samuel W. Casscells, III					096
From: The John Edward Tyson		100	12	237,251	
Distinguished Professorship (T)		SUPLT	12	20,000	
To: The John Edward Tyson Distinguished					
Professorship (T) and	7/9	100	12	257,251	
Interim Vice President for	7/9	SUPLT	12	42,749	
Biotechnology					
Internal Medicine, Cardiology					
2. Francisco Fuentes					085
From: Professor of Medicine		100	12	125,647	
To: Professor of Medicine and Theodore					
R. and Maureen O'Driscoll Levy	5/1	100	12	189,561	
Professor in Cardiology					

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON  
 U. T. BOARD OF REGENTS' MEETING  
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**AMENDMENTS TO THE 2000-01 BUDGET (Continued)**

<u>Item. Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate</u>	
<b>MEDICAL SCHOOL (Continued)</b>					
<b>Orthopaedic Surgery</b>					
3. Thomas O. Clanton					<b>088</b>
From: Professor and Chairman (T)		<b>100</b>	12	470,400	
		SUPLT	12	45,000	
To: Professor and Edward T. Smith, M.D. Chair in Orthopaedic Surgery (T)	5/1 5/1	100 SUPLT	12 12	470,400 45,000	
<b>ADMINISTRATION</b>					
<b>Family Practice, AA-Community Outreach and Education</b>					
4. Kathleen Becan-McBride (T)					<b>097</b>
From: Professor		100	12	81,808	
To: Professor Director of Community Outreach	8/1 8/1	100 SUPLT	12 12	81,808 12,500	
<b>DENTAL BRANCH</b>					
<b>Academic Affairs, Stomatology</b>					
5. John R. Ludington, Jr. (T)					<b>090</b>
From: Associate Dean Associate Professor		100 SUPLT	12 12	116,562 5,000	
To: Associate Professor Interim Chairman	7/1 7/1	100 SUPLT	12 12	116,562 13,438	

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
U. T. BOARD OF REGENTS' MEETING  
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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

GIFTS

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

1. Donor Name: Anonymou – at donor request  
College/School/ Department: Department of Psychiatry  
Purpose: Alcoholism prevention and treatment  
Asset Type: Cash  
Value: \$800,000

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
U. T. BOARD OF REGENTS' MEETING  
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**CONTRACTS**

The following contracts or agreements have been awarded, have been administratively approved by the President or his delegate and are recommended for approval by the Board of Regents.

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH  
AGREEMENTS • FOREIGN**

**(FUNDS COMING IN)**

1. Country: Denmark  
Grantor: Novo Nordisk Pharmaceuticals, Inc.  
New Funds: 560,560  
Current Period: March 13, 2001 – March 12, 2003  
Title/Description: Clinical Trial ID No. HGH-2051, Concentration Control Trial of Norditropin® SimpleXx™ in Children with Growth Hormone Deficiency
  
2. Country: France  
Grantor: Bristol-Myers/Sanofi Pharmaceuticals, Inc. Partnership  
New Funds: \$100,000  
Current Period: June 1, 2001 – June 1, 2002  
Title/Description: Secondary Prevention for Small Subcortical Strokes
  
3. Country: Israel  
Grantor: The United States-Israel Binational Science Foundation  
New Funds: 510,637  
Current Period: September 1, 2001 – August 31, 2002  
Title/Description: Investigation of Prolactin and Growth Hormone Receptor- Mediated Transduction

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
U. T. BOARD OF REGENTS' MEETING  
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**OTHER MATTERS**

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

The following items have been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and are submitted for ratification by the Board of Regents. It has been determined that the holding of these offices or positions is of benefit to the State of Texas and The University of Texas and there is no conflict between holding the positions and the appointments of Dr. Williams and Dr. Bready with The University of Texas Health Science Center -- San Antonio.

1. Name: Janet F. Williams, M.D.  
Title: Associate Professor, Department of Pediatrics  
Position: Selected by the project director to participate as a member in the Faculty Development Fellowship of the U.S. Health Resources and Services Administration (HRSA) - Association for Medical Education and Research in Substance Abuse (AMERSA) Interdisciplinary Program to Improve Health Professional Education in Substance Abuse  
Period: May 2001 to May 2003  
Compensation: Annual \$1,500 consultation fee (\$500/day (\$62.50/hour) x 3 days) plus travel expenses to two annual project meetings not to exceed total fee for services and expenses of \$4,800  
Description: Mentoring UTHSCSA interdisciplinary faculty group to develop, augment, and implement interdisciplinary curricula regarding the gamut of substance abuse education in health professions.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO  
U. T. BOARD OF REGENTS' MEETING  
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**OTHER MATTERS (Continued)**

**APPROVAL OF DUAL POSITIONS OF HONOR, TRUST, OR PROFIT (Continued)**

2. Name: Lois L. Bready, M.D.  
Title: Professor of Anesthesiology and Assistant Dean for Graduate Medical Education  
Position: Appointed as a member of the Department of Health and Human Services/Food and Drug Administration's Anesthesiology and Respiratory Therapy Devices Panel of the Medical Devices Advisory Committee and consultant to other panels of the Medical Devices Advisory Committee and to the Center for Devices and Radiological Health  
Period: December 1998 to November 2002  
Compensation: \$150 per diem for meetings requiring travel plus occasional homework assignments paid at an hourly rate of \$18.75  
Description: Dr. Bready may be requested to independently review matters necessary to the accomplishment of the mission of the Center for Devices and Radiological Health.

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER  
U. T. BOARD OF REGENTS' MEETING  
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THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8.2001

**GIFTS**

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

- |                 |                              |
|-----------------|------------------------------|
| 1. Donor Name:  | W. M. Keck Foundation        |
| College/School/ |                              |
| Department:     | Institution                  |
| Purpose:        | Human Cancer Gene Prevention |
| Asset Type:     | Cash                         |
| Value:          | \$1,000,000                  |

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**CONTRACTS**

The following contracts or agreements have been awarded, have been administratively approved by the President (or his delegate), and are recommended for approval by the U. T. Board of Regents:

**(FUNDS COMING IN)**

**INTELLECTUAL PROPERTY AGREEMENTS -  
SPONSORED RESEARCH AGREEMENT**

1. Agency: Allcure, Inc.  
Funds: \$1,320,319  
Period: July 10, 2001 until written agreement of both parties  
Description: Human Malignant Lymphoma Models in Immune Deficient Rodents (Mice)

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH  
AGREEMENTS - FOREIGN**

2. Country: Canada  
Grantor: Veracel, Inc.  
Funds: \$64,750  
Current Period: July 31, 2001 for 12 months  
Title/Description: Detection of Breast Cancer Cells in Peripheral Blood Using Automated Immunocytochemistry
3. Country: Denmark  
Grantor: International Association for the Study of Lung Cancer  
New Funds: \$30,000  
Current Period: January 1, 2001 through December 31, 2001  
Title/Description: DNA Repair Variability and Lung Cancer Risk

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH  
AGREEMENTS – FOREIGN (Continued)**

**(FUNDS COMING IN)**

4. Country: Canada  
Grantor: Shire Biochem Inc.  
New Funds: \$10,000 for each patient who completes the Study up to a maximum of \$500,000  
Current Period: July 13, 2001 until completion of the Study  
Title/Description: A Multicenter Prospective Randomized Phase II Study of Idarubicin and ARA-C vs. Troxatyl™ and ARA-C vs. Troxatyl and Idarubicin in Previously Untreated Patients 60 years or Older with Adverse Karyotype AML, RAEB, or RAEB-T
5. Country: England  
Grantor: British Biotech Pharmaceuticals Limited  
New Funds: \$349,069  
Current Period: April 30, 2001 until completion of the Study  
Title/Description: A Phase I, Open Label, Dose Escalation Study of Weekly Dosing with BB-10901, followed by a Phase II Efficacy Expansion
6. Country: Japan  
Grantor: Daiichi Radioisotope Laboratories, Ltd.  
New Funds: \$75,000  
Current Period: July 1, 2001 through July 2, 2002  
Title/Description: Molecular Imaging with Labeled Peptide Conjugates
7. Country: Germany  
Grantor: Schering Aktiengesellschaft  
New Funds: \$250,000  
Current Period: June 14, 2001 and ends upon receipt by Schering Aktiengesellschaft of the Final Report  
Title/Description: Conduct Certain Laboratory and Preclinical Research to Evaluate Strategies to Increase Sensitivity and Overcome Resistance to Fludarabine

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001

**NONINTELLECTUAL PROPERTY-RELATED SPONSORED RESEARCH  
AGREEMENTS – FOREIGN (Continued)**

**(FUNDS COMING IN)**

8. Country: United Kingdom  
Grantor: Xenova Limited  
New Funds: \$179,879  
Current Period: June 27, 2001 for 12 months  
Title/Description: Phase II Study to Evaluate XR9576, a Selective MDR-1  
Inhibitor, in Chemotherapy Resistant Advanced Breast  
Cancer

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8.2001

**PLANS TO MANAGE POTENTIAL CONFLICTS OF INTEREST  
FOR DR. MIEN-CHIE HUNG AND ALCHEMGEN THERAPEUTICS, INC.**

The University of Texas M. D. Anderson Cancer Center ("UTMDACC") on behalf of the Board of Regents, wishes to enter into an exclusive patent license agreement with Alchemgen Therapeutics, Inc. ("Licensee"), a Delaware corporation having a principal place of business in Houston, Texas. The license agreement will cover inventions in the field of cancer diagnostics and therapeutics as listed in Attachment A (collectively the "Inventions"). The Inventions were developed by Dr. Mien-Chie Hung and other UTMDACC employees. Dr. Hung is Chairman of the Department of Molecular & Cellular Oncology, Director of the Breast Cancer Basic Research Program, and holds the Ruth Legett Jones Chair at UTMDACC.

The provisions of this exclusive license agreement have been reviewed and approved by UTMDACC pursuant to the Regents' Rules and Regulations and in accordance with the Office of General Counsel's requirements. Under the proposed terms of the patent license agreement, Licensee is granted a royalty-bearing, exclusive license to manufacture, have manufactured, use, sell, offer to sell, and import Invention(s).

As consideration for the exclusive license, Licensee will provide UTMDACC running royalties depending on product type, and milestones and other payments for each Invention listed in Attachment A.

The parties have agreed to reduce all consideration by one-half if a patent does not issue within seven years from the date the patent application is filed.

In addition, Licensee agrees to sponsor research at UTMDACC for \$1,000,000 per year for five years.

The license agreement also includes sublicense provisions, payment of all future patent expenses, and standard language indemnifying the Board of Regents.

Dr. Mien-Chie Hung currently holds 4,000,000 shares of stock in Licensee and will also serve as Chief Scientific Officer and as a Board member of Licensee. Nevertheless, UTMDACC has determined that a license to a privately owned company is appropriate because the activities of Licensee involve applied research and the manufacturing of products derived from Inventions, whereas Dr. Hung's laboratory performs basic research.

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
U. T. BOARD OF REGENTS' MEETING  
NOVEMBER 8, 2001  
**PLANS TO MANAGE POTENTIAL CONFLICTS OF INTEREST (Continued)**  
**Dr. Mien-Chie Hung (Continued)**

Additionally, UTMDACC has implemented a Conflict of Interest Management Plan to minimize or eliminate the likelihood that actual conflicts will arise. Under this plan:

1. Dr. Hung will submit written descriptions\* of ongoing and planned research conducted in his laboratory to UTMDACC's Conflict of Interest Committee for review of any potential conflicts of interest pursuant to the GUIDING PRINCIPLES GOVERNING CONFLICTS OF INTEREST AND COMMITMENT TO THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER;
2. Additionally, Dr. Hung will submit written descriptions\* of ongoing and planned research conducted in his laboratory to Dr. Margaret L. Kripke, Senior Vice President and Chief Academic Officer, for review and supervision of all ongoing and planned research;
3. All projects must be approved by both the Conflict of Interest Committee and Dr. Kripke. If either the Conflict of Interest Committee or Dr. Kripke determines that performance of a specific research project is likely to result in an actual conflict of interest, then Dr. Hung will be required to modify the terms of any research or transfer such portions to an independent investigator to avoid actual conflicts of interest;
4. After the proposed research is finally approved, then Dr. Kripke will submit the proposed research to Dr. Leonard A. Zwelling, M.D., Vice President of Research Administration, for review, comment, and approval;
5. Pursuant to Dr. Zwelling's recommendation, the proposed research shall be submitted to President Mendelsohn for further review, comment, and approval;
6. Additionally, on an annual basis, Dr. Hung will be required to provide a detailed written report on the current state of research in his laboratory to the Conflict of Interest Committee and Dr. Kripke; and
7. Dr. Hung will also be required to submit to compliance audits by UTMDACC to investigate any potential conflicts of interest as they relate to the proposed license agreement.

The proposed arrangement is consistent with Section 51.912 of the Texas

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\* These written descriptions will be in the form of required annual reports for all agencies and entities currently providing research funding to Dr. Hung's laboratory (including Licensee) under any sponsored research agreement, as well as any new research proposals soliciting funding from public and private agencies.

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
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**PLANS TO MANAGE POTENTIAL CONFLICTS OF INTEREST (Continued)**  
**Dr. Mien-Chie Hung (Continued)**

Education Code and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to Part Two, Chapter XII, Sections 6, 7 and 8 of the Regents' Rules and Regulations, approval by the Board of Regents is necessary for Dr. Hung to hold equity in and serve as chief scientific officer and a board member of Licensee.

**Attachment A**

<b>UTMDACC File No. and Name</b>	<b>Title</b>	<b>Country/Filing</b>	<b>Inventors</b>
<b>MDA00-059 "E1A Invention"</b>	<b>"Akt oncogene and p38 pro-apoptotic gene as targets for E1 A gene therapy"</b>	<b>U.S. Provisional Application, March 25, 2001; Taiwan Application, March 22, 2001</b>	<b>Mien-Chie Hung, Yong Liao</b>
<b>MDA01 -026 "Beta-catenin Invention"</b>	<b>"Beta-catenin is a strong and independent prognostic factor for cancer"</b>	<b>U.S. Provisional Application, April 2, 2001</b>	<b>Mien-Chie Hung, Weiya Xia</b>
<b>MDA01 -038 "Emodin Invention"</b>	<b>"Emodin and other tyrosine kinase inhibitors as chemopreventive agents"</b>	<b>U.S. Provisional Application, May 9, 2001</b>	<b>Mien-Chie Hung, Yiu-Keung Lau, Yong Wen</b>
<b>MDA01 -043 "Mutant p21 Invention"</b>	<b>"Mutant p21 Waf1Cip1 as a potent form of growth inhibitor"</b>	<b>U.S. Provisional Application, May 9, 2001</b>	<b>Mien-Chie Hung, Bunhua P. Zhou</b>
<b>MDA01 -077 "EGF Receptor Invention"</b>	<b>"Nuclear localization of EGF receptor and its new role as a transcription factor"</b>	<b>U.S. Provisional Application, June 15, 2001</b>	<b>Mien-Chie Hung, Shiaw-Yih Lin</b>

THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER  
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**AMENDMENTS TO THE 2000-01 BUDGET**

The following Requests for Budget Changes (RBC's) have been administratively approved as required by the Executive Vice Chancellor for Health Affairs and are recommended for ratification by the U. T. Board of Regents.

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

<u>Item, Department, Title, Name</u>	<u>Effective Date</u>	<u>% Time</u>	<u>Full-time Salary</u>		<u>RBC #</u>
			<u>No. Mos.</u>	<u>Rate</u>	
<u>APPOINTMENTS AND PROMOTIONS</u>					
THORACIC, HEAD & NECK MEDICAL ONCOLOGY AND CANCER PREVENTION					
1. Reuben Lotan (T)					099
From: Associate Vice President, Professor and Irving & Nadine Mansfield and Robert David Levitt Cancer Research Chair		100	12	189,258	
To: Professor and Irving & Nadine Mansfield and Robert David Lovitt Cancer Research Chair	4/01	100	12	200,000	



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**OTHER MATTERS**

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

The following item has been approved by the Executive Vice Chancellor for Health Affairs in accordance with the Regents' Rules and Regulations, Part One, Chapter III, Section 13 and is submitted for ratification by the U. T. Board of Regents. It has been determined that the holding of this office is of benefit to the State of Texas and The University of Texas and there is no conflict between holding the position and the appointment of Dr. Bevers with The University of Texas M. D. Anderson Cancer Center.

1. Name: Therese Bartholomew Bevers, M.D.  
Title: Assistant Professor  
Position: Member, Board of Regents of Texas Woman's University  
Period: April 25, 2001 through February 1, 2007  
Compensation: None  
Description: On April 5, 2001 Governor Rick Perry appointed Dr. Bevers to serve as a member of the Board of Regents for Texas Woman's University. The Secretary of State, Henry Cuellar, certified the appointment on April 12, 2001 and the Texas Senate confirmed the appointment on April 25, 2001.